



INDUSTRI KAPITAL

Press release

19 September 2005

Industri Kapital Exits Dyno Nobel

Industri Kapital (“IK”) and co-owner Ensign-Bickford Industries (“EBI”) have signed an agreement to sell Dyno Nobel, a leading commercial explosives company, to a consortium of institutional investors lead by Macquarie Bank for 1.7 billion US dollars. The consortium’s objective is to focus on Dyno Nobel’s North American and Australian assets and as a result it has entered into an agreement to sell certain assets to Orica Limited (“Orica”).

Dyno Nobel is a world leading commercial explosives company with 5,800 employees in 36 countries, research and technology facilities on four continents and sales of 1.4 billion US dollars per year.

Following IK’s acquisition of Dyno ASA from the Oslo Stock Exchange in August 2000, Dyno’s chemical business was merged with Neste Chemicals to form Dynea Oy, also controlled by IK. In close co-operation with management, IK has, through divestment of non-core assets, transformed the remainder of the Group into the focused Dyno Nobel of today - a full-service explosives provider in many of the world’s major markets. In addition, measures were taken to substantially streamline the company’s cost base by reducing operating expenses. During IK’s ownership Dyno Nobel has made several strategic add-on acquisitions globally. The two most significant were the industry-transforming merger with the Ensign-Bickford Company in 2003, which gave the company market leadership in initiation systems, and the acquisition in 2004 of El Paso’s ammonium nitrate facilities in the important Western US coal regions.

During IK’s ownership Dyno Nobel sales and EBITDA have increased by approximately 100% and 170% respectively.

Kim Wahl, Partner at IK said, “This has been a very good investment for IK, and clearly demonstrates our dedication to building best-in-class companies and improving operational performance. We have worked alongside a strong and dedicated management team to focus the business, achieve operational excellence and grow the company organically and through selective strategic add-on acquisitions. We would like to recognize the tremendous effort and commitment of the Dyno Nobel employees and management team over the last five years.”

Macquarie will focus Dyno Nobel geographically on the North American and Australian markets and will explore a range of future options for the company, including the potential for an IPO on the Australian Stock Exchange in the first half of 2006. Consequently, Macquarie has agreed with the Australian chemical and explosives company Orica to sell to it most of the European, Middle Eastern, African, Asian and Latin American businesses.

Macquarie’s acquisition of Dyno Nobel is subject to regulatory approvals and is currently expected to be completed in late November 2005. Macquarie’s subsequent on-sale of assets to Orica will also be subject to subsequent regulatory approval.

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- **M&A advisors:** Citigroup Global Markets Limited
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- **Audit and Tax:** PricewaterhouseCoopers LLP

Industri Kapital

Industri Kapital is a European private equity firm with Nordic roots, managing close to 4 billion euros in fund commitments. Since 1989, Industri Kapital has acquired 54 European companies. The current portfolio encompasses 24 companies with a total turnover of close to 9 billion euros.

Industri Kapital invests mainly in mid-sized companies with strong cash flow and profit improvement potential, operating in mature industries with fundamental underlying growth. Over the years Industri Kapital has developed significant sector experience, principally in the manufacturing, process and building material retail and services industries. In the mining, process and construction sectors, Industri Kapital has invested in Dyno Nobel, SSK, Dynea, Noviant, CPS, Paroc, Addum and Consolis in Scandinavia; Laho and Bonna Sabla in France and DSI in Germany.

For further information on Industri Kapital: www.industrikapital.com