



## HIGHLIGHTS

On the acquisition side, we have added to our portfolio ZeroChaos, a recognized leader in contingent labor management solutions for Fortune 1000 firms, and RMT Woodworth, a leader in high volume commercial heat-treating of metals. Since the acquisitions, ZeroChaos and RMT Woodworth have continued to excel and experience tremendous growth of their own.

ZeroChaos, based in Orlando, is on track to grow over 100% in 2005, with revenues expected to exceed \$175 million. The company's unique approach to helping customers source and manage talent has produced impressive results for clients including EDS, Bank of America, Accenture, IBM and Nokia. ZeroChaos was recently #71 on the Inc. 500 list of fastest-growing private companies in the USA.

Based outside of Detroit, RMT Woodworth's superior plant design and best-in-class service have served the Automotive, Heavy Equipment, Aerospace and Defense industries for over 35 years. The company recently landed a major contract that, apart from other notable growth initiatives, will *triple* the size of the enterprise by 2007.

We are pleased to be involved with these exceptional companies and look forward to continuing to help them manage the leap from having great potential to finding exceptional success.



## CONTINUED MOMENTUM . . .

Three years ago, we joined with some of the best names in the investment community to create AP Capital Partners (APCP), a private equity investment firm that takes long-term assignments in exceptional enterprises. In the past three years, we have made tremendous progress by adhering to the prudent principles set forth at the inception of the firm. We have continually focused on meeting our goals of dramatically improving financial performance, delivering best-in-class products and services, and creating fulfilling work environments for employees.

As Managing Partners, we have brought our diverse backgrounds covering relevant business and financial expertise to the firm. In addition, we have been fortunate enough to be backed by Limited Partners that include asset management and investment banking titans, billionaire investors, global authorities on operations and logistics, senior executives at leading middle-market and Fortune 500 companies, and highly successful private equity practitioners from around the world - from firms such as Morgan Stanley, Bear Stearns, Weston Presidio Capital, Citigroup, Fidelity Investments, AIC Limited, McKinsey & Co, Microsoft, GE and others. APCP also has institutional partnerships to support our portfolio companies and our ongoing efforts. We have added new staff to meet our growing portfolio and fund management needs.

## MOVING FORWARD . . .

Powerful underlying trends have driven and will always drive our investment strategy. We are not overly concerned with rising oil prices, rising interest rates, or high purchase multiples because our approach is time-tested to withstand fluctuations in macro-economic conditions. Industries of particular interest include financial services, healthcare, energy and business services. However, we only invest behind exceptional companies with compelling value, as was the case with ZeroChaos and RMT Woodworth. AP Capital Partners provides more than just capital to outstanding middle-market enterprises. We have crafted a unique and differentiated investment model built on focus, patience, a true partnership approach, and effective execution.

APCP would like to thank our investors, our financing partners, and the countless friends of the firm. Without this group, we would simply not be reporting the success we are today. We are aggressively pursuing new investment opportunities and expect to have further developments in the coming months.

Warmest regards,  
Frantz Alphonse and Richard Powell  
Managing Partners  
AP Capital Partners, LLC