

PRESS RELEASE

Baigo Capital Becomes First European Healthcare Private Equity Firm

Frankfurt, Monday 19 November 2007 – Baigo Capital ('Baigo' or the 'Company') has been launched as the first private equity firm to focus exclusively on the European healthcare sector, with €100 million in initial funding and is in the process of raising a further €200 million.

Baigo is targeting mid-cap European healthcare companies, with enterprise values of between €40 million and €200 million, and a mandate that covers all segments of the industry, through funding buyouts, carve-outs, buy-and-build strategies, and the provision of development capital.

Healthcare is one of the fastest growing and attractive investment sectors in Europe, partly through the diversity of the European healthcare market, but also the helpful nature of the region's demographics, with an increasingly ageing and affluent target market.

EU-wide, the elderly population (over 65) is expected to rise from the current 21%, to around 34% by 2050. The over-80 age group, the heaviest healthcare users, is projected to more than double from 4% to 10% over the same period. The result will be increased healthcare costs, with expenditure – as a percentage of GDP – expected to rise from 10% of GDP today, to as much as 20% of GDP by 2030.

Research has shown that some of the most dynamic investment opportunities in healthcare are:

- The acute care sector and related services, especially in markets such as Germany, where it has doubled in size over the last 10 years, and now accounts for 10% of the sector;
- The deregulated healthcare sub-sectors, which have been benefiting from wider and more effective distribution;
- Technological and organisational innovations, helping to lower the cost of healthcare, e.g. low cost generic medicines and the spread of procedures for minimal invasive surgery;
- Lifestyle healthcare, with consumers increasingly willing to pay premium prices for procedures, such as dental implants, or optical laser procedures.

The four founding partners, who are based in Frankfurt, have over 60 years experience in the healthcare sector, private equity and investment banking fields, as well as support from a seasoned advisory board with substantial industry experience. These partners are Marcus Bracklo, former Head of Healthcare Investment Banking at Sal. Oppenheim; Frank Duffner, former Head of Healthcare M&A at Sal. Oppenheim; Dr. Dariusch Mani, former senior executive of Schering AG; and Markus Solibieda, former Director of 3i PLC (see notes to editors for detailed biographies).



They will be supported by a seasoned advisory board whose members include David Ebsworth (UK), the former Global Head of Pharma at Bayer AG; Ulf Fink (Germany), former member of parliament responsible for healthcare reform; Antoine Flochel (France), Deputy Chairman of the Ipsen Group; Ollii Rikkala (Finland), former CEO of Instrumentarium and senior adviser to GE Healthcare.

Initial funding comes from two cornerstone investors: Sal. Oppenheim, the European private bank; and a family office with strong ties to the healthcare sector.

Dieter Pfundt, Partner at Sal. Oppenheim, commented: "We strongly believe that sector focus is an increasingly important trend in the development of the private equity industry, with healthcare in particular offering substantial opportunities."

Marcus Bracklo, Partner of Baigo Capital, also added: "Opportunities in the healthcare sector are immense. To be the first 'pure play' mid-market specialist in Europe gives us first-mover advantage and the ability to address a very exciting untapped market. There are significant opportunities for the specialised investor, with European healthcare exhibiting above-average growth potential, due to demographic developments, technical and organisational innovation, and benefiting from deregulation, privatisation and healthcare reforms."