

Dear Friends:

2006 was an excellent year for Brookwood Associates and our clients. We closed 15 transactions representing a firm record of over \$1.7 billion in value during the past 15 months. Although our average transaction size has steadily increased in recent years, we continue to focus on deal sizes from \$20 million to \$250 million.

Our strategy remains the same: provide hands-on, very experienced, senior-level attention to a limited number of assignments. This focus has generated exceptional results and has been received well by our clients and referral sources. We are grateful that past clients and their referrals continue to comprise more than 50% of our business. With six Managing Directors, one Director, one Senior Vice President and two experienced Vice Presidents, we have maintained (and will continue to maintain) our very high proportion of senior bankers to our total professional staff.

Our business is focused on serving:

- private equity groups through the sale of their portfolio companies and the introduction to high quality investment opportunities;
- privately-owned and family-owned businesses with their change in control, financing and advisory needs; and
- public and private corporations with their M&A, financing, fairness opinion and restructuring advisory needs.

Our targeted industries include business services, consumer products, distribution, healthcare, manufacturing, restaurants and retail.

In addition to achieving excellent results for our clients in 2006, we are pleased to announce the following promotions and additions to our staff:

- Kevin Kaeppler has been promoted to Director;
- Matt Whiting has been promoted to Senior Vice President; and
- Michael Stollmack has joined us as Vice President.

We welcome the opportunity to speak with you about opportunities where we may assist with sell-side or buy-side M&A, debt and equity financing, bankruptcy/restructuring advisory and fairness opinions.

We appreciate our relationship with you and look forward to connecting in 2007.

Jeb Ball
Kevin Kaeppler

C. Russell Bryan
Thomas L. Temple

David M. Felts
Matthew W. Whiting

Amy V. Forrestal
Robert S. Winborne



SUPERIOR PERFORMANCE



Sale of publicly-traded family dining restaurant chain to Buffet's, a portfolio company of *Caxton-Iseman Capital*



Divestiture of diesel engine remanufacturing subsidiaries of Remy International, a portfolio company of *Court Square Capital Partners* and *Berkshire Hathaway*, to Caterpillar



Sale of radiation oncology services provider to Physician Oncology Services, a company funded by *Oak Hill Capital*



Sale of recreational vehicle aftermarket parts and supplies distributor to *Greenbriar Equity Group*



Sale of outsourced healthcare revenue cycle management services provider to *American Capital Strategies* on behalf of *Prospect Partners*



Placement of growth financing for DVD rental kiosk operator with *MCG Capital Corp.* on behalf of *Laminar Direct Capital*, *Celerity Partners* and *Chapton Partners*



Sale of Yum! Brands franchisee to KMAC Enterprises, a portfolio company of *Olympus Partners*



Thompson
Industrial Services

Divestiture of industrial cleaning services division to *BB&T Capital Partners*



Sale of fast casual restaurant concept to Panera Bread Co.



Sale of specialty building products retailer to *Pouschine Cook Capital Management* on behalf of *River Associates*



Acquisition of CMA Dishmachines, a commercial food-service equipment manufacturer, from JohnsonDiversey



Sale of quick serve Asian restaurant concept to Mandarin Holdings on behalf of *Mellon Ventures*



Sale, via Section 363, of sub-prime consumer finance company to World Acceptance Corp.

CONSISTENTLY EXCEEDING EXPECTATIONS

Business Services ● Consumer Products ● Distribution
Healthcare ● Manufacturing ● Restaurants & Retail

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www.brookwoodassociates.com

THANK YOU TO OUR LOYAL CLIENTS

*"I am very pleased with the high degree of competent and professional transaction management provided by Brookwood. They were a great resource to Remy throughout the sale of our Remy Diesel business, and the results were excellent. This is the **fifth transaction** Brookwood has assisted me with and they consistently exceed our expectations in both service and results."*

John Weber, CEO, Remy International, Inc.

"Brookwood did a terrific job working with management and the investors and exceeded our expectations. They did a great job of communicating the company's story, their process generated a significant amount of buyer interest, and their execution was excellent. The result was a great new investing partner for the company and a great outcome for Prospect Partners and the existing investors in Marina."

Richard C. Tuttle, Founding Principal, Prospect Partners, LLC

"Brookwood provided leadership from the beginning, utilized its vast networks of contacts, and drove the negotiating process home while exceeding our more than modest expectations. I was particularly impressed with Brookwood's expertise in dealing with world class banking institutions, multi-national law firms, and potential purchasers of all shapes and sizes. They know the market and its players like the palm of their hand."

Ned Kirby, Chairman & CEO, KirTac, Inc.

"We are very pleased with the professional transaction management and strong results of the Remy Diesel divestiture. In particular, Brookwood was very effective in achieving attractive resolutions of several challenging transaction issues that arose during the sale process."

Tom McWilliams, Managing Director, Court Square Capital Partners

"This was the first time we have used Brookwood to sell one of our portfolio companies. We are very pleased with the outcome for our investors and management team. Brookwood managed the process extremely well. Their market knowledge and thorough approach yielded a quality list of very interested buyers. We will definitely use them again."

Patten Pettway, Partner, River Associates

"Brookwood did an extraordinary job of communicating the reality of our business and its value to investors. They initiated, managed, and closed the transaction quickly and professionally. As in our last round, Brookwood met or exceeded all our goals and expectations."

Richard Cohen, CEO, The New Release

"Brookwood ran a disciplined process with high attention from the Managing Director. They managed a complicated transaction very effectively. Most importantly, the results greatly exceeded my expectations."

Greg Thompson, Chairman & CEO, Thompson Industrial Services

"Brookwood provided us with important advice and insights on this transaction. We value the quality and consistency of the service that they have provided to us on a variety of issues over a long period of time. I am pleased with the relationship both in a professional sense related to the value received and the expertise Brookwood has to offer."

Stan Sunshine, CEO, Stag-Parkway, Inc.