

## FdG Associates Announces Sale of The Vitamin Shoppe®

**NEW YORK, NY (December 2, 2002)** – FdG Associates, a middle market private equity firm, announced today the sale of Vitamin Shoppe Industries (d/b/a The Vitamin Shoppe®), a leading discount retailer and direct marketer of vitamins, minerals and nutritional supplements, to an affiliate of Bear Stearns Merchant Banking. FdG, together with The Vitamin Shoppe’s Founder and CEO, Jeffrey Horowitz, and President and COO, Thomas Tolworthy, will retain an equity interest in the company.

“FdG has been a trusted partner for over five years and the firm’s expertise and commitment to The Vitamin Shoppe® has helped us to become the industry’s leading triple channel retail brand,” said Jeffrey Horowitz, Founder and CEO of The Vitamin Shoppe®. “Over that time, our retail business has grown from eighteen stores in the metro New York area to 120 stores across 14 states and Washington D.C., helping to quadruple our total sales.”

In 1997, FdG Associates led a recapitalization of The Vitamin Shoppe® to provide liquidity for the founders, as well as significant capital for future expansion. FdG, along with co-investor J.P. Morgan Partners (formerly Chase Capital Partners), purchased seventy percent of the business at that time. The senior debt facility for the initial Vitamin Shoppe transaction was arranged by Antares Capital Corporation and JPMorgan Chase Bank. The company also issued subordinated notes to Chase Capital Partners and Banc of America Capital Investors (Chicago).

Since FdG began its partnership with The Vitamin Shoppe in 1997, the company has expanded aggressively, adding 102 stores along the East Coast and creating an industry leading Internet business, [www.VitaminShoppe.com](http://www.VitaminShoppe.com), in 1998 to complement its catalog

operations. The Vitamin Shoppe has recently opened stores in the Chicago market and has plans to enter California before the end of the year.

“Over the last five years, The Vitamin Shoppe® has grown into a leader in its market. As the lead investor and management’s partner, we are pleased to see the enormous success of the company’s efforts to expand its retail presence and to continue to develop its direct marketing channels,” said David Gellman, Managing Director, FdG Associates. “We still strongly believe in The Vitamin Shoppe’s® category killer format and are excited about participating with Bear Stearns Merchant Banking and the management team as the company continues its national retail roll-out.”

### **About FdG Associates**

FdG Associates is a private investment firm providing equity capital to North American-based middle market growth companies with sound businesses and unrealized potential. By building a partnership with management and offering creative problem solving and strategic, long-term planning focused around key corporate initiatives, FdG empowers companies to achieve their full growth potential and increase their equity value.

FdG typically commits \$15 million to \$30 million in equity to sponsor management buyouts, recapitalizations and growth-oriented capital investments in private and public companies. The deep and diverse experience of the firm’s executive team enables FdG to pursue opportunities in the business and consumer services, distribution, light manufacturing, retail and consumer products sectors.

FdG’s first committed fund, FdG Capital Partners, raised \$205 million. Since its founding in 1995, the firm has made over 10 investments, principally in distribution, business services, retail and consumer products. The firm’s current portfolio includes several other private company recapitalizations (Implus Footcare LLC, Industrial Controls Distributors LLC and Vintage Nurseries LLC), as well as growth equity investments in Golf Galaxy, Inc. and DentaQuest Ventures, Inc.

FdG is headquartered in New York, NY. For additional information, please visit [www.fdgassociates.com](http://www.fdgassociates.com).

### **About The Vitamin Shoppe Ò**

With 120 stores nationwide, **The Vitamin Shoppe®** is one of the largest specialty retailers and direct marketers of nutritional products in the country. Founded in 1977, **The Vitamin Shoppe Ò**, through its national network of stores, monthly catalog, and Web site ([www.VitaminShoppe.com](http://www.VitaminShoppe.com)), offers the industry's most complete product line of

brand name vitamins, nutritional supplements, literature, homeopathic remedies, and other health-related products. **The Vitamin Shoppe** is known for its discount prices, excellent customer service, and superb selection of more than 25,000 items from over 350 national brands. Currently, the company continues to expand in major markets throughout the nation.

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