

**CONFIDENTIAL**

# New Mountain Capital, LLC

# Important Notices

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- This report is presented in connection with a meeting with one or more qualified private equity investors. This document is intended for informational purposes only. It is not to be construed as an offer or a solicitation for the sale of a security. An investment with the Fund or any of its affiliates involves significant risks and may only be made pursuant to the Fund's offering documents.
- Returns presented herein are based on management estimates and are unaudited and not guaranteed. Future returns may be higher or lower than those presented herein.
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# Status Report – July 2007

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- Success of New Mountain Fund I further solidified
- Fund II performing very well
- New transaction pipeline excellent
- Business building activities across all portfolio companies
- Continuous strengthening of New Mountain team
- All New Mountain success is a full team effort

# New Mountain Capital, L.L.C.

## Mission

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- New Mountain's intention is to be "best in class" in the new generation of private equity as measured by:
  - Returns
  - Control of risk
  - Service to our limited partners
  - The quality of the businesses we build

# Gains on New Mountain Fund I Solidified

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- \$721.8 million of gross capital returned vs. \$562 million invested
- In addition, Apptis, Overland and National Medical positions owned in full and “free of charge”
- 63.6% gross IRR for companies sold
- 39.4% gross IRR, with remaining portfolio held at cost or below current trading values
- \$50 million return of capital from Apptis in December 2006
- Meanwhile, stock market now just back to January 2000 starting level

# Fund II Performing Very Well

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- Deltek substantially ahead of New Mountain's original investment plan, and has filed to go public
- Validus substantially ahead of New Mountain's original investment plan, and has filed to go public
- MailSouth experiencing major new customer demand and growth in earnings
- Connexions growing very rapidly, with outstanding upside potential
- Paris Re substantially ahead of New Mountain's original investment plan, and has filed to go public
- Ikaria acquired in March 2007; projections raised
- Inmar acquired in April 2007; exclusive NMC opportunity
- Proprietary transaction pace stronger than ever
- New Mountain team stronger than ever

# Deltek Systems, Inc.

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- A leader in project based software
- Objective: Transform a very high quality, family company into a larger, world class competitor
  - Top new managers recruited from PeopleSoft, Novell and elsewhere
  - Three strategic acquisitions
  - New approach to marketing and sales
- Major new customer wins since New Mountain investment
- Revenue and earnings growth far ahead of plan of NMC's original acquisition plan
- \$80 million of New Mountain's \$180 million investment returned within first 54 weeks
- 94.0% IRR based on December 2006 3<sup>rd</sup> party valuation
- Deltek has filed to go public; transaction pending

# Validus Holdings, Ltd.

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- One of the leading new Bermuda reinsurers
  - \$1billion of start-up equity from New Mountain, Goldman Sachs, others
  - Best in class industry team
- Founded in aftermath of Hurricane Katrina, Rita and Wilma
  - Largest dislocation in insurance industry history
  - Major improvements in reinsurance pricing
  - Major improvements in reinsurance terms and conditions
  - Major improvements in risk controls and conservatism
- Created company at book value, while comparables generally trade at average of 1.3-1.7x book value, or more
- Investment thesis was to earn significant returns assuming severe catastrophe activity
- Actual performance is very substantially ahead of original New Mountain investment plan to date
  - Better pricing
  - Better terms
  - Minimal storm activity so far
- Company has filed to go public; transaction pending



# Connexions, Inc.

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- The leader in the “front end” of consumer driven health care (“CDH”)
- United Health put Connexions into this space
  - “First mover” advantage
  - Technology leadership across full patient life cycle
  - Outstanding customer references
  - Long term, recurring contracts
  - Capacity constrained
- New Mountain bought senior 75% of company structured as 8% convertible preferred stock
  - \$110 million cost
  - Breakeven at less than 4x 2008(E) EBITDA
  - Management owns junior 25% as common
- Great entrepreneurial leadership team
- Very significant upside potential

# Paris Re Holdings Limited

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- Formerly, the Paris-based reinsurance subsidiary of AXA
  - Co-investment with Stone Point, Hellman and Friedman, others
- Acquired as complementary, “add on” investment to Validus
  - Separate company from Validus but same thesis
  - Adds international diversification
  - Adds product line diversification
  - Adds investment income on cash reserves
- Contract signed in early 2006; closing delayed until December 2006
  - Company far ahead of original investment plan during year, plus
  - Acquisition group kept income for 2006 even without paying
- Result: Paris Re created in December 2006 for less than book value
- Comparable companies typically trade for average of 1.3-1.7x book value
- Paris Re has filed to go public; transaction pending

