



FOR IMMEDIATE RELEASE

Frazier Healthcare Acquires Orthotic Holdings Inc.

Ronkonkoma, NY, April 8, 2013 – Frazier Healthcare is pleased to announce the acquisition of Orthotic Holdings Inc. ("OHI") from majority owner, Incline Equity Partners. OHI is a holding company of Langer Biomechanics, Arizona AFO and The Orthotic Group. Through these three brands, OHI is the leading North American manufacturer, marketer and distributor of predominantly custom and branded medical products that treat foot, ankle and leg related conditions and diseases.

As part of the transaction, Frazier Operating Partner, Van Sabel, will lead the company through its next phase of growth as its new Chief Executive Officer. Mr. Sabel brings extensive experience growing companies both organically and through acquisitions. As modern-day Founder and former CEO & Chairman of Hanger Inc. (NYSE: HGR), he grew the business from \$1.25 million in revenue to nearly \$1.0 billion, while executing over 100 practice acquisitions and several large strategic acquisitions. Other organizational changes include the transition of Jason Kraus to President & COO of Langer Biomechanics and Arizona AFO and Bruce Marrison to President & COO of The Orthotic Group.

OHI represents the second investment that Frazier Healthcare has made in the foot and ankle space, having successfully exited Ascension Orthopedics in **September 2011**. "This transaction represents yet **another example of Frazier Healthcare's operating partner**-centric growth equity strategy whereby we find and partner with industry veterans with deep experience and talent to execute on investment opportunities we wish to pursue," **said Brian Morfitt, Frazier Healthcare Partner and OHI board member**. Obesity and diabetes, two of the most increasingly prevalent diseases in the US, often result in foot and ankle related health conditions – making the lower extremity market one of the fastest growing spaces in orthopedics.

Mr. Sabel also added, "As one of the few platforms of size and scale in the podiatric market, OHI represents an opportunity for Frazier Healthcare, working with OHI's existing management team, to further penetrate its existing channels, expand its product offering into new channels and acquire smaller orthotic labs in what is a highly fragmented market. In addition, our deal team continues to explore business opportunities, including both product and service based business models, that touch the foot and ankle and can be additive to the Continuum of Care that we envision."

About Frazier Healthcare

Founded in 1991, Frazier Healthcare is a leading provider of growth equity and venture capital to high growth and emerging healthcare service and biopharma companies. With over \$1.8 billion under management across seven funds, Frazier Healthcare has invested in more than 140 companies across the entire developmental spectrum. From seed stage venture investments to leveraged recapitalizations of case generating companies, Frazier Healthcare has established itself among entrepreneurs and seasoned executives as a preferred partner to help create and grow successful healthcare companies. For more information about Frazier Healthcare, visit the company's website at www.frazierhealthcare.com.

About Orthotic Holdings Inc. ("OHI")

Based Ronkonkoma, NY, OHI is recognized as the North American market leader in the manufacture and distribution of custom orthotic and ankle foot orthosis products. The company maintains leading market positions in multiple products lines and serves a growing customer base of more than 10,000 healthcare professionals who treat conditions and diseases associated with the lower extremity. OHI sells its products mainly in the US and Canada as well as through distribution partnerships in Europe and Australia.



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