

News Release

Caraustar Industries Announces Closing of The Newark Group, Inc. Acquisition

February 19, 2015

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 completed the acquisition of The Newark Group, Inc.

The Newark Group is a manufacturer of recycled paperboard, linerboard, industrial tubes, cores and other converted products including book covers and packaging solutions. Headquartered in Cranford, NJ, The Newark Group has approximately 1,500 employees and operates more than 20 manufacturing facilities across North America.

“We are excited to add The Newark Group to our company,” said Caraustar President and CEO Michael Patton. “The combination of these two companies offers a compelling platform for future growth and will make us more competitive in the end--use customer segments we serve.”

“We are pleased to support Michael Patton and his team as they continue building a best--in--class, integrated manufacturer of recycled paperboard and related products,” added Tenno Tsai, a Managing Director of H.I.G. “We look forward to working with them to integrate Newark into Caraustar and continuing pursuit of our growth plan.”

Financing for the transaction was provided by Credit Suisse Securities (USA) LLC, Jefferies LLC, Wells Fargo Capital Finance and Regions Business Capital.

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 \$17 billion of equity capital under management. Based in Miami, H.I.G. has 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 both debt and equity capital to small and mid--sized companies, utilizing a flexible and operationally focused/ value-- added approach:

1. H.I.G.’s equity funds invest in management buyouts, recapitalizations and corporate carve--outs of both profitable as well as underperforming manufacturing and service businesses.
2. H.I.G.’s debt funds invest in senior, unitranche and junior debt financing to companies across the size spectrum, both on a primary (direct origination) basis, as well as on the secondary markets. H.I.G. is also a leading CLO manager, through its WhiteHorse family of vehicles, and manages a publicly traded BDC, WhiteHorse Finance.
3. Other H.I.G. funds invest in various real assets, including real estate and shipping.

Since its founding in 1993, H.I.G. has 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.

