



Martex Fiber Acquires Bollag International

Radnor, PA, November 14, 2013 – Milestone Partners is pleased to announce that on November 13, 2013, its portfolio company Martex Fiber Southern Corp. (www.martexfiber.com) completed an add-on acquisition of Bollag International Corporation and certain affiliated entities. Bollag collects and markets textile fibers and by-products including various types of synthetic waste, cuttings, wiping rags and remnants and is a major player in the global post-consumer textile waste industry, providing recycled textile products to a diversified customer base internationally.

Jimmy Jarrett, President of Martex Fiber, and one of the original founders said “We have increased our global recycling capability to over 160 million pounds per year which provides a tremendous environmental benefit. This acquisition also ensures ongoing supply security for our “Made in USA” fiber (shoddy) expansion, yarn production, and global trading distribution.”

The 325 employees of the Bollag Textile Waste Service division based in Charlotte, North Carolina, Honduras, and Nicaragua will also be joining Martex Fiber. Rick Otero, CEO of Martex Fiber, offered, “We also get the added benefit of having Mitch Bollag join our executive leadership team along with the Bollag employees, with extremely complementary values and integrity in business. Mitch built a first-class operation and a great global network, focusing on areas where we did not have certain resources. That network and operational capability are crucial as we continue our “leave no fiber behind” mission and further globalize our waste services and trading business while expanding our “Made in USA” manufacturing and product capabilities.”

The law firms Pepper Hamilton LLP and Aguilar Castillo Love advised Martex Fiber while Alexander Ricks, PLLC advised Bollag and its investors.

For more information about the transaction, please contact [John Nowaczyk](mailto:John.Nowaczyk@milestonepartners.com) at Milestone Partners.

Martex Fiber Southern Corp. (www.martexfiber.com) is a leading recycler of pre-consumer and post-consumer textile waste, offering textile waste collection services, rag sales, and conversion into recycled fiber and yarn products. Manufacturing facilities are located in Brownsville, TX; Lincolnton, GA; Spartanburg, SC; Honduras, Central America; and Nicaragua, Central America; with administrative offices in Charlotte, NC; and Newtown, PA. Martex has been producing environmentally friendly products since the 1970s.

Milestone Partners (www.milestonepartners.com) is a private equity firm that partners with management to invest in leveraged buyouts and recapitalizations of lower middle market businesses. Milestone pursues successful niche-market leaders that provide high-margin products or services. Milestone’s transactions typically provide liquidity to shareholders of privately owned businesses, facilitate the transition of ownership to key managers, and allow management to capitalize on growth opportunities, while maintaining the legacy of the founders.

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	<u>CODi</u> (corporate mobility solutions)
	<u>Dydacomp</u> (e-commerce and catalog software)
	<u>Global Connection</u> (prepaid phone and internet service)
	<u>Good Health Natural Products</u> (natural foods and body care products)
	<u>Image API</u> (electronic content management solutions)

	<u>Learn It Systems</u> (education services)
	<u>Machine Laboratory</u> (precision manufacturing)
	<u>Martex Fiber Southern Corp.</u> (textile waste recycling)
	<u>Outlook Group</u> (printing, packaging and direct marketing)
	<u>Pancon</u> (connectors and capacitors)
	<u>Safemark Systems</u> (in-room safes and personal lockers)
	<u>Southern Management Corp.</u> (consumer installment loans)
	<u>United Road Towing</u> (towing services)

MILESTONE GENERAL INVESTMENT CRITERIA:

Company Size*:

- Revenue: \$15–\$150 million
- EBITDA: \$3–\$20 million

Transaction Size*:

- \$15–\$150 million

Equity Investment Size*:

- \$5–\$40 million (and higher with typical co-invest)

*Add-ons may be smaller

Sectors and Industries:

- Generalist approach; seeking high-margin, niche-market leaders in all industries

Geography:

- North America (may have overseas operations)

Key Business Characteristics:

- Clear competitive advantages
- High profit margins
- Compelling growth opportunities

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