

Press Release

Bacou-Dalloz acquires Nacre AS (Norway)

Bacou-Dalloz has agreed to acquire Nacre AS, Trondheim, Norway and thus becomes world leader in intelligent in-ear communication and hearing protection headsets.

The acquired business will be combined with Bacou-Dalloz' global hearing protection unit based in San Diego, California, while Nacre AS' operations will remain in Trondheim, Norway.

Nacre AS has developed patented technology for intelligent hearing systems under the QUIETPRO® name, which combines adaptive electronic and passive in-ear hearing protection with natural speech and radio communications used in variable noise environments. The device is compatible with helmets or respiratory masks and other head protection products. QUIETPRO® uses a unique feature of active digital sound processing. Compared to other emerging technologies and products in the field, Nacre has the most advanced commercially available system in the marketplace.

Sales are growing rapidly and secured orders are currently at around 35 MUSD for the year 2007, with operating margins above Bacou-Dalloz' average. Bacou-Dalloz intends to accelerate its commercial and R&D investments to grow in the military markets and also to rapidly bring it to industrial markets. The US Marine Corps has adopted the company's products as their communication and hearing protection headset.

Nacre AS is a spin-off from SINTEF, the leading Scandinavian research institute and has been backed by the leading Norwegian venture funds Viking Venture, Ferd Venture, SINTEF Venture and Verdane Capital. The company is headquartered in Trondheim, Norway, and has customers on three continents. The Norwegian and Swedish Armed Forces have been an active partner in the development of QUIETPRO®.

The enterprise value will be 120 million USD at closing plus a potential earn-out up to 15 million USD based on future performance.

Henri-Dominique Petit, Chairman and CEO of Bacou-Dalloz, commented: "Bacou-Dalloz is now positioned as the champion of intelligent hearing protection. As the first to develop a product that simultaneously provides protection in tough environments and audio communications, Nacre has become a reference for the armies of the world. We are delighted to welcome the team that has developed this remarkable technology."

Eivind Bergsmyr, President and CEO of Nacre AS, commented: "As a high-growth, high-tech company we are pleased to join a company that provides a great strategic fit, a good plan for how to grow this business and that has complementary resources and competence to assist us in growing this product and technology into new applications and markets."

Erik Hagen, Managing Partner of Viking Venture and chairman of the Board of Directors of Nacre, commented: "Nacre has become a tremendous success and is changing the way the world thinks about hearing protection and communication. We are convinced we have found the best possible owner of Nacre and that Bacou-Dalloz and Nacre together will continue to grow this remarkable business."

The sellers were advised by Corporate Finance Partners. With offices in Frankfurt, Berlin and Miami, Corporate Finance Partners is a leading mid-market M&A advisor focusing on TIME, high growth and restructuring transactions.

Further information:

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About Bacou-Dalloz:

Bacou-Dalloz, world leader in the design, manufacturing and sales of Personal Protection Equipment (PPE), operates across all 5 continents with approximately 6,000 people. The Group specializes in providing head-to-toe protection specifically designed for use in all sectors where men and women are at risk (manufacturing, construction, telecommunications, homeland security, medical, public services, etc.) and offers a complete range of head protection equipment (eye/face, hearing and respiratory) and body protection equipment (fall protection, gloves, clothing and footwear). www.bacou-dalloz.com

About Nacre:

Nacre, world leader in miniature in-ear intelligent communication and hearing protection devices located in Trondheim, Norway with sales to major military customers in US, Europe and Australia. For more information see www.nacre.no

About Viking Venture AS:

Viking Venture AS is a leading technology venture fund, based in Trondheim, Norway. The fund focuses on early phase investments within ICT and energy. www.vikingventure.no

About Ferd Venture:

Ferd Venture is part of the Ferd Group, which is one of Norway's leading investment companies. Ferd Venture primarily invests in Nordic ICT companies that are seeking capital for further commercialisation and growth, and which have the potential to sustain long-term competitive advantage. Ferd Venture has a team of 6 investment professionals based in Oslo, and has significant funds available for new investments. www.ferd.no

About SINTEF Venture:

SINTEF Venture is the venture arm of SINTEF, the largest independent research institute in Scandinavia. SINTEF is a multi-disciplinary research institution based in Trondheim, Norway, with approximately 2,000 highly qualified employees. SINTEF sells research-based knowledge and related services based on deep insight into technology, natural science, medicine and the social sciences. SINTEF actively promotes the commercialization of technology developed in its research environment, and a large number of spin-offs, patents and licences have originated at SINTEF over the years. www.sintef.no

About Verdane Capital:

Since its inception over 20 years ago, Verdane Capital (formerly Four Seasons Venture) has grown to become a leading Nordic investment and investment advisory group. Over the past few years the company has increasingly focused on buying portfolios of direct investments, but also continues to engage in attractive individual high-growth investments. Verdane Capital funds have more than EUR 430 million in committed capital. Verdane Capital Advisors has 20 seasoned investment advisory professionals. Verdane Capital comprises, among other entities, Verdane Capital Advisors, the exclusive investment advisors to the Verdane Capital funds. www.verdanecapital.com