



PRESS RELEASE

FOR IMMEDIATE RELEASE

All dollar amounts in C\$ unless otherwise noted

Atrium Innovations Inc. to be acquired by the Permira funds and a group of Québec investors

MONTREAL, Nov. 29, 2013 /CNW Telbec/ - Atrium Innovations Inc. (TSX:ATB) ("Atrium" or the "Company"), a globally recognized leader in the development, manufacturing and commercialization of innovative, science-based natural health products, announced today that it has entered into a definitive arrangement agreement (the "Arrangement Agreement") with a company backed by the Permira funds (the "Permira funds") whereby the Permira funds will acquire all the issued and outstanding common shares ("Shares") of Atrium, other than the shares to be rolled over by Fonds de solidarité FTQ (the "Fonds") and Caisse de dépôt et placement du Québec ("CDPQ"), for \$24.00 in cash per Share (the "Purchase Price"). Upon completion of the transaction, Atrium will be jointly owned by the Permira funds (75%), the Fonds (12.5%) and CDPQ (12.5%), before management equity programs.

Key Transaction Highlights

- Group of investors includes the Permira funds, a global firm known for investing in growing businesses as well as the Fonds and CDPQ, long-time shareholders of Atrium
- Shareholders will receive \$24.00 in cash per Share
- The transaction represents a premium of 27.0% to the 30-day volume weighted average Share price on the TSX
- Atrium will maintain its head office in Québec, complete the expansion of the Québec manufacturing facility, and maintain current levels of employment, investment and R&D in Québec and Canada as well as ongoing community expenditures
- Atrium's Board of Directors unanimously recommends that shareholders and debenture holders vote in favour of the transaction
- The Fonds and CDPQ will collectively hold 25% of Atrium's Shares

Permira is a leading European private equity firm with global reach. The firm advises funds with a total committed capital of \$30 billion. The Permira funds make long-term investments in businesses with the ambition of transforming their performance and driving sustainable growth. They have invested in over 200 transactions in companies across a variety of geographies and

sectors since 1985 and have a proven track record of helping consumer companies invest in their brands to achieve their growth plans and expand their global presence.

The Purchase Price represents a premium of approximately 22.6% to the closing price of \$19.58 per Share on the TSX on November 28, 2013 and a premium of approximately 27.0% over the 30-day volume weighted average price of \$18.90 per Share on the TSX, up to and including November 28, 2013. The transaction represents a total enterprise value of approximately \$1.1 billion, including the assumption of existing indebtedness, for 100% of Atrium.

“The Permira funds understand and have a deep respect for Atrium’s Québec heritage which has been a key component of the Company’s historic success and will remain a highly important factor in the future”, said Pierre Laurin, Chairman of the Board of Atrium. “Our Board is pleased to recommend this transaction to our shareholders as it provides them with substantial and immediate cash value and is in the best interest of all stakeholders of the Company.”

“Atrium has built over the years a great global platform and we intend to expand on that achievement”, said Pierre Fitzgibbon, President and CEO of Atrium. “Atrium intends to continue to pursue its growth strategy both organically and through acquisitions. The Permira funds’, the Fonds’ and CDPQ’s resources provide us the ability to accelerate our growth with the financial ability to expand globally. We look forward to working with our three partners and taking the Company to a new level to realize its full potential.”

The Permira funds will support the continued growth of Atrium both within Canada and abroad and as part of the transaction, are committed to maintaining current levels of the Company’s employment in Québec and Canada, the head office in Québec, the current Québec-based management team and structure, and further investing in the unique research and product development capabilities in Québec and Canada, among other things.

John Coyle, Partner at Permira stated the following: “We are strong believers in Atrium’s business model, portfolio of trusted brands, strong distribution network and talented management team and are very pleased to have the opportunity to back this outstanding company. We are delighted to help further develop Atrium into a branded, global leader and support its expansion in the emerging markets. Additionally, the Company’s Québec heritage, including the Québec City business and the headquarters, has been important to the Company’s success and its presence and unique research and product development capabilities there will remain a key area of investment going forward.”

The transaction has been approved unanimously by the Board of Directors of Atrium following the unanimous recommendation of a Special Committee of Independent Directors. The Board of Directors of Atrium also unanimously recommends that shareholders and debenture holders vote in favour of the transaction at the special meeting of shareholders and debenture holders to be called to approve the transaction. The Fonds and CDPQ, Atrium's principal shareholders, who currently collectively hold 25% of all issued and outstanding Shares of Atrium, have agreed to vote all and to roll over a portion of their Shares in the transaction. In addition, all directors and certain officers of Atrium holding approximately 2.0% of the issued and outstanding Shares have also entered into agreements pursuant to which they have agreed to vote their Shares in favour of the transaction.

Fairness Opinions and Formal Valuation

TD Securities Inc. (“TD Securities”), as financial advisor to Atrium, and CIBC World Markets Inc. (“CIBC”), as financial advisor to the Special Committee and independent valuator, have each provided an opinion that as at November 28 2013, subject to the assumptions, qualifications and limitations provided therein, the consideration to be received by the shareholders (other than the Fonds and CDPQ) pursuant to the Arrangement Agreement is fair, from a financial point of view, to shareholders (other than the Fonds and CDPQ). CIBC has also provided the Special Committee with a formal valuation completed under the supervision of the Special Committee. The formal valuation determined that as at November 28 2013, and subject to the assumptions, limitations and qualifications contained therein, the fair market value of the Shares of Atrium ranged from \$21.00 to \$24.75 per Share. The fairness opinions and the formal valuation will be included in the management information circular to be mailed to shareholders and debenture holders in connection with the approval of the transaction.

