



## **VARSITY BRANDS ENTERS INTO DEFINITIVE AGREEMENT TO BE ACQUIRED BY CHARLESBANK CAPITAL PARTNERS**

Indianapolis, IN, Memphis, TN, and Dallas, TX, November 3, 2014 – Varsity Brands, a dynamic portfolio of brands that promote student participation while celebrating academic and athletic achievement, today announced that it has entered into a definitive agreement to be acquired by an investment group led by Charlesbank Capital Partners, a leading private equity firm. Varsity Brands’ senior leadership will remain in their current positions and, under the terms of the proposed transaction, invest in the company alongside Charlesbank.

With combined sales in excess of \$1.2 billion, Varsity Brands’ three businesses – Herff Jones, Varsity Spirit and BSN SPORTS – include the largest "K-through-College" sales force, with more than 1,000 sales professionals dedicated to providing products and services to the school and institutional markets. With customizable products and programs, including yearbooks and graduation products, cheerleading camps and competitions, and sports apparel and equipment, the three businesses serve the full spectrum of schools as well as sports teams and other organizations.

Today’s transaction represents the culmination of a deliberate and comprehensive process overseen by the Board of Directors to help ensure that Varsity Brands has the capital structure, resources, and financial flexibility to build on its presence in these markets while delivering on its mission to elevate school pride and student achievement.

Jeff Webb, Varsity Brands’ Chairman and Chief Executive Officer, stated, “Over the last several years, Varsity Brands has made steady progress towards serving as the single source for every customer’s sport, spirit, and achievement needs. We now look forward to accelerating this work in partnership with Charlesbank – a preeminent partner that brings unique investment acumen in the education market – and to building on Varsity Brands’ key competitive strengths. These include unparalleled customer reach, leading brands with prominent market positions, and multiple avenues for future growth.”

“We are delighted to partner with Jeff Webb, his talented management team, and our co-lead investor, Partners Group, to provide liquidity to the employee-owners of the business, and we look forward to supporting them as they build on their culture of excellence,” said Andrew Janower, Managing Director at Charlesbank Capital Partners. “Varsity is well-positioned to capitalize on strategic growth opportunities, and we are happy to be part of the bright future for this terrific company.”

In addition to generating business and operational benefits to Varsity Brands, the proposed transaction will create meaningful value for the company's ESOP participants at a significant premium to the last annual valuation. GreatBanc Trust Company, a leading independent ESOP trust company, serves as trustee of the company's ESOP and, as such, has determined that the sale is in the interest of the beneficial owners of the company and approved it on behalf of the ESOP. GreatBanc received a fairness opinion from Duff & Phelps, LLC, the ESOP's financial advisor.

The transaction is subject to customary closing conditions and is anticipated to close in December 2014.

Jefferies LLC served as lead financial advisor to the company and the Board of Directors, with Stout Risius Ross providing related advisory services. Barnes & Thornburg LLP served as the company's lead legal counsel. K&L Gates LLP and McGlinchey Stafford also served as legal advisors. Krieg DeVault LLP provided legal counsel to GreatBanc Trust Company.

Charlesbank and Partners Group were represented by Goodwin Procter LLP and Greenburg Traurig LP as legal counsel. Goldman Sachs Bank USA, Barclays, Ares Capital Corporation and Crescent Mezzanine provided debt financing commitments for the transaction, and Goldman Sachs & Co. and Barclays also served as M&A advisors to Charlesbank.

### **About Varsity Brands**

With a mission to inspire achievement and create memorable experiences for young people, Varsity Brands elevates the student experience, promotes participation and celebrates achievement through three unique businesses: Herff Jones, a Varsity Achievement Brand; BSN SPORTS, a Varsity Sport Brand; and Varsity Spirit. Together, these assets promote personal, school, and community pride through their customizable products and programs to elementary and middle schools, high schools, and colleges and universities, as well as church organizations, professional and collegiate sports teams, and corporations. With over 4,600 dedicated employee-owners and independent representatives, Varsity Brands reaches its individual and institutional customers each year via catalog, telesales, e-commerce sites, and direct sales channels. For more information about Varsity Brands, please visit [www.varsitybrands.com](http://www.varsitybrands.com).

### **About Charlesbank Capital Partners**

Based in Boston and New York, Charlesbank Capital Partners is a middle-market private equity investment firm managing more than \$3 billion of capital. Charlesbank focuses on management-led buyouts and growth capital financings. The firm seeks to partner with strong management teams to build companies with sustainable competitive advantage and excellent prospects for growth. For more information, visit [www.charlesbank.com](http://www.charlesbank.com).

### **About Partners Group**

Partners Group (SIX: PGHN) is a global private markets investment management firm with over \$42 billion in investment programs under management in private equity, private real estate, private infrastructure and private debt. The firm is headquartered in Zug, Switzerland, and has over 700 professionals across 18 offices around the globe. For more information, visit [www.partnersgroup.com](http://www.partnersgroup.com).

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