

## Press Release

### **THE NEWARK GROUP CONCLUDES SUCCESSFUL SOLICITATION AND LAUNCHES RESTRUCTURING BY FILING A CHAPTER 11 PETITION**

- The plan received overwhelming support of all impaired classes and interests
- The court has approved the first day motions including the interim DIP financing order, and the motion to pay all prepetition vendors in full in the ordinary course
- The DIP revolver and term loans have closed and funded

Cranford, New Jersey (June 11, 2010) – The Newark Group, Inc. (the “Company”), an integrated global producer of 100% recycled paperboard and paperboard products, today announced that it has filed a voluntary petition under Chapter 11 in the US Bankruptcy court in Newark, New Jersey. The Company seeks court approval of its prepackaged plan of reorganization.

The Company’s two impaired creditor classes voted in favor of the plan by greater than 90%. Likewise, the Company’s two impaired equity interests also voted in favor of the plan by greater than 90%. Thus, the Company enters Chapter 11 with a fully supported prepackaged plan. The Court will hold a hearing on July 30, 2010 to consider confirmation of the plan and that the Company hopes to exit Chapter 11 shortly thereafter.

The court heard and approved 11 first day motions. All 11 were approved substantially as submitted. Most importantly, the court approved the DIP financing order allowing the Company to access its DIP loans. The court also approved the Company’s motion to pay all prepetition vendors in full in the ordinary course.

Subsequently, the Company closed on its two DIP loans, a \$50 million revolver and a \$110 million term loan led by ORIX Finance. Both loans have now funded.

“We are pleased to have the support of our note holders and lenders as we move forward to strengthen our balance sheet and position the Company for profitability,” said Robert Mullen, President and Chief Executive Officer of The Newark Group. “As we navigate this process, we will continue to focus on customers, servicing them better than anyone else and developing product solutions to address their most difficult issues,” continued Mullen.

None of the Company’s non-US subsidiaries or affiliates were included in the filing. During the Chapter 11 case, the Company will continue normal operations under current management and does not anticipate any changes to its overall business or its ability to produce quality products.

**About the Newark Group**

With headquarters in Cranford, New Jersey, The Newark Group, Inc. manufactures and sells recycled paperboard and paperboard products. The Company operates in three segments: Paperboard, Converted Products and International. For more information please visit [www.NewarkGroup.com](http://www.NewarkGroup.com).

**Media Contact**

Alex Cramer

908 276 4060 ext. 501