

Charys Holding Company, Inc. to Acquire Cotton Companies

by PR-Newswire

Acquisition will create one of the largest reconstruction-restoration companies in the world

ATLANTA, July 10 /PRNewswire-FirstCall/ -- Charys Holding Company, Inc. ("Charys") (OTC Bulletin Board: CHYS) today announced that it has signed a Letter of Intent to acquire the business and all of the assets of Cotton Companies ("Cotton"), a group of premiere reconstruction and restoration firms with operations throughout the U.S. The acquisition, consideration for which will consist of a combination of cash and Charys' common stock, will include Cotton USA, Cotton Restoration and Cotton Restoration of Central Texas. The transaction is expected to close within 45 days. To facilitate the acquisition, Charys will create C&B Holding Company and fold Cotton and Charys' current restoration company, Crochet and Borel Services, Inc. ("C&B") into it. Cotton will survive as the branding and operating entity and will be one of the largest companies of its kind in the world.

Cotton, which provides commercial and residential services nationally and internationally, has eleven U.S. locations (Houston, Austin, Dallas/Ft. Worth, San Antonio, Atlanta, Charlotte, Orlando, Denver, Phoenix, Chicago and Washington, D.C.). It provides services to a wide range of high-value, blue-chip customers such as Home Depot, Marriott, Starwood Hotels and Resorts, The Palm Restaurant, Food Lion, and Sports Authority, among many others. For the twelve months ended April 30, 2006, Cotton generated revenues of approximately \$80 million, EBITDA of \$20 million and pretax income of approximately \$19.3 million. C&B has reported un-audited, gross revenues of \$244 million and pretax profit of \$80 million for the calendar year ending December 31, 2005.

Cotton's President and CEO Pete Bell commented that both companies bring a great deal to the table. "We're very excited about this opportunity to take two of the largest, independently owned commercial restoration companies in the U.S. and combine their strongest characteristics to form one of the largest and best in the world," said Bell. "Cotton has a strong core business that addresses a high volume of day-to-day catastrophes such as commercial fires and water damage, while C&B's business focuses on remediation of higher-end disasters, such as hurricanes and floods. We expect the combination to result in an even wider range of services for our customers and much larger and more consistent revenues and profits for Charys."

C&B President Troy Crochet said, "Due to its current mix of business and geographic coverage, Cotton has gained an extraordinary amount of reconstruction experience that will add significantly to our current knowledge base and benefit all of our customers. This acquisition will effectively expand our capabilities nationwide and provide us with an entry into international markets. The two companies have similar cultures, and as competitors we had great respect for one another. Because of this, our combined integration team anticipates a very smooth transition once the acquisition is complete." Additionally, Crochet stated that the remediation and restoration sector has yet to experience a consolidation. "Therefore we have an opportunity of becoming the dominant player through consolidation and organic growth," he said.

Billy V. Ray, Jr., Chairman and CEO of Charys, added, "The combined strength of these two industry-leading companies is a win for everyone concerned, from customers and employees, to shareholders and investors. Not only should it greatly enhance our revenues and profits, but it presents opportunities on a national and international scale for cross-marketing of complementary restoration services provided by our other subsidiaries, CCI-Telecom, Inc. (CCI) and Viasys Services, Inc. (Viasys). In addition, we expect that it may create national and international opportunities for our Integrated Infrastructure Services operating subsidiaries. With this acquisition, our 'one-stop,' complete solution strategy will be expanded to the nation and the world."

Additional details of the terms of the acquisition may be found in the Report on Form 8-K report to be filed by Charys.

About Cotton Companies

Cotton is a disaster recovery firm specializing in fire and water restoration services ranging from initial project assessment and planning, through catastrophe management reconstruction, restoration and environmental remediation. The company's strategy is to provide the highest quality service to meet our customers' expectations and anticipate tomorrow's opportunities through creative and innovative thinking in our approach to today's issues. Successful execution of this strategy has produced a broad portfolio of successful projects, extremely satisfied clients, and a most challenging set of standards for the industry. The company employs

cutting edge technology, state-of-the-art equipment, and the latest in management/personnel techniques to carry out its national and international operations. For more information, visit <http://www.cottoncompanies.com>.

About Crochet and Borel Services, Inc.

Crochet and Borel Services, Inc. ("C&B") is a leading national provider of recovery, restoration, and rebuilding services. Founded in 1995, C&B has grown into one of the largest restoration companies in Southeast Texas with offices in Houston and Port Neches. The company has played a leading role in providing restoration and recovery services in Hurricanes Rita, Wilma and Katrina. The company also provides emergency planning, coordination, and response to catastrophic losses. C&B is a network member of DisasterKleenup International, a cooperative business network of the top independent restoration companies across North America. This network represents the most experienced, highly informed, and best equipped companies in the restoration industry. For more, visit <http://www.candbservices.com>.

About Charys Holding Company, Inc. (<http://www.charys.com>)

Headquartered in Atlanta, Georgia, Charys Holding Company, Inc. (OTC Bulletin Board: CHYS.OB) is a publicly traded company focusing on the fragmented and underserved segment referred to as The Integrated Infrastructure Services Segment. This segment is fundamentally focused on environmental remediation and on upgrading the underpinning, infrastructure, and back office operations of the telecommunication, cable, electric, and Internet industries serving consumers, businesses and government entities. Charys' principle strategy is to acquire, through mergers and acquisitions, companies that support this underserved segment. Charys subsidiaries include: Viasys Services, Inc., Personnel Resources of Georgia, Inc., Method IQ, Inc., CCI Telecom, Inc., Digital Communication Services, Inc., Ayin Holding Company, Inc. and Crochet & Borel Services, Inc.

For more information about Charys visit <http://www.charys.com>.

NOTE: The names of actual companies and products mentioned herein may be the trademarks of their respective owners.

Some statements in this release, including statements regarding management's expectations for future financial results and access to capital markets, are forward-looking statements. Investors are cautioned that these forward-looking statements regarding Charys Holding Company, Inc. and its subsidiaries, their operations and financial results involve risks and uncertainties, including without limitation risks of accessing capital markets on terms acceptable to Charys, downturns in economic conditions generally and in the telecommunications and data communications markets; risks in product development and market acceptance of and demand for Charys' products; risks of failing to attract and retain key managerial and technical personnel; risks associated with competition and competitive pricing pressures; risks associated with investing in new businesses; risks related to intellectual property rights and litigation; risks in technology development and commercialization.

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