

HGGC and Charlesbank Capital Partners to Sell Citadel Plastics for \$800 Million

- *Period of Significant Growth Driven By Strategic Acquisitions*

PALO ALTO, Calif. — March 16, 2015 — Private equity firms HGGC and Charlesbank Capital Partners today announced that they have entered into a definitive agreement to sell Citadel Plastics Holdings, Inc. (“Citadel” or “the Company”), a leading global provider of thermoplastic and engineered composite compounds, to global plastics supplier A. Schulman (NASDAQ: SHLM) for \$800 million, approximately 10.6 x the Company’s EBITDA of \$75 million. The transaction is expected to close in the second quarter of 2015.

Citadel, acquired by HGGC and Charlesbank in 2012, is a West Chicago, Illinois-based provider of comprehensive materials solutions operating 21 production facilities in North America, Europe, Asia and Latin America. The Company offers a broad portfolio of proprietary compounds to diverse blue-chip customers spanning multiple industries including transportation, industrial & construction, consumer, electrical, energy and healthcare & safety.

During HGGC’s and Charlesbank’s ownership, and in partnership with Citadel management, the Company has significantly expanded its capabilities, geographic reach and customer base through both organic growth and strategic acquisitions. Citadel added Lucent Polymers in 2013 and The Composites Group (“TCG”) in late 2014. The combination of these businesses accelerated the evolution of Citadel into an industry leader with more than 1,300 customers and over 2,000 active products that has grown revenues 70 percent since the initial investment.

“We are extremely proud of the transformation that has taken place at Citadel over the past three years,” said Gary Crittenden, Chairman of HGGC, who also serves as Chairman of Citadel. “Together with Mike Huff and his management team, we have built very attractive industry-leading platforms in engineered composites and thermoplastics through important strategic acquisitions, resulting in an outstanding outcome for our investors.”

In addition to the acquisitions, during HGGC’s and Charlesbank’s ownership Citadel made significant strategic improvements. These include launching a unified, industry-focused go-to-market strategy, investing in key sales resources, implementation of a common operating discipline across the portfolio, and enhanced management of margins and expenses, which collectively strengthened the business.

“With the tremendous advancements that Citadel has made during our investment, the company is strongly positioned for continued growth,” said Brandon White, Managing Director of Charlesbank, who also serves on the Board of Citadel. “We are proud to have partnered with the team during this extraordinary period and wish them every success in their next chapter.”

The sale of Citadel, in which HGGC has a controlling interest, marks HGGC's seventh exit of 11 middle market platform investments made out of its \$1.1 billion debut fund and is the firm's first transaction of 2015 after completing 10 transactions last year. Earlier this month HGGC announced the closing of its \$1.33 billion second fund.

About HGGC

HGGC is a leading middle-market private equity firm with over \$2.4 billion in cumulative capital commitments. Based in Palo Alto, Calif., HGGC is distinguished by its "Advantaged Investing" model that enables the firm to source and acquire scalable businesses at attractive multiples through partnerships with management teams, founders and sponsors who reinvest in deals alongside HGGC, creating a strong alignment of interests. Over its history, HGGC has completed platform investments, add-on acquisitions, recapitalizations and liquidity events with an aggregate transaction value of nearly \$10 billion, representing more than 45 transactions. More information is available at www.hggc.com.

About Charlesbank Capital Partners

Based in Boston and New York, Charlesbank is a middle-market private equity investment firm managing more than \$3 billion of capital. Charlesbank focuses on management-led buyouts and growth capital financings, typically investing \$50 million to \$150 million per transaction in companies with enterprise values of \$100 million to \$750 million. The firm seeks to partner with strong management teams to build companies with sustainable competitive advantages and excellent prospects for growth. For more information, visit www.charlesbank.com.

About Citadel Plastics Holdings, Inc.

HGGC of Palo Alto, California, and Boston-based Charlesbank Capital Partners are the primary owners of Citadel. Citadel is a leading provider of custom material solutions including both engineered composites and thermoplastics compounds. Citadel's end markets include transportation, industrial & construction, consumer, electrical, energy and healthcare & safety. Formed in 2007 and built through a series of cornerstone and tuck-in acquisitions, Citadel's customer-engineered solutions, stable margin profile, blue-chip customer base and global operational excellence provide attractive opportunities for future growth. Citadel is headquartered in West Chicago, and has a global workforce spread across twenty-one facilities in six countries. For more information, visit www.citadelplastics.com.