
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): April 2, 2012

COMPASS DIVERSIFIED HOLDINGS

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-51937
(Commission
File Number)

57-6218917
(I.R.S. Employer
Identification No.)

**COMPASS GROUP DIVERSIFIED
HOLDINGS LLC**

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-51938
(Commission
File Number)

20-3812051
(I.R.S. Employer
Identification No.)

**Sixty One Wilton Road
Second Floor
Westport, CT 06880**

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (203) 221-1703

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Section 1 Registrant's Business and Operations

Item 1.01 Entry into a Material Definitive Agreement.

Compass Group Diversified Holdings LLC (the "**Company**") and, together with Compass Diversified Holdings (NYSE: CODI), "**CODI**," "**us**" or "**we**"), exercised its option for an incremental term loan in the amount of \$30 million (the "**Incremental Term Loan**") pursuant to that certain Incremental Facility Amendment, dated as of April 2, 2012 (the "**Incremental Facility Amendment**") to that certain Credit Agreement, dated as of October 27, 2011 (as amended, the "**Credit Agreement**"), among the Company, the lenders party thereto from time to time (the "**Lenders**"), and Toronto Dominion (Texas) LLC, as agent for the Lenders (the "**Agent**"). The Incremental Term Loan was issued at 99% of par value and increased the term loans outstanding under the Credit Agreement from approximately \$224.4 million (the "**Prior Term Loans Outstanding**") to approximately \$254.4 million, which will be subject to quarterly amortization payments of approximately \$0.64 million with a final payment equal to the outstanding principal balance thereof in October 2017.

The Company also announced that, concurrent with the Incremental Facility Amendment, the Company, the Lenders and the Agent have entered into a further amendment to the Credit Agreement, dated as of April 2, 2012 (the "**Second Amendment to Credit Agreement**"). The Second Amendment to Credit Agreement (i) reduced the margin on LIBOR Loans from 6.00% to 5.00% and on Base Rate Loans from 5.00% to 4.00% and (ii) reduced the LIBOR floor from 1.50% to 1.25%. All other terms of the Credit Agreement remain unchanged.

The Company paid an amendment fee in connection with the Second Amendment to Credit Agreement of approximately \$2.244 million, which amount was equal to 1.00% of the Prior Term Loans Outstanding, and incurred additional fees and expenses in connection with the Second Amendment to Credit Agreement and the Incremental Facility Amendment of approximately \$0.6 million in the aggregate. Net proceeds from the Incremental Term Loan were or will be used to reduce revolving loans outstanding pursuant to the Company's \$290 million revolving credit facility under the Credit Agreement.

The foregoing descriptions of the Second Amendment to Credit Agreement and the Incremental Facility Amendment are not meant to be exhaustive and are qualified in their entirety by the documents themselves, copies of which are attached hereto as Exhibit 10.1 and Exhibit 10.2 and are incorporated herein by reference. Terms not otherwise defined herein shall have the meanings set forth in the Credit Agreement, as amended.

Section 2 Financial Information

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 above with respect to the Second Amendment to Credit Agreement and Incremental Facility Amendment are incorporated herein in their entirety.

Section 9 Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

- 10.1 Second Amendment to Credit Agreement among Compass Group Diversified Holdings LLC, the financial institutions party thereto and Toronto Dominion (Texas) LLC, dated as of April 2, 2012.
- 10.2 Incremental Facility Amendment to Credit Agreement among Compass Group Diversified Holdings LLC and Toronto Dominion (Texas) LLC, dated as of April 2, 2012.
- 99.1 Press Release dated April 3, 2012

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 3, 2012

COMPASS DIVERSIFIED HOLDINGS

By: /s/ James J. Bottiglieri
James J. Bottiglieri
Regular Trustee

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 3, 2012

COMPASS GROUP DIVERSIFIED HOLDINGS LLC

By: /s/ James J. Bottiglieri
James J. Bottiglieri
Chief Financial Officer

SECOND AMENDMENT TO CREDIT AGREEMENT

This Second Amendment to Credit Agreement (this "Amendment") is entered into as of April 2, 2012, among Compass Group Diversified Holdings LLC, a Delaware limited liability company ("Borrower"), Toronto Dominion (Texas) LLC, as Agent for the Lenders, and the undersigned Lenders.

