



## Challenger Capital Group Secures Senior Financing

### Latrobe Specialty Steel Company completes a \$50 million senior secured term loan facility

**DALLAS, TEXAS, September 1, 2010** – Challenger Capital Group, Ltd., a Dallas-based full-service investment bank, announced that it assisted in securing a \$50.0 million senior secured term loan for Latrobe Specialty Steel Company (“Latrobe”) from funds and accounts managed by DDJ Capital Management, LLC (“DDJ”). The funds were used to refinance Latrobe’s mezzanine debt and to support continued growth. The new facility provides a more cost effective, flexible tranche of capital for Latrobe as it continues to experience significant growth across the various end markets it serves. Latrobe is a portfolio company of Hicks Equity Partners LLC of Dallas, TX and The Watermill Group of Lexington, MA.

Latrobe Specialty Steel Company is one of the largest global manufacturers and distributors of vacuum re-melted specialty steels and alloys based on pounds sold, serving the commercial aerospace, defense, energy (power generation and oil and gas) and industrial end markets. The Company’s product portfolio of over 350 grades of specialty steels and alloys are used in demanding applications such as landing gear, helicopter shafts, jet engine fasteners and bearings within the commercial aerospace and defense market; metal cutting, punching and die casting within the industrial market; steam turbine blades within the power generation market; and down hole logging tools within the oil and gas market.

According to Dale Mikus, Vice President and Chief Financial Officer, “Latrobe and its shareholders wanted to find a financing partner to support the Company in the continued execution of its business plan while taking advantage of improvements in the debt capital markets and the Company’s credit profile. In a mere four months from start to finish, Challenger was responsible for running an efficient yet thorough process that yielded an exceptional financing partner for Latrobe in the form of DDJ. The fit could hardly be better, and we look forward to a long and productive relationship with DDJ.”

“Behind the leadership of a talented management team and the support of its owners, Hicks Equity Partners and The Watermill Group, Latrobe has emerged from a challenging economic environment with a strong balance sheet and is poised for impressive growth”, said Jeff Matthews, Challenger Managing Director. “Challenger is thrilled to have partnered with such a world class company and sponsors to complete this financing.”

#### About Challenger Capital Group

Challenger Capital Group is a full-service investment bank with broad-based experience in M&A advisory services and debt and equity capital raising; Challenger has offices in both Dallas, TX and Chicago, IL. Challenger’s industry expertise includes transactions in consumer products, industrial products, food service, retail, energy, entertainment, healthcare, media, natural gas, oilfield service, publishing and the telecom sectors. For more information, please visit [www.challengercapitalgroup.com](http://www.challengercapitalgroup.com).

#### Challenger Contact Info

Mike Burr  
President & Executive Director  
mburr@challengercap.com  
(214) 239-8636

Scot Brunke  
Senior Marketing Executive  
sbrunke@challengercap.com  
(214) 239-8621

Jeff Matthews  
Managing Director  
jmatthews@challengercap.com  
(214) 239-8615

Jeff Milkie  
Managing Director  
jmilkie@challengercap.com  
(214) 239-8612

Greg Gordon  
Vice President  
ggordon@challengercap.com  
(214) 239-8603

Melina Audinelle  
Vice President  
maudinelle@challengercap.com  
(312) 560-5294

Christopher Mosley  
Associate  
cmosley@challengercap.com  
(214) 239-8639

Jeffrey Richards  
Analyst  
jrichards@challengercap.com  
(214) 239-8623