

Funds advised by Apax Partners, CPPIB and PSP Investments to acquire Kinetic Concepts, Inc. for \$68.50 per share

13 July 2011

A consortium comprised of funds advised by Apax Partners (“Apax”), together with controlled affiliates of Canada Pension Plan Investment Board (“CPPIB”) and the Public Sector Pension Investment Board (“PSP Investments”), today announced that it has entered into a definitive agreement to acquire Kinetic Concepts, Inc. (NYSE: KCI) for \$68.50 per common share in cash.

KCI is a U.S.-based medical device company focused on the design, manufacture, marketing and service of therapies and products for the wound care, tissue regeneration and therapeutic support system markets. The transaction is valued at approximately \$6.3 billion, including KCI’s outstanding debt.

In 2010, KCI reported revenues of \$2.0 billion. The company’s products address a broad range of patient needs and are used by healthcare professionals around the world in a wide range of diverse care settings, such as acute care hospitals, long-term care and skilled nursing facilities, home health agencies and wound care clinics.

The consortium plans to work actively in partnership with the management of KCI to further invest in the global medical products sector to expand the company’s core business, develop innovative products and extend into new geographies where significant opportunities exist.

Buddy Gumina, Partner and co-head of the Apax Healthcare team, commented: “We are highly impressed by the culture of innovation at KCI and are excited to work with a business that produces solutions that dramatically improve the lives of many people around the world. Over the years, we have reviewed multiple investments in the medical devices and products industry, having originally identified it as a key growth sector within our overall healthcare investment practice. Based on this experience, we possess a deep understanding of KCI’s business and the markets in which the company operates. We are delighted to have the opportunity to partner with CPPIB and PSP Investments to support the company’s continued growth.”

André Bourbonnais, Senior Vice-President, Private Investments for CPPIB, said, “KCI is the market leader in its businesses with strong growth potential particularly outside of the core U.S. market. KCI’s business is well positioned for growth based on global trends such as demographics, including longevity and an aging population. Together with KCI’s management, Apax and PSP Investments, we look forward to building upon KCI’s leading market shares and positioning the company for continued long-term success.”

Derek Murphy, First Vice President, Private Equity at PSP Investments, said: “This is an attractive opportunity to acquire a global market leader offering stable core revenues and significant growth opportunities through new products and geographic expansion. Apax brings significant expertise in the healthcare sector, while CPPIB is a like-minded investor with a long-term investment horizon.”

The transaction is subject to shareholder and regulatory approvals and other customary conditions. It is currently expected that the acquisition will close in the second half of 2011.

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