WITNESSETH

WHEREAS, Borrower, Lenders and Agent are parties to that certain Credit Agreement dated as of October 27, 2011 (as amended to date, the "Credit Agreement"; capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement);

WHEREAS, Borrower has requested that the Lenders holding portions of the Term Loan agree to amend the Credit Agreement in certain respects;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties hereto agree as follows:

1. Amendments to Credit Agreement. Subject to the terms and conditions contained herein, the parties hereto hereby agree to amend the Credit Agreement as follows:

(a) The first paragraph of the definition of "Applicable Margin" in Section 1.1 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"With respect to the Term Loan, the Applicable Margin shall mean (i) 4.00%, in the case of the portion of the Term Loan comprised of Base Rate Loans and (ii) 5.00%, in the case of the portion of the Term Loan comprised of LIBOR Loans."

(b) The proviso to the definition of "LIBOR Rate" in Section 1.1 of the Credit Agreement is hereby amended by replacing each reference therein to "1.50%" with a reference to "1.25%".

(c) Section 2.10.1 of the Credit Agreement is hereby amended by replacing the reference therein to "October 27, 2012" with a reference to "the first anniversary of the date of effectiveness of that certain Second Amendment to this Agreement, dated as of April 2, 2012, among Borrower, the Agent and certain Lenders,"

2. Representations and Warranties of Borrower. Borrower hereby represents and warrants to Agent and Lenders that, both before and after giving effect to this Amendment:

(a) The execution, delivery and performance of this Amendment has been duly authorized by all requisite corporate action on the part of Borrower;

(b) No Default or Event of Default has occurred and is continuing; and

(c) The representations and warranties of Borrower set forth in the Credit Agreement, as amended hereby, and in the other Loan Documents, as amended hereby, are true and correct in all material respects as of the date hereof, with the same effect as though made on the date hereof (except to the extent such representations and warranties expressly refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date).

3. Conditions Precedent to Effectiveness. This Amendment shall become effective on the date when each of the following conditions shall have been fulfilled to the satisfaction of the Agent:

(a) Agent shall have received a copy of this Amendment executed by Borrower, Agent and each Lender holding a portion of the Term Loan, together with such other documents, agreements and instruments as Agent may reasonably require or request in connection herewith;

(b) Borrower shall have paid to each Lender a fully earned, non-refundable fee in an amount equal to 1.00% of the outstanding portion of the Term Loan owed to such Lender; and

(c) no Default or Event of Default shall have occurred and be continuing or shall be caused by the transactions contemplated by this Amendment.

4. Miscellaneous.

(a) Governing Law. THIS AMENDMENT SHALL BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK.

(b) Counterparts. This Amendment may be executed in any number of counterparts, and by the parties hereto on the same or separate counterparts, and each such counterpart, when executed and delivered, shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amendment.

(c) Reference to Credit Agreement. Each reference in the Credit Agreement to “this Agreement,” “hereunder,” “hereof,” “herein” or words of like import, and each reference in the Credit Agreement or in any other Loan Document, or other agreements, documents or other instruments executed and delivered pursuant to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended by this Amendment.

(d) Costs and Expenses. Borrower acknowledges that Section 10.4 of the Credit Agreement applies to this Amendment and the transactions, agreements and documents contemplated hereunder.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their duly authorized officers as of the day and year first above written.

