



Appvion Receives Court Approval of Sale to Lender Group Led by Franklin Advisers

Going-Concern Sale Positions Appvion for Long-Term Growth and Success

(Appleton, Wis., May 14, 2018) Appvion, Inc. (the “Company”) today announced that the U.S. Bankruptcy Court for the District of Delaware approved the sale of substantially all of the Company’s assets to a group of its lenders led by Franklin Advisers, Inc. (the “Purchaser”). The sale is expected to be completed by the end of May.

The Purchaser submitted the previously announced stalking horse bid on February 8, 2018. Under the terms of the executed asset purchase agreement filed with the Bankruptcy Court, the total consideration is approximately \$340 million plus the assumption of substantial liabilities, including many of the Company’s contractual obligations. The transaction will substantially reduce Appvion’s debt from approximately \$585 million to less than \$175 million and provide additional liquidity to fund the Company’s operations.

Kevin Gilligan, Chief Executive Officer of Appvion, said, “We are pleased to receive the Court’s approval of the sale of our company to a group of our lenders who have been long-term supporters of Appvion. Their continued investment is a vote of confidence in the future of our business.”

Gilligan added, “Our goal when we began the Chapter 11 process was to better position Appvion to compete long-term in the evolving specialty paper market and further invest in the innovation that has always made us a market leader. Under new ownership, Appvion will have a substantially deleveraged balance sheet, enabling us to better execute our business strategy. We expect to complete the sale expeditiously and emerge as a healthier, financially-stable business that will be an even stronger partner to all of our stakeholders in the years to come.”

Franklin Advisers said, “We at Franklin Advisers are extremely pleased to see that the Court has approved the sale to allow Appvion to emerge from bankruptcy in a healthier financial position that enables long-term stability and growth while simultaneously affording us the opportunity to continue to demonstrate our commitment to both the unionized and non-unionized employees, the Company’s customers, suppliers, and other stakeholders, as well as our valued clients.”

In addition, the Court today approved a global settlement between Appvion, the Purchaser, Franklin Advisers, the Official Committee of Unsecured Creditors, and holders of the Company’s \$250 million of second lien notes. This settlement, which does not affect the sale, will facilitate an orderly wind down of the Company’s legacy liabilities and pave the way for completion of the Chapter 11 cases in an expeditious manner.

The sale does not include assumption by the Purchaser of the Company’s employee stock ownership plan (“ESOP”) or its pension plans. The ESOP will be terminated following completion of the sale and the outstanding shares of Company stock will be extinguished. The pension plans will be taken over by the Pension Benefit Guaranty Corporation, a federal government agency that guarantees payment of basic pension benefits earned by millions of American workers and retirees.

Appvion and certain of its subsidiaries filed voluntary Chapter 11 cases on October 1, 2017 to facilitate a balance sheet restructuring and better position the business for long-term growth and success.



DLA Piper is serving as legal counsel to Appvion, Guggenheim is serving as the Company's investment banker, and AlixPartners is providing Chief Restructuring Officer services. O'Melveny & Myers, PJT Partners LP, and MERU are serving as advisors to Franklin Advisers on the transaction.

About Appvion

Appvion creates product solutions through its development and use of coating formulations and applications. The Company produces thermal, carbonless, security, inkjet, digital specialty, and colored papers. Headquartered in Appleton, Wisconsin and employing approximately 1,250 people, Appvion operates coating and converting plants there and in West Carrollton, Ohio and a pulp and paper mill in Roaring Spring, Pennsylvania. For more information, visit www.appvion.com.

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