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For Immediate Release

## **RIVERLAKE PARTNERS SELLS STOCK EQUIPMENT COMPANY Schenck Process of Germany Buys Stock Equipment Company**

**PORTLAND, Ore – June 7, 2006** – Less than three years since purchasing global energy leader Stock Equipment Company, Inc., Riverlake Partners LLC sold the company to Schenck Process of Darmstadt, Germany, making near 4x its initial investment.

“The significant return from the Stock transaction sets the stage for the entire Riverlake portfolio, as well as investments to come,” said Erik Krieger, founder and managing member of Riverlake Partners. “Stock validates the viability of our core investment strategy of acquiring lower middle market companies, driving change, and making improvements through the hands-on strategic and operating expertise of our partners. The Riverlake process is unique and we expect to deliver ongoing superior returns in this fund as well as future funds.”

### **Riverlake Delivers with First Investment**

Under the guidance of Chuck Grant, a Riverlake operating partner, and leadership of Stock president William Downs, Stock annual revenues increased 57.1 percent to \$66.3 million (compounded annual growth rate of 16.3 percent), exceeding expectations and delivering results more quickly than anticipated. Specifically, Riverlake attributes its high returns to establishing a long-term executable strategic plan and immediately making operational improvements, including:

- Creating stand-alone company and separation from division of a Fortune 500 company
- Re-organizing company along functional lines versus independent operating units
- Streamlining internal reporting and organizational structure
- Establishing a company-wide new product development program and team
- Restructuring underperforming UK operations
- Re-branding and integrating global product line
- Driving new business development through integrated global marketing programs
- Increasing resource commitment and focus on China market
- Extending and diversifying product line to include bulk material handling
- Procuring and implementing global CAD and ERP systems

- Lowering research and development costs and improving sales and support operations through Indian expansion

"When we acquired Stock Equipment, the power industry was coming out of an unprecedented downturn. We saw the potential of increased market activity, a positive outlook on coal power alternatives and new clean air technologies on the horizon," said Grant. "In less than three years we've exceeded our expectations for increasing company value. By making appropriate

investments in people, structure and technologies we were able to quickly take this business to the next level. Working closely with the Stock leadership team has been professionally and financially rewarding. I believe our up-front, honest, cooperative style made a measurable difference in building a strong, committed and motivated team. In the end, this is what delivers results."

Riverlake led the acquisition of Stock, gaining control of the company in October 2003. Key Principal Partners (KPP), based in Cleveland, Ohio, provided subordinated debt and preferred equity while LaSalle Bank provided the senior credit facility.

"Riverlake brought a clear outside perspective and the expertise to immediately identify actionable strategies that improved operations at all levels of the company," said Downs. "Their contributions not only increased our revenue potential, but our ability to grow and perform long-term as well. Working with Riverlake has been a very positive experience for the entire management team as well as the company."

#### **About Riverlake Partners, LLC**

Riverlake Partners, LLC, is a lower middle market private equity fund specializing in the buyout and recapitalization of industrial and manufacturing businesses on a national scope. In addition to Stock, its portfolio includes investments in Hawkins and E-Z Messenger Legal-Support Providers, SP Industries, Inc., Fluid Logic, LLC and Advanced Decorative Systems. Founded in 2003, Riverlake has offices in Portland, Ore. and Chicago, Ill., and a national network of partners and advisors. For more information visit [www.riverlakepartners.com](http://www.riverlakepartners.com).

#### **About Stock Equipment**

Based in Chagrin Falls, Ohio, Stock Equipment is the global leader in the design, manufacture and sale of highly engineered bulk material handling systems and electronic controls for coal-fired power plants and other process industries. It has the most extensive bulk material handling product offering in the industry with its portfolio of products including feeding systems, chain conveyors, specialty valves, electronic controls and other accessory products. Founded in 1929, it employs more than 200 people worldwide with operations in England, Japan, China, India and the U.S. For more information visit [www.stockequipment.com](http://www.stockequipment.com).

#### **About Schenck Process**

With headquarters located in Darmstadt, Germany, Schenck Process is a global market leader of solutions in measuring and process technologies in industrial weighing, feeding, screening and automation. Schenck Process develops, manufactures and markets a full range of solutions, products and turnkey systems on the basis of combining process engineering expertise, reliable components and field-proven technology. Employing over 1,300 staff, Schenck Process has activities in more than 40 countries and operates eleven state-of-the art assembly facilities globally. In Year 2005, Schenck Process generated sales of approximately €230 million. For more information on Schenck Process and Stock Equipment Company please refer to [www.schenckprocess.com](http://www.schenckprocess.com) and [www.stockequipment.com](http://www.stockequipment.com), respectively.

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