



Milestone Partners Acquires Machine Laboratory, LLC

Radnor, PA, January 19, 2012 – Milestone Partners is pleased to announce that on December 29, 2011 it partnered with management to complete the acquisition of Machine Laboratory, LLC (“Machine Lab” or the “Company”), a leading manufacturer of ultra-high precision components for a variety of end markets, including aerospace and defense, automotive and medical.

Headquartered in the Kansas City suburb of Lenexa, KS, Machine Lab (www.machlab.com) utilizes proprietary processes to manufacture components to tolerances of less than one micron (one-seventieth of the diameter of a human hair). The Company is renowned for its highly efficient advanced engineering and product development expertise from initial concept design to mass production. Machine Lab’s unique capabilities have made it a highly regarded strategic supplier for both long and short run mission critical parts.

Brooke Hayes, Partner at Milestone, stated “Matt Duffield and his team have done an incredible job of creating a differentiated, reliable and scalable business model at Machine Lab. The Company’s success is evident in its long-term partnerships with a diversified list of blue chip customers. Milestone looks forward to working with Matt and his team to build on Machine Lab’s strong legacy.”

“I am pleased to have the opportunity to partner with Milestone for the next chapter of our growth,” Matt Duffield, CEO at Machine Lab, said. “Machine Lab will benefit from Milestone’s experience in growing businesses the right way.”

Investment banking firm BlackArch Partners advised Machine Laboratory, LLC. The law firm Drinker Biddle advised Milestone. Madison Capital (Administrative Agent and Joint Lead Arranger), Fifth Third Bank (Documentation Agent and Joint Lead Arranger) and CIT Bank (Syndication Agent) provided a senior debt facility, and Kayne Anderson Mezzanine Partners provided subordinated debt for the transaction. Liberty Mutual Insurance, Kayne Anderson Mezzanine Partners and Tech Investments, LLC co-invested equity alongside Milestone.

For more information about the transaction, please contact [Brooke Hayes](#) or [Ted Piotrowicz](#) at Milestone Partners.

Milestone Partners (www.milestonepartners.com) is a private equity firm that partners with management to invest in leveraged buyouts and recapitalizations of lower middle market businesses. Milestone pursues successful niche-market leaders that provide high-margin products or services. Milestone’s transactions typically provide liquidity to shareholders of privately owned businesses, facilitate the transition of ownership to key managers, and allow management to capitalize on growth opportunities, while maintaining the legacy of the founders.

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MILESTONE REPRESENTATIVE INVESTMENTS:

-  **Avure Technologies**
(high-pressure presses)
-  **Black Letter Discovery**
(litigation support services)
-  **Blaschak Coal**
(anthracite mining and processing)
-  **CODi**
(corporate laptop cases and accessories)
-  **Dydacomp**
(e-commerce and catalog software)
-  **Eliason**
(commercial double-action impact doors)
-  **Fatz**
(casual dining restaurant chain)
-  **Global Connection**
(prepaid wireline phone service)

-  **Good Health Natural Products**
(natural foods and body care products)
-  **Learn It Systems**
(supplemental education services)
-  **Mariner Finance**
(consumer installment loans)
-  **Outlook Group**
(printing, packaging and direct mail)
-  **Pancon**
(connectors and capacitors)
-  **Safemark Systems**
(in-room hotel safes)
-  **Trans-Trade**
(non-asset-based logistics)
-  **United Road Towing**
(towing services)

MILESTONE GENERAL INVESTMENT CRITERIA:

Company Size*:

- Revenue: \$15–\$150 million
- EBITDA: \$3–\$20 million

Transaction Size*:

- \$15–\$150 million

Equity Investment Size*:

- \$5–\$40 million (and higher with typical co-invest)

*Add-ons may be smaller

Sectors and Industries:

- Generalist approach; seeking high-margin, niche-market leaders in all industries

Geography:

- North America (may have overseas operations)

Key Business Characteristics:

- Clear competitive advantages
- High profit margins
- Compelling growth opportunities

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