

Confidential



Buyout Evaluation

Glencoe Capital Partners III, L.P.

**TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
BUYOUT PARTNERSHIP EVALUATION**

GLENCOE CAPITAL PARTNERS III, L.P.

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**TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
BUYOUT PARTNERSHIP EVALUATION
GLENCOE CAPITAL PARTNERS III, L.P.**

Introduction

The Teachers' Retirement System of the State of Illinois (TRS) Annual Tactical Plan identified buyouts as an area of interest for the 2003/2004 fiscal year. TRS Staff has been monitoring buyout fund formation and believes that Glencoe Capital Partners III, L.P. ("Fund III") is an attractive investment opportunity.

Glencoe is also raising Glencoe Capital Institutional Partners, L.P. ("Co-Investment Fund") to co-invest with Fund III. Institutional investors who commit at least \$10 million to Fund III are given the opportunity to participate in the Co-Investment Fund. This Co-Investment Fund will co-invest in certain investments made by Fund III as determined by the Glencoe in its discretion. The Co-Investment Fund generally will have no carried interest except to the extent that a participating partner invests more capital in a particular portfolio company through the Co-Investment Fund than it invests in the same company through Fund III. In that case, Glencoe is entitled to receive a 10% carried interest on the profits earned from such excess co-investment amount (the carried interest for Fund III is 20%). There is no management fee for the Co-Investment Fund.

Evaluation Process

TRS Staff met with Glencoe in TRS' Springfield office on July 10, 2003. The Glencoe Private Placement Memorandum and Private Equity Manager Questionnaire materials were reviewed in detail. ~~A supplemental question list was sent to Glencoe, and the supplemental questions were addressed during a meeting conducted in Glencoe's Chicago office on Tuesday, July 29, 2003.~~

The onsite investigation focused on the organization, investment team, compensation, strategy, process, deal flow, investment evaluation and analysis, documentation, monitoring, and liquidity. TRS Staff also met additional Glencoe key professionals and reviewed Glencoe's investment process, including a review of Glencoe's transaction and monitoring documentation. TRS Staff also made reference calls.

Findings

TRS Staff believes that Glencoe Capital Partners III, L.P. is an attractive investment opportunity given that:

- A commitment to Fund III will help fill a position in the buyout sub-asset class and will help the System move closer to reaching the 35% allocation for buyouts. Fund III focuses on the smaller end of the middle market and will be a good complement to the System's other middle-market buyout managers, specifically Castle Harlan, Evercore, and Thayer.
- An Executive Network of over 40 Fortune 1000 senior executives and successful entrepreneurs with specialized operational and managerial expertise supports Fund III. Over

75% of the platform investments in Fund I and II were sourced by the Executive Network, and Glencoe expects this ratio to be similar for Fund III. The Executive Network was founded in 1994 and consists of six industry specialty groups, each focused on one of Glencoe's targeted industries and headed by a Chairman with more than 25 years of senior business leadership experience.

- This is the third buyout fund for Glencoe. Since 1993, Glencoe has invested \$216.8 million and has generated proceeds of \$320.4 million with a remaining market value of \$272 million, representing a 2.7x multiple on invested capital and a net IRR of 67.8% as of March 31, 2003.

Taking into consideration the TRS strategic and tactical plans, as well the evaluation of Glencoe as a buyout manager, TRS Staff recommends that the System make a commitment to Glencoe Capital Partners III, L.P. of \$25 million and a commitment to Glencoe Capital Institutional Partners, L.P. of \$25 million. The recommendation is subject to review and approval of the partnership documents by TRS legal counsel.

