

PRESS RELEASE

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HAMMOND, KENNEDY, WHITNEY & COMPANY PARTNERS WITH SCHWARZ PARTNERS AND MANAGEMENT TO RECAPITALIZE FLUTES, LLC

On April 13, 2006, HKW Capital Partners II, Schwarz Partners, LP and members of management recapitalized Flutes, LLC (“Flutes”) in a proprietary transaction. Flutes is the fifth Indiana company in which HKW has invested since 2002. HKW Capital Partners II, the \$100 million private equity fund managed by HKW, has invested in 12 companies since 2002.

Flutes manufactures micro flute corrugated sheet products for the packaging industry. The company is the only dedicated micro flute supplier in the US providing its customers several ways to participate in this fast growing market. Flutes offers four different flute profiles so its customers can choose among the best combinations of structural strength and print surface for any packaging application. Flutes products are typically used in packaging consumer goods, which require a high quality graphic image.

Schwarz Partners General Partner, Jack Schwarz, welcomes HKW into its family of investors. “We remain committed to supporting and managing Flutes’ leadership position in the specialty packaging business. Schwarz Partners is delighted to have a similarly motivated organization, HKW, as a fellow investor,” said Jack.

“HKW is very excited to partner with the management team at Flutes and with Schwarz Partners. President Phil Scott and Vice President Tony Reilly were early pioneers in the micro flute industry and continue to drive innovation and create new market applications for Flutes products”, emphasized Glenn Scolnik, President and CEO of Hammond Kennedy Whitney.

Flutes was founded in Indianapolis, Indiana in December 1998 and started producing products in February 1999. Under the direction of its President Phil Scott and Vice President of Sales, Tony Reilly, the Company has grown quickly to become a market leader in only 7 years. Flutes also has a satellite plant in Akron, Ohio.

HKW is a private equity firm founded in 1903 with offices in New York, Chicago and Indianapolis. Over the past 22 plus years, HKW has sponsored 26 platform management buy-outs of small middle market companies throughout North America. HKW currently manages a \$100 million private equity fund known as HKW Capital Partners II which has invested into 12 companies since 2002. Further information about HKW and its companies is available on its website at www.hkwinc.com.

Schwarz Partners is an Indianapolis based holding company which invests in and manages companies with outstanding growth and market leadership potential. While a substantial portion of its holdings are in the North American packaging industry, Schwarz Partners also manages and owns companies in the transportation, mining, recreation, and consumer services businesses. Annual sales of the combined Schwarz Partners operations are in excess of \$400 million.

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