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Press release Stockholm 29 September 2014

## Gränges to be listed

**Gränges AB (publ) (“Gränges” or the “Company”), a leading global supplier of rolled products for brazed aluminum heat exchangers, and Orkla ASA<sup>1</sup> (“Orkla”) announced on 10 September 2014 the intention to float Gränges. Gränges and Orkla have decided to proceed with the Initial Public Offering through the sale of existing shares (the “Offering”). The first day of trading is expected to be on 10 October 2014.**

### The offering in brief

- The Offering is directed to the general public in Sweden and Norway and to institutional investors. The Offering comprises 44.8 million existing shares in Gränges offered by Orkla, corresponding to 60 per cent of the total number of shares in the Company.
- Orkla has reserved the right to increase the Offering and sell an additional maximum of 9.0 million shares, corresponding to 12 per cent of the total number of shares in the Company. Furthermore, Orkla has granted an over-allotment option of up to 8.1 million additional shares, corresponding to up to 15 per cent of shares in the Offering (approximately 11 per cent of total number of shares in the Company).
- If Orkla decides to increase the Offering in full and if the over-allotment option is fully exercised, the Offering will comprise a total of 61.8 million shares, corresponding to approximately 83 per cent of the total number of shares in the Company.
- The final price in the Offering is expected to be set within the range of SEK 42 – 50 per share (the “Offering price”), corresponding to a market value of all shares issued by Gränges of approximately SEK 3.1 – 3.7 billion. The Offering price is expected to be announced on 10 October 2014.
- A prospectus with full terms and conditions is published today 29 September 2014 on the Company’s website at [www.granges.com](http://www.granges.com).

Johan Menckel, CEO of Gränges says:

“The listing of Gränges is a natural step for the company following our separation from Sapa in 2013. We have a leading global market position in our niche and will benefit from the underlying growth in our market. Furthermore, Gränges has a production platform that will enable growth with high operational efficiency and the management team looks forward to continuing to create value for both existing and new shareholders.”

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<sup>1</sup> Through its wholly owned subsidiary Orkla Industriinvesteringar AB.

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Anders Carlberg, Chairman of the board of directors of Gränges says:

“Gränges is part of Swedish industrial history and it belongs on the Stockholm stock exchange, accessible to shareholders, both new and old. The company has an attractive offering, skilled employees and a strong management team that will continue the development of the business.”

Peter A. Ruzicka, CEO of Orkla says:

“In accordance with Orkla’s strategic priority of focusing on the branded consumer goods sector, we now invite other investors to take part in Gränges’ continued journey. We believe that the listing of Gränges will provide improved strategic and operational flexibility for the company. A listing will also enable Gränges to access the Swedish and international capital markets, which will support the company’s continued growth and development.”

#### For further information, please contact:

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#### About Gränges

Gränges is a leading global supplier of rolled products for brazed aluminium heat exchangers used primarily in automotive applications. The Company develops, produces and markets advanced materials that enhance both the production economy during the customer manufacturing process as well as the performance of the final products, the brazed heat exchangers. Gränges’ vision is to help create smaller, lighter and more designable heat exchangers to increase economic efficiency and reduce environmental impact. Gränges operates through three geographical regions: Europe, Asia and Americas with production, research and development in Finspång, Sweden, and Shanghai, China. Through sales and technical support offices in the U.S., India, Japan, South Korea and an agent in Brazil, the Company serves customers worldwide. Gränges has a global leading position in its market niche with an estimated total market share of approximately 20 per cent.

A short summary of Gränges’ financial performance is provided below.

	H1 2014	H1 2013	2013	2012
<b>Net sales (SEKm)</b>	2,333	2,473	4,642	4,946
<b>Sales volume (ktonnes)</b>	83.1	81.8	158.6	151.7
<b>Adjusted operating profit<sup>2</sup> (SEKm)</b>	254	189	371	362
<b>Adjusted operating profit margin (%)</b>	10.9%	7.6%	8.0%	7.3%

<sup>2</sup> Operating profit adjusted for other income and expenses.