Investment Strategy

The investment strategy for Fund III will follow the same one implemented in Funds I and II. Glencoe will seek investments for Fund III for which the Managing Directors and the Executive Network have a competitive advantage and/or demonstrated expertise. The investments will focus on private and public company leveraged buyouts, recapitalizations, and growth equity investments of companies with enterprise values between \$50 million and \$350 million that are generally in one of the six Executive Network industry specialty groups. Particular focus will be given to investments in businesses that Glencoe Capital believes will benefit from revitalization or focused growth. Glencoe believes that the following key aspects of its strategy differentiate itself from other firms:

- **Executive Network.** The Executive Network represents a valuable, highly productive, and unique resource to Glencoe for sourcing, evaluating, and executing investment decisions. Seventy-five percent of all Fund I and II platform investments were sourced by the Executive Network. In addition, members of the Executive Network provide ongoing advice and counsel to portfolio companies, serve on their Boards, and assist in identifying and designing exit strategies. Executive Network members invest significant personal capital in the specific companies with which they become involved on terms substantially similar to the respective fund's investment terms.
- **Shared commitment to each investment.** Every aspect of Glencoe's process emphasizes shared commitment to each fund investment by the Managing Directors and the Executive Network. The Investment Committee consists of two Managing Directors and three members of the Executive Network, including one member with extensive buyout experience. The Executive Network Chairman must co-sponsor with Managing Directors any project that is to be given serious consideration for investment.
- **Sophisticated acquisitions/divestitures and corporate finance skill set.** Glencoe's professionals have the experience, capabilities, and creativity to structure special

situation investments, including: revitalizations that require strategic changes and significant growth initiatives; complex going private and other public company recapitalization transactions; unique divestitures and joint ventures; and family owned business transactions with liquidity, tax, and succession concerns.

- **European strategic alliance.** Glencoe formed a strategic alliance with a leading European middle-market private equity firm to enable both parties to utilize their proprietary senior executive relationships as well as their experience and expertise when identifying, structuring, negotiating, and completing follow-on acquisitions for portfolio companies crossing the Atlantic Ocean. This European firm selected Glencoe over many other U.S. private equity firms based on its unique investment process and the proprietary deal sourcing and evaluation capabilities of the Executive Network.

Glencoe is looking to achieve a net return in excess of 28%.

Industry, Geography and Other Diversification

- 100% of the platform investments in Fund III will be in the U.S. or Canada.
- The investments in Fund III will be divided between six industry sectors (business and media services, consumer products, financial services, food products, industrial products, and specialty chemicals).
- Fund III will be the lead investor in approximately all of the investments.
- Fund III's largest allowed exposure is 20% of commitments to any one investment.

Transaction Sourcing

The following are key elements of Glencoe's transaction sourcing network:

- **The Executive Network.** Over 40 Fortune 1000 Chief Executive Officers and Chief Operating Officers, successful entrepreneurs, and high-level business executives with specialized skill sets. Significantly, over 75% of the platform investments in Fund I and II were sourced by the Executive Network, as opposed to a financial intermediary.
- A database of over 2,000 business executives, merger and acquisition professionals, investment bankers, lawyers, accountants, commercial bankers, private equity firms, and other financial intermediaries who have established relationships with Glencoe and/or its Managing Directors. These relationships cover fully the United States and Canada.
- An organized effort with selected national and regional investment banking firms (William Blair, Piper Jaffray, McDonald & Co., George K. Baum, and Schroeders) to actively target public company micro-cap revitalizations. Glencoe's expertise in this area makes it a perfect choice as a capital provider when these firms become aware of a revitalization opportunity.

Investment and Portfolio Management Process

Decision Process

Glencoe begins with their preliminary evaluation of potential platform investments to determine if certain criteria are met. The criteria include (1) demonstrated market acceptance of the company's products or services; (2) minimum of \$75 million in annual revenues; (3) profitable or cash flow positive operations of at least \$10 million; (4) potential to achieve an industry leadership position with barriers to entry; (5) potential to achieve a position as a low-cost producer; and (6) a complete or near-complete management team. The preliminary evaluation will also emphasize capital-driven expansion opportunities where the successful completion of an event, such as a major strategic acquisition, holds significant potential to increase the cash flow and earnings valuation multiple of the business.

