



Contact: Michael McMullan
Berns Communications Group
(212) 994-4660

R. Adam Smith
Managing Partner
Circle Peak Capital Management LLC
(646) 230-8812

For Immediate Release

CIRCLE PEAK CAPITAL ACQUIRES HILL & VALLEY, INC.

**-- Consumer Packaged Goods Veteran Brian L. Gustaitis
Appointed Chairman of the Board --**

New York, NY, August 15, 2005 – Private equity firm Circle Peak Capital LLC (“Circle Peak”) today announced that it has acquired Hill & Valley, Inc. a leading national manufacturer of baked sugar free and no-sugar-added sweet goods, sold in both private label form and under the Hill & Valley brand label. This investment represents Circle Peak’s expanding presence in the packaged food & beverage segment, following investments in The Steak-Umm Company, Cole Water Company LLC and Chomp Inc.

Under the terms of the agreement, Circle Peak and senior management will recapitalize the Company from the founding Coin family. George Coin will be retiring after building the Company into one of the largest suppliers of sugar free and no-sugar-added bakery products in the retail grocery segment since 1988. Together with the current President, Scott Florence, Circle Peak and the Company will continue to build the Hill & Valley brand on a national basis in retail segments. Hill & Valley Inc., which recently changed its name from Nancy’s Pies, Inc., also appointed consumer packaged goods veteran Brian L. Gustaitis as non-executive Chairman. Financial terms of the transaction were not disclosed. Circle Peak was advised by Daniel J. Eisner of Akin Gump Strauss Hauer & Feld LLP, and operating advisors Robert W. Kraft and Doris Zelinsky.

“Hill & Valley is a very attractive investment opportunity for Circle Peak and we are well positioned to apply growth capital and significant operating expertise to the Company, which will allow it to reach its full growth potential in its primary market segments,” commented Circle Peak’s founder and Managing Partner, R. Adam Smith. “We look forward to partnering with the Company’s seasoned management team to strengthen the firm’s grocery channel distribution, broaden the product offerings with high quality, fortified ingredients, and raise consumer brand awareness as we continue to gain profitable market share in the in-store bakery segment.”



Brian L. Gustaitis, a Circle Peak advisory board member, has more than 25 years of consumer packaged goods experience and most recently held the position of President and Chief Operating Officer for Kozy Shack Enterprises, a leading manufacturer and marketer of refrigerated pudding. While at Kozy Shack, Mr. Gustaitis guided the Company through a successful financial turnaround achieving double-digit sales and earnings growth in his second year, as well as successfully repositioning the brand and product packaging. He has also held senior management positions at Tetley USA Inc. and Pepperidge Farm Inc.

Commenting on the transaction, President Scott Florence stated, “We are excited for our future partnership with Circle Peak who has a proven track record of investing in unique consumer product companies with visible paths to profitability. We look forward to leveraging Circle Peak’s extensive industry experience in growing our leadership position in the health-oriented baked goods segment.”

Hill & Valley, Inc. located in Rock Island, Ill., is an 18-year old leading manufacturer of baked sugar free and no-sugar-added sweet goods. Sold nationwide primarily through the in-store bakery section of supermarkets, the Company’s product lines include cakes, pies, cookies and brownies, which are currently sweetened using sugar substitutes derived from corn and other natural ingredients. Hill & Valley, Inc. targets the customer demand for bakery products with alternative sweeteners to sugar, especially for the diabetic and diet-conscious consumer.

Hill & Valley presently supplies over half of the top 25 U.S. grocery retailers and is known to be the largest exclusive provider of sugar free and no-sugar-added bakery products in the U.S. According to Frost & Partners, the in-store bakery category had sales of approximately \$18 Billion in 2002 and is growing at a 6.5% compound annual rate, exceeding most other commercial food service segments.

Circle Peak Capital LLC

Circle Peak Capital LLC (“Circle Peak”) is a private equity investment firm based in New York City that invests in established private companies in the consumer packaged goods and financial services industries. Circle Peak’s principals and advisors are experienced in investing in, managing, operating and advising companies with between \$10 million and \$500 million in sales. The Company is dedicated to partnering with proven management, and supplementing management teams where necessary, building profitable and sustainable businesses, and realizing significant returns on capital for its principals, management teams and investors. For more information, go to www.circlepeakcapital.com.