

NOVOLEX TO ACQUIRE PACKAGING DYNAMICS CORPORATION

Merger will create a \$1.9 billion leader and innovator in paper and plastic flexible packaging

CHICAGO, IL, November 10, 2014 – NOVOLEX and Packaging Dynamics Corporation today jointly announced that they have entered into a definitive merger agreement whereby NOVOLEX will acquire Packaging Dynamics. The combined companies will offer a broad and complementary range of paper and plastic flexible packaging products across foodservice, grocery, retail, food manufacturing, industrial and distribution end markets. The \$1.9 billion revenue company will operate under the NOVOLEX name and will be comprised of 35 manufacturing locations in North America, a world-class plastic recycling facility, and over 5,100 employees. The transaction is expected to close in the fourth quarter of 2014 after required regulatory approvals are received.

Wind Point Partners acquired NOVOLEX (formerly known as Hilex Poly) in 2012, in partnership with CEO Stan Bikulege. Prior to joining NOVOLEX, Stan served as the CEO of Exopack, a paper and plastic converting company, and Renaissance Mark, a label manufacturer.

“Packaging Dynamics has an outstanding reputation for product innovation and allows NOVOLEX to significantly expand our presence in the foodservice market,” said Bikulege. “Packaging Dynamics’ ecofriendly paper packaging products also meet growing consumer demand for green packaging and advances NOVOLEX’s objectives for packaging choice and sustainability leadership. Also, we believe joining our two companies creates value for our customers through operational excellence and customer-focused service.”

Packaging Dynamics is NOVOLEX’s third acquisition. NOVOLEX acquired portions of the North American Flexible Packaging division of Amsterdam-based Clondalkin Group in 2013 and Duro Bag Manufacturing Company earlier this year.

Alex Washington, a managing director at Wind Point, said “Our investment thesis was to build upon the strong operational platform of Hilex Poly and through acquisitions and organic growth to create a broader, more diversified flexible packaging leader. The addition of Packaging Dynamics is an ideal next step in that transformation.”

Packaging Dynamics, which is owned by funds managed by Kohlberg & Company, manufactures a broad portfolio of flexible, paper-based food packaging products including specialty bags, specialty sheets and wraps, interfolded tissue, pan liners, and freezer/butcher paper products, as well as specialty laminated foil products. Packaging Dynamics’ operating business units are BagcraftPapercon, De Luxe, International Converter, General Packaging Products, and Pac Paper.

Roger Prevot, CEO of Packaging Dynamics, commented, “This combination of truly complementary businesses under the NOVOLEX banner creates exciting new opportunities to continue building a world-class organization with industry-leading brands and significant growth potential.” Seth H. Hollander, Partner of Kohlberg, commented, “After several acquisitions and divestitures, combined with outstanding leadership from Roger and his world-class management team, we are pleased to have created a unique, focused market leader in the flexible food packaging market. The combination with Novolex represents an ideal next step in the evolution of Packaging Dynamics.”

Financing for the transaction will facilitate the purchase price and retire Packaging Dynamics’ existing Senior Secured Notes. The debt facility is fully underwritten and will be jointly arranged by Deutsche Bank, GE Capital, Macquarie Capital, and BMO Capital Markets. Deutsche Bank, BMO Capital Markets,

DLA Piper, and Nelson, Mullins, Riley & Scarborough acted as advisors to Wind Point. Harris Williams & Co. and Ropes & Gray LLP acted as advisors to Packaging Dynamics.

About NOVOLEX

NOVOLEX, based in Hartsville, S.C., is an industry leading manufacturer of flexible packaging products, ranging from bags for grocery, retail, and food service markets, to can liners and specialty films. In addition to the manufacturing locations across the U.S., Canada and Mexico, the Company operates the largest closed-loop recycling facility in the U.S. NOVOLEX's award winning Bag-2-Bag recycling program was the first closed loop recycling program to introduce plastic bag and film recycling programs at supermarkets and retailers that also provides customers with high recycled content shopping bags. For more information on NOVOLEX's sustainability efforts, plastic bag and film recycling or the Bag-2-Bag program, visit www.novolex.com.

About Packaging Dynamics

Packaging Dynamics is a leading flexible packaging and specialty laminations company providing innovative solutions to customers in each of its five businesses – BagcraftPapercon, International Converter, De Luxe, Pac Paper and General Packaging. Packaging Dynamics is owned by funds managed by Kohlberg & Company. For more information, visit our website at www.pkdy.com.

About Wind Point Partners

Wind Point Partners is a private equity investment firm that partners with top caliber CEOs to acquire middle market businesses where we can establish a clear path to value creation. Since our founding in 1984, we have raised over \$2.8 billion in commitments. Additional information about Wind Point is available at www.windpointpartners.com.

About Kohlberg & Company

Kohlberg & Company, L.L.C. is a leading U.S. private equity firm headquartered in Mount Kisco, New York. Since its inception in 1987, Kohlberg has completed 63 platform investments and more than 100 add-on acquisitions, with an aggregate transaction value of over \$9 billion. Kohlberg has invested over \$3 billion during its history and is currently investing its seventh private equity fund, Kohlberg Investors VII. For more information, visit www.kohlberg.com.

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