

MedPointe Capital Partners To Purchase Carter-Wallace Healthcare Business

Backed by Investment Firms Carlyle and Cypress, Pharmaceutical Executives Set to Build Specialty Healthcare Products Company

Short Hills, NJ - May 8, 2001 - MedPointe Capital Partners, backed by private equity firms The Carlyle Group and The Cypress Group, announced this morning that it has entered into a definitive agreement to purchase the healthcare business of Carter-Wallace, Inc. (NYSE:CAR) in a cash deal valued at approximately \$408 million.

In a separate transaction, Carter-Wallace has agreed to sell the assets of its consumer products business for approximately \$739 million to Armkel, a partnership of consumer goods company Church & Dwight and the private equity group Kelso & Company. Both transactions must be approved by Carter-Wallace shareholders and receive clearance from various regulatory agencies. CPI Development Corporation, a private holding company that controls approximately 83 percent of the voting power of Carter-Wallace, has entered into an agreement to vote in favor of the transactions, subject to certain limited exceptions. The transactions are expected to be completed in late summer 2001.

In the deal, MedPointe is acquiring Wallace Laboratories, Carter-Wallace's pharmaceutical arm, and Wampole Laboratories, its diagnostics unit, as well as the rights to the Carter-Wallace name. MedPointe, Carlyle and Cypress, which will collectively invest approximately \$275 million in the transaction, were advised in the transaction by Bear, Stearns & Co. Inc., Simpson Thacher & Bartlett and PricewaterhouseCoopers LLP. Bear, Stearns & Co. Inc. has also provided a commitment for up to \$225 million of senior bank debt.

"Carter-Wallace is a healthcare products company with a long history and strong assets," said Anthony H. Wild, Ph.D., MedPointe's Chairman and CEO. "The job now is to capitalize on those assets through increased emphasis on sales and marketing, product development and licensing. We have a long road ahead of us, but we are confident that the Carter-Wallace healthcare business provides an excellent platform for growth."

MedPointe's executives - who have spent most of their careers in the healthcare products industry - will assume senior operating positions at the company once the deal closes. Dr. Wild, who will become Chairman and CEO of the new company, is the former President of the Global Pharmaceutical Sector of Warner-Lambert, where he had worldwide responsibility for the company's pharmaceutical operations, including research and development. During Dr. Wild's tenure, he managed sales growth from \$2.1 billion to \$10 billion, the formation of the Sankyo/Parke-Davis joint venture, the global partnership with Pfizer to market the cholesterol-lowering drug Lipitor[®], and the acquisitions of Jouveinal, Agouron, Hickson and gene/Networks.

The other three MedPointe executives will serve as Executive Vice Presidents in the new company, responsible for operations, administration and finance. The senior executive team includes James S. Burns, former Group President at Becton Dickinson and Vice Chairman of HealthCare Ventures; John T.W. Hawkins, former head of the Global Healthcare Sector at executive search firm Russell Reynolds Associates; and Paul S. Herendeen, former Executive Vice President and CFO of Warner Chilcott, a specialty pharmaceutical company recently merged with Galen Holdings, an Irish specialty pharmaceutical company.

MedPointe (www.medpointecapital.com), which is currently headquartered in Short Hills, New Jersey, was founded last year with the intention of building a specialty healthcare products company. "The scale of the large pharmaceutical and diagnostics companies today means that a great deal of emphasis is placed on 'blockbuster' products," explained Dr. Wild. "As a result, there are many excellent mid-level products that don't receive the support they should. These products may not make strategic sense to a 'big pharma' company, but we see a lot of opportunity in them." After the closing of the sale, MedPointe will be headquartered in the current Carter-Wallace facility in Cranbury, New Jersey.

Dr. Wild and the MedPointe team were attracted to Wallace and Wampole Laboratories because they have a solid foundation of products, including the allergy medicine Astelin[®], the muscle relaxant Soma[®], the Rynatan/Tussi[®] cough-cold line and a range of professional laboratory and physician office diagnostic tests. The MedPointe strategy following completion of the deal calls for increased investment in product sales, increased emphasis on new product formulation, and further product acquisitions to accelerate the company's growth.

The Carlyle Group is a global diversified private equity firm that originates, structures, and acts as an equity investor in management buyouts, corporate partnerships, platform consolidations, private placements and growth investments. Carlyle currently manages approximately \$12 billion of capital across twelve institutional funds, including a \$3.9 billion domestic leveraged buyout fund. Carlyle has completed approximately 215 transactions, investing over \$5.8 billion of equity and purchasing more than \$16.4 billion of assets.

The Cypress Group is a private equity investment fund whose objective is to achieve long-term capital appreciation through growth-oriented, privately negotiated equity investments. The Cypress Group currently manages over \$3.5 billion of equity capital on behalf of major pension funds, university endowments and other leading financial institutions. To date, The Cypress Group has invested over \$1.5 billion in nine transactions. As principals, The Cypress Group has invested a total of approximately \$2.3 billion in 21 businesses with an aggregate transaction value of approximately \$13.5 billion.

Further inquiries should be directed to info@meda.us