After a favorable initial screening, one of the Managing Directors, and one or more of the Investment Professionals, as well as Executive Network members are assigned to an evaluation team. This group conducts a detailed preliminary assessment of the opportunity that ultimately results in the project being rejected or submitted to the firm's Banking Review Committee. The Banking Review Committee consists of the entire Investment Committee membership and is designed to assess a project's potential prior to the expenditure of significant resources on the development of an investment opportunity. A Banking Review memorandum typically focuses on the following key issues:

- Transaction overview and corporate finance requirements
- Company background and market position assessment
- Industry dynamics and competition overview
- Key historical financial and operating events
- Managerial overview
- Investment merits, risks, and mitigating factors
- Financial analysis of preliminary prospective returns

Upon approval by the Banking Review Committee, the detailed assessment of a proposed investment commences. A complete team consisting of a primary and secondary partner, a vice president, junior staff resources, and Executive Network Chairman, and other members of the Executive Network are assigned to the detailed project evaluation. In addition, Glencoe has designated teams of lawyers, accountants, consultants, and insurance specialists to work directly with the evaluation team. The evaluation focuses on an analysis and evaluation of all aspects of the business with an emphasis on current and expected cash flow. The valuation must be supported by extensive industry research, evaluations by members of the Executive Network, analysis of comparable merger and acquisition transactions and publicly traded companies, fundamental equity research, and financial analysis of private market values.

Any investment commitment for Fund III will require the affirmative vote of a majority of the Investment Committee, which will have full discretionary authority with respect to the

investments. The Investment Committee is comprised of the three Managing Directors of Glencoe, including its head of portfolio management, and two Executive Network members.

Due Diligence

Due diligence is performed through a number of channels and activities. The first source is the Executive Network. For the investment made in Funds I and II, 75% were sourced through the Executive Network. The Executive Network often provides Glencoe with the advantage of being one of the first, if not the first, investor to evaluate a particular opportunity. Another due diligence source is investment banking relationships. Glencoe has established a broad base of relationships with regional and national commercial and investment banking firms, which they utilize as a source to evaluate investment opportunities. A third source of due diligence is other investment management firms. No matter what source is used to perform due diligence on a company, the Glencoe investment professionals are involved in every aspect of the process.

Electronic copies of all communications, with the exception of verbal discussions, are made available to all professionals at Glencoe. The regular updates of the Investment Committee and exchanges on issues are also included. Issues raised by the Investment Committee are posted with the deal team's answers, forming a conversational thread. This occurs not as a separate process, but rather is incorporated into the core communications system. Reports from outside professionals and consultants are also included in these electronic files, providing a transparent process permitting all of the Investment Committee members to be aware of the issues raised and the responses to those issues. It also provides an opportunity to review the development of the investment thesis over time and to make sure it represents a deepening of understanding as opposed to rationalization.

Active Management

Glencoe has dedicated portfolio management resources, led by Jack Burgman (Director of Portfolio Management), that focus on the investment's strategic, operational, and financial performance in the post-acquisition period. Mr. Burgman has over 35 years of business experience with emphasis on strategic planning, acquisitions and divestitures, restructuring of under-performing businesses, and post-acquisition integrations. Other members of the Portfolio Management Team will assist Mr. Burgman with broad experience in these and other business issues. Glencoe strategically manages portfolio companies utilizing these professionals and the Executive Network

- Actively participate on the portfolio's company's board and key committees
- Evaluating budgeted and actual financial performance of the company
- Monitoring the progress of the strategic initiatives identified during the acquisition process
- Assisting management in developing and evaluating a long-term strategic plan, operational strategies, financing and acquisition activities, and exit strategies
- Ensuring that key internal strategic objectives are quantified and performance in attaining them is monitored and addressed

- Assessing interim performance by monitoring various operational metrics designed to highlight key drivers of performance.

Typically assisting the Portfolio Management Team with portfolio company oversight are a Managing Director and the Chairman (and usually at least one other member) of the respective Executive Network industry group. Glencoe's Chief Financial Officer and a Vice President oversee the financial reporting and financing requirements of each company, tracking performance and measuring it against both bank covenants and internally developed matrices. Executive Network participation includes board membership, acting in interim senior management positions (when necessary), and providing the company with the operational expertise and industry contacts.

Monitoring and Reporting

TRS Staff reviewed the portfolio company monitoring process and the reports during the onsite visit. TRS Staff believes the processes to be effective and of institutional quality.

