



MICRODYNAMICS GROUP

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Microdynamics Group Acquires MetroGroup Transaction Services

CHICAGO--MetroGroup Holding, LLC, a portfolio company of Sterling Capital Partners, announced today that it has completed the sale of the MetroGroup Transaction Services business unit to Microdynamics Corporation of Naperville, Illinois. The transaction was facilitated by the investment banking firm Duff & Phelps in their capacity as advisor to MetroGroup Holding.

MetroGroup Transaction Services ("MTS") has highly specialized facilities in Glendale Heights, Illinois and Seward, Nebraska. MetroGroup's Seward, Nebraska facility also provides fulfillment and marketing services to many of the country's largest direct mailers thru MetroGroup Marketing Services. As a result of the sale, the MetroGroup Transaction Services' activity at the Seward facility will be migrated to Glendale Heights and other Microdynamics' facilities.

"MTS manages, produces and distributes sensitive and recurring business-critical documents to millions of consumers and businesses on behalf of financial service companies, credit unions, collection agencies, utility companies, insurance agencies and other companies that require accurate, sensitive document production with on-time delivery," said Tom Harter, Sr., CEO of Microdynamics. Mr. Harter added, "The combination of Microdynamics and MTS brings together two of the leading transactional mail printing companies in the U.S. and firmly positions the Company as one of the premier operators in the industry."

MetroGroup Marketing Services' business at Seward will be moved to its center of excellence in Mt. Pleasant, Iowa. The Iowa facility is strategically located geographically and equipped to facilitate large scale, accurately targeted in-home delivery of mail throughout the country for its clients.

"This transaction and the resultant concentration of assets in MetroGroup Marketing Services' mega center in Mount Pleasant, IA allows the company to further sharpen its focus on Marketing Services and enhances the company's value delivery process to its customers which focuses on: superior customer service, programming and proofing expertise, cycle time reduction, postage expense mitigation, service cost containment, and

expense reduction associated with the supply of printed components,” said Brian Bomberger, VP of Sales and Marketing.

MetroGroup Marketing Services, a wholly owned subsidiary of MetroGroup Holding LLC, is a leading provider of direct mail production, printing, and packaging and fulfillment solutions to results-focused businesses and marketing organizations. Providing superior services for more than half a century, the company currently assembles millions of pieces of mail per day for some of the most respected companies, large and small, in the fields of financial services, consumer products, media, fundraising, retail, telecommunications, travel and entertainment, insurance, healthcare and pharmaceuticals.

Microdynamics (www.microdg.com), a portfolio investment of Wafra Partners LLC, is a leading provider of printed and electronic billing solutions. Microdynamics provides one source, turnkey solutions for the printing, mailing, and electronic delivery of invoices, bills and statements. The Company’s ability to improve turnaround times, create detailed color material and improve efficiencies for its customers has made the Company a vital business partner for many well known Fortune 500 companies as well as for a diverse group of regional, consumer-focused financial institutions. Wafra is a middle market private equity group based in New York City. Wafra (www.wafrapartners.com) invests in companies with revenues of between \$20 million and \$150 million in a variety of industries, including consumer products, business services and niche manufacturing.

Sterling Capital Partners is an affiliate of Sterling Partners (“Sterling”), a private equity firm with nearly \$4 billion of capital under management. Founded in 1983, Sterling partners with superior management teams, invests in companies with strong business fundamentals and leverages the firm’s proprietary methodology for acceleration of growth. Sterling collaborates closely with entrepreneurs and business owners to achieve the growth standard in their industry. Sterling Capital Partners generally assumes controlling interests in companies through equity investments ranging from \$15 million to over \$150 million per company. Industries of focus include education, healthcare, business services, financial services, direct marketing and specialty manufacturing and distribution. (www.sterlingpartners.com)