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## The Offering

- The Offering consists of two parts: an offering to the general public in Sweden and Norway and an institutional offering.
- The Offering comprises 44,783,600 existing shares in Gränges offered by Orkla, corresponding to 60 per cent of the total number of shares in the Company.
- Orkla has reserved the right to increase the Offering and sell an additional maximum of 8,956,700 shares, corresponding to 12 per cent of the total number of shares in the Company.
- To cover potential over-allotment in connection with the Offering, Orkla has undertaken, at the request of Carnegie Investment Bank AB (publ) ("Carnegie") and Skandinaviska Enskilda Banken AB ("SEB") (together the "Joint Global Coordinators"), to sell of up to 8,061,000 additional shares, corresponding to up to 15 per cent of the number of shares comprised by the Offering (the "Over-Allotment option"), representing approximately 11 per cent of the total number of shares in the Company.
- Assuming that the Offering is increased in full by Orkla and that the Over-Allotment option is exercised in full, the Offering will comprise a total of 61,801,300 shares, corresponding to approximately 83 per cent of the total number of shares in the Company.
- The Offering price is expected to be established by Orkla in consultation with the Joint Bookrunners, within a range of SEK 42 – 50 per share, based on the order book prepared in the book building procedure for institutional investors. The Offering price is expected to be announced on 10 October 2014. The Offering price to the general public in Sweden and Norway will not exceed SEK 50 per share.
- The total value of the Offering based on the price range amounts to approximately SEK 1.9 – 2.2 billion and approximately SEK 2.6 – 3.1 billion assuming that the Offering is increased in full and that the Over-Allotment option is exercised in full.
- Based on the price range in the Offering, the market value of all shares issued by Gränges is approximately SEK 3.1 – 3.7 billion.
- The application period of the Offering to the general public in Sweden and Norway is expected to take place between 30 September – 8 October 2014.
- The book building period for institutional investors is expected to take place between 30 September – 9 October 2014.
- The first day of trading on NASDAQ OMX Stockholm is expected to be 10 October 2014 and the shares will trade under the ticker "GRNG".
- The expected settlement date of the Offering is 14 October 2014.
- Carnegie and SEB are acting as Joint Global Coordinators and Joint Bookrunners in connection with the Offering. Danske Bank and Handelsbanken Capital Markets are also acting as Joint Bookrunners. Advokatfirman Vinge KB and Davis Polk & Warwell London LLP are legal advisors to the Company.

## Background and reasons

The industrial group Gränges was founded already in 1896 in Grängesberg, Sweden. The company comprised several industrial companies including Grängesbergs' mines, the railroad business TGOJ (Trafik AB Grängesberg-Oxelösund Järnväg), Oxelösunds' ironworks and a comprehensive shipping business. Gränges acquired Svenska Metallverken in 1969, including Finspongs Metallverk which had been producing aluminium since 1913, and in 1976 Gränges acquired the Sapa group. Electrolux

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acquired the Gränges group in 1980, restructured the business and divested several Gränges units. The aluminium based companies in Gränges were kept, and the reformed Gränges was reintroduced to the Stockholm Stock Exchange in 1997. In 2000, the group's name was changed to Sapa. Sapa was acquired by the listed Norwegian corporation Orkla in 2005 and delisted from the Stockholm Stock Exchange.

In 2011, Orkla decided to shift strategic focus to seek future growth in, and allocate capital to, the branded consumer goods sector, where Orkla has its main operations. In 2012, Orkla announced an agreement with Norsk Hydro ASA to combine their respective profiles, building systems and tubing business in a 50/50 joint venture. In order to facilitate the establishment of the joint venture a legal demerger of Sapa AB's assets and liabilities was carried out between the Company and a new company, subsequently called Sapa AB. The part of Sapa that focused on rolled aluminium products for brazed heat exchangers remained a wholly owned subsidiary of Orkla and subsequently changed its name to Gränges.

Under Orkla's ownership, several important strategic initiatives have been implemented to create a platform for further growth, improve operational efficiency and establish a second R&D center, in China. The initiatives have resulted in higher production capacity, improved production stability and profitable growth through a continued global market leading position within rolled products for brazed heat exchangers. Gränges attention to customer needs, industrial craftsmanship and leading edge technology in production and development of materials for brazed aluminium heat exchangers are all important cornerstones in the Company's strategy. Gränges is well positioned to continue to benefit from underlying demand growth and has identified additional geographic and product growth opportunities that could further strengthen the Company's future market position. In accordance with Orkla's strategic priorities, a decision was taken to separate Gränges from the Orkla group in a manner that would provide Gränges with improved strategic and operational flexibility. Therefore, Orkla and the board of directors of Gränges believe that it is an appropriate time for Orkla to decrease its ownership and list the Company.

The Offering and the listing will expand the shareholder base and enable Gränges to access the Swedish and international capital markets and thereby increase financing alternatives, which will support the Company's continued growth and development. The board of directors and management of Gränges consider the Offering and listing of the Company's shares to be a logical and important step in Gränges development, which will also increase the awareness of Gränges and its operations.

### **Prospectus and application forms**

A prospectus and application forms for the Offering will be published today, 29 September 2014. The prospectus and application forms can be obtained from Carnegie, SEB or Handelsbanken branches, as well as ordered from Gränges. The prospectus and application forms are also available on Gränges' website ([www.granges.com](http://www.granges.com)), Carnegie's website ([www.carnegie.se](http://www.carnegie.se)), SEB's website for prospectuses ([www.sebgroup.com/prospectuses](http://www.sebgroup.com/prospectuses)) and Handelsbanken's website for prospectuses ([www.handelsbanken.se/investeringserbjudande](http://www.handelsbanken.se/investeringserbjudande)). Applications can also be made through Nordnet ([www.nordnet.se](http://www.nordnet.se)). The general public in Norway can only apply for shares in the Offering through Nordnet ([www.nordnet.no](http://www.nordnet.no)).

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### **Indicative timetable**

30 September – 8 October 2014	Application period for the general public in Sweden and Norway
30 September – 9 October 2014	Book building process for institutional investors
10 October 2014	Announcement of the final Offering price
10 October 2014	First day of trading on NASDAQ OMX Stockholm
14 October 2014	Settlement

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