



Mer-Krete Systems

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ParexLahabra, Inc. Acquires Mer-Kote Products, Inc.

ParexLahabra, Inc. is proud to announce the acquisition of Mer-Kote Products, Inc., a Torrance, California-based manufacturer of the Mer-Krete Systems™ line of waterproofing and crack isolation membranes, thin-set mortars, grouts, underlayments, and decking products.

MerKote, established in 1971, has successfully provided over 500 Million feet of exterior deck coatings and One Billion square feet of waterproofing for ceramic tile and stone installations with their Mer-Krete Systems™ brand. Mer-Kote, as a manufacturer, continues to grow the Mer-Krete line and has become one of the Tile Market's highly recognized brands for their leadership, technical knowledge, and unique products.

The transaction will bring value to both businesses. The Mer-Krete & Mer-Ko brands will benefit from being part of a larger corporation by sharing product expertise and technical support, utilizing the multiple manufacturing locations available to all of the ParexLahabra brands, and developing new opportunities and growth prospects for its employees.

The acquisition of Mer-Kote is consistent with ParexLahabra's growth strategy, a mix of internal growth with new products, new services, expanded distribution channels, and external growth through the acquisition of solid, performing companies. In 2004, ParexLahabra launched Davco tile setting materials and grouts in New Mexico, Colorado and California leveraging their strengths in powdered goods manufacturing. The Mer-Krete and Mer-Ko brands will improve the company's presence in the national market while adding products, expertise, distribution network and a prime manufacturing location.

The acquisition of Mer-Kote will increase the product offerings of the ParexLahabra brands with the addition of products such as waterproofing and crack isolation membranes, unique floor preparation and tile installation products. Mer-Kote customers will benefit from an extended line of products with the ParexLahabra worldwide expertise in the powder products. The leadership of the management and the commitment of its employees has built up a strong and loyal customer base during its 35 plus years of business.

ParexLahabra's plan for both the Mer-Krete and Mer-Ko brands is to continue to provide excellent products and services as well as promote teamwork between all brands within the ParexLahabra group. Mer-Krete and Mer-Ko will maintain a strong presence in their existing market. The corporation will use its expertise to improve the product lines, manufacturing, logistics, and services. Mer-Krete and Mer-Ko will maintain the current management team including Mr. Tim McDonald as operations officer and Clint Anna, national sales manager.

ParexLahabra, Inc. is a wholly owned subsidiary of Parex Group, a division of Materis-France, with over 35 manufacturing locations worldwide.

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