



## **Penhall Company Successfully Completes Debt Restructuring by Eliminating \$279 Million of Debt and has a New Controlling Shareholder in Centerbridge**

**Anaheim, CA – November 19, 2010 – Penhall Company** (“Penhall” or the Company”) today announced that it has successfully completed a consensual restructuring with holders of its 12% Second Lien Senior Secured Notes due 2014 and unsecured creditors of its holding company debt due 2012. As a result of the restructuring, Penhall has extinguished \$279 million of outstanding debt and now has a new ownership group led by funds advised by affiliates of Centerbridge Partners, L.P. (“Centerbridge”), which will own approximately 83% of Penhall’s equity. In conjunction with the restructuring, Penhall also completed an equity rights offering, pursuant to which approximately \$27 million of new cash has been invested by Centerbridge and the other new shareholders, which will be used to pay transaction costs and repay certain borrowings under Penhall’s Senior Secured credit facility.

“Our successful restructuring, which was supported by 99.5% of our noteholders, is an extraordinary outcome which will position Penhall with the necessary capital structure to navigate the current market conditions and look to the future with confidence,” said President and Chief Executive Officer C. George Bush.

“With the financial restructuring now complete, Penhall has emerged virtually debt-free and is well positioned to take advantage of a recovering market for its core infrastructure and commercial construction services,” stated Kyle Cruz, a Managing Director at Centerbridge. “We are very excited to partner with Penhall’s management team to position the company for long-term success and support its growth initiatives.”

Mr. Bush further commented, “Centerbridge’s substantial investment in the business demonstrates their confidence in our management team, our business plan and our ability to grow the business in the future. We are pleased to have new owners that are enthusiastic about the future of the business and are committed to our success.”

Mr. Bush continued, “This transaction is an important step for Penhall. The reduction of our indebtedness and accompanying interest expense will permit Penhall to focus more of its valuable financial resources on reinvestment in and growth of the business, thereby allowing us to maintain and enhance our competitive position and better serve the needs of our customers. Our comprehensive plan could not have been accomplished without the collective cooperation and continued support of our many stakeholders, including Richard Ferrucci & Associates, our broker, Arch Surety, our bond provider, GE Capital, our senior secured lender, our creditors, and most notably our outstanding employees. It was their confidence and commitment to work with us through this challenging effort that says a lot about our business partners and our dedicated employees.”

Sidley Austin LLP served as legal counsel and Houlihan Lokey served as exclusive financial advisor to Penhall in the consensual restructuring. Latham & Watkins LLP served as legal counsel and Moelis & Company served as financial restructuring advisor to Centerbridge.

#### **About Penhall**

Founded in 1957, Penhall is a market leader in concrete demolition and construction services. Penhall encompasses 41 locations in 18 states and Canada and employs approximately 1,300 employees throughout the US and in Canada. The Company services over 9,000 customers nationwide and has a fleet of over approximately 740 revenue generating units.

#### **About Centerbridge**

Centerbridge Partners, L.P. was founded in 2005 and commenced business in 2006. With approximately \$12 billion in capital under management, the firm invests across multiple strategies, including private equity and credit investments. The firm is dedicated to partnering with world-class management teams to help companies achieve their operating and financial objectives.

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