

For Immediate Release
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Welsh, Carson, Anderson & Stowe to Acquire a Majority Position in Spine Firm K2M

Deal Positions K2M for Substantial Growth as a Leader in the Global Spine Market

LEESBURG, VA ... July 8, 2010 – K2M, Inc. (“K2M” or the “Company”), a spinal device company developing innovative solutions for the treatment of complex spinal pathologies, and Welsh, Carson, Anderson & Stowe (“Welsh Carson”), a leading private equity firm, have entered into a transaction in which Welsh Carson will acquire the outstanding stock and become the majority shareholder of K2M, along with longtime K2M investor, Ferrer Freeman & Co., and K2M’s management.

Under this agreement, K2M’s global headquarters will remain in Leesburg, Virginia, and the Company will continue to operate under its existing management team led by Eric Major, President and CEO, and Dr. John Kostuik, Chief Medical Officer. The Welsh Carson investment will allow K2M to substantially scale its business to meet the high demand for its innovative product portfolio by expanding its worldwide sales force and accelerating the research and development of its next generation technologies.

“K2M has proven over the past several years to be one of the most innovative and fastest growing spine companies in the industry. We are excited to add K2M to our portfolio of medical device companies,” said Paul Queally, Welsh Carson Co-President.

“We are extremely proud that Welsh Carson, a world class private equity firm, has decided to back K2M to serve as the foundation platform to aggressively scale and become a leader in the spine market,” stated Eric Major. “In a relatively short period of time, we have built a profitable organization that has experienced rapid growth since its inception. June was another record breaking sales month for K2M. This strategic transaction will enable us to leverage the success of our existing business and reaffirm our commitment to becoming a leader in the global spine market. Welsh Carson has the unique combination of investment expertise, industry focus, and capital resources to react quickly to prospective opportunities and provide significant strategic and operational value to K2M.”

Dr. John Kostuik added, “This agreement with Welsh Carson will allow us expand our R&D efforts and portfolio of differentiated technologies to enhance global patient care, which will always remain K2M’s number one priority.”

The transaction is expected to close at the end of July. Piper Jaffray & Co. served as the exclusive financial advisor to K2M in this transaction.

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About K2M

K2M, Inc. is an innovative spinal device company committed to the research, development, and commercialization of simplified solutions for the treatment of complex spinal pathologies and procedures. The company is recognized as a worldwide leader in providing unique technologies for the treatment of deformity, degenerative, trauma, and tumor spinal patients. K2M’s complete portfolio of next generation products includes: spinal stabilization systems, minimally invasive systems, and other advancing technologies such as motion preservation, annular repair, and nucleus replacement. Additional information is available online at www.K2M.com.

About Welsh, Carson, Anderson & Stowe

Welsh, Carson, Anderson & Stowe is one of the largest and most successful private equity investment firms in the United States. Since its founding in 1979, the Firm has organized 15 limited partnerships with total capital of \$20 billion. Welsh, Carson, Anderson & Stowe focuses its investment activity in two target industries: information/business services and healthcare. The Firm has invested approximately \$5.7 billion of equity in over 70 healthcare portfolio companies during the last thirty-one years. Welsh Carson is currently investing an equity fund, Welsh, Carson, Anderson & Stowe XI, L.P., and a dedicated subordinated debt fund, WCAS Capital Partners IV, L.P. Additional information is available online at www.welshcarson.com.

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