



Riverside

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RIVERSIDE CELEBRATES 20TH ANNIVERSARY WITH RECORD YEAR

Firm Completes 31 Acquisitions, Launches Healthcare Specialization and Asia Operating Initiative

The Riverside Company closed its 20th anniversary year with another record-setting performance. Below are some of the highlights from a busy 2008:

- Completed 31 acquisitions spanning all four Riverside fund families.
 - 11 by the Riverside Capital Appreciation Funds ("RCAF")
 - 11 by the Riverside Europe Fund ("REF")
 - Seven by the Riverside Micro-Cap Fund ("RMCF")
 - Two by the Riverside Asia Fund ("RAF")
- Surpassed 200 overall total investments for the firm's 20-year history.
- Highlights of the firm's 2008 realizations include: [Universal Air Filter](#), a designer and manufacturer of customized air filters, which generated a 109% gross IRR and a 4.8x gross cash-on-cash return; healthcare compliance and regulation publisher [HCPro](#), which generated a 26% gross IRR and a 3.4x gross cash-on-cash return; [Moss](#), a designer and manufacturer of tensioned-fabric structures and signage, which generated a 33% gross IRR and a 4.2x gross cash-on-cash return; and [Richter Chemie-Technik](#), a German supplier to the chemical and pharmaceutical industries, which grew EBITDA by 60% during Riverside's ownership.
- Launched its healthcare specialization, combining the firm's experience investing in 26 healthcare companies with the addition of two professionals – Joseph Ibrahim, Principal, Healthcare Origination, and Harvey Sigelbaum, Senior Advisor, who together have more than 50 years of extensive healthcare experience. This specialization has already resulted in four times more healthcare deal flow.
- Formalized its Asia operating capabilities through the hiring of Brian Bunker, former president of Danaher China, and the opening of an office in Hong Kong. Bunker's mandate is to help all of Riverside's portfolio companies worldwide to devise and execute their Asian sourcing, operations and acquisition strategies.

Quotes:

Béla Szigethy, Riverside Co-CEO

"In the midst of a very challenging 2008, we are gratified to have seen record-setting activities at Riverside. The firm's performance was a direct result of the efforts of the Riverside team, over 180 strong, and our unique capabilities in building great small companies, even on a global scale. This year's Asia operating initiative is a perfect example of how we partner with our portfolio companies to make them bigger and better. And of course we owe tremendous thanks to our portfolio company CEOs and their teams, who are some of the best SEMM managers in the world."

Stewart Kohl, Riverside Co-CEO

"For over 20 years, we've stayed true to our core focus: investing in the smaller end of the middle market. That focus and familiarity with this space, combined with the years of experience of our teams in North America, Europe and Asia, give us great comfort – especially during this period of economic uncertainty. For 2009 we expect to continue to operate the Riverside machine at full throttle to find more great little companies, execute disciplined acquisition processes, build our companies creatively and sell these little gems to the next fish on the food chain. It's a simple strategy but the execution is a bear; fortunately our firm has had 20 years to refine and hone that execution and we're facing the next 20 years with great anticipation."

www.riversidecompany.com

The Riverside Company (www.riversidecompany.com or www.riversideeurope.com)

The Riverside Company is the largest global private equity firm focused on the smaller end of the middle market ("SEMM") and is one of the industry's most experienced leveraged buyout investors. Riverside invests in premier SEMM companies valued up to \$150 million and partners with strong management teams to build companies through acquisitions and value-added growth. Since its founding in 1988, the firm has invested in 207 transactions with a total enterprise value of \$4.7 billion. Riverside's current portfolio in North America, Europe and Asia consists of 67 companies with combined annual sales of \$3.2 billion, EBITDA of \$524 million and more than 14,000 employees. Riverside offers certainty to close and can complete acquisitions in as little as 45 days, thanks to its \$2.5 billion of capital under management, over 180 professionals in 18 offices (Atlanta, Brussels, Budapest, Chicago, Cleveland, Dallas, Eindhoven, Hong Kong, Los Angeles, Madrid, Munich, New York, Prague, San Francisco, Seoul, Stockholm, Tokyo and Warsaw), and long-standing relationships with partner lenders. Six of the firm's nine mature vintages are currently top quartile, and Riverside's investors include the world's leading pension funds, endowments, funds-of-funds, insurance companies and banks.

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