

## **NORTH CASTLE PARTNERS SELLS ATKINS NUTRITIONAL HOLDINGS, INC.**

### **Leading Diet Company Transformed and Grown Over Three-Year Investment Period**

Greenwich, CT, December 10, 2010 -- North Castle Partners, a leading investor in small-cap consumer companies focused on health, wellness and active living, announced today that the firm and its co-investors have completed the sale of Atkins Nutritional Holdings, Inc. ("Atkins"). The terms of the transaction were not disclosed.

The Atkins Nutritional Approach, supported by more than 50 clinically-reviewed and published studies, has helped millions of people lose weight since the system was popularly introduced in the 1960s. Through a unique line of nutritional bars, ready-to-drink shakes, other snacks, and a low-sugar carbohydrate-optimization weight management program, Atkins provides an effective weight loss system and lifestyle tools to a growing consumer base of several million users worldwide. Atkins sells its products in the nutritional aisle at approximately 30,000 retail outlets, across the food, drug, and mass-merchant channel throughout the United States and in over 20 countries around the world. The company offers consumers its Atkins diet program and a full suite of weight loss and weight management support tools online at [www.atkins.com](http://www.atkins.com).

"The Atkins brand has been transformed into a premier weight management company over the past three years, an achievement that is a testament to North Castle's close partnership with senior management," said North Castle's Managing Partner Chip Baird. "The Atkins success is a model of North Castle's approach to bringing real operating value improvements to its portfolio companies in partnership with exceptional management teams."

"North Castle's experience in the weight management and food & beverage markets, coupled with its brand-transformation and brand-building capabilities, and its broad network of medical, scientific, consumer and retail relationships, were instrumental in helping us build a great company and brand," remarked Atkins CEO Monty Sharma. "Our team appreciates the deep partnership that we have enjoyed with North Castle over the past three years at Atkins, as well as at our prior successes at Naked Juice and EAS."

North Castle Managing Director Lou Marinaccio added, "Over the past three years, we partnered closely with Atkins senior management to make a number of significant strategic moves in branding, marketing and diet development that helped to build a large and rapidly-growing consumer following and enabled North Castle Partners to achieve its goals earlier than planned."

During its ownership, North Castle and management led Atkins through an evolution that included: upgrading products; reintroducing the brand to retailers and consumers; incorporating the latest in medical and nutritional science, including over 50 scientific studies, to update the Atkins diet program for greater weight loss and maintenance; and launching a comprehensive diet program online. Those who have made the Atkins nutritional approach a lifestyle report a 96% satisfaction rate with the program.

Atkins is being sold to private equity firm Roark Capital Group and its affiliates. "We are very excited to partner with Monty Sharma and his team to help support the continued growth of the Atkins brand," said Ezra Field, Managing Director of Roark. "Atkins is consistent with our strategy of investing in leading consumer businesses with strong brands, differentiated market-positions and identifiable growth opportunities," Field continued.

CEO Monty Sharma added, "I'm very pleased to have Roark as a partner to support the continued growth of the Atkins brand. Their operational approach and the weight management sector experience they bring make them a terrific partner for Atkins and its management team going forward."

Lazard Middle Market provided strategic and financial advice while Morrison Cohen provided legal counsel to North Castle and the Atkins shareholders.

The year 2010 has been an active one for North Castle. In addition to the Atkins sale, the firm partnered with entrepreneur-founders Stacey and Mike Marsh in January to invest in Flatout Flatbreads, the leading healthy, premium flatbread company. In September, North Castle partnered with senior management to invest in Ibex Outdoor Clothing, a premier provider of technical, wool-based outdoor apparel. The firm continues to seek new investment opportunities across health, wellness and active living markets while actively building value at its existing portfolio companies.

### **About North Castle Partners**

North Castle Partners is a leading small-cap consumer private equity investor with a focus on the health, wellness and active living markets. North Castle's mission is to partner with entrepreneurial management teams to build great companies both through tangible value creation initiatives that leverage its deep experience, knowledge base and network, and by pursuing a values-based approach that promotes stronger partnerships. North Castle's current portfolio includes such well-known brands as Flatout Flatbreads, Ibex Outdoor Clothing, glominerals, Mineral Fusion, Red Door Spas, Performance Bicycle, World Health Club, Cascade Helmets, and Octane Fitness. Prior portfolio company holdings include Naked Juice Company, Enzymatic Therapy, Equinox Fitness, EAS, CRC Health Group, Doctor's Dermatologic Formula, and Avalon Natural Products. North Castle is headquartered in Greenwich, CT. For more information, visit [www.northcastlepartners.com](http://www.northcastlepartners.com).

### **About Atkins Nutritional, Inc.**

Founded in 1989 and headquartered in Denver, CO, Atkins Nutritionals, Inc. provides the largest and best-known, scientifically-supported carbohydrate-optimization weight-management program in the world and is the second-largest U.S. weight management brand at retail. The Company markets great-tasting, Atkins diet-compliant nutrition bars, shakes, and better-for-you confections under the Atkins Advantage and Atkins Indulge brands that have a proven nutrition advantage versus the competition – high protein, fiber, vitamins and minerals, low sugar and no trans fats. The Atkins diet program and the Atkins Advantage and Atkins Indulge products appeal to healthy, active men and women who choose foods wisely to enhance their health and well-being, as well as those consumers seeking a safe, effective, and sustainable way to lose and manage their weight. The Atkins diet plan and weight-management lifestyle, known as the Atkins Nutritional Program, is strongly supported by credible science — more than 50 clinically-reviewed, published studies support its efficacy and safety. Empirically, many consumers have maintained a healthy lifestyle for years, and in some cases decades, following the basics of the Atkins Nutritional Program. For more information, please visit [www.atkins.com](http://www.atkins.com).

### **About Roark Capital Group**

Roark Capital Group is an Atlanta-based private equity firm that specializes in consumer, business and environmental services companies with attractive growth prospects and revenues ranging from \$20 million to \$1.0 billion. Roark focuses on middle-market investment opportunities through family-owned business transfers, management and corporate buyouts,

recapitalizations, going-private transactions and corporate divestitures. Roark has acquired 19 franchise/multi-unit brands that collectively have approximately 3,500 franchisees and \$5 billion in system-wide revenues across 50 states and 43 countries. Its current franchise portfolio includes such brands as Carvel, Cinnabon, Schlotzky's, Moe's Southwest Grill, Seattle's Best Coffee International, McAlister's Deli, Money Mailer, Fast Signs, Batteries Plus, Primrose Schools, Pet Valu, Wingstop, and Auntie Anne's. The firm has more than \$1.5 billion of equity capital under management. For more information, visit [www.roarkcapital.com](http://www.roarkcapital.com).