



STERLING INVESTMENT PARTNERS PURCHASES EXCELLIGENCE LEARNING CORPORATION

Westport, CT — August, 2011 — Sterling Investment Partners (“Sterling”), a leading Westport, CT based, private equity firm, today announced the closing of the acquisition of Excelligence Learning Corporation (“Excelligence”), a leading developer, manufacturer, distributor, and retailer of educational products and supplies for child care programs, preschools, elementary schools, and consumers.

Charles Santoro, cofounder and managing partner of Sterling, and chairman of Excelligence, commented, “We are highly impressed with Excelligence and are committed to working in partnership with management to continue the strong growth of the company.” Mr. Santoro continued, “We believe Excelligence represents a compelling growth platform in the area of educational products with customers in all fifty states, offering over 20,000 SKUs.”

Mr. Santoro continued, “We look forward to providing the necessary resources to fuel potential acquisitions and organic growth of new and existing products. The company has proven capable of acquiring, and then effectively marketing, new products through its extensive and established sales channels including over 5.6 million catalogs mailed and e-commerce platform to drive revenue growth.”

Douglas Newhouse, cofounder and managing partner of Sterling, continued, “We are thrilled to be associated with such a fine business. We and current management share the goals of continuing to take advantage of the opportunities in the growing education space and providing superior customer service.”

Excelligence Learning Corporation, founded in 1985 and headquartered in Monterey, CA, is an industry-leading, full-line producer and distributor of high volume, consumable and non-consumable educational products to the \$1.4 billion pre-K market and the K-6 market. The company markets, manufactures and distributes to customers including child care programs, daycare centers, preschools, after school programs, elementary schools, PTAs, PTOs, teachers, and, to a lesser extent, parents of young children.

Kelly Crampton, chief executive officer of Excelligence Learning Corporation said, “We were very impressed with Sterling's track record of working with companies and taking them to the next level of growth. While Excelligence successfully executed both organic and acquisition growth strategies, we believe we can further accelerate our growth, especially through selected acquisitions, by partnering with Sterling. Sterling brings significant strategic and financial resources that we believe will provide great value to us.”

About Excelligence Learning Corporation

Excelligence Learning Corporation is a leading developer, manufacturer, distributor, and retailer of educational products, which are sold to child care programs, preschools, elementary schools, and consumers. Excelligence provides quality educational products and programs for children from infancy to 12 years of age at all ability levels. The corporation offers a broad array of products designed for classroom use, enhanced by its extensive proprietary product development program. Excelligence's mission is to help further children's education beginning at birth, and to support learning at school and at home by providing educators and parents with high quality products, services, and valuable resources.

www.excelligence.com

About Sterling Investment Partners, L.P.

Sterling Investment Partners, a leading Westport, CT based, private equity fund, invests in companies with significant competitive strengths and growth potential. Founded in 1991, Sterling has completed investments, strategic or add-on acquisitions, and liquidity events with an aggregate transaction value in excess of \$9.0 billion, representing more than 100 transactions. Sterling maintains a broad industry focus, including professional and business services, niche manufacturing, transportation and logistics, retail/ consumer, technology-related and education businesses.

www.sterlinglp.com

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