



CAPZANINE

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Constituting a leader in industrial sealing products

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After a partnership lasting close to half a century, the Siem Supranite Group is buying out its main supplier, the Flexitallic Group, with the support of Capzanine.

During a LBO in December 2006 the investment fund OFI Private Equity and Capzanine made their entry into the Siem Supranite Group, which develops and manufactures industrial sealing solutions in the sectors of refining, petrochemicals, fine chemicals and most particularly in the nuclear industry. The objective was to provide the present management of Pierre Baelen and François de Gaillard with the necessary resources to accelerate the Group's development after the buyouts of MRO at the end of 2004 and of Induseal in mid 2005.

With this new financial strength behind it, the Group then decided to acquire the company that had been their main supplier for nearly 60 years from an investment fund. Texas based Flexitallic is one of the world leaders in the design, production and distribution of a large range of industrial seal solutions for refineries and for chemical and petrochemical plants.

As a result of exceptional know how and natural synergies, the Group will become not only one of the world's key players in the industrial seals sector but also the most technically specialised. Capzanine is funding the acquisition, both mezzanine and equity, alongside OFI Private Equity. The geographic complementarity of the two companies and their combined technical knowledge will be the main drivers for their future growth. This acquisition will enable Siem to both address the American nuclear market and strengthen its presence in China, and enable Flexitallic to strengthen its commercial dynamism. Finally the acquisition will open doors to the new energies market (e.g. bio-ethanol plants).

The Group's general management will be the joint responsibility of François de Gaillard and Pierre Baelen and operational responsibilities will fall to Jerry Lastovica (CEO Western Hemisphere) and Rémi Tolédano (CEO Eastern Hemisphere).

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