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Rauch Industries Acquires Christopher Radko Designs

Washington, DC (March 9, 2005) – Milestone Capital, (“Milestone”) a Washington DC-based private equity firm (www.milestonecap.com), announced that its portfolio company, Rauch Industries, Inc. (“Rauch”) acquired Christopher Radko Designs (Starad, Inc.) on March 9, 2005.

Radko is the country’s leading designer, marketer, and distributor of premium Christmas ornaments and seasonal collectable products (www.christopherradko.com). Radko’s products are developed for and marketed in leading department stores, including Bloomingdales, Nordstroms, Macy’s, Saks Fifth Avenue, and in over 2,500 specialty and gift stores throughout the country. Christopher Radko has been featured in leading national publications and television shows, such as *The New York Times*, *People Magazine*, *The Today Show*, *The Oprah Winfrey Show*, and *Entertainment Tonight*. “We are pleased to add Radko to Rauch,” says Murry N. Gunty, Managing Director of MCP. “Chris is a brilliant designer and merchandiser, in addition to being an incredibly philanthropic individual. We are thrilled to have him as our partner.”

Mr. Radko will become President- Christopher Radko Division of Rauch Industries, and he has been elected to Rauch’s Board of Directors. “I couldn’t be happier to have Christopher as part of our team and a member of our Board,” says Steve Hufft, Rauch’s Chief Executive Officer. “The combination of our two companies creates unprecedented product design and marketing opportunities for our retail customers and their consumers.”

The Christopher Radko Division will maintain its offices and design center in the Westchester, New York area. “I welcome Rauch’s operational and distribution support. This opportunity frees me up to do what I love most - sales, marketing, and creating great holiday designs”, added Christopher Radko.

Rauch Industries, Inc. is the leading domestic manufacturer and marketer of machine-made glass Christmas ornaments and a leading marketer and distributor of Halloween products. Rauch’s products have decorated homes since 1952 and include ornamental glass balls, soft goods such as tree skirts and stockings, and seasonal home décor items. Rauch has the premiere Halloween brand, Pumpkin Masters, which is the leading manufacturer and distributor of pumpkin carving kits. The company sells its products to leading mass merchandisers, chain drug stores, supermarkets, and specialty retailers. The company’s corporate headquarters are located in Gastonia, North Carolina with a distribution facility in Chester, South Carolina.

Milestone Capital Management, LLC, is a Washington, DC-based private equity firm with \$88 million of capital under management. Milestone seeks investments in a broad range of industries, including manufacturing/distribution, health care, restaurants, insurance, lodging, specialty retail and business services.

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