

December 5, 2006

Precision Parts International Acquires Merit Gear Corporation

Rochester Hills, MI - December 5, 2006 - PPI Holdings, Inc., a First Atlantic Capital, Ltd. portfolio company and leading designer and manufacturer of high-precision metal components and subassemblies, today announced that it has acquired Merit Gear Corporation, a manufacturer of high-quality, custom, precision gears and gearboxes. Terms of the transaction were not disclosed.

The acquisition of Merit Gear is PPI's second since being acquired by First Atlantic in September 2005. Based in Antigo, WI and founded in 1952, Merit Gear has over 50 years experience designing and producing high-precision gears and other metal components. The Company's products are primarily manufactured for use in heavy-duty mining and oil exploration equipment, wind turbines, transportation, military and general industrial applications. Don Clemens, formerly General Manager of Merit Gear, has joined PPI as General Manager of the Antigo operations.

Michael T. Bryant, President and Chief Executive Officer of PPI, said, "The addition of Merit Gear significantly strengthens our gearing capabilities while further diversifying our product line and expanding our cross-selling opportunities. Importantly, Merit Gear occupies a critical niche in an expanding market, positioning PPI well for increased future growth."

Roberto Buaron, Chairman and Chief Executive Officer of First Atlantic Capital, said, "With this acquisition, we are taking another step towards establishing PPI as the leader in the highly-fragmented precision metalforming and gearing industry. Merit Gear is an excellent strategic fit with PPI's business and provides the Company with a solid and diversified non-automotive customer base."

Kirkland & Ellis LLP served as legal advisor to First Atlantic Capital and PPI.

About PPI

Headquartered in Rochester Hills, Michigan, PPI specializes in complex, metal forming process technologies and offers customers three key applications; fine blanking, precision stamping and precision gearing. The company's products are marketed to customers in the automotive, aviation, construction, energy and industrial sectors. The company has 1,300 employees and nine manufacturing facilities in North America. An affiliate of First Atlantic Capital, a New York-based private investment firm, is the majority owner of PPI. For additional information, please visit www.precisionparts.com