

***Matrix Capital Markets Group Announces the Successful  
Recapitalization of Tri State Foam Products, Inc.***



RICHMOND, VA – January 9, 2007 – Matrix Capital Markets Group, Inc. announced today that it has successfully completed the recapitalization of Tri State Foam Products, Inc., a Martinsville, Virginia based manufacturer of expanded polystyrene foam (“EPS”). Harbert Management Corporation, a \$7.1 billion private investment firm headquartered in Birmingham, Alabama, is the primary investor in the recapitalization. Matrix served as the exclusive financial advisor to Tri State on the transaction.

Initially founded in 1984 as a block molder of EPS serving the building products industry, Tri State has since grown to become the leading diversified EPS foam producer in the Mid Atlantic. Today, the company’s production capabilities include both block molding and shape molding, and the company’s product line has been expanded to include a wide range of protective packaging in addition to building products.

Kevin Farrell, President and CEO of Tri State, retained Matrix to assist the company in evaluating strategic options ranging from growth by acquisition to finding a strong financial partner that would provide the company’s shareholders with a significant liquidity event. Tri State also sought to partner with a firm that would continue to support the company’s historic record of strong sales growth. Kevin Farrell, who will continue in his role as President and CEO, commented “Matrix proved to be an invaluable partner in the process of identifying the right financial partner to help take the company to the next level and in negotiating the best terms and conditions on behalf of Tri State’s shareholders.”

Bill Weirich, Managing Director and Principal at Matrix, commented “We are very pleased with the outcome of this transaction. We received heavy interest in the company from a large number of private equity firms as well as several potential strategic buyers. In the end, a recapitalization in partnership with Harbert was the best solution for Tri State and its shareholders.” Bryan Johnson, Vice President for Matrix, added “We have had a long standing relationship with Tri State and have enjoyed working with Kevin and his team on this transaction. We helped explore and evaluate a number of different alternatives to support the company’s rapid growth and new product lines. Ultimately we decided to partner with a private equity firm given the strong interest in high quality opportunities among middle market equity groups.”

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**About Matrix Capital Markets Group**

Matrix Capital Markets Group is a leading middle market investment bank headquartered in Richmond, Virginia. Since 1988, Matrix has focused on providing merger & acquisition and financial advisory services for corporate and privately-held companies, including sales and divestitures, Staged Liquidity Transactions®, management buyouts, and debt & equity placements. For additional information, please visit [www.matrixcapitalmarkets.com](http://www.matrixcapitalmarkets.com)

# NEWS RELEASE

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For more information, contact:

***Managing Directors***

Thomas E. Kelso  
Jeffrey G. Moore  
Michael C. Morrison  
William H. Weirich

***Vice Presidents***

R.H. Butler, Jr.  
Spencer P. Cavalier  
Cedric Fortemps  
C. Bryan Johnson  
William B. Kerkam, IV  
Robert M. Mason

**OFFICES:**

**Richmond, VA**

Corporate Headquarters  
11 South 12th Street  
Third Floor  
Richmond, VA 23219

(P) 804.780.0060

**Baltimore, MD**

100 South Charles St.  
Suite 1350  
Baltimore, MD 21201

(P) 410.752.3833

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the world's leading M&A alliance  
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the world*

