

Degania Silicone Ltd. Announces the Acquisition of Arthesys S.A.

Degania Silicone Ltd., a leading OEM manufacturer of silicone products for the medical device industry, has announced the completion of its acquisition of Paris, France-based Arthesys S.A., a leading OEM company that designs, develops and produces a range of cardiovascular catheters and stents.

Mr. Tsvi Benayoun, Degania's Business Development Manager, has been appointed as Arthesys' new President, and Mr. Pierre Hilaire, the company's founder, will stay on to serve as the company's CTO.

Creating a leading OEM Catheters Specialist

The combined companies will constitute one of the world's leading groups specializing in the OEM supply of medical catheters, offering customers significant breadth of expertise, and a wide range of products and professional services. The Degania group, with approximately 850 employees world-wide, will now operate out of facilities in five different countries: Israel, India, France, Germany and the United States. The acquisition fully supports Degania's strategy to grow its catheters business for various medical applications, and to support its clients in the medical devices industry.

Amos Nahir, Degania Silicone's managing director and Chief Executive Officer, stated:

"We believe that this acquisition will bring customers of both Degania Silicone and Arthesys even greater value through broader offerings and enhanced customer service. Beyond the hard assets, the combined efforts will draw on the best people from both organizations to drive these improvements."

"While these are difficult economic times globally, Degania Silicone Ltd. is in a solid financial position," said Mr. Nahir. "We made the tough decisions several years ago to reshape our company through focus and discipline and by investing in a second production facility in India. Now, this acquisition of Arthesys S.A. is a clear fit with our strategic growth plans, by which we can build greater shareholder value by expanding our business whilst obtaining the economies of scale that come with an opportunity such as this."

"Growing our businesses in a sustainable manner was always our stated intention and we are pleased to have made this acquisition. We have an ongoing commitment to being a global leader in the medical catheters industry," said Mr. Nahir.

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