

Permira funds acquire leading aquatic health group PHARMAQ

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30 March 2013 – Permira, the European private equity firm with global reach, today announced that a company owned by the Permira funds has entered into an agreement to acquire PHARMAQ Holding AS (PHARMAQ), one of the world's leading aquatic health groups, for a value of approximately €250m. The transaction is expected to complete at the end of May, subject to regulatory approvals and customary closing conditions.

Established in 1985 and headquartered in Overhalla, Norway, PHARMAQ develops, manufactures and markets vaccines and therapeutic products for farmed fish. PHARMAQ is the market leader in aquatic vaccines, its largest division which accounts for c. 70% of sales, with key markets being Norway, Chile and the UK. The company also provides therapeutics and diagnostics services for the fishfarming industry. PHARMAQ has a strong track record of product innovation, resulting from a firm commitment to a differentiated approach to R&D. This innovation has helped PHARMAQ report consistent double-digit growth over the past 3 years. In the year to 2012, sales were c. €65 million.

As an industry, aquatic vaccines have grown substantially with the increase in industrialised fish farming, which has led to the need for improved control of infection. Vaccinations are a cost effective, and safer, approach to treatment and prevention of disease. Farmed fish consumption is expected to double over the next decade, and with the preference towards prevention rather than treatment, PHARMAQ is expected to continue its growth trajectory through underlying market development, growth in existing product lines and product innovation.

The Permira funds will back the current management team and will leverage its global network to support the company's international growth and new product development. The investment illustrates Permira's ability to combine its local presence with strong sector expertise, and also draws on Permira's extensive knowledge of the food value chain, following investments in Arysta LifeScience, iglo Group, Netafim, Provimi and Sushiro.

Morten Kr. Nordstad, CEO, said: "We take great pride in supplying the aquaculture industry with the most innovative and effective products to enable them to produce safe and healthy seafood. Permira's significant experience in investing in the food chain and their international reach make them an ideal partner to help us pursue this mission. We are delighted to receive the backing of their funds as we seek to expand our products and market shares in exciting and growing markets."

Ola Nordquist, Head of Nordic, said: "PHARMAQ is a global leader committed to delivering the best aquatic health products and to maintaining and improving the sustainability of the fish farming industry. We are delighted to have the opportunity to back the PHARMAQ team and to support the company's ambitious plans to continue to strengthen its leadership position in its core Norwegian, Chilean and UK markets and to create a strong position in emerging markets that today are largely un-penetrated. PHARMAQ's unique culture is a differentiating factor in terms of product development, speed to market and customer service."

Mubasher Sheikh, Head of Healthcare, said: “Investing in innovative businesses dedicated to improving food quality and safety has been a key focus for our funds in the past few years. With its market leading vaccine technology PHARMAQ is in an ideal position to capitalise on the growth of the global aquaculture industry and the rapid increase in demand for the production of healthy and environmentally sustainable seafood.”

Citigroup Global Markets Limited acted as financial advisor and Clifford Chance LLP and Advokatfirmaet Grette DA served as legal advisors to the Permira funds. Commerzbank Corporate & Markets acted as financial advisers and Wiersholm and DLA Piper served as legal advisers to PHARMAQ.

About PHARMAQ

PHARMAQ is a Norwegian pharmaceutical which focuses on aquaculture. It develops, manufactures and markets vaccines and therapeutic products for the prevention and treatment of diseases in farmed fish. It is the originator of and market leader in aquatic vaccines for farmed fish accounting for 70% of sales with a leading global market position. Products also include therapeutic medicines for parasites accounting for 30% of sales. PHARMAQ Analytiq a fish disease analysis company is a part of the PHARMAQ group.

Revenues are originated primarily in Norway, Chile and UK with a growing percentage in the Mediterranean, Latin America and Asia. Salmon farms are currently the main customers but as the production of other species is becoming increasingly industrialised the use of vaccines is likely to grow, replacing antibiotics with their associated problems of inability to treat viral diseases, the entry of antibiotics into human food and the development of antibiotic resistant bacterial strains.

The sellers of PHARMAQ were Orkla ASA and Kverva AS, with management rolling over a significant part of their stake.

About Permira

Permira is a European private equity firm with global reach. The Permira funds, raised from pension funds and other institutions, make long-term investments in companies with the ambition of transforming their performance and driving sustainable growth. Founded in 1985, the firm advises funds with a total committed capital of approximately €20 billion. The Permira funds specialise in investing in five key sectors: Consumer, Financial Services, Healthcare, Industrials and TMT. Permira employs over 120 professionals based in Frankfurt, Guernsey, Hong Kong, London, Luxembourg, Madrid, Menlo Park, Milan, New York, Paris, Stockholm and Tokyo. Permira endorses the ILPA Private Equity Principles. For more information visit: www.permira.com