



## Press Release

SUSQUEHANNA BANCSHARES, INC. (NASDAQ - SUSQ)

### Susquehanna Bancshares, Inc. to Acquire Stratton Holding Company

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LITITZ, Pa.--(BUSINESS WIRE)--

Susquehanna Bancshares, Inc., a regional financial services holding company, has entered into an agreement to acquire Stratton Holding Company, an investment management company with approximately \$3 billion in assets under management.

Stratton Holding Company is the parent company of Stratton Management Company, a privately owned investment management firm founded in 1972 and based in Plymouth Meeting, Pennsylvania. Stratton Management provides equity management of assets for institutions, pensions, endowments and high net worth individuals. It also manages and advises the Stratton Mutual Funds, including the Stratton Small-Cap Value Fund, Stratton Multi-Cap Fund and Stratton Monthly Dividend REIT Shares. Another subsidiary of Stratton Holding, Semper Trust Company, is a Pennsylvania-chartered trust company.

Under the agreement, Stratton Holding will become a wholly-owned subsidiary of Susquehanna Bancshares and part of the family of Susquehanna Wealth Management companies. The acquisition will bring Susquehanna's total assets under management and administration to approximately \$9 billion.

Stratton Management will retain its name, as well as its team of about 30 investment managers and associates. Founder James W. Stratton will serve as Chief Investment Officer of Stratton Management; James A. Beers, President of Stratton Management and a director of Stratton Holding, will serve as Stratton Management's Chief Executive Officer; and John A. Affleck, Chairman of Stratton Management and a director of Stratton Holding, will be named Stratton Management's President.

"Stratton Management Company has built a loyal group of clients as a result of their strong record of investment performance and the dedicated advisory relationships they develop with their clients," said William J. Reuter, Susquehanna's Chairman, President and Chief Executive Officer. "Similarly, Susquehanna is committed to building relationships with our clients by offering personalized financial expertise and service."

"The addition of Stratton brings Susquehanna increased diversification in our investment expertise, including experience in management of mutual funds," Reuter continued. "By joining Susquehanna, Stratton will gain new channels to deliver their investment expertise, as well as additional financial services for their clients, such as private banking, leasing and insurance. We look forward to welcoming the Stratton team to our organization."

"We are very enthusiastic about our new partnership with Susquehanna Bancshares and the future growth of Stratton Management Company and Semper Trust Company within the Susquehanna Wealth Management Family," said Jim Stratton. "It was important for us to find a partner that values the personalized client relationships we have cultivated over the past 35 years as well as the importance of retaining the personnel and processes which have been at the root of the firm's historical success. Susquehanna shares these values and beliefs. We are confident that this new relationship will help us to continue to serve all of our clients' investment needs while also enabling us to explore future avenues for growth."

The acquisition, which is subject to regulatory and other approvals, is expected to be completed early in the second quarter of 2008.

J.P. Morgan Securities Inc. acted as financial advisor to Susquehanna, and Cambridge International Partners Inc. acted as financial advisor to Stratton Management Company on the transaction.

About Susquehanna Bancshares, Inc.

Susquehanna Bancshares, Inc. (Nasdaq:SUSQ) is a financial services holding company with assets of approximately \$13 billion. Headquartered in Lititz, Pa., the company provides financial services through its three commercial banks at more than 230 branch locations in the mid-Atlantic region. Through Susquehanna Wealth Management, the company offers investment, fiduciary, brokerage, insurance, retirement planning, and private banking services, with approximately \$6 billion in assets under management and administration. Susquehanna also operates an insurance and employee benefits company, a commercial finance company, and a vehicle leasing company. For more information, please visit [www.susquehanna.net](http://www.susquehanna.net).

This press release contains "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995, which are based on Susquehanna's current expectations, estimates and projections about future events. This includes statements regarding the timing and success of business plans and integration efforts following the closing, Susquehanna's expectations or ability to realize growth and efficiencies through the acquisition of Stratton Holding Company and its subsidiaries and the impact of the transaction on Susquehanna's business and financial operations. These statements are not historical facts or guarantees of future performance, events or results. Such statements involve potential risks and uncertainties, such as the general effects of financial, economic, regulatory and political conditions affecting the banking and financial services industries. Accordingly, actual results may differ materially. Susquehanna undertakes no

obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Source: Susquehanna Bancshares, Inc.

Contact: Susquehanna Bancshares, Inc.

Media Contact:

Steve Trapnell, 717-625-6548

communications@susquehanna.net

or

Investor Relations Contact:

Abram Koser, 717-625-6305

ir@susquehanna.net

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