K2M, A WELSH, CARSON, ANDERSON & STOWE PORTFOLIO COMPANY, COMPLETES INITIAL PUBLIC OFFERING

New York, NY – June 10, 2014 – Welsh, Carson, Anderson & Stowe (the “Firm” or “WCAS”), a private equity firm exclusively focused on information/business services and healthcare, announced that K2M Group Holdings, Inc. (“K2M”), a portfolio company, had successfully completed an initial public offering on May 8, 2014. WCAS received $16 million of preferred dividends and a $36 million note repayment. In addition, WCAS sold 822 thousand shares with the underwriters exercising their option to acquire additional shares (“green shoe”). WCAS continues to hold 22.3 million K2M shares, representing approximately $330 million of current market value.

In August 2010, WCAS XI acquired K2M with initial ownership of over 70% on a fully diluted basis. K2M designs, develops and markets a broad portfolio of spine surgery products used to treat various spine pathologies. K2M has commercialized 57 product lines that are used in complex spine surgery, minimally invasive surgery and degenerative surgery. The WCAS investment has enabled the Company to (i) invest in additional inventory and distribution to accelerate the adoption of the Company’s products in the United States and international markets and (ii) acquire new products and technologies to complete its product offering.

Over the past several years, K2M utilized the infusion of WCAS capital to make significant investments in building a hybrid sales organization consisting of direct sales employees, independent sales agencies and distributor partners. In the United States, K2M markets and sells its products through 114 direct sale employees and 48 independent sales agencies. The Company also markets and sells its products internationally in 28 countries through 37 direct sales representatives, 15 independent distributors and 5 independent sales agencies.

The spine surgery segment within orthopedics is a $10 billion-plus global market. K2M’s strengths are in subcategories of the spinal market that are positioned for faster growth than the overall market, including complex spine and minimally invasive surgery. K2M’s revenue has
grown to $157.6 million in 2013 from $60.4 million in 2008, representing a five-year compound annual growth rate, or CAGR, of 21%.

**About Welsh, Carson, Anderson & Stowe**

Welsh, Carson, Anderson & Stowe focuses its investment activity in two target industries, information/business services and healthcare. Since its founding in 1979, the Firm has organized 15 limited partnerships with total capital of $20 billion. The Firm is currently investing an equity fund, Welsh, Carson, Anderson & Stowe XI, L.P. See www.welshcarson.com to learn more.