Transaction Details

Pursuant to the Arrangement Agreement, Atrium has a 45-day go-shop period that will extend from November 29, 2013 to January 13, 2014 (the “Go-Shop Period”), during which TD Securities will solicit third-party interest in submitting a proposal which is superior to the proposal made by the Permira funds. The Permira funds will have a right to match a superior proposal during and after the Go-Shop Period. If Atrium is successful in soliciting a superior proposal during the Go-Shop Period, and the Board changes its recommendation, there will be a break fee payable to the Permira funds of approximately \$13.5 million. If a superior proposal is received following the expiry of the Go-Shop Period, and the Board changes its recommendation, the Permira funds will be entitled to a break fee of approximately \$23.1 million. The Permira funds have agreed to pay Atrium a termination fee of approximately \$23.1 million if the transaction is not completed in certain circumstances.

The completion of the transaction is subject to court approval pursuant to the *Canada Business Corporations Act* and the approval of Atrium’s shareholders. Implementation of the arrangement will be subject to the approval of 66 2/3% of the votes cast by shareholders present in person or by proxy at the special meeting of shareholders of Atrium and by holders of more than 50% of the votes cast by Atrium’s minority shareholders, being all shareholders excluding the Fonds and CDPQ and any of their respective affiliates. The transaction is also subject to customary closing conditions, including receipt of all regulatory approvals, and is expected to close in the first quarter of 2014. The transaction is not subject to any financing condition.

The Company intends to mail a management information circular in the upcoming weeks to its shareholders and debenture holders for a meeting expected to be held before January 31, 2014. Details of the transaction as well as the rationale for the Board of Directors’ support of the transaction will be set out in the information circular.

Completion of the transaction is expected to constitute a change of control under the debenture indenture (the “Debenture Indenture”) governing Atrium’s outstanding 5.75% convertible unsecured subordinated debentures (the “Convertible Debentures”). Important details regarding the terms of the Convertible Debentures are set out in the Debenture Indenture, which has been publicly filed by Atrium under Atrium’s profile at www.sedar.com. Holders of Convertible Debentures are encouraged to read the full text of the Debenture Indenture.

Under the terms of the proposed transaction, the holders of outstanding Convertible Debentures will receive a cash amount, including the make whole payment provided under the terms of the

Debenture Indenture, equal to the amount that they would otherwise have received upon conversion of the Convertible Debentures following the completion of the arrangement if they were not acquired under the arrangement, plus accrued interest to the date that is 30 days after the closing date.

The holders of the Convertible Debentures will be asked to vote on the arrangement. However, completion of the arrangement is not conditional on such approval. If the requisite debenture holder approval is not obtained, the Convertible Debentures will be excluded from the arrangement and will remain outstanding following completion of the arrangement.

Further details regarding the terms of the transaction are set out in the Arrangement Agreement and will be provided in a management information circular which will be available under the profile of Atrium at www.sedar.com.

Advisors

TD Securities is acting as financial advisor to Atrium in connection with the transaction and CIBC acted as financial advisor and independent valuator to the Special Committee of Atrium. RBC Capital Markets acted as financial advisor to Permira. Osler, Hoskin & Harcourt LLP is Atrium's legal counsel and Norton Rose Fulbright LLP is the Special Committee's legal counsel. Stikeman Elliott LLP and Skadden, Arps, Slate, Meagher & Flom LLP are counsel to Permira, and Davies, Ward, Phillips & Vineberg LLP is counsel to the Fonds and CDPQ.

About Atrium

Atrium Innovations Inc. (TSX: ATB) is a globally-recognized leader in the development, manufacturing, and commercialization of innovative, science-based natural health products which are distributed in more than 35 countries. The Company owns healthcare practitioner and specialized retail product brands that are at the forefront of science, innovation and education. Atrium has over 1,300 employees and operates seven manufacturing facilities with current Good Manufacturing Practices. Additional information is available at www.atrium-innovations.com.

About Permira

Permira is a European private equity firm with global reach. The Permira funds, raised from pension funds and other institutions, make long-term investments in companies with the ambition of transforming their performance and driving sustainable growth. Founded in 1985, the firm advises funds with a total committed capital of approximately \$30 billion. The Permira funds specialize in investing in five key sectors: Consumer, Financial Services, Healthcare, Industrials and TMT. Representative investments in the consumer sector include Dr Martens, Sushiro, Hugo Boss, Valentino, Iglo Group and OdigeO. Permira employs over 120 professionals based in Frankfurt, Guernsey, Hong Kong, London, Luxembourg, Madrid, Menlo Park, Milan, New York, Paris, Stockholm and Tokyo. For more information visit: www.permira.com.

Cautionary Note and Forward-Looking Statements

This press release contains certain forward-looking statements with respect to the Company. These forward-looking statements, by their nature, require the Company to make certain assumptions and necessarily involve known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these forward-looking

statements. Forward-looking statements are not guarantees of performance. These forward-looking statements, including financial outlooks, may involve, but are not limited to, comments with respect to the Company's business or financial objectives, its strategies or future actions, its targets, expectations for financial condition or outlook for operations and future contingent payments. Words such as "may", "will", "would", "could", "expect", "believe", "plan", "anticipate", "intend", "estimate", "continue", or the negative or comparable terminology, as well as terms usually used in the future and the conditional, are intended to identify forward-looking statements. Information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances. The Company considers these assumptions to be reasonable based on information currently available to it, but cautions the reader that these assumptions regarding future events, many of which are beyond its control, may ultimately prove to be incorrect since they are subject to risks and uncertainties that affect the Company and its business.

For additional information with respect to these and other factors and assumptions underlying the forward-looking statements made in this press release, see the Company's quarterly and annual Management Discussion and Analysis for the fiscal year ended December 31, 2012 filed with the Canadian securities commissions. The forward-looking information set forth herein reflects the Company's expectations as at the date of this press release and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law.

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