

For Immediate Release

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FACET TECHNOLOGIES ACQUIRED BY WATER STREET HEALTHCARE PARTNERS

Company Largest U.S.-Based Microsampling Sharps Business with Products for Blood Glucose Monitoring

Marietta, GA., September 1, 2006 – Facet Technologies, a division of Matria Healthcare, Inc. (Nasdaq: MATR), was acquired today by an affiliate of Water Street Healthcare Partners, a Chicago-based private equity firm. Facet is the leading provider of lancets and lancing devices to the rapidly growing blood glucose monitoring market and in microsampling point-of-care diagnostics.

“Our success comes from innovation, quality and the precision of our lancing-related products,” noted Bill Taylor, President of Facet Technologies. “Compliance with routine blood glucose monitoring is essential to effective treatment of diabetes and we have developed the leading technology that minimizes pain and invasiveness of the needle stick, as well as enhancing convenience – all of which are essential to a positive patient experience.”

In addition to being a market leader in the global microsampling sharps market for diabetes testing products, Taylor added, “We are well positioned to participate in the broader specialty sharps business, including vascular suturing, biopsy and other specialty surgical devices, where precise manufacturing and innovation in product development is equally essential. Water Street’s acquisition of our business and the additional growth resources that they bring offers us the opportunity to further enhance our technologies for the diabetes market. It also allows us to expand into other diagnostic arenas where fabrication of precise sharp components and related devices is

equally critical.” Facet’s products serve people with diabetes who must routinely monitor their blood glucose levels as a key element of managing their condition. The company’s ability to consistently meet the exacting requirements of blood glucose monitoring technology has established it as the worldwide leading provider of microsampling devices. Diabetes is a fast-growing public health problem, with the incidence of the disease in the U.S. doubling since 1980. Nearly 21 million Americans are believed to have diabetes, according to the Centers for Disease Control, and 41 million more are pre-diabetic.

“We are particularly excited about Facet’s capabilities,” said Tim Dugan, partner with Water Street. “Their engineering expertise and innovation in product development offers a strong platform for continued growth in the exciting and fast-growing blood glucose monitoring business. It also positions the company to grow in related markets that could benefit from Facet’s ability to design, develop and manufacture precisely formed sharp components and related devices.”

Facet Technologies is an engineering and manufacturing organization providing design, development and manufacturing services to the medical device industry. The company is a leading designer and manufacturer of hand-held interface devices utilized by patients and end-users. For additional information on Facet, visit www.facettechnologies.com.

Water Street Healthcare Partners is a Chicago-based private equity firm focused exclusively on building market leadership companies in the healthcare industry. Applying its financial and operating expertise, deep industry knowledge, and extensive network of contacts, Water Street helps companies accelerate growth and significantly increase value. The Water Street team has worked together since 1998, when they formed a healthcare private equity team under what is now One Equity Partners, part of

JP Morgan Chase. Water Street was launched as an independent healthcare private equity firm in May 2005. The Water Street team's investments have included Lakewood Pathology Associates, Access MediQuip, Medex, AbilityOne, and Kendro Laboratory Products. For more information about Water Street, visit www.waterstreetcapital.com.

Matria Healthcare is a leading provider of comprehensive health enhancement programs to health plans, employers and government agencies. Matria manages major chronic diseases and episodic conditions including diabetes, congestive heart failure, coronary artery disease, asthma, chronic obstructive pulmonary disease, high-risk obstetrics, cancer, chronic pain, depression, end-stage renal disease, and obesity; delivers programs that address wellness, healthy living, productivity improvement, and patient advocacy; and provides case management of acute and catastrophic conditions. Headquartered in Marietta, Georgia, Matria operates through more than 50 offices around the United States. More information about Matria can be found on line at www.matria.com.

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