



Paine's WireCo Ties Up New Add-On
By Daniel Hausmann
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When WireCo WorldGroup executives needed a component for a new hush-hush product around summertime, they called upon synthetic high-tension rope maker Phillystran Inc. By late summer they had a potential acquisition on their hands.

WireCo, backed by Paine & Partners LLC, acquired Phillystran for an undisclosed sum from owner W. Wynne Wister, who is staying on as a senior vice president with WireCo. The deal did not require a new equity infusion from Paine or new debt, WireCo Chief Executive Ira Glazer said.

The company had been, for some time, looking for a synthetic-rope add-on deal to complement its steel cabling business, but potential deals didn't pan out, Glazer said. Then, WireCo went to do business with Phillystran and wound up forging a relationship with the management team there. By late summer they were talking deal and around Thanksgiving began putting things in writing.

It's the fourth add-on deal for WireCo, following prior acquisitions of Casar Drahtseilwerk Saar GmbH, U.S. Reel Corp. and Wireline Works Inc. WireCo sees the synthetic rope space as an area with smaller, fragmented companies where it could do more add-on deals.

Phillystran has some overlapping markets with WireCo in the oil and gas, and marine sectors, selling through common distributors. WireCo will also help its new subsidiary's expansion efforts in Europe through its other subsidiary Casar.

"One of the big synergies will be combining their expertise and product base with our marketing and sales network," Glazer said.

WireCo is based in Kansas City and has about 1,900 employees. Phillystran is based in Montgomeryville, Pa., and has fewer than 50 employees. Combined, the businesses generate about \$500 million in annual revenue.

Paine acquired WireCo from KPS Special Situations Funds in 2006. The firm was then known as Fox Paine & Co. before founder Dexter Paine split off from that firm. WireCo is a portfolio company of Paine & Partners Capital Fund III LP.

Firm and Phillystran officials couldn't be reached for comment.

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