

WATER STREET

For Immediate Release

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WATER STREET HEALTHCARE PARTNERS INVESTS IN ALPINE BIOMED TO PURCHASE MEDTRONIC'S NEUROLOGY DIAGNOSTIC PRODUCTS

Transaction Creates Global Diagnostic Device Company and Marks Private-Equity Firm's Fifth Investment in Past Year

CHICAGO – August 1, 2007 – Water Street Healthcare Partners, a Chicago private-equity firm focused exclusively on the healthcare industry, announced today that it has completed a two-part investment, in which it has acquired majority ownership in Alpine Biomed to support the company's purchase of the neurology diagnostic product line from Medtronic, Inc. (NYSE: MDT). The transaction creates a global leader in specialty diagnostic devices and marks Water Street's fifth investment in the past year.

Alpine Biomed will now be the market leader in producing diagnostic products used for gastro esophageal reflux disease (GERD), commonly referred to as acid reflux disease, a condition afflicting more than 60 million Americans, as well as neurology diagnostic products used for conditions such as carpal tunnel syndrome and sleep disorders. Headquartered in Fountain Valley, California, Alpine Biomed has manufacturing facilities in Denmark, the United States and Vietnam.

“Water Street’s outstanding track record in corporate divestitures and integration expertise were important factors in our successful acquisition of the neurology diagnostic product line from Medtronic,” said Alpine Biomed President Brad Westcott. “Bringing these two product lines together enables us to leverage our manufacturing and engineering capabilities to offer new and enhanced products to our customers. Water Street’s operating experience and focus on building market-leading healthcare companies will be critical to us as we pursue our goal of establishing Alpine Biomed as the global leader in broader specialty diagnostic devices.”

Commenting on the investment in Alpine Biomed as a platform for future growth in the diagnostic device industry, Ned Villers, a principal with Water Street said, “The acquisition of Medtronic’s neurology diagnostic products dramatically increases Alpine Biomed’s size and infrastructure, creating a platform for future growth and business development opportunities. We’re actively working to evaluate additional acquisitions and partnerships with several small and mid-size diagnostic device companies that will enable the company to further expand its product capabilities and extend its global presence.”

Water Street’s investment in Alpine Biomed to acquire the neurology diagnostic product line from Medtronic follows another recent transaction in which the private-equity firm acquired a business from Stryker Corporation, a global medical technology company, to form one of the nation’s largest outpatient physical therapy services companies.

“We believe Water Street is currently the most active private-equity investor in healthcare,” said Tim Dugan, managing partner of Water Street. “Our success comes from the industry experience and knowledge of our partners, our proven ability to create market-leading companies and our long-term approach to building relationships and achieving results. This combination has made us the firm of choice for high-growth middle-market companies and global healthcare leaders who want to successfully divest non-core businesses, as demonstrated by our recent investment activity.”

About Water Street Healthcare Partners

Water Street Healthcare Partners is a Chicago private-equity firm focused exclusively on building market-leading companies in the healthcare industry. Leveraging its financial and operating expertise, deep industry knowledge, and extensive network of contacts, Water Street proactively sources and invests in middle-market companies to accelerate growth and significantly increase value, with a particular expertise in corporate divestitures from the world's leading healthcare companies, including Johnson & Johnson, Smith & Nephew and Stryker Corporation. Water Street's team is comprised of highly experienced industry leaders and private-equity professionals who have worked together for more than 10 years and whose investments include: Facet Technologies, Medex Corporation, AbilityOne Corporation, Kendro Laboratory Products and AccessMediQuip. For more information about Water Street, visit www.wshp.com.

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