

Press Release



AXA Private Equity sells Diplomatic Oleodinamica to Progressio Sgr

Milan, 9th April 2013. AXA Private Equity, the leading European diversified private equity firm, has signed a binding agreement with Progressio SGR, on behalf of the Fund Progressio Investimenti II, to sell its majority [88%] stake in Diplomatic Oleodinamica.

Based in Parabiago, Milan, Diplomatic Group is a producer of hydraulic valves, pumps and oil-pressure activated systems which are mainly utilised in industrial applications for industries such as energy, machine tools, construction machineries, rubber and wood industry as well as naval and agricultural industry.

AXA Private Equity acquired the majority of the Group in 2008 with the objective of strengthening its market position. The firm implemented a growth strategy, working alongside the management, based on refocusing on the core business and international expansion. In line with this plan, in 2011 AXA Private Equity helped Diplomatic acquire Continental Hydraulics, a U.S. company with headquarters in Savage (Minnesota). In 2012, Diplomatic Group achieved a turnover of approximately €46 million, 70% of which was generated outside Italy, with an EBITDA of approximately €6.8 million.

Progressio Sgr has been supported in the acquisition by the management of the company, led by CEO Roberto Maddalon. The management will have a stake of more than 14%.

Paolo Bergonzini, Managing Director and Head of AXA Private Equity's Italian Small Market Enterprise Capital team, said: "With our guidance, Diplomatic has executed an international growth strategy which has allowed the Group to double its sales within five years. In keeping with AXA Private Equity's strategy, we used our international network to help the Group expand into new markets outside Italy."

Filippo Gaggini, CEO and Senior Partner of Progressio SGR, said: "Diplomatic Group represents an excellence in the Italian mechanical industry. We are very pleased to be able to support a management team of high standing to proceed in the growth path that will continue the process of diversification, with the aim of strengthening its position in Northern Europe, China and the United States and also increase its product portfolio and services"

Roberto Maddalon, CEO of Diplomatic Oleodinamica, added: "I thank AXA Private Equity for its continued support over the last five years, which helped us achieve our ambitious growth targets. Now we are ready to face new challenges with the expertise and network of Progressio SGR."

ABOUT AXA PRIVATE EQUITY

AXA Private Equity is a world leader in private equity, with assets of \$31 billion managed or advised in Europe, North America and Asia. The company offers its investors a wide choice of funds covering the full range of asset classes: Funds of Funds (primary, early secondary and secondary), Direct Funds including Infrastructure, Small and Mid-Market Enterprise Capital, Innovation & Growth, Co-Investment and Private Debt.

With offices in Beijing, Paris, Frankfurt, New York, Singapore, Milan, London, Zurich, Jersey and Luxembourg AXA Private Equity is committed to supporting companies in their long-term growth by providing access to its international network. AXA Private Equity sets great store by the regularity and quality of its reporting on the performance of its funds and the performance of the companies in its portfolio, as a service to its investors.

AXA Private Equity, Global Investments the European way

www.axaprivateequity.com

ABOUT PROGRESSIO SGR

Progressio SGR is an independent private equity firm managing about 306 million Euros through two funds: Progressio Investimenti (with a capital commitment of 100 million Euros, currently totally invested and partially divested) and Progressio Investimenti II (with a total capital commitment of 206 million Euros, of which 16 million Euros by the Management Team).

Our mission is to invest in small and medium sizes companies with revenues between 20 and 200 million Euros and with high potential growth in the industrial and service sectors, targeting majority and qualified minority stakes through buy-out / buy-in transaction and expansion financing. Progressio approaches families companies and entrepreneur strongly motivated with high operational abilities.

TEAM BUYER AND SELLER

Progressio Sgr: Filippo Gaggini, Stefania Petruccioli, Alessandro d'Arco, Vincenzo Barbiero
AXA Private Equity: Paolo Bergonzini, Marco Molteni, Michela Peigottu

ADVISORS FOR THE SELLER

Advisor M&A: UBS Italia (Franco Cappiello)
Legal: Studio legale Gattai, Minoli, Partners (Stefano Catenacci)
Fiscal: CBA Studio Legale e Tributario (Diego De Francesco)
Financial aspects: KPMG (Matteo Contini)
Enviromental aspects: Cristina Giordano

ADVISORS FOR THE BUYER

Legal: Pirola, Pennuto, Zei & Associati (Maurizio Bernardi, Francesca De Fraja)
Accounting and Fiscal DD: Ernst&Young (Marco Mazzucchelli, Roberto Lazzarone)
Business DD: Long Term Partners (Luca Bettale)
Structur: Studio Salom, Riccardi; Tedeschi (Maurizio Salom)
Insurance DD: Insurance Lab (Roberto Santoro)
Enviromental DD: Greenwich (Mario Pinoli)

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