

## NEW MOUNTAIN BUYS INMAR FOR \$350M

BY DAVID CAREY

**New Mountain Capital LLC** has purchased a majority of **Inmar Inc.** in a leveraged recapitalization that valued the Winston-Salem, N.C., provider of logistics services to supermarkets and drug stores at about \$350 million.

The New York private equity firm bought Inmar in a privately negotiated deal from John Whitaker, a North Carolina entrepreneur who founded it in 1980. Whitaker retains a minority interest and will remain the company's chairman and chief executive.

New Mountain managing director Doug Londal said his firm committed about \$200 million of equity to the deal, a portion of which will help fund future add-on acquisitions.

It invested through New Mountain

Partners II LP, the \$1.55 billion investment fund it raised in 2004. **Wachovia Securities** arranged debt financing for the recap.

Londal said Inmar's operating subsidiary, Carolina Logistics Services, which handles returns of defective or expired products for major North American grocery and drug stores chains, is the largest operator in those niches.

Carolina Logistics, he added, is growing quickly, due in part to a rise in product returns and retailers' growing inclination to turn to outsourced service providers such as Inmar.

Products returns "have been going up dramatically for various reasons, including Internet sales, which have a

higher return rate" than store-bought items, Londal said.

In turn, the rising traffic in damaged soup cans and expired soda bottles has led retailers to hire third-party providers like Inmar.

"Many retailers consider forward logistics a core competency of theirs, but not return logistics," Londal remarked. Whereas only about 10% of retailers outsourced their returns in 2000, nearly 30% do so today, he said.

Londal would not disclose Inmar's revenue and profit.

**Edgeview Partners'** Matthew Salisbury and lawyer Jeffrey Hay of **Womble Carlyle Sandridge & Rice PLLC** advised Inmar. Wachovia Securities advised New Mountain. ■



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The Daily Deal

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