

WATER STREET

For Immediate Release

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WATER STREET HEALTHCARE PARTNERS INVESTS IN LEADING PATIENT SAFETY COMPANY

CHICAGO – July 19, 2007 – Water Street Healthcare Partners, a Chicago private-equity firm focused exclusively on the healthcare industry, announced today that it has acquired a significant stake in San Fernando-based Precision Dynamics Corporation, the global leader in patient identification wristband systems used for multiple applications by hospitals and healthcare providers.

Water Street Healthcare Partners has committed \$75 million in equity financing to accelerate Precision Dynamics' growth and expand its market position into one of the world's leading patient safety companies by pursuing future acquisitions.

“As we weighed various options to help us achieve our goal of more aggressive growth, Water Street stood out as the ideal partner,” said Precision Dynamics President and CEO Gary Hutchinson. “Our company will benefit immensely from Water Street’s healthcare expertise and operational experience as we look to further our leadership position in patient safety, one of the healthcare industry’s highest priorities today. Water Street’s outstanding track record in successfully investing in and building market-leading companies makes us very confident in and excited about our future.”

With a recent study by the World Health Organization showing that an average of one in 10 patients admitted to a hospital experiences a preventable medical error that can result in disability or death, patient safety is rapidly becoming the number one issue that healthcare practitioners, government officials and consumers are focused on improving.

“Precision Dynamics is the clear leader in producing medical identification products that are enabling healthcare organizations to improve patient safety outcomes,” said Kip Kirkpatrick, a partner with Water Street. “We see huge potential to further build Precision Dynamics’ leadership position by expanding into new medical products that will lead to even more successful patient safety outcomes, particularly as new industry standards are introduced and enforced. In fact, we’re already working with Precision Dynamic’s management team to evaluate several attractive acquisition candidates.”

Noting that Precision Dynamics was first to market with bar coding identification wristbands used by most hospitals today, Chris Sweeney, a principal with Water Street commented, “The founders of Precision Dynamics have built a strong company that is highly regarded for its innovation and leadership in healthcare ID bands. We look forward to contributing Water Street’s industry expertise and experience to support the management team in taking Precision Dynamics to the next level and establishing it as a leading global patient safety products company.”

About Precision Dynamics Corporation

With more than 50 years of experience, Precision Dynamics Corporation is a global leader in the development of patient identification systems in healthcare. Known for its innovation and commitment to quality, the company introduced the first patient bar code identification wristband used by most hospitals and healthcare providers today, as well as radio frequency identification wristband systems (RFID). It also is a pioneer and market leader in the leisure & entertainment and law enforcement markets. Headquartered in San Fernando,

California, Precision Dynamics is ISO certified and employs 500 people. For more information about Precision Dynamics, visit www.pdcorp.com.

About Water Street Healthcare Partners

Water Street Healthcare Partners is a Chicago private-equity firm focused exclusively on building market leadership 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: Medex Corporation, AbilityOne Corporation, Kendro Laboratory Products and AccessMediQuip. For more information about Water Street, visit www.wshp.com.

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