

Press Release

Milan, June 13, 2014

The Tadolini family, founder of Megadyne S.p.A., has entered into a sales agreement with Astorg Partners, a leading European private equity fund, and Fondo Italiano d'Investimento, to structure the company for future development

Astorg Partners has entered into an agreement to acquire the majority of Megadyne S.p.A. shares from the Tadolini family, the Fondo Italiano d'Investimento and other senior managers. The current shareholders, including Fondo Italiano d'Investimento, will reinvest significantly alongside Astorg Partners and Giorgio and Marco Tadolini will continue to lead the company in its next phase of development respectively as Executive Chairman and Managing Director.

Completion of the transaction is subject to satisfactory clearance from relevant competition and regulatory authorities.

Founded in 1957 by Corrado Tadolini and headquartered in Mathi, near Torino, Megadyne is a world's leading manufacturer of premium industrial belts in both polyurethane and rubber used for power transmission, linear positioning and conveying system in various end-markets. Megadyne benefits from an attractive business model focusing mainly on specialty belts that are co-designed together with customers. The company has a large customer base worldwide and a unique manufacturing and logistics know-how. Megadyne employs over 1,600 employees worldwide across its 10 manufacturing sites and 33 commercial branches in Europe, America and Asia.

After 60 years of continued growth, Megadyne has reached a turning point in its development and is ideally positioned to continue to expand its activities all over the world organically and through sizeable bolt-on acquisitions.

Francois de Mitry and Lorenzo Zamboni, at Astorg Partners commented:

"We are impressed by the company's continued growth and development, supported by the Tadolini family over the last 60 years. Astorg Partners is proud to partner with this entrepreneurial and successful family and to back the company in its next phase of development. Megadyne offers all the key attributes we look for in an investment, including world's leading market positions, strong barriers to entry, promising future prospects and an excellent management team. This transaction is the result of the strong commitment of Astorg to invest in Italy since 2010."

Giorgio and Marco Tadolini added:

"We are delighted to partner with Astorg who has demonstrated a strong understanding of our business. The transaction represents an opportunity to accelerate the growth of Megadyne internationally through acquisitions in order to create a formidable platform with worldwide presence."

Gabriele Cappellini, CEO of Fondo Italiano, said:

"Fondo Italiano is extremely proud to have contributed to the creation of a "high-achieving medium-sized domestic company". We are confident that the entrepreneurial skills and continued guide of the Tadolini family will allow the Group to consider new opportunities in the next few years, such as a possible stock listing. With our re-investment, we want to continue supporting the Group's growth alongside the Tadolini family and with an important international partner such as Astorg".

Key contacts Megadyne S.p.A.

Megadyne S.p.a.: Giorgio Tadolini, Marco Tadolini, Enzo Rambaudo
Fondo Italiano d'Investimento: Lorenzo Baraldi, Stefano Tatarella, Francesca Elia
Rothschild: Irving Bellotti, Riccardo Rossi
NCTM: Pietro Zaroni, Pietro Rossi Cairo
KPMG: Massimiliano Di Monaco

Key contacts Astorg Partners

Astorg Partners: François de Mitry, Lorenzo Zamboni, Nicolas Marien, Benjamin Dierickx, Jacques-Henry Grislain
Leonardo & Co: André Pichler, Cristiano Cirulli
Bonelli Erede Pappalardo: Mario Roli, Calogero Porrello
Ernst & Young: Umberto Nobile, Pasqualina Cosentino, Roberto Lazzarone, Mauro Scognavilla
L.E.K. Consulting: Serge Hovsepian, Frédéric Dessertine, Maxime Julian

About Megadyne S.p.A.

Megadyne S.p.A. is the world's leading manufacturer of premium polyurethane belts for industrial applications, as well as a premier global manufacturer of industrial rubber belts. The Business is well-diversified in terms of products, customers, end-markets and geographies:

- Complete portfolio of specialty premium products
- Global manufacturing and distribution footprint, with a local-for-local approach which strengthens the relationship with clients
- Wide range of targeted end-markets and applications which mainly involve motion, such as elevators, home automation, machine tools, textile industrial machinery, conveyor belts and agriculture
- Strong and long-lasting relationships with industrial OEMs and distributors worldwide
- Well-positioned to benefit from complementary acquisition opportunities as well as entry into new end-markets

About Astorg Partners

Astorg is a leading independent private equity fund that specializes in European mid-market buyouts, with total funds under management in excess of €2 billion. Astorg seeks to partner with successful entrepreneurs and management teams, to develop businesses, often family-owned, with attractive growth prospects. Astorg supports its portfolio with industrial expertise, governance and capital resources. Astorg enjoys a distinct entrepreneurial culture, a lean decision-making body enhancing its reactivity. Astorg focuses on world's leading BtoB industrial companies whose products, services and approach are differentiated and protected. Over the past years, Astorg devoted significant efforts to expand its investment activity into new European countries of which Italy is a main target.

About Fondo Italiano d'Investimento

Fondo Italiano d'Investimento SGR is the management company of the first private equity fund (Fondo Italiano di Investimento) promoted by the Italian Ministry of Finance with the co-operation of Associazione Bancaria Italiana (Italian Banking Association), Cassa Depositi e Prestiti, Confindustria (Industrial Association), Intesa Sanpaolo, Banca Monte dei Paschi di Siena, Unicredit and Istituto Centrale delle Banche Popolari. Following its final closing, Fondo Italiano di Investimento (the Fund) reached total commitment of €1.2 billion. The Fund invests both in Italian private companies and third party managed funds.

Media contacts

Megadyne S.p.A.

Investor Relations
Enzo Rambaudo
T: +39 011 9268052
enzo.rambaudo@megadyne.it

Astorg Partners

Lorenzo Zamboni
T : +33 6 38 66 78 44
lzamboni@astorg-partners.com

Robert Amady (Publicis Consultants)
T : +33 6 7263 0891
robert.amady@consultants.publicis.fr

François de Mitry
T : +33 6 4824 6397
fdemetry@astorg-partners.com