

Cervera buys DUKA stores in Sweden

Cervera has signed an agreement to acquire most of the Swedish DUKA stores as well as NK Glas, Porsling & K k. Cervera intends to carry out a new issue to finance the acquisition as well as the costs for the launch of Cervera's new store concept in autumn 2009.

By acquiring the DUKA stores and NK Glas, Porslin & K k, Cervera will strengthen its position as one of Sweden's leading retailers of gifts, kitchen and table setting products. The acquired assets in DUKA consist of most of the store locations, store fixtures and fittings, existing external stocks and the DUKA store brand in the Swedish market. The acquisition also includes the company that conducts operations at the NK department stores in Stockholm and Gothenburg. The deal is subject, among other things, to approval from the Swedish Competition Authority and to the property being transferred to Cervera no later than June 2009. The seller is CG DUKA Retail AB.

Once the acquisition is completed, Cervera will carry out a new issue. The proceeds from the new issue will be used, among other things, for payment of the purchase price, build-up of stocks and conversion of the DUKA stores taken over and existing Cervera stores to Cervera's new store concept in autumn 2009. The rights issue will also strengthen Cervera's financial position.

"This is a very good opportunity for Cervera to take advantage of the opportunities that arise in the market. Over the past year, Cervera has developed its store concept and product range strategy, and improved the efficiency of its store operations. This has created a good platform for further expansion," says Stein Petter Ski, SVP Investments and Portfolio Companies at Hakon Invest.

"This acquisition will provide Cervera with good opportunities to achieve its long-term targets more quickly. It will be exciting to launch a new and more dynamic Cervera in autumn 2009," continues Stein Petter Ski.

Cervera in brief

The Cervera store chain was established in 1987 and is today one of Sweden's biggest retailers within the segments glass, porcelain, cutlery, kitchen and furnishings with products from known brand suppliers. Cervera has 48 stores throughout Sweden and employs 154 people. In 2008 Cervera's store sales totaled SEK 545 M, including the franchise stores. Cervera's largest owner is Hakon Invest with an 81% stake in the company.

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