

## Cinven to sell Phadia to Thermo Fisher for €2.47 billion 19 May 2011

European private equity firm, Cinven, today announces that it has reached an agreement to sell Phadia Group ("the Company"), the leading *in-vitro allergy* diagnostics company based in Uppsala (Sweden), to Thermo Fisher Scientific Inc. (NYSE: TMO) for an enterprise value of €2.47 billion.

Having identified the diagnostic testing sector as a segment with strong growth characteristics, Cinven's Healthcare team led the acquisition of Phadia in early 2007 for an enterprise value of €1.285 billion. Phadia's position as the market leader in *in-vitro* allergy testing and European leadership in auto-immune testing provided the opportunity to create significant value through a programme of targeted investment in people, products and geographic expansion into previously under-developed, markets outside Europe.

Since 2007, Cinven together with Phadia's management team, led by Magnus Lundberg, have invested to accelerate top-line and profit growth. This has been achieved by expanding Phadia's sales and marketing capability across its global footprint and broadening the diagnostic offering. These initiatives have included:

- developing and expanding Phadia's US sales force from 40 outsourced representatives at acquisition to nearly 200 Phadia-employed representatives today. In combination with careful marketing initiatives to clinicians, Phadia has seen US sales grow at a Compound Annual Growth Rate (CAGR) of 23% since 2007, the year Cinven acquired the business;
- Cinven Asia working in partnership with Phadia to develop the Asian opportunity, acquiring the company's Chinese distributor, and supporting the Company in entering India - both key growth markets for the future; and
- investing in research and development to improve the speed, scale and diagnostic capabilities of its current product sets, and further developing its molecular allergology technology which is widely considered to be the future of allergy testing.

As a consequence of these initiatives, Phadia accelerated its revenue growth rate from 6% prior to Cinven acquiring the company, to a CAGR of 12% between 2007 and 2010. This acceleration in growth was achieved despite the recessionary economic environment. The Group reported revenues of €367 million in 2010.

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Despite the significant investment in operating expenses to drive this growth (which has seen headcount grow from 1,000 in 2007 to approximately 1,500 today), Phadia has expanded its margins and grown EBITDA in the same period by a CAGR of 14% to €149 million in 2010.

Today, Phadia enjoys market leading positions in many geographies with more than 5,000 systems installed in more than 3,000 laboratories worldwide.

Commenting on the successful investment in Phadia, Stuart McAlpine, a Partner at Cinven, said today:

“Cinven’s Healthcare sector team had identified diagnostics as an attractive area for investment. In Phadia we saw a compelling opportunity to partner with the management team of a market leading business that could accelerate growth by penetrating new, high growth markets. Together we designed a strategic plan to invest significantly in people, products and new geographies. This has not only delivered significant value, but also made it a highly attractive acquisition for a well respected industry leader such as Thermo Fisher who is perfectly positioned to take Phadia into the next phase of development and growth.”

Magnus Lundberg, CEO of Phadia commented:

“Phadia is a business that has gone from strength to strength over the past 4 years of Cinven ownership. We have forged a very close partnership with Cinven who have brought real sector insight, clarity of thinking to our strategy, and hands-on support to help us grasp the opportunities in the US and Asia.

We are excited about our future within Thermo Fisher, a business with a leading reputation in scientific technology and services.”

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**Notes to editors**

**About Cinven**

Cinven is a leading European buyout firm. We acquire companies that require an equity investment by our funds of €100 million or more. Established in 1977, the firm invests in six key sectors: business services; financial services; healthcare; industrials; consumer; and technology, media and telecommunications (TMT). Cinven acquires successful, high-quality companies. Using proven value creation strategies, Cinven works closely with these companies, helping them to grow and develop. Cinven takes a responsible approach towards its portfolio companies, their employees, suppliers and local communities, the environment and society as a whole. Recent investments include Avolon, Sebia and Spice.

Cinven has offices in London, Paris, Frankfurt, Milan and Hong Kong.

Cinven Limited is authorised and regulated by the Financial Services Authority.

For further information about Cinven please see [www.cinven.com](http://www.cinven.com).

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