



## Watermill Group of Lexington, MA Sells Preferred Compounding

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LEXINGTON, Mass., Dec 09, 2010 (BUSINESS WIRE) -- In a transaction between private equity firms, Watermill Group has sold Preferred Compounding Corporation to Wingate Partners effective December 8, 2010 for over 6x Watermill Group's initial investment.

Preferred, headquartered in Barberton, OH supplies proprietary and custom mixed rubber compounds to customers. Watermill acquired Preferred in 2002, from Bank of America, at a time when the industry was in turmoil and the company was at a challenging crossroads. At the time of purchase, Preferred had limited geographic reach and lacked strategic direction. Just eight years later, Preferred Compounding has been transformed into a thriving industry leader with expanded capabilities, an enviable management team and the best customer service in the industry.

"Over the past eight years, we have created meaningful and significant growth at Preferred," said Tim Eburne, Partner at Watermill Group. "By developing state-of-the-art manufacturing capabilities and expanding both organically and through acquisition, Preferred now delivers highly engineered compounds to high caliber customers." In 2005, Watermill doubled the company's size and geographic reach by acquiring Associated Rubber, which enabled Preferred to expand into the Southeast. As a thriving business, Preferred now supports 200 jobs in 4 communities nationwide.

"We have built a strong partnership with Preferred's management team as together we pursued a meaningful growth strategy built on time delivery and a zero defect philosophy," stated Steven Karol, Managing Partner and Founder of Watermill Group, "now Preferred has found a terrific home with Wingate. Watermill is proud to have been a steward in this part of the company's growth and development." Preferred's new owners want to build on that progress. "Our intention for 2011 and beyond is to continue to grow by expanding the capabilities and services we provide our customers," said Preferred Compounding President and CEO Kenneth L.

Bloom. "Wingate is intimately familiar with what it takes to successfully run a company like Preferred Compounding and fully supports our current management team, operational footprint, and strategic direction." About Preferred Compounding Preferred Compounding ([www.preferredperforms.com](http://www.preferredperforms.com)) supplies proprietary and custom mixed rubber compounds to customers including molders, extruders, mixers and others in the rubber goods market. Primary industries served are automotive, construction, power generation and roll goods. Plants are in Tallapoosa, Georgia, Huntingdon, Tennessee, Fruithurst, Alabama and Barberton, Ohio, which is also company headquarters.

About Watermill Group For over three decades, The Watermill Group ([www.watermill.com](http://www.watermill.com)) has been acquiring, operating and improving companies. The firm focuses on investing in companies facing a crossroads and applies a unique combination of strategic insight and management expertise to drive growth. Watermill partners have over 140 years of combined executive management experience with extensive expertise in a wide variety of industries.

Media contacts Images available: Preferred Compounding logo, Watermill Group Logo SOURCE: Watermill Group CONTACT: Watermill Group Julia Karol, 781-398-9463 [jkarol@watermill.com](mailto:jkarol@watermill.com) Copyright Business Wire 2010 -0- KEYWORD: United States

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