



Ambu enters agreement to acquire US-based King Systems Inc.

Ambu has today signed a conditional agreement with Consort Medical PLC to acquire its fully owned subsidiary King Systems Inc., a company with a strong position in the US market for single use anaesthesia devices. The purchase price is USD 120 million plus potential milestone payments of up to USD 50 million contingent on commercialisation and sales performance of a recently launched video laryngoscope.

Founded in 1977, King Systems employs about 400 employees, and posted for the financial year ended April 2012 revenues of USD 68.9 million and EBIT of USD 8.9 million, exclusive of allocation of Head Office overheads. At its modern production facilities in Indiana, US, King Systems manufactures a wide range of medical devices used to establish and maintain patient airways in both hospital and pre-hospital settings.

Ambu President & CEO, Lars Marcher says:

"We have been interested in King System for several years and it is the perfect match. The acquisition fulfils the ambitious growth objectives set out in the GPS Four strategy and creates an exciting platform for the next four-year strategy period. It will reinforce our market position in single use solutions for the hospital and emergency market, and our product offering in the US will be even stronger. We will also add another modern and efficient production facility, thereby supporting our global manufacturing setup. I am very pleased about the prospects of combining the two businesses, adding size and synergies to our current business."

Transaction highlights

- Customary due diligence has been carried out
- The cash price for King Systems is USD 120 million on a debt and cash free basis
- In addition, Ambu will pay a potential milestone payment of USD 10 million, expected due in Q2 2013 and a three-year earn-out payment of up to USD 40 million contingent on commercialisation and sales performance of the King Vision video laryngoscope
- Full financing is in place through a committed debt facility
- The acquisition is subject to Consort Medical shareholder approval and certain customary conditions
- Approximately 87% of King Systems revenue is in USA
- Completion is expected in Q1 2013

The acquisition will significantly increase Ambu's scale and visibility in the US, the largest medical device market. It will more than double Ambu's global sales in anaesthesia, and the combination of the two businesses has a convincing strategic rationale:

- Significant potential for leveraging sales force due to highly complementary product offerings in anaesthesia addressing the same customers and call points
- Cross selling in the US and Europe of the two companies' products to hospitals and Emergency Services
- Broader product offering and stronger value proposition to group purchasing organisations (GPOs), integrated delivery networks (IDNs), distributors and healthcare institutions

- Strategic opportunities to optimise operations across the combined business including logistics, procurement and warehousing
- The King Vision laryngoscope complements Ambu's aScope™ to give a strong market offering as the leader in the offering of single use visualisation devices

This strategic fit provides for substantial sales and operational synergies with revenue and EBIT impact. More detailed information related to synergies and revised outlook will be provided after completion of the transaction.

Conference call

A conference call and webcast for investors and analysts will be held in English today at 09:30 CET. To participate, please call one of the following numbers five minutes before the start of the conference:

+45 32 72 80 18 (Denmark)
+44 (0) 1452 555 131 (UK/International)
+1 866 682 8490 (USA)

The webcast can also be accessed via this link: [Ambu webcast 20 December 2012](#) and will subsequently be available on our website. The corresponding presentation will be available on the website from 09:00 CET.

News conference

Ambu hosts a news conference for media today at 11:30 CET at NASDAQ OMX Copenhagen, Nikolaj Plads 6, 1007 Copenhagen K.

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About Ambu

Since 1937, breakthrough ideas have fuelled our work on bringing efficient healthcare solutions to life. This is what we create within our fields of excellence – Anaesthesia, Patient Monitoring & Diagnostics, and Emergency Care. Millions of patients and healthcare professionals worldwide depend on the functionality and performance of our products. We are dedicated to improve patient safety and determined to advance single-use devices. The manifestations of our efforts range from early inventions like the Ambu bag and the legendary Blue Sensor® electrodes to our newest landmark solutions like the aScope™ – the world's first single-use flexible videoscope. Our commitment to bring new ideas and superior service to our customers has made Ambu one of the most recognized medical companies in the world. Headquartered near Copenhagen in Denmark, Ambu employs approximately 1,700 people in Europe, North America and the Asia Pacific. For more information, please visit www.ambu.com.

About Consort Medical plc

Consort Medical plc is a leader in medical devices for inhaled drug delivery, anaesthesia and self-injection. The Group develops drug delivery systems for the pharmaceutical industry and disposable airway management products for critical care settings in hospitals. The Group is comprised of two businesses: Bepak is a global market leader in the manufacture of drug delivery devices for pharmaceutical partner companies, including products across the respiratory, injectables and Point of Care diagnostics markets. King Systems manufactures and markets airway management products, used primarily by anaesthetists and emergency room practitioners. The Group has facilities in King's Lynn, Cambridge, Nelson and Hemel Hempstead in the UK, and Indianapolis, Indiana and Kent, Ohio in the US. Consort Medical is a public company quoted on the full list of the London Stock Exchange (LSE: CSRT).

About King Systems

King Systems manufactures airway management, anesthesia and respiratory medical devices, products, equipment and supplies. The innovative product line includes breathing bags, breathing circuits, medical face masks, oxygen delivery adaptors, non-rebreathing circuits, carbon dioxide absorbers, video laryngoscopes, HMEs and critical care breathing circuits. King Systems is a division of Consort Medical. For more information, please visit www.kingsystems.com