



Department of Justice

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API HEALTHCARE CORP. ABANDONS MERGER PLANS WITH KRONOS INC. AFTER JUSTICE DEPARTMENT EXPRESSES ANTITRUST CONCERNS

WASHINGTON — API Healthcare Corporation has abandoned its merger plans with Kronos Inc. after the Department of Justice expressed concerns that the acquisition would have reduced competition and increased prices in healthcare-specific workforce management technology. As a result of the contract termination, both Kronos, which is owned by investment firm Hellman & Friedman Capital Partners VI L.P., and API, which is owned by investment firm Francisco Partners II L.P., will continue to sell health-care specific workforce management solutions.

By purchasing API, Kronos would have acquired its most significant competitor for healthcare time and attendance solutions, and led to the loss of a vigorous competitor that offered innovative staff scheduling capabilities in combination with its time and attendance products. The department said that according to industry sources, the transaction would have resulted in a single firm controlling approximately 70 percent of the time and attendance healthcare market.

“We welcome the decision to abandon this deal, which will preserve competition in the market for time and attendance technology in the healthcare industry,” said Christine Varney, Assistant Attorney General in charge of the Justice Department’s Antitrust Division. “The abandonment of this transaction means that consumers will continue to receive the same benefits of competition, including greater innovation and lower prices, they’re now receiving.”

API, headquartered in Hartford, Wis., has installations in more than 1,000 client sites in the healthcare industry and had 2010 revenues of \$52 million. Kronos, headquartered in Chelmsford, Mass., provides workforce management software to tens of thousands of organizations in approximately 60 countries, both within the healthcare industry as well as many other industries.

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