

FormTech Industries to Restructure Through Prearranged Chapter 11 Filing

Signs Asset Purchase Agreement to Sell Business to HHI Holdings, Leading North American Forging Company

HHI Holdings to Provide DIP Financing to Support Operations

ROYAL OAK, Mich., Aug. 27 /PRNewswire/ -- FormTech Industries LLC ("FormTech"), a provider of forged metal components to the automotive light vehicle, heavy truck and industrial markets of North America, today announced that it has reached an agreement with its first and second lien debt holders to restructure through a prearranged filing under Chapter 11 of the United States Bankruptcy Code. The filing was made in the United States Bankruptcy Court for the District of Delaware.

Under the prearranged restructuring, FormTech has entered into a binding, firm, going concern asset purchase agreement with a newly formed subsidiary of HHI Holdings, LLC ("HHI"), the largest independent manufacturer of forged parts for the North American automotive industry, to sell its assets to HHI under a court-supervised sale process. Prior to the Chapter 11 filing, an affiliate of HHI acquired voting control of FormTech's senior secured debt, and HHI and FormTech reached an agreement regarding the going concern sale with the holders of FormTech's first and second lien debt. HHI is a portfolio company of KPS Capital Partners, LP, a private equity firm with over \$2.5 billion of committed capital focused on constructive investing in restructurings, turnarounds, and other special situations.

An affiliate of HHI has agreed to provide FormTech with a DIP financing facility to support going concern operations. Subject to court approval, the DIP credit facility will ensure that FormTech has sufficient liquidity to continue normal operations during the restructuring, including paying employees, supplying customers without interruption, and paying suppliers for goods and services provided after the filing.

Chris Jones, President of FormTech, said: "During the past several months, we have taken extensive steps to address the realities of the current automotive marketplace. While we have made significant progress it became apparent that the best path for FormTech, our employees, customers and vendors is a court-supervised restructuring and going concern sale. This process will ensure that customers are supplied in a full and timely manner.

"We believe that FormTech's assets have a great future under HHI, one of the world's best-capitalized forging companies, backed by a private equity fund with more than \$2 billion of capital. The combination with a strategic buyer that is the leading company in the North American forging industry will lead to significant synergies. HHI's CEO knows our Company well, as he ran and helped build many of our plants in a previous position. We are grateful for the support and confidence being given to us by HHI and KPS, including providing our DIP financing."

The proposed going concern sale transaction, which is expected to be completed within 45 days, is subject to court approval. A sale process to seek higher and better offers from other interested parties will be pursued.

A. Jeffrey Zappone of CM&D Management Services, LLC has been engaged by FormTech as Chief Restructuring Officer. FormTech's restructuring counsel is Strobl & Sharp P.C.

Information about FormTech's Chapter 11 case can be found at www.kccllc.net/formtech.

About FormTech Industries LLC

FormTech Industries LLC ("FormTech") is among the largest independent manufacturers of forged automotive parts in North America and the leader in high volume hot-formed manufacturing through its operations in Royal Oak, Michigan and Tonawanda, New York. FormTech was adversely impacted by the precipitous decline in automotive production in the first half of 2009. Through this time period, FormTech remained a highly reliable supplier and substantially restructured its operations. The company has over 400 employees, primarily in Michigan and Ohio and operates six manufacturing facilities. For more information, please visit www.formtech2.com.

About Hephaestus Holdings, Inc.

HHI Holdings, LLC ("HHI"), through its Jernberg Holdings, Inc., Impact Forge Group, Inc. and Kyklos Bearing International, Inc. ("KBI") subsidiaries, is the largest independent manufacturer of forged parts and a leading manufacturer of wheel bearings for the North American automotive industry. Jernberg Holdings, Inc. and Impact Forge Group, Inc., through their respective subsidiaries, manufacturer highly engineered symmetrical and asymmetrical forged parts for various power train and wheel-end applications. KBI is the leading producer of Gen III wheel bearings in North America. HHI is owned by KPS Capital Partners, LP and MC Capital Inc., a subsidiary of Mitsubishi Corp. Employing nearly 2,000 employees, HHI operates eight manufacturing facilities located in the Chicago, Illinois; Indianapolis, Indiana; Coldwater, Michigan; and Sandusky, Ohio vicinities. For more information, please visit www.hhiforge.com.

About KPS Capital Partners, LP

KPS Capital Partners, LP is the manager of the KPS Special Situations Funds, a family of private equity funds with over \$2.5 billion of committed capital focused on constructive investing in restructurings, turnarounds and other special situations. KPS has created new companies to purchase operating assets out of bankruptcy; established stand-alone entities to operate divested assets; and recapitalized highly leveraged public and private companies. The KPS investment strategy targets companies with strong franchises that are experiencing operating and financial problems. KPS invests its capital concurrently with a turnaround plan predicated on cost reduction, capital investment and capital availability. Typically, the KPS turnaround plan is accompanied by a financial restructuring of the company's liabilities. The KPS investment strategy and portfolio companies are described in detail at the firm's website: www.kpsfund.com.

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