



Fairway Market Awarded Consumer – Deal of the Year

May 15, 2008 - The First Annual "M&A Magazine" Awards were held in Orlando, Florida, and Sterling Investment Partners ("Sterling") is pleased to announce that its portfolio company Fairway Market ("Fairway") was awarded Consumer–Deal of the Year.

From its roots as a produce market on the city's Upper West Side, Fairway has morphed to become a much larger, general and specialty food purveyor to the New York City-metro area offering fresh fruits and vegetable and gourmet fare from high-quality olive oil and butter to meats, artisan cheeses and chocolates.

"Everything about this partnership is exciting; not just for me and my family, but also for the 10 million-plus customers who shop at Fairway annually and the millions who have wanted to for years but do not have easy access to a Fairway site – yet! We greatly look forward to achieving our growth objectives with support from Sterling," said Howie Glickberg, Fairway's third generation owner and the Company CEO. His grandfather, Nathan Glickberg, opened the original Fairway Market, a fruit and vegetable store, in 1940, where Fairway's flagship Broadway and 74th Street store now stands.

Last year, Fairway, which does the highest volume sales per square foot of any grocery in the country, opened a 70,000-square foot store in the Red Hook section of Brooklyn, the first food store of its kind in that borough. There are also Fairway Markets at 125th St. and 12th Ave. in Manhattan and in Plainview, Long Island. Additional Fairway locations are currently underway in New Jersey and Southern Westchester, with more planned.

Mr. Charles Santoro, a managing partner at Sterling and chairman of Fairway commented, "Sterling was introduced to the principals of Fairway approximately three years before we concluded our investment, and we therefore had the opportunity to spend a great deal of time helping Fairway think through its growth strategy and needs going forward. Fairway was looking for a partner, and the time we spent over those three years gave us all a chance to have significant first-hand experience working together and melding a common strategy. The founding family continues as significant owners, with Howie running the business day-to-day as CEO, and many of the senior managers for the first time owning equity."

Mr. Santoro said the Company initially plans to open other new stores "in a radius around New York City," including New Jersey and Connecticut. It also plans to invest in Fairway's rapidly growing private-label business.

Mr. Bill Selden, a Managing Partner at Sterling, continued, "Our plan is to provide growth capital to the business. We consider our market the broader New York metropolis, which is the largest food market in the United States and one of the largest in the world. We've also been approached by major developers in other major metropolitan areas. We believe there is ultimately a multiregional market open to growth."

About Sterling Investment Partners

Sterling Investment Partners, based in Westport, Connecticut, invests in companies with significant competitive strengths and growth potential. Sterling has completed investments, strategic or add-on acquisitions, and liquidity events with an aggregate transaction value of approximately \$7.0 billion, representing over 75 companies. Sterling maintains a broad industry focus, including professional and business services, manufacturing, transportation and logistics, and technology-related businesses www.sterlinglp.com.