

## **ATS WORKHOLDING ACQUIRES SMW SYSTEMS INC.**

For Immediate Release

**Source: ATS Systems**

Rancho Margarita, Calif. July 14, 2006 --- ATS Workholding, Inc., today announced that it has acquired SMW Systems, Inc. from Sierra Concepts Corporation in a stock purchase transaction. The terms were not disclosed. The combined business entity has been renamed ATS Systems.

Located in Santa Fe Springs, California, SMW Systems employs 42 people and provides accessories for CNC lathes and vertical machining centers. Each of its products gives one of two benefits, either dramatically reducing setup time on existing machines, or providing those machines with unattended operation.

"This acquisition supports our long term strategy to build a branded machine tool accessories company possessing a strong management team, diverse product line and customer base, exceptional sales and marketing capability, and top notch manufacturing capability" stated Sean Murphy, Chief Executive Officer of ATS Systems. "This acquisition is about building value and we believe the ATS Systems value proposition is unique to the industry. We look forward to continuing to build upon our strong track record of meeting the needs of our customers and providing them with the highest level of service."

"This transaction is a positive development for our customers, employees and stakeholders." commented SMW President, John Boland. "The interest shown by ATS and Vintage Capital in our business validates what we have accomplished and our significant potential. As an integral part of ATS Systems, we will be better positioned to further develop our service and product offerings, and expand our customer relationships. Our new owners share the management team's commitment to building on the many strengths that we developed under the ownership of Sierra Concepts."

Mr. Boland will assume the responsibilities of President of the combined company.

To facilitate the acquisition of SMW Systems, Vintage Capital Partners, L.P. made an investment in the company. Mark Sampson, Managing Director of Vintage Capital said, "We are pleased to complete the investment in ATS Systems. With the acquisition of SMW Systems, ATS is well positioned for significant growth."

Henry Brandon, Managing Director of Vintage Capital stated, "We look forward to building our partnership and working closely with Bill Murphy, Sean Murphy and John Boland and their management team to further build the value of ATS."

Bill Murphy, founder and Chairman of ATS Systems, said "ATS Systems is thrilled to have Vintage Capital Partners involved with the company. The principals at Vintage have significant experience in helping growth companies continue to expand and provide the best services to their customers. We believe that with Vintage's financial and strategic assistance, we can further our growth, both organically and through acquisition, and continue to provide comprehensive services to our customer base."

Vintage Capital Partners, L.P., a private equity firm headquartered in Los Angeles, makes structured equity investments in support of successful middle market business owners typically headquartered in the western United States

Founded in 1981, ATS is the dominant producer of specialty workholding fixtures. ATS has been serving machinists and the machining industry with quality workholding solutions for more than 25 years. As technology has advanced and the demands on manufacturing processes have grown increasingly more sophisticated, ATS has stayed at the forefront of the industry by continually adding new products to serve the needs of its customers.

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