



Milestone Partners and Management Recapitalize Blaschak Coal Corp.

Saint Davids, PA, May 1, 2009 – Milestone Partners is pleased to announce that on April 27, 2009 it completed the recapitalization of Blaschak Coal Corp. Based in Mahanoy City, PA, Blaschak is a leading miner, preparer and marketer of anthracite coal (see www.blaschakcoal.com). Anthracite, which is generally surface mined in an environmentally friendly manner, has high carbon content and low levels of impurities, making it a valuable carbon source and fuel for home heating and a variety of industrial applications.

Over several decades, the Blaschak organization has established itself as one of the most reliable and respected players in the industry, producing consistently high-quality anthracite. Blaschak is not only one of the largest anthracite companies, but also one of only a few with fully integrated operations involving a large reserve base, multiple mining operations, a highly effective preparation plant, a state-of-the-art bagging plant, rail and truck loading facilities and extensive marketing operations serving several end markets.

Scott Warren, Partner at Milestone, said “Blaschak’s management, business model and market position are impressive and we are honored to have been chosen by the Blaschak family to be their financial partner. Although some of the non-management Blaschak family members harvested their investment, it is important to note that the leadership of the company remains invested and intact. We are looking forward to working with Tony and Dan Blaschak to preserve and enhance the family’s legacy in this business.”

Dan Blaschak added “Milestone has a successful track record in family business recapitalizations and is a proven value-added partner. They helped our family achieve financial goals for which we have worked long and hard, and we believe they will also help us to grow the company to new heights in years to come.”

M&T Bank arranged and led the debt financing for the transaction, with Harleysville National Bank also participating. Certain members of the management team and certain non-management members of the Blaschak family co-invested equity alongside Milestone. Blaschak was advised by investment banking firm Harris Williams & Co. and law firm Buchanan Ingersoll & Rooney, PC. Milestone was advised by law firm Pepper Hamilton LLP and consulting engineer Skelly and Loy Inc.

For more information about the transaction, contact [Scott Warren](#) or [John Nowaczyk](#) at Milestone Partners.

More about Anthracite. Although a common fuel and carbon source for the industrial revolution and on into the early 1900s, anthracite is geologically rare relative to bituminous and lignite coal and exists in the U.S. only in a handful of eastern Pennsylvania counties. Known as “hard” coal and lustrous in appearance, anthracite has the highest carbon content and the fewest impurities of all coals, generating the least smoke, ash and sulfur. Today anthracite is primarily used for niche applications where its physical properties and low cost per-Btu or per-carbon unit are compelling. In particular, anthracite is now resurgent as a home heating fuel, as a filter medium for municipal water systems, and as a carbon source for steel production, among other applications. Anthracite is also environmentally friendly, as the modern anthracite industry predominately re-mines and reclaims previously mined areas and thereby serves to repair environmental damage done in the past. In addition, unlike carbon sources that require environmentally harmful chemical and/or high-temperature processing, anthracite is used after a simple crushing, washing and sorting process.

Milestone Partners (www.milestonepartners.com) is a private equity firm that partners with management to invest in leveraged buyouts and recapitalizations of lower middle market businesses. Milestone pursues successful niche-market leaders that provide high-margin products or services. Milestone’s transactions typically provide liquidity to shareholders of privately-owned businesses, facilitate the transition of ownership to key managers, and allow management to capitalize on growth opportunities, while maintaining the legacy of the founders. Milestone is currently making follow-on and add-on investments through Milestone Partners II, L.P., a \$120 million fund, and is making new platform investments through Milestone Partners III, L.P., a \$240 million fund.

Milestone Representative Investments:



Black Letter Discovery
(litigation support services)



Good Health Natural Products
(natural foods & body care products)



Blaschak Coal Corp.
(anthracite mining and processing)



Interconnect Devices
(electronic contact probes & connectors)



CODi
(corporate laptop cases & accessories)



Knights Apparel
(licensed sports apparel)



Dydacomp
(e-commerce & catalog software)



Outlook Group
(printing, packaging & direct mail)



Eliason
(commercial double-action impact doors)



Safemark Systems
(in-room hotel safes)



Fatz Cafe
(casual dining restaurant chain)



United Road Towing
(towing services)



Global Connection
(pre-paid wireline phone service)



Higher Power Nutrition (exited 12/07)
(nutritional supplements e-tailer)

Milestone General Investment Criteria:

Company Size*:

- Revenue: \$15-\$150 million
- EBITDA: \$3-\$15 million

Transaction Size*:

- \$15-\$100 million

Equity Investment Size*:

- \$5-\$25 million (& higher, with typical co-invest)

Industry Focus:

- Generalist; high-margin, niche-market manufacturers, value-added distributors and service companies

Geography:

- United States and Canada

*Add-on parameters may be smaller

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