

## Arsenal Capital completes acquisition of ADCO Global, Inc. and merges it with its portfolio company Royal Adhesives and Sealants, LLC

*Transaction Creates Global Top Ten Adhesives and Sealant Business*

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NEW YORK, July 31, 2013 – Arsenal Capital Partners (Arsenal), a leading New York-based private equity firm that invests in middle-market specialty industrial and healthcare companies, today announced it has completed the acquisition of ADCO Global Inc. (ADCO Global), a leading global provider of specialty sealants, tapes and adhesives. Concurrent with the transaction, ADCO has merged with Arsenal’s Adhesives and Sealants platform investment, Royal Adhesives and Sealants, LLC (Royal).

ADCO Global is a leading supplier of specialty adhesives, sealants, tapes and coatings serving construction, transportation and industrial markets throughout the world via its operating subsidiaries ADCO Products, Inc, in North America and Kommerling Chemische Fabrik GmbH in Europe, Africa and Asia. ADCO Global is a leader in developing specialized solutions for insulating glass window, commercial roofing, solar panel, bus, truck, trailer, recreational vehicle, automotive, marine, civil engineering, telecommunications, security glass and general construction applications. For additional information on ADCO Global, please visit [www.adcoglobal.com](http://www.adcoglobal.com)

Tim Zappala, a Partner at Arsenal Capital Partners and co-head of the firm’s Specialty Industrials Group, said, “ADCO Global is a well managed business that fits well with Royal given its complementary product lines and its global footprint. This merger will provide more enhanced and global capabilities to our customers. Ted Clark, President and Chief Executive Officer of Royal, a 35-year plus veteran of the adhesives, sealants and coatings industry, will continue as President and Chief Executive Officer of the combined business. John Knox, the current Chairman, President and Chief Executive Officer of ADCO Global, will join the Board of Directors of Royal as a Non-executive Chairman which will ensure a seamless integration.”

John Televantos, a Partner at Arsenal Capital Partners and co-head of the firm's Specialty Industrials Group added, "ADCO Global has a long history of innovation providing great solutions and service to its diverse customers. The acquisition of ADCO Global and subsequent merger into Royal represents an important milestone in our strategy to further build a leading adhesives, sealants and coatings business offering customized and proprietary solutions. The combination of Royal and ADCO Global will create a top ten global supplier of adhesives and sealants with sales approaching \$600 million annually."

Ted Clark, President and Chief Executive Officer of Royal, said, "The merger with ADCO Global strengthens Royal's global reach and adds complementary products and technologies that will enhance our ability to serve global customers and markets in a comprehensive way. Royal's experienced management team will partner with ADCO Global's experienced management to accelerate global growth and expand the platform into new technologies and geographies."

John Knox, Chairman, President and Chief Executive Officer of ADCO Global, said, "The merger of Royal and ADCO Global creates a leading global platform to accelerate growth in our key markets. I look forward to supporting the combined business as Chairman of the Board of Directors."

The Valence Group acted as financial advisor and DLA Piper LLP acted as legal advisor to Arsenal and Royal.

#### About Royal Adhesives and Sealants, LLC

Royal Adhesives and Sealants, LLC is a leading producer of proprietary, high-performance adhesives and sealants. Headquartered in South Bend, Indiana, Royal offers a broad range of specialty formulated products designed to solve complex bonding, laminating and sealing applications across a diverse range of markets including aerospace and defense, construction, specialty packaging, automotive and industrial. The company offers a broad spectrum of customized thermosetting epoxy and urethane, solvent-based, and water-based technologies to meet the most demanding adhesive and sealant applications. For additional information on Royal Adhesives and Sealants, please visit [www.royaladhesives.com](http://www.royaladhesives.com).

### About Arsenal Capital Partners

Formed in 2000, Arsenal Capital Partners is a leading New York-headquartered private equity firm that invests in middle-market specialty industrial and healthcare companies. Arsenal makes investments in sectors where the firm has significant prior knowledge and experience. The firm targets businesses that have the potential for further value creation by working closely with management to accelerate growth and leverage the firm's operational improvement capabilities. For additional information on Arsenal Capital Partners, please visit [www.arsenalcapital.com](http://www.arsenalcapital.com).

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