Glencoe requires directorship rights in any investment it leads or co-leads. Typically, Glencoe will have the right to name or approve a majority of the Board. Board members named by Fund III will include one or more Glencoe senior professionals, one or more Executive Network members and, in certain situations, other executives who have a particular, applicable skill set. Glencoe Managing Directors and/or Executive Network members will typically chair the Board and key committees. Glencoe is in constant contact with the portfolio companies. Each portfolio company reports preliminary financial reports as well as agreed upon operational metrics to Glencoe on a monthly basis. Under some circumstances, Glencoe will perform an onsite review of the company. This usually occurs when the portfolio company requires additional resources to manage the strategic initiatives.

TRS Staff also reviewed Glencoe's reports to limited partners and found them to be of institutional quality.

Exit

At the time an investment is made, multiple exit strategies based on varying future market conditions are established. Some of the investments made in Fund III will be too small for a public offering. These investments will be grown to substantially increase the size of the business and make it an attractive candidate to be acquired by a larger company. Some investments will be of significant size to go public through an offering. Another advantage of a public offering strategy is it can serve as a base price for selling the company. Glencoe has managed three of its five platform investments to disposition or complete liquidity.

Organization and Management Team

Glencoe was formed in 1993 as a merchant bank to source, execute, and manage proprietary private equity investments, as well as to engage in alternative investment management, merchant banking, investment banking, independent research, and strategic management consulting activities. As of June 30, 2003, Glencoe has approximately \$750 million of private equity assets under management.

Since its inception, Glencoe has completed 15 lead-sponsored acquisitions for Funds I and II, totaling \$215 million in private equity investments. Glencoe has also arranged more than \$600 million in debt financings to support these investments. Glencoe's Managing Directors have more than 60 years of combined experience in private equity and merchant banking with particular expertise in acquiring micro-cap publicly traded companies. These individuals have collectively completed in-depth evaluations of more than 150 companies and have managed significant acquisitions of a number of them. In addition, the Managing Directors have extensive experience in the strategic management of micro-cap publicly traded companies, including serving on the boards; development of in-depth strategic business plans; capital raising; merger and acquisition projects; assistance in management recruiting; and the management of liquidity strategies for major shareholders and key executives.

TRS Staff reviewed the firm's compensation structure, carried interest allocation and vesting methodology, and believes it is well considered and should promote stability. Each investment professional receives a base salary, a bonus, and carried interest sharing. The Performance Bonus Plan establishes minimum and maximum bonus targets for all professional staff. Minimum bonuses will not be paid if Glencoe has insufficient revenues, a professional resigns, or the professional does not meet performance expectations. Under the profit sharing plan, 40% of all profits are allocated to the profit Sharing Bonus Pool. Each participant will receive, at the beginning of each year, points in the pool based on their professional level. The remaining 60% of the profits are retained by Glencoe.

Glencoe Professionals

Glencoe has a total staff of 17 full-time people, as seen in the following chart. Please refer to *Appendix A* for biographies of key professionals.

| Position | Total |
|----------------------------|-------|
| Managing Directors | 4 |
| Principals | 2 |
| Investment Professionals | 6 |
| Administrative and Support | 5 |
| Total | 17 |

Historical Performance

| Fund | Vintage Yr. | Amt. Invested | Total Value | Net IRR | Multiple |
|---------|-------------|---------------|---------------|---------|----------|
| Fund I | 1993 | \$54,400,000 | \$111,800,000 | 24.2% | 2.1x |
| Fund II | 1998 | \$162,400,000 | \$480,600,000 | 67.8% | 3.0x |

Performance is based on 3/31/03 numbers. Total value includes realized and unrealized investments. Please see Appendix B for more detailed track record tables.

