

FOR IMMEDIATE RELEASE

The CapStreet Group Holds First Close of CapStreet III

HOUSTON (Nov. 19, 2008) -- The CapStreet Group, a regionally-focused lower middle market private equity firm, held an initial closing of its third fund, CapStreet III, last week with commitments in excess of \$80 million.

“We appreciate the confidence our limited partners have shown in CapStreet by investing in CapStreet III in today’s challenging economic environment,” said George Kelly, chairman and CEO of CapStreet. “Because of current market dislocations, we believe that now is an excellent time to have capital, and that we will be able to selectively invest in lower middle market opportunities at increasingly attractive valuations.”

According to Kelly, the firm will continue to focus on control investments in family and other privately-owned businesses headquartered in Texas and other Sunbelt states. CapStreet’s target investment sectors are value-added manufacturing and distribution, business services, infrastructure, and energy-related products and services. Since 1990, CapStreet has partnered with family owners and management teams to acquire 27 portfolio companies and has completed more than 250 add-on acquisitions for these companies.

CapStreet III has already completed investments in two platform companies, GHX Holdings and Trinity Steel Holdings. GHX is a Texas-based, value-added distributor of industrial gaskets and hoses serving process industries throughout the Gulf Coast. Trinity Steel is a Texas-based, leading provider of structural fabrication services to the petrochemical, refining, and engineering and construction markets.

The firm’s limited partners include corporate pension funds, life insurance companies, endowments, financial institutions and family investment offices. CapStreet III is targeting \$200 million in total commitments.

Based in Houston, Texas, The CapStreet Group is managed by principals George Kelly, Mike Young, Neil Kallmeyer, Kathy Kohlmeyer, Paul De Lisi, and Park Durrett.

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