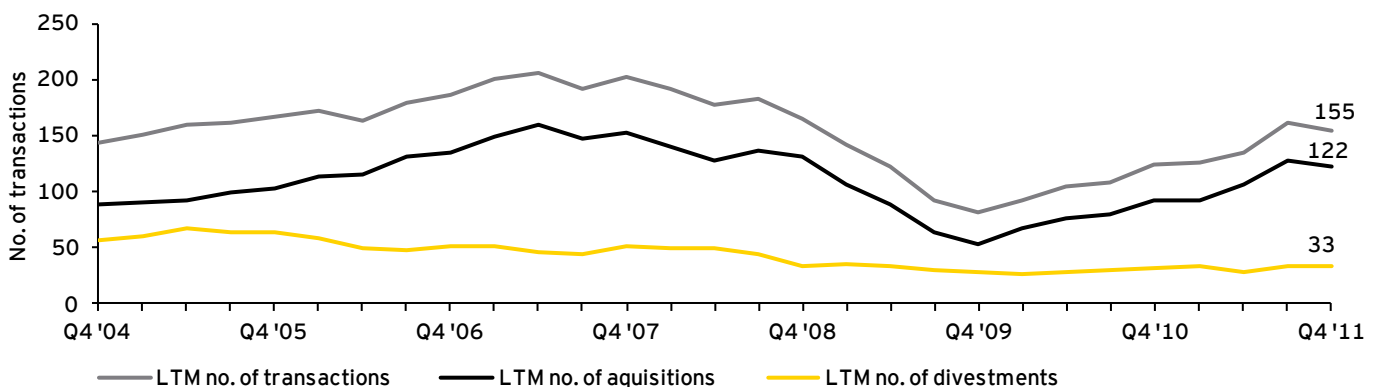


Corporate Transaction Trends

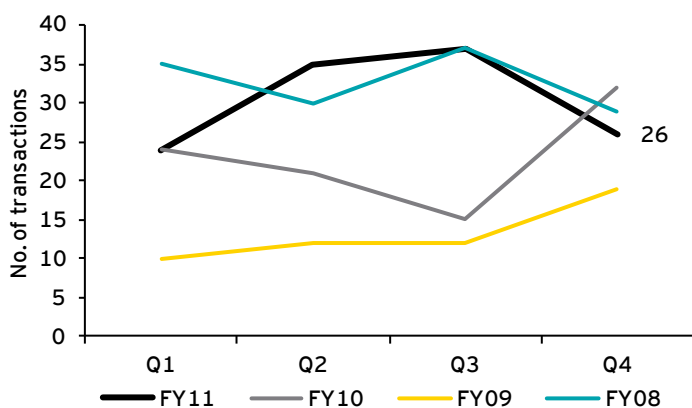
Strong year for transactions ends in uncertainty

- ▶ Corporate Transaction Trends, a quarterly publication that aims to identify trends in the level and direction of transactions completed by Sweden's largest companies, reports a strong year for transactions in 2011.
- ▶ During 2011, large Swedish companies completed 155 transactions. This represents an increase of 25% compared to 2010 and is 91% higher than the record low number in 2009. However, transaction activity in 2011 was still 6% below 2008 levels and 24% below the 203 deals completed during 2007.
- ▶ Acquisitions increased by 33% in 2011 compared to the previous year driven by medium-size deals, which doubled in number compared to 2010.
- ▶ The number of completed divestments during 2011 increased by 3% year on year to 33 deals, of which 39% were larger divestments involving targets with a turnover of more than M€ 100.
- ▶ The overall strong transaction activity during 2011 was offset in part by a relatively modest end to the year with 33 deals completed in Q4 2011. This represents a 31% decrease compared to the very strong Q3 2011 and an 18% decrease year on year.
- ▶ Additionally, the pipeline of announced but not yet completed transactions at the end of 2011 is somewhat smaller than it has been during the year.
- ▶ The outlook for transaction activity in 2012 is uncertain. There are similarities between 2011 and 2008, both in the number of completed transactions as well as the financial crisis in the final quarter.
- ▶ Fundamentally, however, corporate sector balance sheets remain strong at the end of 2011 and the challenges of globalisation are undiminished. Therefore, we take the view that 2012 will see a "soft-landing" in transaction activity with a decrease of circa 20% to around 120 completed deals, and not the "crash-landing" that occurred in 2009.

