

Press Release



February 24, 2006

BSN medical
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BSN medical a Fully Independent Player Following Spinout

Management buyout completed – Further growth potentials to be achieved through product innovations and strategic bolt-ons

Hamburg, February 24, 2006 --- The sale of BSN medical GmbH & Co. KG, based in Hamburg, by Beiersdorf AG, Hamburg, and Smith & Nephew plc, London, to Montagu Private Equity has been completed after the approval of the EU commission. In December 2005, Montagu, one of Europe's leading private equity companies, signed a contract subject to merger clearance to acquire BSN medical from Beiersdorf AG and S&N for €1.030bn.

After the successful completion of the sale, BSN medical will now operate as a fully independent player in the wound care, non-invasive orthopaedics and Phlebology segments, each of which are markets characterized by above-average growth rates. The management team of BSN will be supported by Montagu in realizing its growth strategy. The transaction as now concluded paves the way for a sustained future course of growth.

The future growth strategy of BSN medical follows the successful development since the company's establishment as a joint venture in 2001. Since then the company has advanced to become one of the world's leading suppliers in the casting and bandaging, traditional wound care and compression stocking product segments. The independence of the company will enable it to focus yet more closely on the ongoing development of its core business in the field of professional medical products, most notably through an addition of innovative new lines to the product portfolio and through the expansion of the international distribution network.

With its experienced management, dedicated workforce, a high quality product portfolio and a proven track record for potentials in the field of innovation, BSN medical has a great platform from which to accelerate the company's further development in form of strategic acquisitions. Licensing agreements and the bolt-on of both innovative products and technologies are planned in order to give a broader international base to the existing product know-how. Moreover, efforts are to be made to access new geographical markets for instance in Asia and Latin America and to boost sales in existing markets through enhanced marketing and distribution activities.

On completing the transaction, Graham Siddle, CEO of BSN medical, said: "In recent years, BSN has carved out an excellent position for itself in the marketplace, and we shall, as an independent company, seek to leverage this position by adding new products. This will open up further channels for development for BSN and our employees." Nico Helling, Director of Montagu, added: "We will support the growth strategy of BSN medical financially and back the company in strategic acquisitions for which we have committed solid capital resources."

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Notes to editors:

BSN medical GmbH & Co. KG, Hamburg, is one of the world's leading suppliers in the product segments casting, bandaging, traditional wound care and compression stockings. Established in April 2001 as a joint venture between Beiersdorf AG, Hamburg, and Smith & Nephew plc, London, the

company has been an independent player since a management buyout in February 2006. Several of the company's brands – such as Dynacast®, Jobst®, Delta-Cast® and Leukoplast® – are to be numbered among the most trusted names in the healthcare profession.

BSN medical has production facilities in Germany, France, the UK, Ireland, Mexico, Pakistan, South Africa and the USA. In Germany, the company has operations in Hamburg and Emmerich.

BSN medical operates in 25 countries, employs approximately 3,400 staff and is expecting revenues of €525 million for 2005.

Visit www.bsnmedical.com for more information.

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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. Since its establishment in 1968, 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.

Visit www.montaguequity.com for more information.

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