

## Naturally Advanced nets \$13.5M deal

By Erik Siemers - Business Journal staff writer

Naturally Advanced Technologies Inc. on Tuesday said it has sold more than \$13.5 million worth of shares to a syndicate of underwriters led by investment bank Canaccord Genuity Corp.

Based in Vancouver, British Columbia, but led by Portland-based CEO **Ken Barker**, Naturally Advanced is in the process of commercializing its Crailar technology, which transforms rough fibers such as flax and hemp into sustainably developed fiber that has caught the eye of major apparel brands such as Levi's and Hanes.



Naturally Advanced closes on a \$13.5 million investment and signs an additional partner.

Under the deal announced Tuesday, Canaccord will buy 3.8 million units, each comprised of a single common share and one-half of a common share purchase warrant, netting Naturally Advanced \$13.1 million Canadian, or \$13.5 million U.S., in proceeds.

If the underwriters choose to exercise an over-allotment option in the deal, the proceeds could increase to just over \$15 million Canadian, or \$15.6 million U.S.

In a news release, the company said it would use the proceeds for capacity expansion, working capital and other corporate purposes.

The capital infusion is the latest in a string of recent major events at Naturally Advanced (OTCBB: NADV, TSXV: NAT).

Last week, the company said it was teaming with uniform maker Cintas Corp. on a short-term deal to evaluate the use of Crailar's flax-based fibers in its product line.

Cintas joins Levi Strauss & Co., Georgia Pacific and Hanesbrands Inc. in testing Crailar, the latter of which evolved into a 10 year purchase agreement in March.

On Monday, Naturally Advanced announced the roll out of a new technology called Crailex, a purified, dissolving pulp derived from hemp and flax that can be turned into yarn for performance apparel, as a base for biodegradable plastics or consumer products like paper towels.

Hercules Inc., a subsidiary of Covington, Ky.-based chemicals giant Ashland Inc., has reached a two-year joint development agreement with Naturally Advanced for the Crailex technology, to create a line of cellulosic products for several industries.

Naturally advanced shares were trading at \$3.55 each Tuesday afternoon, down 35 cents.

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