



Atlantic Street Capital

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Atlantic Street Capital Portfolio Company Ace Expeditors Acquires Network Express, Inc.

Transaction Creates Leading U.S. Dedicated Route Logistics Provider

STAMFORD, Conn., March 30 /PRNewswire/ -- Atlantic Street Capital, a private equity firm with a focus on lower middle-market special situation and deep value investments, announced today that its portfolio company Ace Expeditors, Inc. has acquired Network Express, Inc., a leading provider of specialized distribution services designed specifically for pharmacies serving the long term care market. With the addition of Network Express, Ace Expeditors is now a leading dedicated route logistics provider in the United States.

Senior debt was provided by Golub Capital and subordinated debt was provided by a group including Prism Mezzanine Fund.

Ace is the leading provider of out-sourced same day logistics services to the automotive aftermarket retail segment. Atlantic Street Capital acquired Ace Expeditors in 2007 and since then has enhanced the company's operations and management team. In addition to its purchase of Network Express, Ace last year acquired Express Courier Systems, a preeminent provider of same-day logistics services to the medical laboratory industry. A sophisticated management team was also recruited and an operational infrastructure implemented that allows the company to grow both organically and through strategic acquisitions.

"The additional expertise we gain from Network Express will provide a single source for specialized logistics requirements," said Peter Shabecoff, managing partner of Atlantic Street Capital. "With its scale, sophistication and leadership in three recession resilient industries, Ace is well positioned to continue to grow with national customers who see the financial and operational benefits of outsourcing their same day logistics needs."



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Atlantic Street benefited from the strong support of financing from its partners in completing a transaction in a very difficult market. "We felt comfortable with Golub Capital because they really understood the sector and provided a full solution in a market where very few parties are lending. After working with the Golub team on closing this deal, we are confident that

Golub Capital will help us grow the company as we capitalize on opportunities within the logistics industry. We are also very fortunate to have the thoughtful support of our mezzanine lenders who understood that Ace is a business that can thrive in this economic climate," said Mr. Shabecoff.

About Atlantic Street Capital

Atlantic Street Capital is a special situations private equity fund investing in middle market companies that present challenges to typical investors. Based in Stamford, CT, Atlantic Street takes controlling equity positions in companies requiring significant operational improvements, including turnarounds and restructurings. Atlantic Street executes operationally intensive investment strategies to drive value for shareholders. Atlantic Street targets sustainable businesses with revenues between \$25 and \$120 million operating in the consumer products, services, manufacturing, distribution, and logistics sectors.

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