

WATER STREET

For Immediate Release

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WATER STREET HEALTHCARE PARTNERS CLOSES \$650 MILLION PRIVATE EQUITY FUND

CHICAGO – September 3, 2008 – Water Street Healthcare Partners, a leading private equity firm focused exclusively on the health care industry, announced today the closing of its second independent private equity fund, Water Street Healthcare Partners II, L.P. The fund closed at its cap of \$650 million of investor commitments, exceeding its original target of \$600 million, and bringing the firm’s total capital under management to more than \$1 billion.

“We are pleased that our limited partners continue to support our focused investment strategy,” said Tim Dugan, founding and managing partner of Water Street. “Their strong response enabled us to raise our fund quickly. We are grateful for their recognition of the results our firm has achieved over the past two years. Our team’s deep expertise in health care, disciplined approach to identifying proprietary opportunities and demonstrated ability to transform businesses into market-leadership companies has been, and will continue to be, core to our success.”

Water Street has completed 10 proprietary investments and announced one additional investment since raising its first fund approximately two years ago. The firm was founded by Jim Connelly, the former president and COO of Caremark International, Tim Dugan and Kip Kirkpatrick, who, together, previously led health care investments for One Equity Partners, the \$5.5 billion private equity arm of JP Morgan Chase.

Consistent with Water Street's first fund, the firm's second fund will focus on creatively partnering with middle-market companies and divisions of global companies in attractive health care sectors with opportunities for growth. The firm recently announced its first investment for Fund II through a partnership with Gentiva Health Services, Inc. to acquire a controlling stake in CareCentrix, the largest manager of home health care services for managed care organizations. Water Street has partnered with global health care companies, such as Gentiva, Medtronic, Inc. and Matria Healthcare, Inc. to divest lower-priority businesses for nearly half of its investments. It also has partnered with founders and CEOs of middle-market companies to strategically expand their businesses.

"Water Street has consistently built companies of significant value in attractive segments of health care," said Brett Johnson, principal, Pantheon Ventures, Inc. "The firm has a proven track record and a unique approach to originating investment opportunities. We believe Water Street's combination of industry expertise and operational experience in the growing health care market ideally positions the firm for continued success."

Investors in Water Street's fund are a combination of leading domestic and international pension funds, endowments, financial institutions and fund-of-funds, including: Adams Street Partners, Allianz Private Equity Partners, Goldman Sachs Asset Management and New York Life Capital Partners. Water Street's second fund also attracted new investors, including: Soros Strategic Partners LP, Blue Cross Blue Shield of Arizona, Danske Private Equity, as well as leading university endowments and foundations.

"We are honored to partner with such a highly regarded and distinguished group of investors," said Jim Connelly, a founding partner of Water Street. "Health care continues to be an outstanding opportunity for investment as one of the largest and most profitable industries in the U.S. Over the past two years, we have built an exceptional investment team with extensive backgrounds in operating global health care businesses. We believe our deep expertise and extensive network of industry contacts will continue to drive our ability to build companies of long-lasting value that achieve superior returns for our investors."

Water Street will continue to pursue investments in six key segments of health care, including: diagnostic devices, medical products, pharmaceutical services, specialty distribution, specialty pharmaceuticals and specialty services. Its transactions typically range from \$50 million to \$500 million in value.

About Water Street Healthcare Partners

Water Street Healthcare Partners is a leading private equity firm focused exclusively on health care. With more than \$1 billion of capital under management, Water Street is one of the most active investors in the health care industry. The firm has a strong track record of building market-leadership companies across key growth sectors in health care. It has partnered with some of the world leading health care companies on its investments, including: Johnson & Johnson, Medtronic and Smith & Nephew. Water Street's team is comprised of industry executives and private equity professionals with decades of experience investing in and operating global health care businesses. The firm is headquartered in Chicago. For more information about Water Street, visit www.wshp.com.

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