

To the OMX/Copenhagen Stock Exchange and the press

Copenhagen, 4 January 2007

*Summary: In January, Scandinavian Private Equity A/S (SPEAS) will apply for listing on the OMX/Copenhagen Stock Exchange and expects to raise around DKK 1bn for investment in private equity funds. SPEAS will become the first Danish listed company to offer a wide group of investors access to invest in private equity funds. SPEAS focuses on funds operating in the Nordic countries where, historically, highly attractive returns have been generated. SPEAS was created at the joint initiative of Amagerbanken, Jyske Bank, Nykredit, Spar Nord and Sydbank.*

### **SPEAS to float private equity investments**

In the course of January, Scandinavian Private Equity A/S (SPEAS) will apply for listing on the OMX/Copenhagen Stock Exchange and offer new shares to the tune of DKK 1bn. SPEAS will become the first listed company in Denmark to offer a wide group of investors access to invest in private equity funds.

SPEAS was created at the joint initiative of Amagerbanken, Jyske Bank, Nykredit, Spar Nord and Sydbank. The five institutions have joined forces to create a unique investment product as a supplement to other offers to investment customers.

"In Denmark, so far only institutional investors and very wealthy private individuals have had access to invest in private equity. Since private equity is an attractive asset class which has historically outperformed other asset types, we would like to open the doors to private equity funds for a broader group of investors. We will do so by means of SPEAS which is a fund-of-funds company that will pick the best funds and limit the risk by spreading investments on several funds," says Henning Kruse Petersen, Group Managing Director of Nykredit, on behalf of the initiators. Henning Kruse Petersen is Chairman of Scandinavian Private Equity Partners A/S, management company and adviser to SPEAS.

Jens Erik Christensen, Chairman of SPEAS and former CEO of Codan, emphasises that the listing of SPEAS should provide a transferable share and ensure that the share price is quoted on a current basis. Given the fact that it will take a long while until SPEAS has invested its capital in full and that private equity funds have an investment horizon of typically three to seven years, he also underlines that SPEAS represents an investment opportunity for long-term and experienced investors.

"With initial capital totalling around DKK 1bn, we expect SPEAS to become an attractive partner to the best private equity funds. We have had talks with several funds about their views on having a listed company as an investor, and this dialogue has been very positive," says Jens Erik Christensen.

SPEAS expects to announce its first commitment to a private equity fund when the company presents its prospectus and terms for subscription for the new shares. The new shares will be sold through Amagerbanken, Jyske Bank,

Nykredit Bank, Spar Nord Bank and Sydbank. The financial advisers during the initial public offering are ABN AMRO and Advizer.

### **Investment strategy**

SPEAS will focus on funds which primarily invest in Europe and where at least one of the Nordic countries is included in their geographic focus with buy-out funds as the main target. SPEAS will only invest elsewhere in exceptional cases. SPEAS has decided to focus in on the Nordic countries and buy-out funds because the company management has a strong network and long-standing experience within these fields and because of the historically very attractive return in these particular fields.

According to Thomson Venture Economics's research database with over 100,000 private equity transactions and EVCA, the annual return on private equity investments in 1980-2005 was 18.2% in the Nordic countries and 13.7% in Europe. This exceeds the returns on shares and bonds for the same period. In the Nordic countries, the top quarter of private equity funds generated an annual return of 48.8% during the period (based on actual cash flows).

SPEAS will invest as much of its capital as possible directly in private equity funds or in co-investments together with the funds. Investments in the funds will initially be made by SPEAS making an investment commitment for a given amount, but usually the commitment will not be fully utilised until after a number of years, just as the funds generate income from divestments along the way. Therefore SPEAS's cash resources need not equal the company's total commitments to the funds. SPEAS will utilise this buffer to make commitments to private equity funds for a total amount equal to 135% of SPEAS's equity.

Until SPEAS's capital has been fully invested in private equity funds, the company will invest any excess liquidity in listed private equity shares or derivative instruments. Part of the excess liquidity will also be invested in listed bonds and corporate bonds with high credit ratings.

### **Network and experience**

Due to the structure around SPEAS, shareholders will gain access to a strong network and broad experience within private equity investments. From day one SPEAS will have a management company continuously monitoring the private equity market and picking the best funds based on in-depth analysis of their results and strategy and the persons behind the funds. The management company will also conduct a due diligence of the funds in which investments are made.

Based on SPEAS's overall investment strategy, the management company will propose investment candidates to the Board of SPEAS, which will decide on individual investments, conclude and renegotiate agreements, eg with the management company, and is generally responsible for the tasks and obligations of a listed company.

The management company Scandinavian Private Equity Partners A/S is owned by the five financial institutions behind the initiative and its Board of Directors has long-standing professional experience with private equity. For its services, the management company will receive an annual fee of 1% of SPEAS's market value and a performance fee of 10% of SPEAS's return on investments in private equity that exceeds 10% pa.

**Board of Directors of SPEAS:**

**Jens Erik Christensen** (56), Chairman, former CEO of Codan and Codan Forsikring, Deputy Director of Trygg-Hansa Försäkrings AB.

**Ole Steen Andersen** (60), Executive Vice President and CFO of Danfoss.

**Michael Brockenhuus-Schack** (46), MSc (Agronomics), co-owner of Giesegaard & Juellund agricultural and forestry properties, member of the Danish Agricultural Council and member of the Board of Danish Agriculture.

**Henning Kruse Petersen** (59), Group Managing Director of Nykredit Holding, chairman of Nykredit Bank, Advizer, ErhvervsInvest Management and the EQT Mezzanine fund, senior adviser to several EQT funds. Henning Kruse Petersen has been appointed representative of the management company pursuant to SPEAS's Articles of Association.

**Board of Directors of the management company:**

**Henning Kruse Petersen**, Chairman (see above).

**Niels Heering** (51), attorney-at-law and Managing Partner of the law firm Gorrissen Federspiel Kierkegaard, chairman of EQT Partners, director of Danske Private Equity, former chairman of Dansk Kapitalanlæg A/S and deputy chairman of TDC.

**Claus Gregersen** (45), partner of the investment company Select Partners, director of S.W. Mitchell European Fund, ATRIUM Partners, Nordic Asset Management, etc, former CEO of Alfred Berg Bank, Copenhagen, and Alfred Berg UK, and an active private equity investor.

**Executive Board of SPEAS and the management company**

**Ole Mikkelsen** (42) is CEO of SPEAS and has for the past three years been in charge of private equity investments in Nykredit. He has previously held positions in Lønmodtagernes Dyrtdidsfond and Danske Securities. Ole Mikkelsen is CEO of both SPEAS and the management company and shares his time between the two companies.

For further information on SPEAS, please refer to [www.speas.dk](http://www.speas.dk) or contact:

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