

News Release

Caraustar Industries Signs Agreement to Acquire The Newark Group

July 2, 2014

Atlanta, Georgia – Caraustar Industries, Inc., a portfolio company of H.I.G. Middle Market, the dedicated middle market investment affiliate of H.I.G. Capital, has entered into an agreement to acquire The Newark Group, Inc. The acquisition is subject to customary closing conditions and required regulatory approvals.

RELEASE DATE: Thursday, February 19, 2015 at noon ET

Newark is a manufacturer of recycled paperboard, linerboard, industrial tubes, cores and other converted product including book covers and packaging solutions. Headquartered in Cranford, NJ, The Newark Group has approximately 1,500 employees and operates over 20 manufacturing facilities in the United States and Canada.

“The acquisition of The Newark Group is a major milestone in our growth journey,” said Michael Patton, Chief Executive Officer of Caraustar. “Bringing together the strengths of our respective companies will dramatically expand our manufacturing and distribution capabilities to better serve our growing customer base. We look forward to working with The Newark Group employees, partners and customers.”

Tenno Tsai, Managing Director at H.I.G. Capital commented, “The combination of these highly respected companies will significantly build upon our investment in the recycled paperboard industry. We are impressed with the capabilities of The Newark Group and look forward to supporting Mike and his leadership team as they integrate the businesses.”

About Caraustar Industries: Caraustar Industries, Inc. is an integrated manufacturer of 100% recycled paperboard and converted paperboard products. The company is a socially responsible corporation, is committed to environmentally sound practices and is dedicated to providing customers with outstanding value through innovative products and services. Caraustar serves the four principal recycled boxboard product end-use segments: tubes and cores; folding cartons; gypsum facing paper; and specialty paperboard products. Caraustar is headquartered in Austell, GA and is owned by H.I.G. Capital. For additional information on Caraustar, please visit the company’s website at www.caraustar.com.

About H.I.G. Capital: H.I.G. is a leading global private equity investment firm with more than \$15 billion of equity capital under management. Based in Miami, and with offices in Atlanta, Boston, Chicago, Dallas, New York, and San Francisco in the United States, as well as international affiliate offices in London, Hamburg, Madrid, Milan, Paris, and Rio de Janeiro, H.I.G. specializes in providing capital to small and medium-sized companies with attractive growth potential. H.I.G. invests in management-led buyouts and recapitalizations of profitable and well-managed manufacturing or service businesses. H.I.G. also has extensive experience with financial restructurings and operational turnarounds. Since its founding in 1993, H.I.G. invested in and managed more than 200 companies worldwide. The firm’s current portfolio includes more than 80 companies with combined sales in excess of \$30 billion. For more information, please refer to the H.I.G. website at www.higcapital.com.

