

impedance, catheter pH and Bravo wireless pH products, we advance our vision of providing total world-class solutions to our GI customers' evolving product needs," said Homi Shamir, president and chief executive officer, Given Imaging. "From a financial standpoint, acquiring Sierra will increase our revenue base and ultimately profitability. It enables us to diversify our product and geographic revenues through access to additional best-in-class products, people and manufacturing assets. We plan to offer our full product portfolio to our expanded customer base to drive broader use of all of our products."

Sierra Scientific employs 175 people in Los Angeles, where it is headquartered, and in HoChiMinh City, Vietnam, where it recently opened a manufacturing facility. The company achieved revenues of approximately \$18 million in 2009. Approximately 60 percent of those revenues were from sales in the United States and 40 percent were from international sales, principally in Europe.

John Arnott, who was recruited by Water Street to lead Alpine Biomed and currently serves as chairman of Sierra Scientific, added: "It has been rewarding to play a lead role in building this organization into the market leader. The fact that Given Imaging approached us about buying Sierra Scientific to further enhance its GI solutions affirms our success in creating a company of significant value. Sierra Scientific's customers and employees will prosper from becoming part of Given Imaging's global network of resources and broad range of GI solutions."

Water Street's agreement to sell Sierra Scientific to Given Imaging culminates the firm's first investment in the specialty diagnostic market in 2007 when it acquired majority ownership in Alpine Biomed. Water Street subsequently facilitated three acquisitions, including a product line from Medtronic, Inc., to build Alpine Biomed into a specialty diagnostic device leader serving the gastroenterology and neurology clinical markets. Simultaneous to merging Alpine Biomed's gastrodiagnostic division with Sierra Scientific in 2009, Water Street sold the neurodiagnostic division to Natus Medical for \$43.2 million.

"We are pleased that two highly regarded industry leaders valued the businesses that we helped build through our original investment in Alpine Biomed. When we acquired Alpine Biomed three years ago, our vision was to build a specialty diagnostic leader. We leveraged our team's deep health care expertise and network of industry relationships to ultimately create two market leaders in attractive segments of the health care industry. The agreement to sell Sierra Scientific to Given Imaging strategically positions the company for long-term success and delivers a solid return to our investors," said Ned Villers, a partner with Water Street.

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 record of building market-leading companies across key growth sectors in health care. It has partnered with some of the world's 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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