

## OFI Private Equity Capital acquires Flexitallic for €100 M creating a worldwide leader in industrial sealing solutions

OFI Private Equity Capital and Holding Baelen Gaillard, majority shareholders of Siem Supranite (« Siem »), announce the acquisition of The Flexitallic Group, Inc. (« Flexitallic ») from funds advised by Cravey, Green and Wahlen Inc. OFI Private Equity Capital and Holding Baelen Gaillard will undertake to integrate these two companies who have worked together for almost 60 years, while fully respecting their individual cultures.

Based in Houston, Texas, Flexitallic ([www.flexitallic.com](http://www.flexitallic.com)) generated revenues of €56 million in the fiscal year ended September 30, 2007. The company develops, produces and distributes a large range of high quality, high value industrial static sealing products used in refineries, chemical and petrochemical facilities. One of the leading brands in the industry since its development of the spiral wound gasket in 1912, Flexitallic is recognized for its innovative products and materials, in particular Thermiculite®. Flexitallic has three manufacturing facilities in the United States and the United Kingdom and has a worldwide distribution network comprised of over 750 distributor partners in 46 countries.

Based in Paris, Siem ([www.siem.fr](http://www.siem.fr)) has been one of the market leaders in France for many years. Siem develops and produces industrial sealing solutions for the refining, petrochemical and specialty chemical industries and more particularly in the nuclear power generation market for more than 30 years. Siem has a dedicated technical sales force providing national coverage with local facilities next to customers. Siem generated revenues of €20 million for the fiscal year ended June 30, 2007 and has been recently developing a presence in Germany.

The combination of Flexitallic and Siem is based first and foremost on the French, American and British management teams who have worked closely together for more than 15 years. Additionally, the strength of the combination is based on the technical and commercial know-how and the geographic complementarity of the two companies. This transaction will create one of the leading companies in the world in this field. Global management of the group will be led by François de Gaillard and Pierre Baelen, while operational management will be led by Jerry Lastovica CEO Western Hemisphere, and Rémi Tolédano CEO Eastern Hemisphere.

The new combined group will generate annual revenues in excess of €75 million, with a worldwide distribution network and strong market positions in the petrochemical and nuclear power generation industries, enabling a new phase of growth.

As a result of the transaction, funds managed by OFI Private Equity will own 55.5% of the share capital of the combined group, of which 50.7% will be held directly by OFI Private Equity Capital for a total investment of €22.8 million (of which €13.6 million was invested at this time). Holding Baelen Gaillard and the management teams will own 30.0% of the share capital, with Capzanine and AXA Mezzanine owning the remaining 14.5% of the share capital.

Including the original Siem transaction, the Flexitallic transaction has been structured on a reasonable basis, with 46% in equity and mezzanine capital arranged by OFI Private Equity and Capzanine, and 54% in senior acquisition debt arranged by Landsbanki and Société Générale.

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### CONTACTS

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**Olivier Millet, President of the Management Board of OFI Private Equity said:** « *We are delighted to be able to bring together such fine companies as Flexitallic and Siem. The birth of a new worldwide group with such strong and exciting development opportunities should create significant value. OFI Private Equity Capital will help the new group pursue and implement its international development strategy over the long term* ».

**Pierre Baelen and François de Gaillard, Global CEOs of the new combined group said:** « *The significant involvement of the management teams, the complementary know-how and market positions, along with the common cultures of the Flexitallic and Siem teams, who have known and respected each other for many years, will be the guarantors of success of the new group in a very dynamic market* ».

**Jean-François Mallinjoud, Investment Director of OFI Private Equity said:** « *After completing the public-to-private acquisition of IMV Technologies in September, OFI Private Equity Capital has demonstrated its ability to complete a complex cross-border transaction. We take this opportunity to thank the senior debt and mezzanine providers who have shown confidence in the management teams of Flexitallic and Siem, thus supporting this ambitious and exciting industrial integration* ».

**Jerry Lastovica, CEO of Flexitallic and Rémi Tolédano, CEO of Siem declared in conclusion :** « *The management teams of both Flexitallic and Siem are thrilled to be associated with OFI Private Equity Capital in bringing together these two historical partners* ».

#### **Advisers and partners to the transaction:**

**OFI Private Equity:** Jean-François Mallinjoud, Erwann Le Ligné, Yannick Grandjean

**Holding Baelen Gaillard:** Pierre Baelen, François de Gaillard, Jérôme Lefèvre

**Siem Supranite:** Rémi Tolédano, Philippe Pottier, Alain Studinger

#### **Financial adviser to the transaction**

**Antares International Partners, Inc.:** Gary Cole, Warren Dewar

#### **Legal advisers**

**SJ Berwin LLP:** Maxence Bloch, Pierre Louis Sevegrand Lions, Patrick Guarda, Fanny Combourieu

**Kilpatrick Stockton LLP:** Rich Cicchillo, Naho Kobayashi, Sharon Nixon, Adwoa Awotwi, Lynn Fowler, Chintan Amin

#### **Debt providers**

**Landsbanki:** Agnes Hugot, Alison Timme, Sigg Haraldsson

**Société Générale:** Anne Bucheli, Marc Alix, Jacques Kastner

#### **Mezzanine providers**

**Capzantine:** Laurent Bénard, David Hoppenot

#### **Due Diligence advisers**

**Financial and tax:** Ernst & Young LLP. Christophe Mangin, Sylvain Dominici, Emmanuel Picard, Bill Casey

**Strategic and market:** Arthur D. Little. Roger Hill, Ben Thuriaux, Kirsty Ager, Max Robinson

**Environmental:** ERM. Dave Einolf, Bob Carson

**Insurance:** Aon. Delphine Sztermer, Christian Mergier, Gary Blitz

#### **Legal adviser to debt and mezzanine providers**

**Linklaters:** Arnaud Fromion, Sabrena Silver, Eric Fiszelson, Adrien Paturaud

#### **Vendor**

**Funds advised by Cravey, Green and Wahlen, Inc:** Michael Long

#### **Financial adviser to the vendor**

**Sagent Advisors Inc.:** Hal Ritch, Erik Jensen

#### **Legal adviser to the vendor**

**Haynes and Boone LLP:** Art Berner, Kendall Hollrah

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## > ABOUT OFI PRIVATE EQUITY CAPITAL

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Listed on Euronext Paris (Code OPEC) OFI Private Equity Capital is the main investment company of OFI Private Equity, which invests in both equity and mezzanine in secondary buy-outs of French companies with enterprise values of between €15 and €75 million that have been the subject of a previous LBO.

[www.ofi-pecapital.com](http://www.ofi-pecapital.com)

## > ABOUT OFI PRIVATE EQUITY

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OFI Private Equity is the investment management company of Group OFI dedicated to private equity investments in secondary buy-out transactions. OFI Private Equity manages more than €150 million through different listed and un-listed investment companies and invests in both equity and mezzanine in French companies with enterprise values of between €15 and €75 million. OFI Private Equity is a dynamic actor of the LBO market in France.