



BANKRUPTCY SALE:

Colorep, doing business as **AirDye Solutions** and **Transprint USA**, offers waterless dye and print solutions for synthetic fabrics. The company sells heat transfer paper printed with specially formulated dyes that are transferred to fabric through heat sublimation. The company filed for Chapter 11 bankruptcy protection and Hilco Streambank has been retained to find a buyer for any or all of the company’s assets. The company owns a 132,384 SF color matching and print facility on 13.134 acres in Harrisonburg, VA and operates design and sales offices in Charlotte, NC and New York City. The company’s intangible assets include a digital design library of 12,000+ designs, a proprietary dye sublimation process that enables two-sided production, 365,000 proprietary ink formulations, and 5 licensed AirDye converters in the US, EU and Asia with production capacity of 9.24 million yards of annual throughput, or up to 18.48 million yards of paper, as well as various related domains and trademarks.

Assets for Sale:

Intangibles: Patents, patent applications, trade secrets, license agreements, design library, proprietary software, proprietary dye formulations, and sales contracts.

Real Estate: 132,384 Sq. Ft. facility in Harrisonburg, VA on 13.134 acres with multiple dock doors, high ceilings and easy access to I-81.

M&E: 5 gravure print production lines, paper handling equipment, warehouse equipment including fork lifts, pallet jacks, cranes. 7 digital printers and two Transwide machines fabricate wide paper.

Inventory: 2,500 tons of steel in the form of gravure cylinders, containing several thousand designs, archived, labeled, and racked. Available also as scrap.

Key Dates:	Bid Deadline	September 18, 2013	5 PM PDT
	Auction	September 19, 2013	10 AM PDT
	Sale Hearing	September 26, 2013	
	Closing	September 30, 2013	

For a complete list of assets and additional diligence information including asset purchase agreements, please return a signed confidentiality agreement.

History

Transprint is a legacy heat transfer printing company that has provided textile print and color solutions for over 30 years. In 2007, Transprint was acquired by Colorep, a two-sided printing solutions firm. The combined companies introduced AirDye to the market as a two-side print-print, print-solid, or solid-solid waterless dye solution for synthetic fibers. A variety of factors unrelated to market acceptance of AirDye have caused the company to file for bankruptcy protection and are forcing a sale.

AirDye Technology

How it Works: AirDye enhances the traditional heat sublimation process involving one ink medium and one textile medium to include a second ink medium on the opposite side in order to print or dye both sides of the fabric. Using a proprietary second heat source and drawing on a database of heat-fabric-dye combinations, the process can simultaneously dye or print on both sides of a fabric without either (a) bleed-through, or (b) unpredictable movement of the dyes.

What is Sold: The current business model is sell (i) design services for gravure printing, (ii) installation of, and training for, pulse heaters (the second heat source), and (iii) printed transfer paper. The technology advantage comes from the pulse heater and design service and therefore would support expansion through licensing to qualified printers.

Market Acceptance: 100% of new customer meetings result in plans to adopt the AirDye system. Because adoption requires installation of equipment and training and the company is operating with a working capital constraint, the sales ramp has been slow.

Current Adoption: AirDye is currently used by several textile converters in Europe, Asia and North America. There are several new customers scheduled to come online in the next few months, including a planned September installation in Portugal. The applications include fast fashion, performance apparel, and accessories.

Value Proposition

AirDye is a brandable technology, currently used on hangtags for a few customers including couture fashion house [CostelloTagliapietra](#). The AirDye brand concept was developed by Bolt Group (<http://boltgroup.com/brand-innovation/work/studies/airdye-airdye-solutions>). AirDye can become an ingredient brand used to attract a consumer, sustainability officer, or converter looking for differentiation.

Environment: AirDye is a completely waterless process, and can save as many as 75 gallons of water per finished garment. The AirDye brand is identified as eco-friendly and can help manufacturers and brand meet sustainability targets. The AirDye Life Cycle Assessment is an independently produced report demonstrating significant water and energy savings over conventional wet dye and wet print alternatives. This is a brandable advantage.

Economics:

- **Speed to Market:** The Company's suite of technology solutions reduces design development time from 2-4 months to 2-4 weeks. Fast fashion, and couture production both benefit tremendously from rapid lead times and short production runs.
- **Product Differentiation:** Double-sided fabric capability is unique in the industry and has the potential to create added perceived value in products. AirDye technology enables manufacturers to create highly differentiated products while improving the feel and





performance of their fabrics. With AirDye, designers can create multiple combinations of solid colors and prints on a single fabric in a single production step.

- **Inventory Control:** AirDye's color matching capability eliminates the need for bulk purchases from single dye lots and therefore reduces both production waste and also allows for tighter control of inventory and reduced need for markdown.
- **Design:** AirDye technology creates additional degrees of freedom in design, especially for apparel. Current applications include scarves, dresses, reversible running shorts, and other applications where an alternately printed or dyed reverse side precludes the needs for hems, liners, or the use of heavier fabrics to avoid translucency.

Synthetic Textile Applications

Apparel and fashion accessories sales focus on high-end designers, ready-to-wear women's intimate apparel and sleepwear, and sporting performance brands which represent the largest addressable markets for AirDye Solutions at \$19B globally. Clients and end-use customers include *Patagonia, Marks and Spencer, Victoria's Secret, Calypso St. Barth, Wacoal, MontCler, Fila, Asics, Micra Pak, Title Nine, H+M, Vivienne Westwood and Dress Barn.*

Interior textile sales include bedspreads, draperies, and shower curtains for the residential market and hospitality and health care industry; a \$17B global market. Using AirDye technology and its library of 15,000 designs the Company offers differentiated products including double-sided dyed fabrics. The permanent nature of the coloration is a superior advantage in the hospitality and health care industry where products are subject to heavy use and cleaning. Clients include Fabricut, Stacy Garcia, Richloom, Kravet and Charles Samelson.

Sale Process:

Hilco Streambank is actively soliciting offers for any and all of the company's assets. Further diligence can be conducted with the company through an online data room and discussions with management once under confidentiality agreement. Please contact the below Hilco Streambank representatives for further information regarding the opportunity.

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