

Press Release

580 California Street
Suite 2000
San Francisco, CA 94104
Tel: 415.358.3500
Fax: 415.358.3555

Sentinel Sells Massage Envy

Successful Exit Of Nation's Leading Franchisor Of Massage And Spa Services

NEW YORK, NY, SEPT., 2012 – Sentinel Capital Partners, a private equity firm that invests in promising, lower middle market companies, today announced the sale of Massage Envy, the nation's largest provider and franchisor of massage therapy and facial treatment services, to private equity firm Roark Capital Group. Terms of the transaction were not disclosed. Based in Scottsdale, Ariz., Massage Envy transformed the delivery of professional, convenient, and affordable massage and spa services to consumers with busy lifestyles. During Sentinel's ownership, Massage Envy grew rapidly, expanding from 600 clinics operating in 42 states to 800 locations in 45 states. Today, Massage Envy provides massage therapy, facial treatments, and a proprietary line of wellness retail products to an active member base of more than 1.2 million clients every month. Massage Envy clinics are also the world's largest employers of licensed and registered massage therapists, numbering more than 20,000. Massage Envy was ranked No. 57 in Entrepreneur magazine's 2012 Franchise 500 and No. 29 in the magazine's Fastest Growing Franchise rankings.

"Massage Envy is truly a special business that has had a profound impact on the wellness industry as well as franchising," said Jim Coady, a partner at Sentinel. "Since its inception a decade ago, Massage Envy has grown into a leading franchisor with \$1 billion in system-wide sales, while changing the way consumers utilize massage therapy through using a membership-based model."

"The Sentinel team has been an excellent partner to us during this rapid period of growth," said David Crisalli, Chief Executive Officer of Massage Envy. "The Massage Envy brand and organization is stronger than ever. We are well positioned to continue its mission—providing a pathway to wellness through professional, convenient, and affordable massage therapy and spa services. We thank Sentinel for all of their contributions."

"We are fortunate to have worked with such a capable and dedicated management team," said John McCormack, co-founder and senior partner at Sentinel. "They have transformed the industry and created for Massage Envy a first mover advantage. And they have also positioned Massage Envy for further rapid growth."

Sentinel's current portfolio is comprised of several leading franchise businesses, including Huddle House, a franchisor of family dining restaurants serving southwestern communities in the U.S.; Interim Healthcare, the nation's largest provider of home healthcare and supplemental healthcare staffing services; and Southern California Pizza, a franchisee that owns and operates more than 225 Pizza Hut restaurants in the greater Los Angeles market. Past investments in franchising include Border Foods, a leading franchisee in the Taco Bell system; Cottman Transmission Systems, the nation's second-largest franchisor of transmission repair depots; and Falcon Holdings, one of the largest franchisees of Church's Chicken restaurants.

Press Release

580 California Street
Suite 2000
San Francisco, CA 94104
Tel: 415.358.3500
Fax: 415.358.3555

The exit marks the latest event in an active year for Sentinel. In addition to Massage Envy, Sentinel has successfully completed two other exits in 2012: Inscape Publishing, a leading provider of assessment and training products that develop interpersonal skills; and LTI-Boyd, a leading designer and manufacturer of mission-critical sealing and energy management solutions. During 2012, Sentinel has also completed the three new platform acquisitions: Colson, a manufacturer of casters, wheels, and related hardware products; Northeast Dental Management, a dental practice operating dental clinics in the Northeast; and restaurant franchisor Huddle House.

William Blair & Company, a Chicago-based investment bank, North Point Advisors, a San Francisco-based investment bank, and Kirkland & Ellis, and New York-based law firm, advised Massage Envy in the transaction.

About Sentinel Capital Partners

Sentinel Capital Partners specializes in buying and building lower middle market companies in the United States and Canada in partnership with management. Sentinel targets eight industry sectors — aerospace/defense, business services, consumer, distribution, food/restaurants, franchising, healthcare, and industrials. Sentinel invests in management buyouts, purchases of family businesses, corporate divestitures, going-private transactions, and special situations of businesses with EBITDA between \$7 million and \$35 million. For more information about Sentinel, visit www.sentinelpartners.com.

About Massage Envy

Massage Envy, based in Scottsdale, Ariz., is the leading provider of therapeutic massage and spa services in the United States. Structured as a franchisor, Massage Envy is dedicated to providing professional and affordable therapeutic massage and spa services to consumers with busy lifestyles at convenient times and locations. Founded in 2002, Massage Envy has more than 800 franchised locations in 45 states. The company was recently ranked No. 57 in Entrepreneur's 2012 Franchise 500 and No. 29 in its Fastest Growing Franchise rankings. Massage Envy is a member of the International Franchise Association (IFA) and was recently named a 2012 Military Friendly Franchise.