



Press release

28 MAY 2015

3i realises £41m in sale of Labco to Cinven

3i Group plc (“3i”) today announces it has entered into a sale and purchase agreement to sell its minority stake in Labco (“the Company”), a key player in European medical diagnostic services, to the European private equity firm, Cinven. The enterprise value of the transaction is approx.€1.2bn.

Proceeds to 3i Group will be approx. £41 million (€58 million), representing a £5 million and 15% uplift over the 31 March 2015 valuation of £36 million.

3i, and funds managed by 3i, acquired a minority stake in Labco in 2008 to help the Company’s continued growth by supporting its buy-and-build strategy in order to expand its service offering into new geographies. Since 3i’s investment, Labco has demonstrated its ability to deliver uninterrupted growth by more than tripling sales from €212m in 2007 to €650m in 2014. This has been achieved through organic growth and its acquisition strategy which has seen the completion of more than 130 acquisitions during the investment period. In particular, international sales have increased significantly from c.25% of total sales to c.50% of total sales. Labco now has 6,000 employees, operating through a network of more than 160 laboratories and around 1,000 collections centres.

3i has actively supported Labco’s buy-and-build strategy through its international network, leading to the introduction of acquisition opportunities in France, Spain, Portugal and Italy; the Company also expanded into the UK, Switzerland, Brazil, Colombia, Mexico and Peru. Notable transactions include the acquisition of Alpigène which widened Labco’s offering in women’s health services with technologically advanced testing services such as pre-natal diagnostics, the strategic disposal of its German division at a double digit EBITDA multiple, and the acquisition of SDN in 2014, enabling the Company to become a leading player in the Italian market. Furthermore, in 2010, 3i helped Labco form a joint venture with Sodexo to enable UK healthcare organisations to deliver cost effective pathology services.

Through its Business Leaders Network, 3i introduced Andreas Gaddum as Non-Executive Chairman and Daniel Bour, former CEO of General de Santé, as Non-Executive Director to the Board.

3i provided support in the launch of procurement and network optimisation initiatives to improve operational excellence, and introduced relevant partners for hospital laboratory outsourcing contracts. In addition, 3i supported the Company’s successful high yield issue (€500m) in 2011, as well as the two €100m “add-on notes”, in February 2013 and February 2015.

Rémi Carnimolla, Managing Director and Guillaume Basquin, Director, 3i France, commented: “Labco has successfully executed its buy-and-build strategy in recent years. It is now one of the most geographically diversified players in the European market and is well positioned to take advantage of consolidation opportunities in this fragmented industry. We are really proud to have

supported Labco's management team during this period and are confident in their continued success".

Philippe Charrier, Group CEO of Labco commented:

"We are delighted to reach this important milestone today. With our new financial partner, our aim is to continue the Group's growth dynamic and roll-out of our medical project based on technological innovation and operational excellence. At the heart of our corporate vision, we are committed to offering our medical partners and patients a service combining reliability, speed and quality diagnostics. We would like to thank all our shareholders, and particularly 3i who through its investments in 2008 and 2009, its international network, and its continued support helped facilitate the internationalisation of Labco."

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Notes to editors:

About 3i Group

3i is a leading international investment manager focused on mid-market private equity, infrastructure and debt management across Europe, Asia and North America. For further information, please visit: www.3i.com.

About Labco

Backed by its 6,000 employees and medical personnel in Europe, Labco offers an extensive range of diagnostic services, both routine and specialty tests with activity balanced between ambulatory care and hospital outsourcing. Labco has become a key European player with a leading position in six countries and relies on a network of more than 160 laboratories and around 1,000 collection centers. Labco is currently the leader in medical diagnostic services in Spain and Portugal, and one of the two leaders in France and Italy. Labco is also one of the top three laboratories in Belgium. In the United Kingdom, Labco is the third player in the market for outsourcing and subcontracting medical biology laboratory services for National Health Service hospitals. Furthermore, Labco provides diagnostic services in Eastern Europe, Latin America, the Middle East and North Africa.

Regulatory information

This transaction involved a recommendation of 3i Investments plc, advised by 3i France.