



## Fairway Market Completes \$114 Million Debt Financing

January 14, 2010 — Sterling Investment Partners ("Sterling") is pleased to announce that its portfolio company Fairway Market ("Fairway") has completed a \$114 million debt financing. The financing will be used to repay existing bank debt and fund future store expansion. The financing was led by Credit Suisse Securities (USA) LLC and Jefferies Finance LLC.

Fairway operates five high-volume, destination retail food super-stores in the New York City metropolitan area and has signed leases and begun construction to open three new locations during the next 18 months. The original Fairway store at 74th Street and Broadway was founded in the 1930s as a small neighborhood market by the grandfather of the present CEO, Howie Glickberg. This year, Fairway - which does the highest volume sales per square foot of any grocery store in the country - opened a 50,000 square foot store in Paramus, New Jersey. There are also Fairway Markets at 125th St. and 12th Ave. in Manhattan, Plainview, Long Island and the Red Hook section of Brooklyn. Fairway's three newly scheduled locations are in Pelham, New York; Stamford, Connecticut; Douglaston, Queens; with more planned in the New York City metro area.

Charles Santoro, managing partner and co founder of Sterling, and chairman of Fairway, commented, "Fairway has compelling growth opportunities as its stores appeal to a wide variety of customers, and Fairway is enthusiastically embraced by those new communities we target. This financing, together with Sterling's significant equity investment, provides Fairway with additional growth capital to support its exciting store opening initiatives."

Mr. Santoro continued, "In the past three years, we have invested heavily to support Fairway's growth. In partnership with our management partners, including the founding Glickberg family, we have been very focused on improving and scaling operations, building our private label offerings, and investing in technology and logistics to accommodate new store openings."

From its roots as a produce market on the city's Upper West Side, Fairway has morphed to become a much larger, food retailing super-store to the New York City metro area offering legendary produce, meats, specialty and organic products, together with a huge selection of everyday grocery items. With more than 10 million customers annually, approximately 80,000 SKUs at each store and a reputation for quality and great values, Fairway has a retailing format that is unique in the marketplace. With the Spring 2010 opening of Fairway in Pelham, Fairway will have nearly 3,000 employees and generate approximately \$500 million in annual revenues.

Howie Glickberg, chief executive officer of Fairway, noted, "We have a passionate management team with a proven track record. Each one of our key departments is run by "food people" who share our passion for our products and our customers. We pride ourselves on being "Like No Other Market" by offering unique specialty items and everyday groceries at highly competitive prices. We look forward to continuing our expansion in partnership with Sterling."

Michael Barr, principal of Sterling, continued: "Our potential customer base encompasses the broader New York City metropolitan area, including New Jersey and Connecticut, which is the largest food market in the United States and one of the largest in the world. Our current focus is on building a leading food retail presence in this broader area, but we believe our format ultimately lends itself to a larger multiregional presence."

### About Sterling Investment Partners

Sterling Investment Partners, based in Westport, Connecticut, invests in companies with significant competitive strengths and growth potential. Sterling manages in excess of \$1 billion of equity capital and has completed investments, strategic or add-on acquisitions, and liquidity events with an aggregate transaction value in excess of \$8.0 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](http://www.sterlinglp.com).

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