

## **A.F. Leis Completes Equity Transaction, Changes Name to Leis Medical**

### ***Manufacturer of Orthopedic Implants and Instrumentation Receives Equity Investment, Value-added Resources to Stimulate Growth***

Dayton, Ohio - March 10, 2006 – A.F. Leis, a worldwide outsourced manufacturer and provider of orthopedic implants and instrumentation to leading medical companies, sold a controlling interest in the company today to Arsenal Capital Partners, a New York – based private equity firm that invests financial and operational resources to help drive growth and business effectiveness in lower middle-market, niche manufacturing companies. Following this transaction, the company will be renamed Leis Medical.

Arsenal Capital and the Leis Medical management team plan to invest significantly in state-of-the-art equipment, establish a prototyping facility in Memphis, Tenn. and implement more sophisticated business processes to help Leis Medical become a preferred partner and supplier to its customers.

Leis Medical is a world-class and global provider of orthopedic implants and instrumentation servicing to the medical original equipment manufacturer (OEM) industry. A manufacturer of medical devices for more than 25 years, the company has recently experienced rapid growth and is committed to making capital investments in technology and personnel. Leis Medical will continue to be headquartered in Dayton, Ohio, and maintain a sales office in Winona Lake, IN. Founded in 1950, the company employs approximately 300 people.

“This partnership with Arsenal Capital Partners will allow us to fully leverage our company’s experience in healthcare and manufacturing in order to solidify our position as a leader in our market,” said Harold Linville, CEO of Leis Medical. “We look forward to working with Arsenal Capital to expand our current business, as well as pursue new opportunities to broaden the array of services we can offer to our customers.”

“Leis has an excellent reputation and working relationship with the leading orthopedic implant and instrument manufacturers, serving as a reliable partner in manufacturing and delivering high-quality products on-time and on-budget,” commented Jim Marden, a Managing Director of Arsenal Capital Partners. “New capital and support from our seasoned investment and operating professionals will help Leis Medical continue its rapid growth by providing value-added services to its customers that will help reduce the number of supply chain vendors they need to access.”

Arsenal Capital Partners has made three acquisitions in the healthcare industry, acquiring niche market leaders in pharmaceutical ingredients, specialty chemicals for pharmaceuticals, and specialty healthcare distribution.

JPMorgan Mezzanine Capital provided mezzanine debt financing for the transaction.

### **About Arsenal Capital Partners**

Arsenal Capital Partners is a New York-based private equity firm that makes control investments in specialty manufacturing and service companies. Arsenal invests in growing sectors where they have knowledge and expertise, and in niche leaders that have the potential for Arsenal and management to create additional value. Arsenal focuses in the healthcare and specialty industrial sectors, including specialty chemicals, aerospace/defense, pharmaceuticals, medical devices, specialty components and distribution/logistics. The firm currently has \$300 million of committed equity capital. For more information on Arsenal Capital Partners please see [www.arsenalcapital.com](http://www.arsenalcapital.com).

For additional information please visit [www.arsenalcapital.com](http://www.arsenalcapital.com) or [www.leismedical.com](http://www.leismedical.com).

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