COMPASS GROUP DIVERSIFIED HOLDINGS LLC

By: /s/ James J. Bottiglieri

Title: Chief Financial Officer

TORONTO DOMINION (TEXAS) LLC,
as Agent

By: /s/ Bebi Yasin

Title: Authorized Signatory

TD BANK, N.A.,
as a Lender

By: /s/ Todd Antico

Title: Senior Vice President

TORONTO DOMINION (TEXAS) LLC,
as a Lender

By: /s/ Bebi Yasin
Title: Authorized Signatory

AMMC VII, LIMITED
AMMC CLO IX, LIMITED
AMMC CLO X, LIMITED

By: American Money Management Corp.,
as Collateral Manager
as a Lender

By: /s/ David P. Meyer
Name: David P. Meyer
Title: Senior Vice President

ASF1 LOAN FUNDING LLC,
as a Lender

/s/ Lynette Thompson
By: Lynette Thompson
Title: Director

AUDAX CREDIT OPPORTUNITIES OFFSHORE LTD.,
as a Lender

/s/ Michael P. McGonigle
By: Michael P. McGonigle
Title: Authorized Signatory

AUDAX CREDIT OPPORTUNITIES (SBA), LLC,
as a Lender

/s/ Michael P. McGonigle
By: Michael P. McGonigle
Title: Authorized Signatory

BMO HARRIS FINANCING, INC.,
as a Lender

/s/ Katherine K. Robinson

By: Katherine K. Robinson

Title: Vice President

BRANCH BANKING AND TRUST COMPANY,
as a Lender

By: /s/ Steve W. Whitcomb

Title: Senior Vice President

/s/ Joe Morin

as a Lender

By: Joe Morin

Title: Vice President – Canso Investment Counsel Ltd.

For: Conso Bank Loan Fund

BRIDGEPORT CLO LTD.
SCHILLER PARK CLO LTD.
BURR RIDGE CLO PLUS LTD.
BRIDGEPORT CLO II LTD.

By: Deerfield Capital Management LLC, their
Collateral Manager

By: /s/ Stephen J. Vaccaro

Name: Stephen J. Vaccaro

Title: Authorized Signatory

HEWETT'S ISLAND CLO V, LTD.
HEWETT'S ISLAND CLO VI, LTD.
PRIMUS CLO I, LTD.
PRIMUS CLO II, LTD.

By: CypressTree Investment Management, LLC, their
Collateral Manager

By: /s/ Stephen J. Vaccaro

Name: Stephen J. Vaccaro

Title: Authorized Signatory

COLUMBUSNOVA CLO LTD. 2006-I
COLUMBUSNOVA CLO LTD. 2006-II
COLUMBUSNOVA CLO LTD. 2007-I
COLUMBUSNOVA CLO IV LTD. 2007

By: Columbus Nova Credit Investments
Management, LLC, its Collateral Manager

By: /s/ Stephen J. Vaccaro
Name: Stephen J. Vaccaro
Title: Authorized Signatory

CIFC FUNDING 2006-I, LTD.
CIFC FUNDING 2006-IB, LTD.
CIFC FUNDING 2006-II, LTD.
CIFC FUNDING 2007-I, LTD.
CIFC FUNDING 2007-II, LTD.
CIFC FUNDING 2007-III, LTD.
CIFC FUNDING 2007-IV, LTD.
CIFC FUNDING 2011-I, LTD.

