

# Press Release



## AXA Private Equity provides Unitranche financing for Kermel acquisition.

**Paris, London, July 31<sup>st</sup>, 2012.** AXA Private Equity, the leading European diversified private equity firm, has provided a Unitranche financing for the acquisition of Kermel by Qualium Investissement from Equistone Partners Europe.

Kermel is the world's only producer of fire resistant polyamide-imide (PAI) fibers for textile, technical and industrial applications. Founded in 1992, Kermel employs over 100 people and generated €37.5 million of sales in 2011, with two-thirds dedicated to markets outside France.

Kermel fiber was developed through research at Rhône-Poulenc and is manufactured at the Colmar site, which has a production capacity close to 2,000 metric tons. Kermel fibers are designed for two different applications: protective clothing for firefighters, police and military units, and work clothes for hazardous occupations in industries such as petrochemicals, steel, glass and electricity.

The deal reaffirms AXA Private Equity's position as the market leader in Europe in Unitranche financing, having invested around €400million in 2011 (in FDS Group, Unither Pharmaceuticals and Biomnis). The role of Unitranche financing has increased as companies seek to finance growth as the European economic turbulence continues. By blending the entire debt financing piece into one single tranche through combining the senior and subordinated debt, companies have greater access to the necessary resources to finance their investment projects, providing them with a viable alternative to traditional bank financing.

Cécile Mayer-Lévi, Head of Private Debt at AXA Private Equity, said: "We are delighted to have provided this financing as it gives Kermel the opportunity to move forward in its development. Unitranche was chosen as it is a more flexible method of financing, allowing additional cash for development and new production capacity for the company. In this tough environment, Unitranche financing has become an important way to finance future investments and enhance value creation."

Venkatesh Tulluri and Markus Schwyn, co-head of Kermel, confirmed that: "this Unitranche financing provided by AXA Private Debt will bring more flexibility to the group and will allow Kermel to devote part of its cash generated to increase its production capacity and enhance current products' offering".

### ABOUT AXA PRIVATE EQUITY

AXA Private Equity is a world leader in private equity, with assets of 28 billion dollars 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 Paris, Frankfurt, New York, Singapore, Milan, London, Zurich, Vienna 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**

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### **ABOUT KERMEL**

Kermel as it exists today came into being in July 1992, in the form of a joint-venture set up by Rhône-Poulenc Aramides and Amoco Fabrics & Fibers Company.

After Rhône-Poulenc bought Amoco's shares, Kermel became a fully-owned subsidiary of Rhône-Poulenc in August 1996. In 1998, Kermel joined Rhodia before being acquired by its management team through a MBO alongside Argos Soditic in September 2002.

In 2007, Equistone became the reference shareholder of Kermel until today and the current transaction with Qualium being the new majority shareholder of the Company alongside the management team.

### **LIST OF PARTIES INVOLVED**

*Lenders:* AXA Private Debt - Cécile Mayer-Lévi, Jean-Marc Fiamma, Grégory Pernot

*Buyers:* Qualium - Paul Costa de Beauregard, Boris Podevin, Cyprien Choutet, Julie Khayat

*Sellers:* Equistone - Guillaume Jacquau, Julie Lorin, Grégoire Schlumberger

#### Advisors:

- *Legal:* Paul Hastings (Qualium), SJ Berwin (AXA Private Debt), Hoche (Management), HPML (Equistone)
- *Financial:* Eight Advisory (Qualium), Callisto (Management)
- *M&A:* Gimar Finance (Qualium), BNP Paribas Corporate Finance (Equistone)
- *Strategic:* Gherzi, Alcimed
- *Environmental:* ERM
- *Insurance:* Marsh

### **PRESS CONTACTS**

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