



Saw Mill Capital Forms Strategic Alliance with Spectrum Capital to Acquire Underperforming Middle Market Companies

Briarcliff Manor, NY, January 27, 2009 – Saw Mill Capital announced today that it has formed a strategic alliance with The Spectrum Capital Group to identify control investment opportunities in underperforming manufacturing and service businesses. Saw Mill and Spectrum will be targeting companies controlled by private equity groups, hedge funds and other institutional owners (including their lenders), where Saw Mill's expertise in operational improvement and sales and marketing, coupled with Spectrum's expertise in restructurings, will create a meaningful opportunity to improve cash flow and operating income.

According to Scott Budoff, partner at Saw Mill Capital, "We are looking to acquire control of underperforming companies from institutional owners who are not in a position to invest new capital and would benefit from a partner like Saw Mill that has the expertise to improve the performance of their portfolio companies. Our alliance with Spectrum creates a one-stop solution that brings capital, operational focus and, where needed, restructuring expertise, which will allow us to collaborate with current owners to develop win-win solutions that will increase enterprise value for all investors and lenders."

Michael Lederman, Spectrum's managing partner, explained, "The current business and economic climate poses unprecedented challenges to the private equity community and other institutional owners, as protracted distress, loan defaults and bankruptcies could negatively impact the operational performance of their portfolio companies and create reputational damage. Our consolidated approach to bringing capital, operational improvement capabilities and restructuring expertise to middle market businesses will create value for current shareholders and their lenders by improving the long term prospects of their portfolios."



Saw Mill Capital LLC is a private equity firm that acquires manufacturing and service companies with enterprise values of \$25 to \$200 million. Saw Mill makes platform investments in companies with at least \$5 million of pro forma EBITDA, and will consider smaller transactions as add-ons for portfolio companies. Saw Mill's disciplined process and active involvement allow it to help companies reach their full potential by working collaboratively with management teams and outside executives to create effective business strategies, implement best practices and provide global market expertise. To learn more about Saw Mill Capital, please visit www.sawmillcapital.com or contact any of the firm members listed to the left.



In its national restructuring practice, **The Spectrum Capital Group** applies an investment-driven approach to unlocking value in underperforming companies. Its managing partner, Michael Lederman, co-founded the restructuring group at Goldman Sachs in the late '80s and has over 20 years of experience restructuring public and private companies. He has completed dozens of transactions as both advisor and principal, including the first ever unsolicited takeover of a public company while in Chapter 11 (Allegheny International, renamed Sunbeam-Oster). Spectrum also served as the principal debtor-side financial advisor in the recent restructuring of the convenience store industry. To learn more about The Spectrum Capital Group, please visit www.spectrumcapitalgroup.com.