

NiXEN announces the signature of an agreement to acquire a controlling interest in Babeau Seguin, the leading builder of single-family detached homes in northeastern France.

NiXEN signs an **LBO to acquire a controlling interest** in Babeau Seguin Group, **following friendly discussions** that were enabled by NiXEN's excellent sector knowledge and close ties to the company's manager and historical shareholders.

Babeau Seguin Group has a diversified product line of single family, affordable and environmentally friendly houses. With an order book of 1,500 homes, the Group doubled its revenues during the 2005-2010 period to nearly €100 million in 2010.

In a market driven by structural demand for housing and the appeal of single-family homes, the Babeau Seguin Group has noteworthy strengths that include (i) a totally flexible cost structure, (ii) strong visibility on its sales and earnings streams (thanks to an existing order book equivalent to around 15 months sales) and (iii) a client base made up mainly of first-time home buyers. In a rapidly consolidating industry, the company is looking to act as a **cornerstone for growth** and again **double its revenues over the next five years**. This **strong growth** is based on the opening of new sales branches and a targeted external growth policy in order to enhance its local and regional market coverage. In particular, the Group is in advanced talks to make **new acquisitions**.

*"During the summer of 2011, as we were carefully monitoring possible changes in the Babeau Seguin Group's ownership, we had the opportunity to work alongside Bruno Babeau to sketch the outlines of a potential transaction that would provide liquidity to some shareholders while giving the Group the resources to speed up its growth. Having **successfully navigated the economic crisis in 2008-2009, the Group has a remarkable growth and profitability profile** that currently enables it to act as a **cornerstone for growth in a consolidating industry**. This consolidation could even accelerate if the economic environment were to deteriorate. With Bruno Babeau offering his support, we therefore proposed a balanced solution for the Group's financial partners,"* said **Pierre Rispoli, the Chief Executive Officer of NiXEN Partners**.

Bruno Babeau, Chairman of the Babeau Seguin Group, affirmed: *"I was convinced of the advantages of a **partnership with NiXEN** given that company's perfect understanding of the sector and know-how as regards a **build-up industry consolidation strategy**. Our Group therefore has the resources to play a major role in the industry consolidation and sharply accelerate its **ambitious growth project** through both acquisitions and organic growth."*

Conducted by NiXEN, this transaction is structured around management, which is making a substantial re-investment alongside historical financial partners being namely Siparex (lead financier of the previous transaction), CM-CIC, Carvest and Somfy Participations. In addition, Pechel and Avenir Entreprises will also support the company, as they are impressed by the Group's potential to take advantage of the current industry consolidation.

The **Group's historic banking partners** are backing NiXEN for this transaction, as they have expressed their strong interest in participating in a conservatively structured buyout conducted by a company that they have financed over many years. Idinvest is participating for the first time as a mezzanine financier.

The transaction is subject to the approval of the French competition authorities.

Participants:

NiXEN Partners: Pierre Rispoli, Johann Le Duigou, Frédéric Mimoun

Pechel: Bertrand Hainguerlot, Alain Cochenet

Siparex: Bertrand Rambaud, Pierre Bordeaux-Montrieux, Nathanaël Martin

CIC: Franck Chevreux

Avenir Entreprises: Jacques Solleau, Alexis Mahieu

Crédit Agricole Régions Investissement: Hans de Breda, Arnaud Hilaire

Somfy Participations: Wilfrid Le Naour

Idinvest Partners (Mezzanine): François Lacoste, Nicolas Nedelec

Buyer advisors:

LEK (Market & strategy due diligence): Arnaud Sergent, David Danon-Boileau, Elina Ashkinazi-Ildis

Ernst & Young (Accounting & financial due diligence): Pierre Bourgeois, Sébastien Huet, Olivier Thielemans

De Pardieu Brocas Maffei (Corporate, Competition, Legal Tax & Social due diligence): Guillaume Toutté, Alexandre Blestel, Alexandre Lecomte, Marine Nossereau, Jérôme Mas

Marsh (Insurance due diligence): Jean-Marie Dargaignaratz

Mandel Partners (Fund-raising support): Bertrand le Galcher Baron, Fabrice Perez

Seller advisors:

Ratheaux: Gaetan de la Bourdonnaye

SECC: Denis Gouaille, Vincent Roux

Grant Thornton (individuals advisor): Eric Pierre, Alexandra Bois

About NiXEN Partners:

NiXEN is an independent private equity firm specialising in Flexible Equity. As a lead investor, NiXEN provides flexible and personalised solutions addressing all types of capitalistic and strategic development issues for French companies with revenues between €50 million and €500 million. Working in its sectors of expertise, NiXEN invests between €10 million and €50 million per transaction, in companies with highly committed management teams, executing an ambitious industry consolidation project, through buyout and spin-off transactions.

NiXEN's main investments include **AsteelFlash** (electronics subcontracting), **Buffalo Grill** (steakhouse restaurant chain), **Ceva** (laboratory specialising in animal health), **Labco** (pan-European network of clinical laboratories), **La Grande Récré** (specialised games and toys retailer), **Maisons du Monde** (decoration and furniture retailer), **Malherbe** (goods transport and freight), **Vedici** (private clinic group).

About Babeau Seguin:

Created in 1982, Babeau Seguin Group currently has revenues of more than **€100 million**, making it the fifth-largest builder of single-family detached homes. Covering some 10 regions in France, with more than **50 sales branches** and **250 employees**, Babeau Seguin Group aims to be a growth cornerstone in a rapidly consolidating industry. This ambition is served by the considerable involvement of its Chairman and founder Bruno Babeau and the company's exceptionally sound financial position.

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