By: CIFC Investment Management LLC,
its Collateral Manager

By: /s/ Stephen J. Vaccaro
Name: Stephen J. Vaccaro
Title: Authorized Signatory

FIFTH THIRD BANK, an Ohio banking corporation,
as a Lender

/s/ Philip Renwick
By: Philip Renwick
Title: Vice President

GOLDENTREE LOAN OPPORTUNITIES III, LIMITED

By: GoldenTree Asset Management, LP,
as a Lender

By: /s/ Karen Weber
Title: Director – Bank Debt

GOLDENTREE LOAN OPPORTUNITIES IV, LIMITED

By: GoldenTree Asset Management, LP,
as a Lender

By: /s/ Karen Weber
Title: Director – Bank Debt

GOLDENTREE LOAN OPPORTUNITIES V, LIMITED

By: GoldenTree Asset Management, LP,
as a Lender

By: /s/ Karen Weber
Title: Director – Bank Debt

THE UNIVERSITY OF CHICAGO

By: GoldenTree Asset Management, LP,
as a Lender

By: /s/ Karen Weber
Title: Director – Bank Debt

SC PRO LOAN II LIMITED

By: GoldenTree Asset Management, LP,
as a Lender

By: /s/ Karen Weber
Title: Director – Bank Debt

SWISS CAPITAL PRO LOAN III PLC

By: GoldenTree Asset Management, LP,
as a Lender

By: /s/ Karen Weber
Title: Director – Bank Debt

GOLUB INTERNATIONAL LOAN LTD. I,

as a Lender

By: Golub Capital International Management LLC,
as a Collateral Manager

/s/ Christina D. Jamieson

By: Christina D. Jamieson
Title: Authorized Signatory

GOLUB CAPITAL MANAGEMENT CLO 2007-1, LTD,
as a Lender

By: Golub Capital LLC,
as a Collateral Manager

/s/ Christina D. Jamieson

By: Christina D. Jamieson
Title: Authorized Signatory

GOLUB CAPITAL PARTNERS FUNDING 2007-1 LTD.,
as a Lender

By: Golub Capital Incorporated,
as Servicer

/s/ Christina D. Jamieson

By: Christina D. Jamieson
Title: Authorized Signatory

GOLUB CAPITAL SENIOR LOAN OPPORTUNITY FUND, LTD.,
as a Lender

By: GC Advisors LLC, as agent

/s/ Christina D. Jamieson

By: Christina D. Jamieson
Title: Authorized Signatory

GOLUB CAPITAL FUNDING CLO-8, LTD,
as a Lender

By: Golub Capital Partners Management Ltd,
as Collateral Manager

/s/ Christina D. Jamieson

By: Christina D. Jamieson
Title: Authorized Signatory

GC ADVISORS LLC as Agent for United Insurance Company of America,
as a Lender

/s/ Christina D. Jamieson

By: Christina D. Jamieson

Title: Authorized Signatory

GOLUB CAPITAL BDC FUNDING LLC,
as a Lender

By: GC Advisors LLC, as agent

/s/ Christina D. Jamieson

By: Christina D. Jamieson

Title: Authorized Signatory

GC ADVISORS LLC as Agent for Federal Insurance Company,
as a Lender

/s/ Christina D. Jamieson

By: Christina D. Jamieson

Title: Authorized Signatory

GOLUB CAPITAL PEARLS DIRECT LENDING PROGRAM, L.P.,
as a Lender

By: GC Advisors LLC, its Manager

/s/ Christina D. Jamieson

By: Christina D. Jamieson

Title: Authorized Signatory

GOLUB CAPITAL PARTNERS CLO 10, LTD.,
as a Lender

By: GC Advisors LLC, its Agent

/s/ Christina D. Jamieson

By: Christina D. Jamieson

Title: Authorized Signatory

GC ADVISORS LLC as Agent for Ironshore Specialty
Insurance Company,
as a Lender

/s/ Christina D. Jamieson

By: Christina D. Jamieson

Title: Authorized Signatory

GC ADVISORS LLC as Agent for Lincoln Investment
Solutions, Inc.,
as a Lender

/s/ Christina D. Jamieson

By: Christina D. Jamieson

Title: Authorized Signatory

MADISON CAPITAL FUNDING LLC,
as a Lender

By: /s/ Kevin Bolash

Title: Kevin Bolash, Senior Vice President

VENTURE V CDO LIMITED,
as a Lender

By: its investment advisor, MJX Asset Management, LLC

By: /s/ Michael Regan

Title: Managing Director

VENTURE VI CDO LIMITED,
as a Lender

By: its investment advisor, MJX Asset Management, LLC

By: /s/ Michael Regan

Title: Managing Director

VENTURE VII CDO LIMITED,
as a Lender

By: its investment advisor, MJX Asset Management, LLC

By: /s/ Michael Regan

Title: Managing Director

VENTURE VIII CDO, LIMITED,
as a Lender

By: its investment advisor, MJX Asset Management, LLC

By: /s/ Michael Regan

Title: Managing Director

VENTURE IX CDO, LIMITED,
as a Lender

By: its investment advisor, MJX Asset Management, LLC

By: /s/ Michael Regan

Title: Managing Director

MORGAN STANLEY BANK, N.A.,
as a Lender

/s/ Harry Comminellis

By: Harry Comminellis

Title: Authorized Signatory

NEWSTAR CP FUNDING LLC

By: NewStar Financial, Inc., its Designated Manager

By: /s/ Michael J. Faherty Jr.

Name: Michael J. Faherty Jr.

Title: Director

NEWSTAR CREDIT OPPORTUNITIES FUNDING II LTD.

By: NewStar Financial, Inc., its Manager

By: /s/ Michael J. Faherty Jr.

Name: Michael J. Faherty Jr.

Title: Director

NEWSTAR COMMERCIAL LOAN FUNDING 2012-1 LLC

By: NewStar Financial, Inc., its Designated Manager

By: /s/ Michael J. Faherty Jr.

Name: Michael J. Faherty Jr.

