



Appleton to sell its Performance Packaging operations

Strategic decision represents company's focused commitment to specialty paper and Encapsys® microencapsulation businesses

(Appleton, Wis., July 8, 2010) [Appleton](#) announced today that it has entered into an agreement to sell its Performance Packaging operations to a newly formed company named NEX Performance Films Inc. which is owned by [Mason Wells](#), a Milwaukee-based private equity firm. The sale of the Performance Packaging operations is a strategic move to consolidate Appleton's offerings and to allow Appleton to focus on its core business. The purchase price to be paid in the transaction is approximately \$58 million. Subject to the satisfaction of customary closing conditions, the companies expect the transaction to be completed in July. Appleton intends to use proceeds from the sale to reduce debt and for general corporate purposes.

Appleton's Performance Packaging operations produce high-quality single and multilayer polyethylene films and are comprised of two wholly-owned subsidiaries: American Plastics Company, Inc., located in Rhinelander, Wis.; and New England Extrusion Inc., which has facilities in Turners Falls, Mass., and Milton, Wis.

Appleton's chief executive officer, Mark Richards, said the Performance Packaging operations no longer complement the company's long-term strategic direction which is to focus on its specialty paper and Encapsys microencapsulation businesses. "Our core strengths in specialty paper production and microencapsulation have been the foundation of our company's success for more than a century, and they will be the focus of our growth strategy in the future," said Richards. He added that Appleton will leverage the operational strengths of the company and its recent capital investments in its thermal and Encapsys businesses to expand Appleton's market leadership positions in specialty paper and encapsulation.

Appleton simultaneously acquired American Plastics Company and C&H Packaging Company, Inc. in April 2003. C&H Packaging, located in Merrill, Wis., prints and converts flexible plastic packaging materials for companies in the food processing, household and industrial products industries. Appleton sold C&H Packaging to The Interflex Group, Inc. in December 2009. Appleton acquired New England Extrusion in January 2005.

About Appleton

Appleton creates product solutions through its development and use of coating formulations, coating applications and encapsulation technology. The Company produces carbonless papers, thermal papers, Encapsys products and performance packaging products. Appleton, headquartered in Appleton, Wisconsin, has manufacturing operations in Wisconsin, Ohio, Pennsylvania, and Massachusetts, employs approximately 2,100 people and is 100 percent employee-owned. For more information, visit www.appletonideas.com.

Media Contact: Bill Van Den Brandt
Manager, Corporate Communications
920-991-8613
bvandenbrandt@appletonideas.com

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