

Deal Announcement

KPMG Corporate Finance advised Griffith Enterprises, Inc. on its sale to Republic Financial Corporation's Private Equity Group.



Griffith Enterprises, Inc.

KPMG Corporate Finance

acted as financial adviser to
Griffith Enterprises, Inc. on its sale to
Republic Financial Corporation's
Private Equity Group



February 2007

The Company

Griffith Enterprises, Inc. ("Griffith" or the "Company"), headquartered in Cottonwood, Arizona, is a leading custom manufacturer and supplier of complex aerospace interconnect systems and electronic systems controls for a variety of commercial and military aircrafts. The Company's interconnect systems, or wiring harnesses that transmit electrical signals between engine controls and various moving parts of the aircraft, are used in all major Boeing commercial aircrafts, Airbus aircrafts, major military aircrafts, regional/business jets, as well as helicopter platforms. The Company's extensive industry relationships are a direct result of its custom design and manufacturing capabilities and high-quality products that exceed the quality characteristics of its competitors' products.

The Situation

The shareholders of Griffith Enterprises, Inc. retained KPMG Corporate Finance as its exclusive adviser for the potential sale of the Company. The shareholders sought to sell the business in order to provide liquidity to the founder as he reached retirement.

The Transaction

KPMG Corporate Finance conducted a competitive sale process to identify strategic and financial acquirers that would enable the founder to exit the business in a majority sale of the Company. KPMG Corporate Finance developed significant buyer interest, coordinated management meetings, and negotiated a transaction with Republic Financial Corporation's Private Equity Group, a privately held buyout firm with significant aerospace and defense knowledge, headquartered in Aurora, Colorado. Republic's Private Equity Group is a team of accomplished professionals that collaborates with management to realize unique investment opportunities and whose strategy is ideal for small market privately held companies with the goal of adding long-term value and complementary functional support and expertise.

KPMG Corporate Finance: Objectivity. Insight. Experience.

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KPMG Corporate Finance provides a full suite of investment banking and advisory services to its domestic and international clients. Our professionals have the experience and depth of knowledge in global M&A and project finance to advise clients on mergers and acquisitions, sales and divestitures, buy-outs, financings, restructurings, fairness opinions, infrastructure project finance, and other advisory initiatives. In addition, we remain independent of financing sources, helping to ensure that our efforts are objective and aligned with the goals of KPMG's member firms' clients. Operating in 51 countries, KPMG's Corporate Finance practice comprises more than 1,800 professionals who are able to meet the needs of KPMG's member firms' clients across the globe. In 2006, KPMG's Corporate Finance practice was ranked the number one financial adviser for completing the highest number of transactions globally (434 deals totaling US\$48.9 billion), according to Thomson Financial's global M&A league tables, and it was named global financial adviser of the year by *Infrastructure Journal*.

We welcome the opportunity to meet with you, learn more about your company's objectives, and discuss our people and capabilities.

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