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Portfolio

Sovereign Specialty Chemicals, Inc.

Sovereign was founded in 1996 by WCP, First Chicago Equity Capital and a well-known senior industry executive to acquire specialty chemical businesses in the highly-fragmented adhesives, sealants and coatings industries. By focusing on niche products in attractive markets, Sovereign quickly grew to more than \$350 million in revenues. The company achieved substantial operational savings through on-site management, reorganization/cost improvements, focused research and development and technical service. In January of 2000, Sovereign was recapitalized in a \$360 million transaction. At that time, Waud Capital Partners sold a significant portion of its interests but retained 20% of its investment in the newly recapitalized company. In December 2004, Sovereign was sold to Henkel Corporation for a transaction value of approximately \$575 million.

Industry:	Manufacturing – Specialty Chemicals
Headquarters:	Chicago, Illinois
Date of Investment:	March 1996
Fund:	Pre-Fund WCP Investment
Date Exited:	January 2000 December 2004

Add-on Acquisitions

- Packaging and Coatings Business of IMPAG AG of Switzerland - 2001
- Overprint Coatings business from Achem, Inc. - 2000
- Imperial Adhesives, Inc. - 2000
- Croda Adhesives - 2000
- Flexible Packaging Coatings Division of Valspar Corporation - 1999
- Coatings & Adhesives Division of K.J. Quinn & Co., Inc. - 1998
- PL Brand Adhesives Division of ChemRex, Inc. - 1998
- Adhesives, Sealants and Coatings, N.A. Division of Laporte PLC - 1997
- Adhesives Systems Division of B.F. Goodrich - 1996
- Pierce & Stevens Corporation - 1996

Website: www.sovereignsc.com
