

The Payne Firm, Inc. was the Environmental Consultant assisting The Carlyle Group in this deal. Below is the press release issued by The Carlyle Group.

### ***The Carlyle Group to Acquire Synagro Technologies for \$5.76 Per Share***

Houston, TX and New York, NY – Synagro Technologies, Inc. (NASDAQ: SYGR, “Synagro” or “the Company”) and The Carlyle Group (“Carlyle”) announced that they have entered into a definitive merger agreement (the “Merger”). The total enterprise value of the transaction, including the assumption of debt, is \$772 million. Synagro recycles biosolids and other organic residuals in the United States and is the only national company focused exclusively on the estimated \$8 billion organic residuals industry, which includes water and wastewater residuals. The transaction is expected to close in the second quarter of 2007.

Under the terms of the Merger, Carlyle will acquire all of the outstanding shares of Synagro for \$5.76 per share in cash, representing a 28.6% premium based upon Synagro’s closing share price on January 26, 2007. In addition, the Company plans to continue its current policy of paying dividends on its common stock through the closing of the Merger. The transaction has been approved by the Board of Directors of Synagro and Carlyle.

“I am excited about the opportunity that this merger presents for our customers, shareholders, employees and the communities we serve,” said Robert Boucher, President and Chief Executive Officer of the Company. “Carlyle is a dynamic organization with an outstanding track record of long-term investment in assets in the United States and around the world. We are confident that our partnership with Carlyle will help ensure Synagro’s continued success.”

“Synagro is dedicated to providing the highest quality service to all of our customers,” continued Mr. Boucher. “Over the last several years, as we have executed on our growth strategy as a public company, Synagro has reviewed a broad range of strategic alternatives. This partnership with Carlyle gives Synagro the best opportunity to maintain our role as a necessary service provider, a key employer and a long-time community partner while delivering a highly attractive cash premium to our shareholders. This is the right transaction at the right time with the right partner for Synagro.”

Barry Gold, Managing Director of Carlyle and Co-head of the Infrastructure Team, said, “We are pleased to team with this well-established, solidly-run company as Carlyle’s Infrastructure Team makes our first acquisition. Synagro is a strong, stable company in a market that has displayed consistent growth over time. We believe it is an excellent, long-term investment for our firm.”

Robert Dove, Managing Director of Carlyle and Co head of the Infrastructure Team, said, “We are confident that with Synagro’s talented management team and experienced workforce, the Company will continue to enhance its financial and operating performance and build upon its competitive dominance in the industry in which it operates. We are firmly committed to making the capital expenditures necessary to ensure Synagro continues to grow its business and provide the high level of reliability and customer service for which it is known.”

#### *Commitment to Synagro Management and Employees*

Upon completion of the transaction, Synagro Technologies’ common stock will cease to be publicly traded and the Company will be a wholly owned subsidiary of a Carlyle affiliate.

“A significant part of our attraction to Synagro is the high quality of its existing management and employees,” said Mr. Gold. “We look forward to those same people continuing to play an essential role at Synagro, and to working closely with Robert Boucher and the other members of the Synagro management team to continue driving the Company’s success.”

### *Transaction Terms*

The Company's Board of Directors complimented the investment bank Lehman Brothers, Inc. and its outside counsel Locke Liddell & Sapp for conducting a comprehensive private auction over the past several months that resulted in significant value for the Company's stockholders. Under the terms of the merger agreement, Synatech Holdings, Inc., a Delaware corporation owned by Carlyle, will acquire all of the outstanding common shares of Synagro for \$5.76 per share in cash. The transaction has a total equity market value of approximately \$462 million.

The offer represents a premium of 28.6% based upon Synagro's closing share price on January 26, 2007 and a premium of 30.1% over Synagro's average 30-day closing price ending January 26, 2007.

The total enterprise value of the transaction is approximately \$772 million, including the assumption of \$310 million in debt.

### *Approvals and Timing*

The transaction is subject to customary closing conditions, including the approval of Synagro's stockholders.

Lehman Brothers acted as sole financial advisor to the Company and rendered a fairness opinion regarding the transaction to Synagro's Board of Directors.

Merrill Lynch & Co. acted as financial advisor to Carlyle in connection with the transaction.

Gibson Dunn & Crutcher acted as counsel to Carlyle.

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