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The Mercanti Group Completes First Cross-Border Assignment Involving Chinese Manufacturer

MINNEAPOLIS, MN, December 18, 2006 – The Mercanti Group, a boutique investment bank headquartered in Minneapolis and with offices also in Los Angeles, New York and Seattle, today announced the completion of its first cross-border assignment involving China, serving as exclusive financial advisor to Sevylor® Inc., a leading manufacturer of unique and innovative inflatable products, in its recent acquisition by Stearns® Inc., a unit of K2 Inc. (NYSE: KTO). Sevylor has operations in China, Australia, France and the U.S.

“We believe that there is a great deal of opportunity among middle market companies in China, and that this transaction demonstrates Mercanti’s ability to navigate the complex issues which can arise on cross border transactions between the U.S. and China,” said Jim D’Aquila, Managing Director of Mercanti. “We are taking specific steps to forge a series of relationships that we anticipate will result in increased advisory activity for us over time involving Chinese companies that either want to do business, consolidate or seek financing in the U.S.”

Stearns, a leading U.S. manufacturer of watersports and outdoor products, acquired Sevylor in a cash transaction, and plans to continue to operate Sevylor’s pre-existing manufacturing plants in China. Stearns is a subsidiary of K2 Inc. The purchase price was not disclosed.

About The Mercanti Group

The Mercanti Group is a results-oriented boutique financial advisory firm that embraces a fierce commitment to client service and provides creative Merger & Acquisition, Capital Raising and Strategic Advisory solutions to small and middle market companies, private equity firms and individual business owners in the consumer, health care, technology, business services and manufacturing industries. Mercanti offers companies the expertise and capabilities of a large investment bank with the focus, attention and energy of a small entrepreneurial firm. Mercanti has offices in Minneapolis, Los Angeles, New York and Seattle. Mercanti also is strategically affiliated with Marquette Financial Companies, a diversified financial services company which is a part of the Pohlads family holdings. If you would like more information on The Mercanti Group, please visit the Web at www.mercantigroup.com, or contact a Mercanti professional at 612.333.0130 (Minneapolis); 310.444.0130 (Los Angeles); 212.883.0130 (New York) or 425.943.7280 (Seattle).

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