Title: Director

NEWSTAR SHORT-TERM FUNDING LLC

By: NewStar Financial, Inc., its Designated Manager

By: /s/ Michael J. Faherty Jr.
Name: Michael J. Faherty Jr.
Title: Director

DAVIDSON RIVER TRADING, LLC,
as a Lender

By: SunTrust Bank, its Manager

By: /s/ Douglas Weltz
Title: Director

SUNTRUST BANK,
as a Lender

By: /s/ Christopher Fellows
Title: Portfolio Manager, Middle Market Banking

TELOS CLO 2006-1, LTD
TELOS CLO 2007-2, LTD

By: Tricadia Loan Management, LLC

By: /s/ Jonathan Tepper
Title: Jonathan Tepper, Director

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Jason Nadler
Title: Vice President

WEBSTER BANK,
as a Lender

By: /s/ Robert W. Towns
Title: Senior Vice President

INCREMENTAL FACILITY AMENDMENT

April 2, 2012

To: Toronto Dominion (Texas) LLC,
as Agent
31 West 52nd Street
New York, New York 10019
Attention: Bernadette Collins

Re: Incremental Term Loans

Ladies and Gentlemen:

We refer to the Credit Agreement, dated as of October 27, 2011 (as amended to date, the "Credit Agreement"), among Compass Group Diversified Holdings LLC, a Delaware limited liability company ("Borrower"), the Lenders party thereto and Toronto Dominion (Texas) LLC, as Agent for the Lenders (in such capacity, the "Agent"). Unless otherwise defined herein or the context otherwise requires, terms used herein have the meanings provided in the Credit Agreement.

1. Request for Additional Loans. Pursuant to Section 2.1.3 of the Credit Agreement, the Borrower has requested Incremental Term Loans (collectively, the "Incremental Term Loans") in an aggregate amount equal to \$30,000,000.

2. Agreement to Make Loans. Each of the Lenders listed on the signature pages hereto under the caption "Lenders" (individually, an "Incremental Term Lender" and, collectively, the "Incremental Term Lenders") hereby agrees, subject to satisfaction of the conditions precedent set forth in paragraph 4 of this letter (this "Amendment"), that it will, on April 2, 2012 (the "Incremental Facility Effective Date"), make Incremental Term Loans to the Borrower in the respective amounts set forth opposite its name on Schedule I hereto; provided, that each Incremental Term Lender and the Borrower hereby agree that the Incremental Term Loans shall be funded with 1% of original issue discount.

3. Terms of Incremental Term Loans; Amendment to Credit Agreement.

(i) Each Incremental Term Loan shall be a Term Loan for all purposes of the Credit Agreement, and each payment to be applied to the Term Loans pursuant to Section 2.12.2 of the Credit Agreement or otherwise on or after the Incremental Facility Effective Date shall be applied to all Term Loans (including the Incremental Term Loans) held by the Lenders in accordance with their respective Pro Rata Shares thereof.

(ii) None of the proceeds of the Incremental Term Loans shall be used to repay, in whole or in part, the Term Loans outstanding as of the Incremental Facility Effective Date.

(iii) Subject to satisfaction of the conditions precedent set forth in paragraph 4 of this Amendment, the first sentence of Section 2.11.2 of the Credit Agreement is hereby amended and restated in its entirety as follows:

“The Term Loans shall be paid, for the account of each Lender according to its Pro Rata Share thereof, in equal installments of \$637,500 each on the last day of each Fiscal Quarter, commencing on June 30, 2012.”

(iv) Borrower shall give written notice or telephonic notice (followed immediately by written confirmation thereof) to the Agent not later than (a) if the Incremental Term Loans are to be Base Rate Loans, 11:00 a.m. New York time on the Incremental Facility Effective Date, and (b) if the Incremental Term Loans are to be Base Rate Loans LIBOR Loans, 12:00 noon New York time at least three Business Days prior to the Incremental Facility Effective Date. Such notice shall be effective upon receipt by Agent, shall be irrevocable, and shall specify, in the form of a Borrowing Notice, the type of borrowing and, in the case of a LIBOR borrowing, the initial Interest Period therefor. Not later than 1:00 p.m. New York time on the Incremental Facility Effective Date, each Incremental Term Lender shall provide Agent at the office specified by Agent with immediately available funds covering such Lender’s applicable portion of the Incremental Term Loans and, so long as Agent has not received written notice that the conditions precedent set forth in paragraph 4 have not been satisfied, Agent shall pay over the funds received by Agent to Borrower on the requested borrowing date. The failure of a Defaulting Lender to fund its portion of the Incremental Term Loans shall not relieve any other Incremental Term Lender of its obligation to fund its portion thereof, but neither any other Lender nor Agent shall be responsible for the failure of any Defaulting Lender to fund its portion of the Incremental Term Loans required hereunder.

