

Press release

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Life set to become Finland's leading health food chain - acquiring the country's two largest chains

The health and lifestyle retailer Life Europe AB, in which Norvestor IV L.P. is the majority owner, has now agreed to acquire the two largest Finnish health food chains Sinunkaupat OY and Ikivireä-Vital OY. The combined entities will have a 25 % market share in Finland with some 120 shops and an annual turnover of almost SEK 400 million.

The acquisitions will make Life by far the largest health food chain in the Finnish market and further strengthen Life's number one retail position in the Nordics. Following the acquisitions, the Life chain consists of 500 shops: 165 shops in Norway, 220 shops in Sweden and 120 in Finland. The chain's total turnover is more than SEK 1.6 billion at shop level.

The Finnish health food market has a turnover of some SEK 1600 million. Around 40 % of sales are in specialised shops. Sinunkaupat and Ikivireä are the largest, and in practice the only chains operating under a common name and corporate image. The current consolidation of the industry in Finland is a result of the corporate strategies of both Sinunkaupat and Life.

Improved efficiency

“The acquisitions will give Finnish store owners the opportunity to create a strong single chain of specialised shops. This is of significance in a rapidly growing industry. The merger of the chains will improve efficiency in operations. The Life chain will benefit from the addition of Finnish business knowledge and ownership. Consolidation represents a major opportunity for the entire value chain and all involved, from the individual shops to the suppliers,” says Mika Laasonen, Managing Director of Sinunkaupat OY.

Economies of scale

“The acquisitions in Finland are a natural step in realizing Life Europe's Nordic ambitions, and the company expects to benefit from economies of scale as it has done in Norway and Sweden,” says the CEO of Life Europe AB, Hallgeir Åndal.

“The chain in Finland will take advantage from introduction of private label, coordinated purchasing, and economies of scale in the development of concepts, marketing and other chain office activities,” says Mr Åndal.

A major force in the industry

”The Life chain with 500 stores throughout three Nordic countries will be a major force within the health food and wellbeing market in the Nordic countries,” says the chairman of Life Europe and partner of Norvestor Equity, Rolf Straume. “We have consolidated the Nordic market in less than two years and built a competitive and strong system with an exciting future.”

Life Europe AB was established in December 2005 and is the leading chain in the Nordic countries in health food, wellbeing and lifestyle products.

The private equity fund Norvestor IV L.P. is the majority shareholder in Life Europe AB. Other owners include the management and members in the Life chain.

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Life was established as a retail chain in 1995. The Group also includes Macronova – supplier of health food products and cosmetics, Petefa – manufacturer of health and self-care consumables and Frejborg - wholesaler in Sweden. Website: www.lifeeurope.no

Norvestor Equity AS is Norway’s most experienced private equity group. Norvestor Equity is an advisor for funds that seek to invest in growth companies in Norway and the Nordic countries that have the potential to become leaders in the Nordics or internationally. Norvestor Equity’s experienced private equity team has a strong combination of operative and private equity background. Life Europe AB was the third investment of Norvestor IV,L.P., when the initial investment was made in December 2005. Website: www.norvestor.com