Terms and Conditions Summary

| | |
|-------------------------------------|---|
| Fund Size | Targeting \$250,000,000 of commitments |
| Management Fee | 2.0% on commitments during the Investment Period. 1.5% on invested capital thereafter. 50% of all fees charged to companies or transactions will reduce the management fee. |
| Profits Allocation | 80% Limited Partners, 20% General Partner |
| Hurdle Rate | 8% |
| Clawback Provision | Yes |
| Term of Partnership | 10 years, with two one-year extensions |
| Investment Period | Five years, subject to expenses, management fees, and a reserve for follow-on investments not to exceed 20% of commitments. |
| Minimum Investment | \$3 million, subject to GP's discretion |
| Draw-down Notice | Minimum 10 days prior notice |
| Organizational Expenses | Up to \$600,000 |
| No-fault Termination of Partnership | 66.67% vote of LPs |
| LP Advisory Board | Yes |
| Third Party Fees Paid | Glencoe has hired BMO Nesbitt Burns as a placement agent and they will receive a fee from Glencoe based on the amount of capital raised. Sheldon Pekin, a co-founder and Chairman Emeritus of Glencoe, receives payments in connection with his consulting activities for the firm. Glencoe estimates that Mr. Pekin will receive \$150,000 per year over the next three years. |
| GP Investment | \$11,000,000, including capital from the Executive Network. |

Fund III has closed on \$174.5 million of commitments. They are in discussions with a few institutional investors and plan on having a final closing in the fall on \$250 million.

Key Concerns

Glencoe Capital Partners III, L.P. Concerns

- ***Size of Fund:*** Glencoe is raising a fund that will be equal to or greater than the amount it has invested in private equity since its inception. Since its founding in 1993, Glencoe has added personnel and it has the capacity to manage a fund of this size. The deals Glencoe will be looking at for Fund III are larger than its previous funds and therefore it can invest more capital in each deal. TRS Staff believes that Glencoe has the appropriate investment personnel and investment strategy to successfully invest a fund of this size.

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Legal Review

Staff asked Gardner Carton to review the proposed documentation associated with the Glencoe investment opportunity. Gardner Carton has successfully obtained Glencoe's commitment to conform its documentation to IRS requirements including those set forth in the amendment to the System's Private Equity Policies and Procedures. Gardner Carton has advised TRS Staff that the revised documentation is consistent with IRS requirements.

Summary

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- An Executive Network of over 40 Fortune 1000 senior executives and successful entrepreneurs with specialized operational and managerial expertise supports Fund III. Over 75% of the investments in Fund I and II were sourced by the Executive Network, and Glencoe expects this ratio to be similar for Fund III. The Executive Network was founded in 1994 and consists of six industry specialty groups, each focused on one of Glencoe's targeted industries and headed by a Chairman with more than 25 years of senior business leadership experience.
- This is the third buyout fund for Glencoe. Since 1993, Glencoe has invested \$216.8 million and has generated proceeds of \$320.4 million with a remaining market value of \$272 million, representing a 2.7x multiple on invested capital and a net IRR of 67.8% as of March 31, 2003.

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Glencoe Professional Staffing and Biographies

Managing Directors

David S. Evans

Mr. Evans has 19 years of experience in merchant and investment banking, principal investing, and private equity, and has been responsible for over \$750 million in private equity transactions. Prior to co-founding Glencoe in 1993, Mr. Evans was a merchant banking and mergers and acquisitions specialist at Donaldson Lufkin & Jenrette from 1985 to 1987 and 1988 to 1993. Mr. Evans also serves as Associate Director of the University of Michigan's Growth Capital Foundation and as a principal of Handelsman & Co., a venture capital firm.

He received a M.B.A. with honors from the University of Chicago Graduate School of Business and a B.G.S. in Economics and History from the University of Michigan.

William J. McGrath

Mr. McGrath has over 30 years of experience in mergers, acquisitions, divestitures, and joint ventures with substantial experience in private equity investment, corporate governance, strategic alliances, going private tender offers, as well as other aspects of securities and finance. He served as General Counsel of Glencoe from 1993 to 2000, and as Vice Chairman of the Investment Committee for Fund II since its formation in 1998. In these capacities, Mr. McGrath was directly involved in the analysis and structuring of all prior investments. He has also been Vice Chairman of Glencoe's Board since 1997.

