

STONEWOOD

CAPITAL MANAGEMENT, INC.

*Private Equity
Investments*

Stonewood Capital Management, Inc.
Three Gateway Center, 13 East
Pittsburgh, PA 15222

412.391.0300
www.stonewoodcapital.com

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ABOUT STONEWOOD

Stonewood Capital Management, Inc. is a Pittsburgh-based private equity group seeking investment opportunities primarily with manufacturing, assembly, or distribution companies with sales from \$5 to \$60 million.

Stonewood's executives have experience with many types of transactions, but specialize in making acquisitions in partnership with experienced management teams. The managers supply the business skills necessary to move the company forward, and Stonewood adds value by helping craft strategies for growth and margin improvement as well as assisting management teams with legal and financial issues that arise in the business.

Each of Stonewood's executives is well versed in a wide range of creative transaction structures and, as a result, Stonewood is able to be a highly flexible investment partner. Stonewood is comfortable participating as both equity investor and subordinated debt provider when appropriate to make transactions easier to finance and close.

THE STONEWOOD ADVANTAGE

Stonewood offers those in search of capital an unusual advantage because it is managed by a small group of executives charged with investing the private equity component of a large private portfolio, and as a result Stonewood is free to make both initial and follow-up investments without the approval of an outside board of investors.

This means that Stonewood can serve the interests of everyone involved with maximum flexibility and minimal delay. More importantly, it means that Stonewood can invest in businesses for the long term, without undue concern for short-term performance.

Additionally, Stonewood's executives have an extensive network of investors, bankers, lawyers, accountants and business managers who can be valuable sources of expertise to Stonewood's portfolio companies. This network allows Stonewood's portfolio companies access to high level know-how as they execute growth strategies.

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EXPERIENCE

Stonewood's executives have considerable experience in both managing and investing in manufacturing companies. Stonewood has participated in a wide variety of transaction types and addressed the full range of motivations for transactions, including the following:

- ***Management Buy-Outs***

Stonewood provides the capital necessary to purchase a company or business unit from its existing family or corporate ownership, in partnership with the managers of the business.

- ***Recapitalizations***

Stonewood provides the capital necessary to purchase a business from private owners; the owners experience a liquidity event, and they continue to participate actively in management.

- ***Partnership/Shareholder Buy-Outs***

Stonewood provides the capital necessary to purchase interests from non-management equity holders and invest with existing managerial owners to grow the business.

- ***Turn-arounds***

Stonewood provides the capital to reduce excess leverage and help management teams weather temporary adverse business conditions.

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ACQUISITION FOCUS

Stonewood is primarily interested in acquiring positions in companies or operating units that fit the following profile:

- Manufacturing, assembly, or distribution businesses
- Sales between \$5 and \$60 million
- Profitable (except for turn-arounds),
with stable margins
- Located in the eastern United States or Canada
- Diversified customer base

Stonewood is most comfortable with proven, committed management teams that have experience in their business sectors.

STONEWOOD VALUE

In addition to capital, Stonewood brings both a lasting commitment and wealth of practical business knowledge to each venture.

- *Providing Focus*

Unlike most private equity funds, Stonewood has no sunset provisions on its investments, and no constituents who demand liquidity at any time certain. This permits Stonewood to encourage its portfolio companies to pursue growth strategies that are best for their businesses in the long term, rather than focusing on short-term valuations.

- *Letting Managers Manage*

Stonewood is committed to helping management implement and execute growth strategies from the board level, without interference in the day-to-day operations of the business.

- ***Providing Flexible Options***

Stonewood is flexible enough to work in almost any business situation. Stonewood's executives have familiarity with the estate-planning, tax and other transitional requirements of existing owners, and this enables Stonewood to structure smooth, win/win transactions. While Stonewood is primarily an equity investor, Stonewood can supply other financial arrangements when necessary, such as subordinated debt. And although Stonewood normally prefers to retain existing management, Stonewood is willing to consider interim or replacement strategies if the circumstances require.

- ***Helping Business Grow***

In addition to its extensive experience in developing and implementing a wide range of growth strategies, Stonewood also has the follow-on capital necessary to fund those strategies when the need arises.

TO CONTACT STONEWOOD

If you would like more information about Stonewood's private equity investments, please contact:

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President

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or

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Vice President

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As part of its private equity strategy, Stonewood also provides venture capital to revenue-generating early-stage companies.

For more information please contact:

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