

WATER STREET

For Immediate Release

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WATER STREET HEALTHCARE PARTNERS AND WIND POINT PARTNERS ANNOUNCE DEAL TO CREATE LEADER IN REHABILITATION SERVICES

Chicago Private-Equity Firms Merge Portfolio Companies to Form Leading U.S. Outpatient Rehabilitation Services Company

CHICAGO – June 28, 2007 – Water Street Healthcare Partners, a Chicago private-equity firm focused exclusively on the healthcare industry, and Wind Point Partners announced today that they have finalized a deal to merge Physiotherapy Associates and Benchmark Medical to create a national leader in outpatient rehabilitation services.

Water Street, which recently acquired Physiotherapy Associates from Stryker Corporation in a \$150 million deal, and Wind Point, which has owned Benchmark Medical since 2000, will be the majority owners of the combined company. Operating under the name Physiotherapy Associates, the company will generate combined revenues of \$420 million, employ 5,500 people and operate more than 800 clinics offering physical therapy, orthotic and prosthetic services to millions of patients in communities throughout the U.S.

Bill Floyd, CEO of Benchmark Medical, has been named the new CEO of Physiotherapy Associates. Prior to Benchmark, Mr. Floyd served as chairman, president and CEO of leading eldercare provider, Beverly Enterprises, where he was instrumental in increasing shareholder value by more than \$1 billion.

Noting that the number of people over age 45 will increase by more than 20 percent over the next 15 years, Mr. Floyd stated, “As U.S. demographics shift to an increasingly older population, the demand for rehabilitation services will rise. We’re already seeing it. Now more than ever, people need access to consistent, personalized care. Physiotherapy Associates will set the bar for the industry as the only national company that can offer people specialized expertise in physical therapy, orthotic and prosthetic services at a local level. Our advantage as a combined company will be our ability to serve local communities more effectively because we understand their specific needs and, at the same time, have an extensive, national network of support and resources that we can leverage.”

Mark Valente, executive vice president of operations for Physiotherapy Associates, added, “Our customers and employees will benefit enormously from the combination of our companies. We are both highly regarded industry leaders that are known for the quality of our clinical care in the communities we serve. By coming together as one company that will offer our expertise and services in cities across the country, we will continue to make a real difference in our patients’ lives, and just as importantly, bring new and exciting opportunities to our employees.”

Calling attention to the fact that more than 70 percent of the outpatient rehabilitation market is comprised of local or regional clinics that are standalone facilities, Jeff Gonyo, a managing director with Wind Point Partners and board member of Physiotherapy Associates said, “We see a tremendous opportunity to make a significant impact in the highly fragmented outpatient rehabilitation services market. By partnering with Water Street to create a leading national company focused on high-quality clinical care at a local level, and bringing Bill Floyd, a top-caliber CEO, into the equation, we are changing the face of this industry.”

Kip Kirkpatrick, a partner with Water Street Healthcare Partners and board member of Physiotherapy Associates, added, “When we approached Stryker Corporation about making Physiotherapy Associates an independent company, we committed to invest in its future.

Through this merger, we are creating an industry leader that excels at providing patients with comprehensive and personalized rehabilitation care. Looking ahead, we see even more potential to further build on Physiotherapy Associates' leadership position by extending its services into even more communities and offering enhanced services to patients.”

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.

About Wind Point Partners

Wind Point Partners is a private equity investment firm with \$2 billion in capital under management. Wind Point focuses on partnering with top caliber management teams to acquire solid middle market businesses with a clear path to value creation. Additional information about Wind Point is available at www.wppartners.com.

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