He received a J.D. from Harvard University Law School, a M.S. in Political Science from Loyola University of Chicago, and an A.B.cl., magna cum laude, from John Carroll University.

Ronald D. Wray

Mr. Wray had ten years of experience in private equity and principal investing. Prior to joining Glencoe, Mr. Wray was Executive Vice President of the Pritzker Family Investment Office from 1991 to 1998, where his responsibilities encompassed developing, structuring, and executing private equity transactions, monitoring portfolio companies, developing exit strategies, and capital asset management.

He received a B.S. in Accounting, summa cum laude, from Northern Illinois University, a M.S. in Taxation with Distinction from DePaul University, and a J.D. from Chicago Kent College of Law.

Gary B. Appel

Mr. Appel has over 25 years of private equity and merchant and investment banking experience, having completed more than 160 transactions in all areas of public and private financings, as well as mergers and acquisitions and financial advisory assignments for a wide variety of companies around the world. For 17 years, Mr. Appel was with Donaldson, Lufkin & Jenrette, Inc., serving

as a Managing Director and a founding partner of DLJ Merchant Banking, where he worked closely with Mr. Evans on several significant private equity transactions.

He received a M.B.A. from Columbia University and a B.A. with honors from Vassar College.

Principals

Jon A. Burgman

Mr. Burgman has over 30 years of diverse management experience, including positions in operations, marketing, sales, strategy, accounting, finance, and general management. He also has extensive experience in mergers and acquisitions, restructuring of under-performing businesses, and post-acquisition integrations. Most recently, Mr. Burgman was a partner with Tatum CFO Partners, LLP, where one of his projects included Glencoe's Bell & Howell Company's separation from its publicly traded corporate parent. From 1987 to 1995, Mr. Burgman was Chief Financial Officer and Treasurer of Culligan Water Technologies, Inc., as well as responsible for its international subsidiaries.

He received a M.B.A. from the University of Chicago Graduate School of Business and a B.B.A. in Accounting from Loyola University of Chicago.

Louis J. Manetti

Mr. Manetti has over 20 years of experience in all aspects of mergers and acquisitions. Most recently, Mr. Manetti was Integration Manager for Eastman Kodak Company responsible for the integration of the CustomerFirst service and support businesses into Kodak. From 1993 to 2000, Mr. Manetti held various executive positions with Bell & Howell Company, including Vice President Operations and General Counsel of Bell & Howell Imaging Company. His responsibilities included executing North American and European based acquisitions and joint ventures, managing, integrating, and restructuring acquired businesses, and establishing and evaluating financial reporting systems for multiple divisions.

He received a J.D. from The John Marshall Law School, a M.B.A. from the Kellogg School of Management at Northwestern University, and a B.B.A. in Public Accounting from Loyola University of Chicago.

Investment Professionals

Christopher J. Collins

Mr. Collins focuses on both the Executive Network and transaction development and execution in all industry areas. Previously, Mr. Collins was a Vice President in commercial banking at The Northern Trust Company. Prior to joining The Northern Trust, he was a financial analyst at ANB Mezzanine Corporation.

He received a M.B.A. from the University of Chicago Graduate School of Business and a B.A. in Economics and Political Science from the University of Michigan.

Jason Duzan

Mr. Duzan has experience in executing and managing private equity investments in publicly traded and private companies in a variety of industries, specializing in food and industrial product industries. Prior to joining Glencoe, Mr. Duzan was a financial analyst at Harris Trust and Savings Bank specializing in financial advisory work in the food, food product, and agribusiness industries.

He received a B.S. in agricultural economics with a concentration in finance from the University of Illinois and is currently pursuing a M.B.A. at the University of Chicago Graduate School of Business. He is also a Chartered Financial Analyst.

Benjamin C. Kahn

Mr. Kahn has four years of experience completing private equity and investment banking transactions. Prior to joining Glencoe, Mr. Kahn was with Madison Dearborn Partners, where he was involved in analyzing, executing, and monitoring principal investment opportunities. Previously, he was a financial analyst in the investment banking division at Bear, Stearns & Co.

