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Montagu Private Equity announces the acquisition of LEO Animal Health

Montagu Private Equity ("Montagu") has today agreed to acquire LEO Animal Health (to be renamed "VetXX"), a subsidiary of privately owned Danish pharmaceutical company LEO Pharma, for an undisclosed consideration.

Montagu will acquire LEO Animal Health in partnership with the company's incumbent management team who will have a shareholding of approximately 12%. Jens Ingwersen will continue as chief executive of LEO Animal Health.

LEO Animal Health is a major European player within dermatology, ophthalmology and otology (skin, eye and ear diseases). It also produces pet diet food (through the brand SPECIFIC™) and pet care products for companion animals. All animal health products are distributed exclusively through veterinary surgeries.

The company is based in Ballerup and Uldum, Denmark, and has sales in more than 35 countries. Its veterinary medicine range includes well-established brands such as Canaural®, Fucithalmic® Vet, Fuciderm® Vet, Perlutex®, Malaseb® and Artrizin®. The range of SPECIFIC™ pet diet foods consists of complete life-stage diets for healthy cats and dogs as well as therapeutic diets for the management of clinical conditions.

"LEO Animal Health fits well into Montagu's strategy of investing in high-quality companies with strong, long-term customer relationships and significant growth and development potential" said Matt Lyons, Investment Director at Montagu.

Jens Ingwersen, CEO of LEO Animal Health commented "I am pleased that the deal with Montagu has been concluded. We are convinced that Montagu's financial resources, knowledge and expertise will help us to realise our goals and we are delighted to have their support".

"LEO Animal Health has been a stable and solid contributor to LEO Pharma's earnings for a number of years, but the divestment will enable us to concentrate on our core business of safe and effective medicines for humans. In addition we believe its new ownership will be to the benefit of the company, its customers and its employees" said Ernst Lunding, LEO Pharma's CEO and President.

The investment in LEO Animal Health is Montagu's second transaction in the Nordic region in recent months, following the strengthening of its Nordic team with the appointment of Matt Lyons and Peter Dahlberg. In February 2005 Montagu agreed to sell Finnish Chemicals to Kemira for €345 million, subject to competition clearance.

The acquisition is subject to regulatory approvals.

SEB provided the debt facilities for the transaction.

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Montagu Private Equity

Montagu is a leading private equity investor in the European mid-market with offices in London, Manchester, Paris, Düsseldorf and Stockholm. Over the last 35 years the firm has supported more than 400 businesses operating across a range of different segments and sectors, and currently has more than €3 billion under management. Montagu is focused on investing in management buyouts in partnership with the incumbent management team. The firm has a strong track record of delivering superior returns over time, an extensive network of contacts and offers its portfolio companies capital, financial expertise and strategic assistance in order to unleash their full development and growth potential.

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