Rolling last twelve months (LTM) transactions

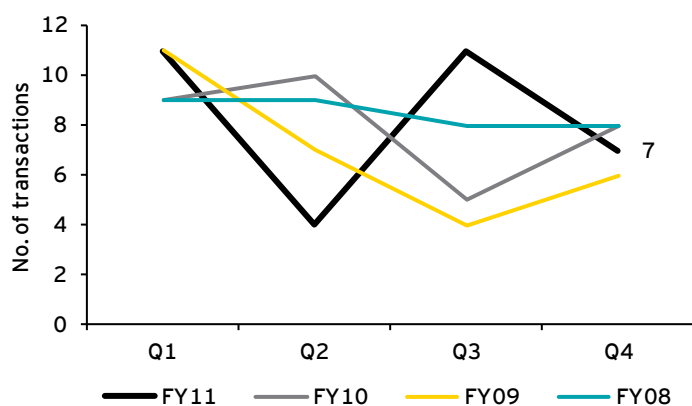


Year on year quarterly acquisitions



- ▶ The largest transaction completed in 2011 was ABB's acquisition of Baldor Electric Company. Other notable transactions during the year include the takeovers of Cardo (by Assa Abloy), Niscayah and Q-Med. The latter was one of a number of larger healthcare transactions in 2011, which also included divestments by AstraZeneca, Capio and Gambro.
- ▶ During 2011, the Nordic region and Western Europe accounted for 63% of total completed acquisitions, a 10 percentage point increase compared to the record low share in 2010. Conversely, the share of acquisitions in the US decreased from 23% in 2010 to 13% of total acquisitions in 2011. Acquisition activity in Asia was again relatively subdued.
- ▶ Overall, the most active industry sectors in 2011 were Manufacturing and construction and Finance and real estate representing 42% and 21% of total completed transactions, respectively.

Year on year quarterly divestments



Q4 2011 - largest transactions (ranked by Enterprise Value)

Date	Target	Seller	Buyer	Enterprise Value (100%)	Target Turnover
				M€	M€
Acquisitions					
2011/11	Atrium Medical	Private	Getinge	508	154
2011/10	Compania Tecno Industrial	Sigdo Koppers	Electrolux	392	329
2011/12	Industrial Contractors	Private	Skanska	104	386
Divestments					
2011/12	Vattenfall Distribution Poland	Vattenfall	Tauron Polska Energia	842	n.a
2011/10	Elekta (Anatomic Pathology Information System Business)	Elekta	Sunquest Information Systems	24	9
2011/11	Nordic Brass Gusum (50%)	Hexagon	Management	n.a	110

Sources: Press releases and latest available financial reports.

2011 - largest transactions (ranked by Enterprise Value)

Date	Target	Seller	Buyer	Enterprise Value (100%)	Target Turnover
				M€	M€
Acquisitions					
2011/01	Baldor Electric Company	Public Offer	ABB	3,142	1,061
2011/03	Cardo	Public offer	Assa Abloy	1,245	860
2011/05	Aalborg Industries	Altor Equity Partners	Alfa Laval	556	367
2011/11	Atrium Medical	Private	Getinge	508	154
2011/08	Schulthess Group	Public offer	NIBE Industries	466	242
2011/06	Säki	Public offer	Latour	398	262
2011/10	Compania Tecno Industrial	Sigdo Koppers	Electrolux	392	329
2011/09	Nucletron	Advent International Corporation	Elekta	365	128
2011/09	Olympic Group Financial Investments	Paradise Capital and public offer	Electrolux	335	376
2011/02	Agta record (33%)	Somfy	Assa Abloy	327	227
2011/04	Elidel	Novartis	Meda	290	83
2011/12	Industrial Contractors	Private	Skanska	104	386
Divestments					
2011/04	Autopista Central (50%)	Skanska	Alberta Investment	1,943	141
2011/04	CaridianBCT	Gambro	Terumo Corporation	1,877	392
2011/08	Astra Tech	AstraZeneca	DENTSPLY	1,254	400
2011/03	Capio Sanidad (80%)	Capio	CVC Capital Partners	1,125 ¹	372
2011/12	Vattenfall Distribution Poland	Vattenfall	Tauron Polska Energia	842	n.a
2011/02	Q-Med	Public Offer	Galderma Pharma	800	133
2011/09	Niscayah Group	Public offer	Stanley Black & Decker	795	738
2011/07	Cardo Flow Solutions	Assa Abloy	Sulzer	656	357
2011/01	SEB German retail business	SEB	Banco Santander	555 ²	n.a
2011/10	Elekta (Anatomic Pathology Information System Business)	Elekta	Sunquest Information Systems	24	9
2011/11	Nordic Brass Gusum (50%)	Hexagon	Management	n.a	110

Sources: Press releases and latest available financial reports.

