



Exopack Holding Corp. formed from combination of Cello-Foil, The Packaging Group and Exopack LLC

Battle Creek, MI & Spartanburg, SC - October 6, 2005:

Exopack Holding Corp., (“Exopack”) a portfolio company of The Sterling Group, a private equity firm based in Houston, Texas, announced today it has entered into an agreement to be acquired by an affiliate of Sun Capital Partners, Inc. Exopack is a leading North American flexible packaging converter and provider of paper and plastic packaging solutions and produces a broad offering of high-quality paper and plastic products from a network of 14 manufacturing facilities across the United States and Canada, servicing approximately 1,800 customers.

Two other flexible packaging companies, Cello-Foil Products, Inc. (“Cello-Foil”) and The Packaging Group (“TPG”), which were previously-acquired by Sun Capital Partners’ affiliate, Cello-Foil Holdings, Inc. will become subsidiaries of Exopack when the transaction is completed. Cello-Foil is a leading manufacturer of innovative flexible packaging products ranging from mono-film overwraps to complex multi-layer laminations, and TPG is a leading extruder and converter of flexible packaging materials including printed and unprinted vacuum pouches and printed and unprinted roll stock used primarily by the food, industrial, and medical markets.

Jack Knott, President and CEO of Cello-Foil Holding, Inc. will become President and CEO of Exopack. Stan Bikulege will remain President and CEO of Exopack LLC, the operating subsidiary of Exopack. Terms of the transaction were not disclosed.

Mr. Knott, said, “We are delighted with the acquisition of Exopack and its combination with our other packaging companies. The new Exopack will form one of the most dynamic flexible packaging companies in North America and will enjoy a leading market position with substantial product breadth, state-of-the-art technology, unmatched product development expertise, and strong relationships with a highly diversified, blue chip customer base.”

Stan Bikulege, President and CEO, of Exopack LLC, commented, “We are excited about our future. The merger with Cello-Foil and The Packaging Group will enhance our ability to bring value to our customers and expand our product offerings. We would like to thank our customers, employees, and The Sterling Group for their support during this process. The transaction and new ownership will give us an opportunity to re-invest in our growth and an opportunity to align ourselves with Sun Capital Partners one of the leading international private investment firms.”

For more information, please contact: Jack Knott, President and CEO, Exopack Holding Corp., (847)-370- 2439