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FOR IMMEDIATE RELEASE

## **Fulcrum Capital Partners and Brookfield Asset Management Winners of CVCA's 2014 Private Equity 'Deal of the Year' Award**

OTTAWA: CVCA - Canada's Venture Capital & Private Equity Association is pleased to announce that Fulcrum Capital Partners and Brookfield Asset Management Inc. are the recipients of CVCA's 2014 Deal of the Year Awards for the private equity category.

Established in 1998, the purpose of the CVCA's Deal of the Year Award competition is to promote, highlight and celebrate the achievements of CVCA members who have had outstanding investment successes. The selection process focused on CVCA members with the most significant investment return realized primarily during calendar 2013. The CVCA celebrates Deal of the Year awards for both venture capital and private equity.

It is my pleasure to announce that this year we have two winners of the CVCA Deal of the Year Award in the private equity category. This award highlights investment successes achieved by CVCA members and the Awards Committee felt that both Fulcrum and Brookfield deserved recognition for their respective realizations. Fulcrum for its investment in A & B Rail Services Ltd. and Brookfield for its investment in Longview Fibre Paper and Packaging Inc., said Sandra Bosela, Chair of CVCA's Awards Committee and Managing Director, OPTrust Private Markets Group. 2013 was an exceptional year with many very strong realizations achieved by Canadian private equity groups, said Ms. Bosela, noting that in addition to the two winners which were announced today, there were multiple submissions for the Deal of the Year Award which demonstrated very attractive returns on invested capital for investors.

"I'd like to congratulate our Deal of the Year private equity Award winners, Fulcrum Capital Partners Inc. and Brookfield Asset Management, who clearly enhanced the value of their portfolio companies, taking a longer term perspective to invest in growth strategies that would ultimately position their respective companies as attractive acquisition targets. These transactions highlight the role and value of private equity as dedicated, experienced, and highly motivated partners, who take a long term perspective on creating value in businesses, while working alongside management teams to achieve that success. Both transactions also highlight how private equity backed companies support a stronger and more productive economy and contribute to overall job creation," said Mike Woollatt.

### **Fulcrum Capital Partners Inc.**

Fulcrum Capital Partners Inc. invested \$9.6 million to acquire a controlling interest in A & B Rail Services Ltd. in June of 2008. Over the next five years, Fulcrum, together with A & B Rail management, embarked on an aggressive growth strategy, including completing two strategic acquisitions and building out new services lines including an LRT division, signals, communication, civil and rail component manufacturing. These initiatives transformed A & B Rail into the premier national rail services company in Canada. In 2013, Fulcrum sold A & B Rail to a private equity investor group realizing total cash proceeds of \$137 million, or 14.3x invested capital, for a 74.2% IRR.

"We are very pleased to be awarded CVCA's Deal of the Year Award for our investment in A & B Rail Services Ltd. This represents an outstanding result for the firm and our investors and affords us a tremendous amount of momentum as we begin fundraising efforts for a fifth fund. I would like to



thank Paul Brum and our management partners at A & B Rail who made this success possible, as well as everyone in our Fulcrum team who worked tirelessly on this investment over the past five years,+said Paul Rowe, Partner at Fulcrum Capital Partners Inc.

The award was accepted by Paul Rowe of Fulcrum at the CVCA Annual Conference in Ottawa, Ontario on Wednesday May 21, 2014. This is Fulcrum's second CVCA Deal of the Year Award having received the award previously in 2007 for its investment in Encore Group.

#### **About A & B Rail Services Ltd.**

A & B Rail Services Ltd. provides complete track maintenance, repair, rehabilitation, construction and additional services for Class I railways, industrial companies, municipalities and short line railways. In addition, A & B Rail also provides highly specialized track services as well as light rail transit construction, maintenance, signals and communication support.

#### **About Fulcrum Capital Partners Inc.**

Fulcrum Capital Partners Inc. is a leading private investment management firm providing flexible capital solutions to Canadian middle-market companies. Fulcrum manages over \$500 million. Its investments typically support management buyouts, acquisitions, going private transactions, leveraged buyouts, corporate growth, financial restructurings, and project and property financings. For more information, please visit [www.fulcrumcapital.ca](http://www.fulcrumcapital.ca).

#### **Brookfield Asset Management Inc.**

Brookfield invested in Longview Fibre Paper and Packaging, Inc. in 2007 and instituted a multi-year operational turnaround focused on upgrading management, emphasizing safety and environmental performance, rationalizing the manufacturing footprint and optimizing Longview's product mix. This turnaround increased EBITDA by 300% from US\$40 million to US\$160 million over Brookfield's ownership period. In July 2013, Brookfield sold Longview to KapStone Paper & Packaging Corp. (NYSE: KS), realizing total proceeds of \$1.1 billion, generating an IRR of 69.6%, representing a 10.0x return on invested capital of \$114 million.

We are very grateful to the CVCA for the recognition of Brookfield as co-recipient of their Deal of the Year Award,+said Joe Freedman, Senior Managing Partner of Brookfield. We believe that transactions like Longview, where returns are generated from operational, safety and environmental improvements and not from financial engineering, showcase the valuable role that private equity investment can play.+

The award was accepted by Joe Freedman and David Nowak of Brookfield Asset Management at the CVCA Annual Conference in Ottawa, Ontario on Wednesday May 21, 2014.

#### **About Longview Fibre Paper and Packaging Inc.**

Longview Fibre Paper and Packaging Inc. is a leading integrated manufacturer of both high-quality, lightweight, multiwall and specialty Kraft papers, as well as corrugated containers and containerboard. Its assets include some of the largest and best capitalized infrastructure in western North America with 1.7 million tons of pulping capacity and five paper machines situated on a 365-acre industrial site in Longview, Washington, producing 1.15 million tons of paper annually. Longview



also has seven box plants located throughout the Pacific Northwest region of the United States producing over 5.5 billion square feet annually.

#### **About Brookfield Asset Management Inc.**

Brookfield Asset Management Inc. is a global alternative asset manager with over \$175 billion in assets under management. Brookfield's private equity group, Brookfield Capital Partners, has over two decades of investment experience focused on acquiring assets for value and deploying an operations-oriented approach to management post-acquisition. Brookfield Capital Partners invests primarily in North American mid-market transactions, in companies with underlying tangible assets and in opportunities that leverage Brookfield's real asset and related operating platforms. For more information, please visit [www.brookfield.com](http://www.brookfield.com).

#### **About CVCA**

The CVCA - Canada's Venture Capital & Private Equity Association, was founded in 1974 and is the association that represents Canada's venture capital and private equity industry. Its over 1900 members are firms and organizations which manage the majority of Canada's pools of capital designated to be committed to venture capital and private equity investments. The CVCA fosters professional development, networking, communication, research and education within the venture capital and private equity sector and represents the industry in public policy matters. For more information, please visit [www.cvca.ca](http://www.cvca.ca).

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