¹ Source: Third party estimates

² Equity value

2011 and 2010 - by size

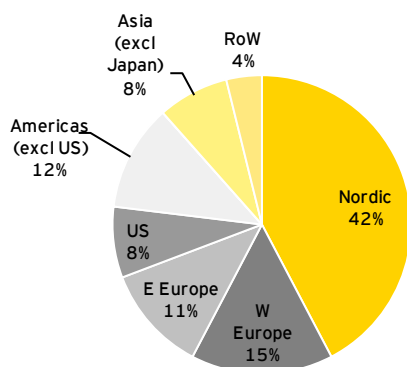
Acquisitions						
Target Turnover	Q1'11	Q2'11	Q3'11	Q4'11	2011	2010
under M€ 20	8	11	13	12	44	47
M€ 20 - 100	12	19	17	10	58	28
over M€ 100	4	5	7	4	20	17
Total	24	35	37	26	122	92

Divestments						
Target Turnover	Q1'11	Q2'11	Q3'11	Q4'11	2011	2010
under M€ 20	3	2	4	3	12	5
M€ 20 - 100	4	0	2	2	8	14
over M€ 100	4	2	5	2	13	13
Total	11	4	11	7	33	32

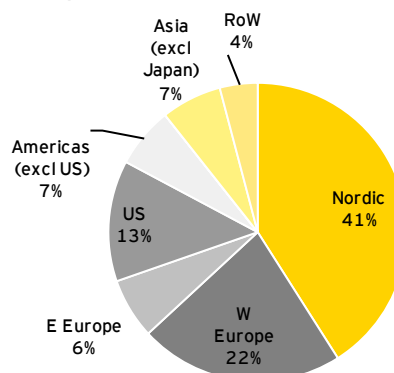
Q4 2011 and 2011- by industry sector and size

Industry sector	Target Turnover	Q4'11		2011	
	Band	Acquisitions	Divestments	Acquisitions	Divestments
Basic industries	under M€ 20	-	-	1	1
	M€ 20 - 100	-	-	4	-
	over M€100	-	1	1	1
Manufacturing and construction	under M€ 20	6	1	22	6
	M€ 20 - 100	6	-	23	2
	over M€100	2	1	8	4
Retail and consumer goods	under M€ 20	-	-	1	-
	M€ 20 - 100	1	1	5	1
	over M€100	1	-	4	-
Finance and real estate	under M€ 20	4	-	11	1
	M€ 20 - 100	1	1	10	4
	over M€100	-	-	3	3
Healthcare	under M€ 20	-	1	1	2
	M€ 20 - 100	-	-	3	-
	over M€100	1	-	2	4
TMT	under M€ 20	1	-	4	1
	M€ 20 - 100	1	-	4	1
	over M€100	-	-	1	-
Services	under M€ 20	1	1	4	1
	M€ 20 - 100	1	-	9	-
	over M€100	-	-	1	1
Total	under M€ 20	12	3	44	12
	M€ 20 - 100	10	2	58	8
	over M€100	4	2	20	13
Total		26	7	122	33

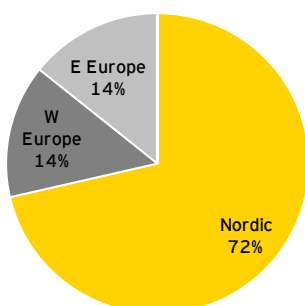
Q4 2011 - by geographic region
Acquisitions



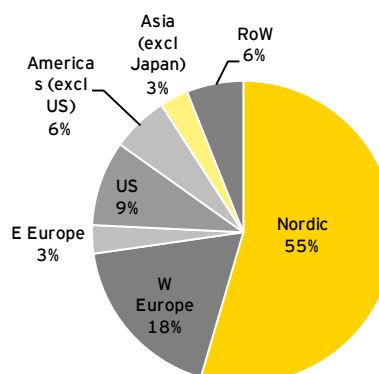
2011 - by geographic region
Acquisitions



Divestments



Divestments



Hot Topic - Supplier Financing



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- ▶ Supplier Financing, often referred to as **Supply Chain Financing (SCF)**, has grown in use over the past decade, and remains a hot topic for banks, Treasurers and Purchasing Managers alike.
- ▶ SCF enables a win-win situation, where both the company itself (the “buyer”) and its suppliers can improve their cash flow and working capital, and optimise the financing of the supply chain.
- ▶ The buyer, leveraging an efficient automated platform, creates transparency of its invoice approval, and thereby enables a bank to purchase invoices on the buyer from suppliers, taking only a pure buyer credit risk.
- ▶ Through this setup, suppliers can draw on a flexible additional source of off-balance sheet financing at an attractive cost, to get paid early, often in 5-10 days, improving their working capital, cash flow and KPIs.
- ▶ Setting up an SCF program can make the buyer more attractive as a customer, and reduce the risk in the supply chain. Further, in conjunction with a successful SCF roll-out, buyers can often negotiate extended payment terms and/or reduced prices.
- ▶ Examples of successful SCF programmes are now seen in most industries, including Automotive and other manufacturing, Retail, Telecom and Pharma; among which are several Swedish companies with suppliers in Europe, Asia, and/or North America.
- ▶ Well executed, an SCF program creates a true win-win solution. However, this requires a solid business case and a clear strategy from the buyer, effective cooperation with a bank and solution provider, and a structured, cross-functional approach with active involvement by e.g., Purchasing and Finance.
- ▶ Given the high potential value and several pitfalls to consider, independent advisors with hands-on SCF experience can provide valuable support to any company considering an SCF program, by performing a focused pre-study, advising on strategy, and supporting solution selection, program design and implementation.

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