



### **Dogwood Equity Announces Add-On Investment To Compact Power, Inc.**

**Raleigh, North Carolina** – Dogwood Equity, manager of the North Carolina Economic Opportunities Fund, is pleased to announce the completion of a \$7,750,000 financing round for Compact Power, Inc. (“CPI”), a North Carolina corporation, in a combination of senior debt, subordinated debt and equity. The funding will be used to acquire additional manufacturing capacity of Mertz, Inc., an Oklahoma based manufacturing and metal working corporation. The newly acquired entity will function as a subsidiary under the name Mertz Manufacturing, LLC.

Mertz Manufacturing, LLC will continue at its Ponca City location. The acquisition provides domestic manufacturing capacity for CPI’s proprietary brands of compact utility equipment. Specializing in compact utility loaders, skid steer loaders, mini-excavators, attachments and specialty trailers, CPI has become a national provider of compact, laborsaving products up to 5,000 lbs and 50 hp. Formed in late 2003 to gain leadership in the compact utility niche, CPI acquired certain assets of PowerHouse Equipment, Inc. of Fort Mill, SC and distribution and manufacturing rights from The Jaden Group of Companies, headquartered in Brisbane Australia in December of 2003.

Mertz, established in 1927, has a national reputation in the design, fabrication and manufacture of innovative and high quality equipment. Their wide range of products includes compact utility loaders and attachments, fire fighting equipment, agricultural vehicles and precision parts for large mining and construction equipment. Much of the current and future manufacturing that will be added will shift from Australia.

CPI, which holds exclusive distribution rights to the PowerHouse, Kanga and Boxer brands of compact equipment, has seen 2004 product sales and production more than double over 2003 levels. CPI’s products service a broad spectrum of industries including landscape contracting, general construction, irrigation, utilities and rental. The PowerHouse brand is currently placed in over 600 Home Depot Tool Rental Centers nationwide where the products are available for rental and sale. The Kanga and Boxer brands are distributed through a network of over 70 independent dealer locations. These brands can also be found in certain RentX, NationsRent, United Rental, TruServ and Ace Rental Place locations.

Dogwood Equity served as the lead investor in structuring and negotiating the transaction. St. Cloud Capital of Los Angeles, CA was a significant co-investor along with the founder and other individual investors and manufacturing partners.

### **About Dogwood Equity**

Dogwood Equity manages the North Carolina Economic Opportunities Fund, a licensed Small Business Investment Company with \$74 million available for investment in high-growth businesses. Dogwood Equity invests primarily in companies that are located in the rural and smaller metropolitan areas of North Carolina and will consider investment opportunities in growth, expansion and late stage manufacturing, technology, service and distribution companies.