4. Conditions Precedent to Incremental Facility Effective Date. The obligation of each Incremental Term Lender to make any Incremental Term Loan is subject to the satisfaction of the following conditions precedent on or prior to the Incremental Facility Effective Date:

(i) receipt by the Agent of a counterpart of this Amendment executed by Borrower, Agent and each Incremental Term Lender;

(ii) receipt by the Agent of a certificate of a senior financial officer of the Borrower dated the Incremental Facility Effective Date:

(A) certifying and attaching the resolutions adopted by the Borrower approving or consenting to the execution, delivery and performance by such Obligor of this Amendment;

(B) certifying that, before and after giving effect to this Amendment and the transactions contemplated hereby,

(x) the representations and warranties of Borrower set forth in the Credit Agreement, as amended hereby, and in the other Loan Documents, are true and correct in all material respects as of the date hereof, with the same effect as though made on the date hereof (except to the extent such representations and warranties expressly refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date),

(y) no Default or Event of Default has occurred and is continuing; and

(z) the Borrower would be in compliance on a pro forma basis with the covenants set forth in Section 7.14 as of the most recently ended Fiscal Quarter of the Borrower for which financial statements are available as if the Incremental Term Loans had been made on the first day of such Fiscal Quarter, and providing calculations demonstrating the foregoing.

(iii) each Incremental Term Lender requesting a Note on or prior to the date of this Amendment shall have received a Note duly executed and delivered by the Borrower;

(iv) payment by the Borrower of all reasonable and documented costs and expenses incurred by the Agent in connection with this letter and the transactions contemplated hereby and otherwise owing pursuant to Section 10.4 of the Credit Agreement;

(v) the Agent shall have received notice of the borrowing of the Incremental Term Loans from the Borrower pursuant to paragraph 3(iii) above; and

(vi) each of the conditions set forth in Section 4.2 of the Credit Agreement shall have been satisfied.

5. Miscellaneous.

(i) This Amendment may be executed by the parties hereto in several counterparts, each of which shall be an original and all of which shall constitute together but one and the same agreement.

(ii) This Amendment is an amendment to the Credit Agreement as contemplated by Section 2.1.3(e) of the Credit Agreement.

(iii) This Amendment shall be a contract made under and governed by the internal laws of the State of NEW YORK.

(iv) THE BORROWER, THE AGENT AND THE INCREMENTAL TERM LENDERS HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AMENDMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their duly authorized officers as of the day and year first above written.

COMPASS GROUP DIVERSIFIED HOLDINGS LLC

By: /s/ James J. Bottiglieri
Name: James J. Bottiglieri
Title: Chief Financial Officer

[Incremental Facility Amendment]

TORONTO DOMINION (TEXAS) LLC,
as Agent

By: /s/ Bebi Yasin

Name: Bebi Yasin

Title: Authorized Signatory

[Incremental Facility Amendment]

TORONTO DOMINION (TEXAS) LLC,
as Incremental Term Lender

By: /s/ Bebi Yasin

Name: Bebi Yasin

Title: Authorized Signatory

[Incremental Facility Amendment]

Incremental Term Lenders and Incremental Term Loans

<u>Incremental Term Lender</u>	<u>Incremental Term Loan Amount</u>	
Toronto Dominion (Texas) LLC	\$	30,000,000
Total:	\$	30,000,000



Compass Diversified Holdings
 James J. Bottiglieri
 Chief Financial Officer
 203.221.1703
jim@compassequity.com

Investor Relations and Media Contacts:
 The IGB Group
 Leon Berman / Michael Cimini
 212.477.8438 / 212.477.8261
lberman@igbir.com / mcimini@igbir.com

Compass Diversified Holdings Expands Term Loan Facility to \$255 Million and Lowers Interest Rate by 1.25%

Company Enhances Financial Flexibility and Reduces Borrowing Costs

Westport, Conn., April 3, 2012 – Compass Diversified Holdings (NYSE: CODI) (“CODI” or the “Company”), an owner of leading middle market businesses, announced today that on April 2, 2012 it exercised an option under the Company’s credit agreement, dated as of October 27, 2011, to borrow an incremental term loan in the amount of \$30 million. The incremental term loan, arranged by TD Securities and issued at 99% of par value, increases the Company’s aggregate outstanding borrowings under its term loan facility to approximately \$255 million. The increased term loan facility will require quarterly payments of approximately \$0.64 million with a final payment of the outstanding principal balance due in October 2017.