He received a M.B.A. from the Kellogg School of Management at Northwestern University and a B.S. in Finance and Accounting from New York University's Leonard N. Stern School of Business.

Beth A. Satterfield

Ms. Satterfield has expertise in consumer products, manufacturing, and business services industries. Ms. Satterfield was previously a First Vice President in the leveraged finance group at LaSalle Bank where she worked with Glencoe's portfolio companies from a senior debt lending perspective. Prior to joining LaSalle, she was an Assistant Vice President in commercial banking at NBD Bank Illinois.

She received a M.B.A. from the University of Chicago Graduate School of Business and a B.S. in Finance from the University of Illinois.

Other Professionals

| | |
|-----------------|-----------|
| Mark S. Agnew | Associate |
| Peter W. Martay | Associate |

Five administrative professionals and an Executive Network of over 40 Fortune 1000 senior executives and successful entrepreneurs with specialized operational and managerial expertise also support Glencoe. Glencoe is planning to add three additional professional staff resources in conjunction with a final closing of Fund III.

Glencoe Capital Partners III, L.P. Investor List

| Investor Name | Type of Investor | Commitment Amount |
|--|-------------------------|--------------------------|
| Caisse de Depot | Pension Fund | \$30,000,000 |
| Ontario Teachers | Public Pension Fund | \$30,000,000 |
| State of Michigan | Public Pension Fund | \$25,000,000 |
| Massachusetts Mutual Life Insurance | Insurance Company | \$20,000,000 |
| Public Endowment | Endowment | \$20,000,000 |
| General Partner & Executive Network | General Partner | \$11,000,000 |
| Phoenix Life Insurance Company | Insurance Company | \$10,000,000 |
| John Hancock Financial Services | Financial Services | \$7,500,000 |
| Sahara Investments, LLC | Investment Firm | \$5,000,000 |
| BMO Nesbitt Burns | Placement Agent | \$5,000,000 |
| New York Life Insurance Company | Insurance Company | \$3,000,000 |
| Comerica Bank | Bank | \$3,000,000 |
| Ahlberg Family | Private Investor | \$3,000,000 |
| DLJ Fund Investment Partners III, L.P. | Private Equity Fund | \$2,000,000 |
| Total | | \$174,500,000 |

Glencoe Capital Partners, L.P.
As of March 31, 2003

Appendix B-1

| Company Name | Year of Investment | Cost | Proceeds | Unrealized Value | Multiple | Net IRR |
|------------------------------------|---------------------------|-------------------|--------------------|-------------------------|-----------------|----------------|
| 1 LaFayette American Bancorp, Inc. | 1994 | 24,900,000 | 75,400,000 | 0 | 3.03x | 55.5% |
| 2 Playcore, Inc. | 1996 | 16,800,000 | 34,500,000 | 0 | 2.05x | 21.4% |
| 3 Golden Bear Oil Specialties | 1997 | 12,700,000 | 0 | 1,900,000 | 0.15x | Negative |
| Total | | 54,400,000 | 109,900,000 | 1,900,000 | 2.06x | 24.2% |

Glencoe Capital Partners II, L.P.
As of March 31, 2003

Appendix B-2

| Company Name | Year of Investment | Cost | Proceeds | Unrealized Value | Multiple | Net IRR |
|--|---------------------------|--------------------|--------------------|-------------------------|-----------------|----------------|
| 1 Premium Food Group, Inc. | 1999 | 60,500,000 | 66,600,000 | 86,200,000 | 2.53x | 44.0% |
| 2 Rimrock Corporation | 1999 | 13,600,000 | 0 | 4,100,000 | 0.30x | -31.1% |
| 3 Strategic Equipment and Supply Corp. | 2000 | 25,700,000 | 0 | 25,700,000 | 1.00x | -0.1% |
| 4 Kar Products, LLC | 2000 | 33,300,000 | 0 | 33,300,000 | 1.00x | -0.1% |
| 5 Bell & Howell Company | 2001 | 29,300,000 | 143,900,000 | 120,800,000 | 9.03x | 299.5% |
| Total | | 162,400,000 | 210,500,000 | 270,100,000 | 2.96x | 67.8% |