



## Sterling Investment Partners' Portfolio Company – Washington Inventory Service is Sold to ONCAP, LP

May 4, 2005

Westport, CT – Sterling Investment Partners, LP (“Sterling”), a private equity firm based in Westport, CT, announced that a portfolio company, Washington Inventory Service (San Diego), has merged with Western Inventory Service (Toronto, Canada) a portfolio company of ONCAP L.P. (“ONCAP”), a private equity firm based in Toronto, Canada. The combined businesses will form WIS International and will be owned by ONCAP and management. Washington Inventory Service and Western Inventory Service are recognized as leading suppliers of counting services to retailers and others with inventory and asset management needs.

Headquartered in San Diego, California since its inception in 1953, Washington Inventory Service provides inventory counting and information gathering services on a worldwide basis to meet the financial reporting and inventory control requirements of a wide variety of high volume retailers. Washington also provides merchandising support, special project execution, and verification services to confirm compliance with promotional programs to major companies. Major customers include Wal-Mart, Target, Dollar General, Albertsons, Walgreen, Rite Aid, JC Penney, Jo-Ann stores, Gap, Sunoco, Safeway and Reynolds American. Washington operates 150 offices throughout the United States, Mexico, South America, Europe and Asia and has access to over 11,000 full and part-time employees.

Western Inventory Service is the largest inventory service company in Canada. Established in 1967 it has grown to over 50 offices throughout Canada, and offers nationwide coast-to-coast service in Canada to drug stores, home centers, sporting goods stores, specialty retailers and grocery stores. Major customers include Wal-Mart Canada, Zellers, Shoppers Drug Mart, Home Depot Canada and The Bay. Western Inventory entered the U.S. market in 1994 and has grown to 16 offices covering the East coast with a divisional office in Pittsburgh.

William L. Selden, a Managing Partner of Sterling remarked, “Sterling has been very pleased with the performance of Washington Inventory Service. We also believe that the merger with Western Inventory Service will result in significant strategic value for Washington and its employees.”

Charles W. Santoro, a Managing Partner of Sterling added, “We are very happy with our investment in Washington Inventory Service and are proud of our successful role in working with management to build the business during our ownership period. The ONCAP organization and Western Inventory Service will be excellent new partners for Washington Inventory Service.”

Edward Tonkon II, President and CEO of Washington Inventory Service added “The vision of a ‘combined WIS’ has existed for many years, and now provides us with expanded capacity in key strategic channels. The collective operation will permit us to provide a wider product offering, including merchandising services, to our customers on a truly global basis.”

Sean Davoren, President and CEO of Western Inventory Service commented, “This merger creates a formidable new company which has broader geographic coverage and greater capacity to meet the expanding needs of the retail community. The combined companies will share solid operational and technical expertise and will provide an even-stronger service network to our customers.”

I. Edward Tonkon II will be the Chief Executive Officer of the new company, WIS International, and Sean P. Davoren will be the Chief Operating Officer.



# NEWS RELEASE



Sterling Investment Partners, L.P., based in Westport, CT, is a leading private equity firm focused on the middle market. Sterling invests in companies with significant competitive strengths and growth potential. Founded in 1991, Sterling and its predecessor have completed investments, strategic or add-on acquisitions, and liquidity events with an aggregate transaction value of approximately \$3.5 billion, representing over 45 companies. Sterling maintains a broad industry focus, including professional and business services, manufacturing, transportation and logistics, and technology-related businesses.

ONCAP, L.P., ([www.oncap.com](http://www.oncap.com)), is a Toronto-based private equity firm dedicated to investing in and building North American small and mid-sized companies in partnership with their management teams. ONCAP invests in industry leading companies that possess meaningful growth potential and have operating profits in excess of \$5 million.