

# Press Release

11. april 2011



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Side 1/2

## **Axcel posts investment profit of DKK 11.5 billion**

**2010 was in many ways Axcel's best year yet – with the IPO of PANDORA, establishment of Axcel IV and preparation for the sales of EskoArtwork, Netcompany and HusCompagniet, which were completed at the start of 2011.**

This high level of activity means that Axcel posted a profit of DKK 11.5 billion on investing activities for 2010, which is one of the best results in Europe measured by return. Much of this can be attributed to the combination of PANDORA's very fine results and successful IPO, but the majority of Axcel's other companies also performed very well. Without PANDORA, Axcel's profit would be over DKK 500 million, equivalent to a return of 21%.

Equally importantly, the good results have made it possible to pay out a significant amount to Axcel's investors. At year-end 2010 approx. DKK 11.4 billion had been returned to investors in the first three funds over Axcel's lifetime, which is more than double what has been invested to date. In addition, Axcel still owns 12 companies and a substantial shareholding in PANDORA in these three funds, valued in 2010 at DKK 11.8 billion.

At the same time, across the board Axcel's companies achieved both top-line and bottom-line growth in 2010, which means increased tax payments and more jobs in Denmark, Sweden and other countries. As approx. 40% of Axcel's investors are pension funds, the results also benefit general pension savers, thus effectively aligning the interests of investors with the political sphere, wage earners and the wider public.

"These are extremely satisfying results for Axcel, and we're both pleased and proud," says Christian Frigast, Managing Partner at Axcel.

"There is no doubt that we have now emerged on the other side of the financial crisis, and can see there is more growth on the horizon. This has also had an impact on our companies, and has been a contributory factor in their good results. However, we're still seeing a clear tendency to outsource production to other countries, and we can now state that the vast majority of the employees in Axcel-owned companies are working outside Denmark. I'm sure this is a subject that will be included in future growth plans from the political quarter," says Christian Frigast.

Turning to the outlook for the year ahead, he continues: "It's clear that the results for 2010 will be extremely hard to reproduce in the short term, although of course that is our ambition. Much will depend on developments in PANDORA, but we are confident that our other companies will perform well too. This is why we're very optimistic about 2011."

This faith in the future is confirmed by the fact that Axcel's new fund – Axcel IV – is now up and running. The fund has total committed capital of DKK 3.6 billion and has been established on the basis of capital commitments from a number of the investors who also invested in Axcel's existing funds, plus a number of new investors. It is a mixture of family funds, companies and a number of large international investors. Like Axcel III, Axcel IV will concentrate on investing in medium-sized Danish and Swedish companies, typically with revenues between DKK 300 million and DKK 3 billion. The fund has already made its first investment, in the Nordic company Nordic Waterproofing.

**Further information:**

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**About Axcel**

Axcel was founded in 1994 and now has a wide range of Danish and international investors. Axcel focus on medium-sized companies in Denmark and Sweden. Axcel has a total committed capital of approximately DKK 10bn through four private equity funds. With 35 investments, Axcel has made more investments in medium-sized Danish companies than any other private equity fund in Denmark. So far, 22 of the companies in which Axcel have invested has been further developed and sold or listed at the stock exchange. Today Axcel's investments comprise 13 companies in widely differing sectors with an overall turnover of approximately DKK 16bn and approx. 12,000 employees. Since its inception, Axcel has built a comprehensive industrial network in Denmark, Sweden and abroad, not least by making more than 45 significant add-on acquisitions.  
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