



NATIONAL SPINNING CO., INC.

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James W. Chesnutt – President/CEO

World Class Employee Owned Company

PRESS RELEASE

NATIONAL SPINNING TO SELL CARON INTERNATIONAL TO SPINRITE LP

National Spinning Co., Inc. announced today the sale of certain assets of Caron International to Spinrite LP. The sale includes yarns for hand knitting and crocheting, latch hook kits and the Ultimate Sweater Machine.

Commenting on the announcement, National Spinning President and Chief Executive Officer, James W. Chesnutt said, “The combination of two such exceptional product lines will ensure the future success of the Caron products our customers rely on for quality and value. The Simply Soft and One Pound brands are staple products in the hand-knitting and craft markets and will be outstanding additions to the extensive line of Spinrite’s branded products.”

“We are thrilled to have the opportunity to continue the Caron tradition,” said Ryan Newell, President of Spinrite LP. “National Spinning has done a tremendous job of building one of the most recognized craft yarn brands in North America.”

The Hampton Art division of National Spinning Co., Inc. will continue to be owned and operated from its current location in Washington, NC and will employ approximately 40 associates. Hampton Art produces and sources a wide range of products used in scrapbooking that are sold to major retailers throughout the world, including Wal-Mart, Joann Fabrics, Michaels, and AC Moore.

National Spinning Co., Inc. is also a leading synthetic and wool yarn manufacturer with five facilities in North Carolina. National Spinning Co., Inc. was advised on this transaction by the investment banking firm Brookwood Associates, LLC and the law firm Otterbourg, Steindler, Houston & Rosen, P.C.