

Versa Capital Mid-Year Update / Active First Half of 2014

- Vestis Retail Group signed definitive agreement to acquire NASDAQ-traded retailer Sport Chalet
- Acquisition of BridgeStreet Global Hospitality completed through foreclosure
- Numerous Fund I and Fund II assets prepared for strategic transactions in the second half of 2014
- Versa Operations Team continues to grow; Dr. Lior Yahalomi joined as Managing Director in April

Selected Portfolio Company Highlights



Allen Vanguard — Strong pipeline and growing order backlog driven by demand from foreign militaries and governmental agencies. 2014 resurgence as the company rebounds from prior year government sequester effects. Contingent litigation asset value outlook improved as well.



Avenue — Additional dividends bring cumulative realized cash to 4.7X MOC, while the company remains debt free. Strong YTD revenue and EBITDA gains continue with several new stores to open in this year.



Bell & Howell / BCC Software — B+H achieving significant EBITDA gains under new team. BCC Software spun out with recap financing completed in Q2 2014, retiring 100% of B+H third party debt. BCC now separately valued and highly profitable with strong growth potential across new and existing markets.



Black Angus Steakhouses — Same-store sales growth continues for 19th straight quarter. First new restaurant opened in Q1 2014 and running well ahead of projection.



Bridgestreet Hospitality — Purchased debt converted to full ownership through foreclosure in Q1 2014. With balance sheet restructuring now complete, profitability remains strong and growing with additional operational improvements underway.



Civitas Media — Merger integration now complete with synergies driving improved performance. Strong comparable M&A activity increasing industry valuations.



Hatteras — Operational turnaround underway with significant upside identified, while order backlog is up 50% versus prior year and growing. Dividends through Q2 2014 have returned 96% of investment cost during first year of ownership.



Polartec — 2014 earnings on target to match peak levels. New products continue winning awards, driving global customer growth.



Vestis Retail Group — Signed agreement in June 2014 to acquire west coast retailer Sport Chalet to create \$800M national apparel, active wear and sporting goods chain with over 150 stores. Public tender offer in process, closing in Q3 2014.