CODI also announced that, concurrent with the incremental term loan borrowing, it has amended the pricing terms of its term loan facility. Under the terms of the amendment, amounts borrowed bear interest at LIBOR plus a margin of 5.00%, as compared to the previous margin of 6.00%. In addition, the LIBOR floor was reduced to 1.25% from 1.50%. All other terms of the credit agreement remain unchanged. In connection with the amended facility, the Company paid an amendment fee of approximately \$2.25 million, equal to 1.00% of the outstanding portion of the term loan before the \$30 million increase. CODI will utilize the net proceeds from the incremental term loan to reduce borrowings under its \$290 million revolving credit facility.

Alan Offenberg, CODI’s Chief Executive Officer, commented, “Our amended term loan facility enhances CODI’s financial flexibility and lowers the Company’s borrowings costs. By taking advantage of a more attractive pricing environment, we expect to significantly reduce future interest expense for the benefit of the Company and its shareholders. We appreciate the continued support of our lending group, which underscores our strong growth prospects as we remain focused on utilizing our substantial liquidity to consummate accretive platform acquisitions and invest in the long-term performance of our existing subsidiaries.”

Additional information on the amended term loan facility will be available on the Company's current report on Form 8-K that will be filed with the Securities and Exchange Commission (the "SEC") this week.

About Compass Diversified Holdings ("CODI")

Compass Diversified Holdings ("CODI") owns and manages a diverse family of established North American middle market businesses. Each of its nine subsidiaries is a leader in their niche market.

CODI maintains controlling ownership interests in each of its subsidiaries in order to maximize its ability to impact long term cash flow generation and value. The Company provides both debt and equity capital for its subsidiaries, contributing to their financial and operating flexibility. CODI utilizes the cash flows generated by its subsidiaries to invest in the long-term growth of the Company and to make cash distributions to its owners.

Our subsidiaries are engaged in the following lines of business:

- The manufacture of quick-turn, prototype and production rigid printed circuit boards (**Advanced Circuits**, www.advancedcircuits.com);
- The design and manufacture of promotionally priced upholstered furniture (**American Furniture Manufacturing**, www.americanfurn.net);
- The design and manufacture of medical therapeutic support surfaces and other wound treatment devices (**Anodyne Medical Device**, also doing business and known as **Tridien Medical**, www.tridien.com);
- The manufacture of engineered magnetic solutions for a wide range of specialty applications and end-markets (**Arnold Magnetic Technologies**, www.arnoldmagnetics.com);
- The design and manufacture of personal hydration products for outdoor, recreation and military use (**CamelBak Products**, www.camelbak.com);
- The design and marketing of wearable baby carriers and related products (**ERGObaby**, www.ergobabycarriers.com);
- The design, manufacture and marketing of premium suspension products for mountain bikes and powered off-road vehicles (**Fox Racing Shox**, www.foxracingshox.com);
- The design, sourcing and fulfillment of logo based promotional products (**HALO Branded Solutions**, www.halo.com); and
- The design and manufacture of premium home and gun safes (**Liberty Safe**, www.libertysafe.com).

To find out more about Compass Diversified Holdings, please visit www.compassdiversifiedholdings.com.

This press release may contain certain forward-looking statements, including statements with regard to the future performance of the Company. Words such as “believes,” “expects,” “projects,” and “future” or similar expressions, are intended to identify forward-looking statements. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors could cause actual results to differ materially from those projected in these forward-looking statements, and some of these factors are enumerated in the risk factor discussion in the Form 10-K filed by CODI with the Securities and Exchange Commission for the year ended December 31, 2011 and other filings with the Securities and Exchange Commission. CODI undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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