# MailSouth, Inc.

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- The leader in shared mail advertising for the rural and suburban markets
- A great “defensive growth” industry; local market monopolies
- Company expanded from 10 million homes to 17 million homes via acquisitions
- Major recent increases in demand from Wal-Mart, other national advertisers
- MailSouth accelerated growth plans to meet increased demand
  - Mid-month products, special issues
  - Annual package volume from 182 million packages to 358 million packages in one year
- Result is record level of growth and earnings in recent quarters
- Still in early stages of expansion’s benefits

# Ikaria, Inc.

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- A leader in critical care medical products, particularly for neonatal and pediatric units
- Result of more than two year “deep dive” into medical devices area
- Very strong defensive growth base, plus major upside potential from new products
  - Restoration of lung function in neonates
  - Prevention of chronic lung disease, other
- Transaction closed in March 2007 after 14 month effort
- Projections for 2007 already substantially increased
- Outlook appears bright

# Inmar, Inc.

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- The leader in reverse logistics, particularly in the grocery and drugstore sectors
- Result of proactive industry “deep dive” into logistics sector beginning in early 2005
- Multiple meetings with company when it was not for sale; exclusive opportunity in 2006
- Strong defensive growth base
  - 70% share of top grocery and drug chains
  - Long term, multiyear relationships
  - Over 600 million items scanned a year
- Opportunity for high returns
  - 19% compound revenue growth, last five years
  - 30% compound EBITDA growth, last five years
  - Adjacent verticals and services (i.e., liquidation services)
- Acquisition closed at end of April, 2007

# Transactions at New Mountain – 12/31/06 GAAP

\$ Millions

	Date of Initial Investment	Date of Initial Realization	Capital Invested <sup>(1)</sup>	Realized Proceeds <sup>(2)</sup>	Unrealized Value <sup>(3)(4)(5)</sup>	Realized Proceeds & Unrealized Value	Multiple of Cost	Gross IRR <sup>(6)</sup>
<b>Fund I</b>								
<b>Realized Investments</b>								
Strayer Education, Inc.								
Strayer Preferred Stock	May-01	Jun-02	\$115.0	\$422.1	\$0.0	\$422.1	3.7x	77.6%
Strayer Options	May-04	Jun-05	23.0	72.0	0.0	72.0	3.1x	150.4%
Surgis, Inc.	Dec-01	Apr-06	<u>70.0</u>	<u>140.1</u>	<u>0.0</u>	<u>140.1</u>	2.0x	20.4%
<b>Realized Investments</b>			<b>\$208.0</b>	<b>\$634.2</b>	<b>\$0.0</b>	<b>\$634.2</b>	<b>3.0x</b>	<b>63.6%</b>
<b>Unrealized Investments (at cost or market)</b>								
Overland Solutions, Inc.	Feb-03		\$130.0	\$6.8	\$144.2	\$151.0		
Apptis, Inc	Oct-03		144.0	67.1	123.4	190.5		
National Medical Health Card Systems, Inc.	Mar-04		<u>80.0</u>	<u>13.7</u>	<u>109.7</u>	<u>123.4</u>		
<b>Total Unrealized Investments</b>			<b>\$354.0</b>	<b>\$87.6</b>	<b>\$377.3</b>	<b>\$464.9</b>		
<b>Total Investments (Fund I)</b>			<b>\$562.0</b>	<b>\$721.8</b>	<b>\$377.3</b>	<b>\$1,099.1</b>	<b>2.0x</b>	<b>39.4%</b>
<b>Fund II</b>								
<b>Investments (at cost or market)</b>								
MailSouth, Inc.	Mar-05		\$110.0	\$8.4	\$111.7	\$120.1		
Deltek, Inc.	Apr-05		180.0	81.1	425.7	506.8	2.8x	94.0%
Connexions, Inc.	Sep-06		110.0	0.0	112.4	112.4		
Reinsurance Thesis								
Validus Holdings, Ltd.	Dec-05		120.0	0.0	136.5	136.5		
Paris Re	Dec-06		<u>50.0</u>	<u>0.0</u>	<u>53.0</u>	<u>53.0</u>		
<b>Total Investments (Fund II)</b>			<b>\$570.0</b>	<b>\$89.5</b>	<b>\$839.3</b>	<b>\$928.8</b>	<b>1.6x</b>	<b>51.7%</b>
<b>Undrawn Reserves for Investments Through 2006</b>			<b>\$160.0</b>					
<b>2007 Investments (including reserves)</b>								
Ikaria, Inc.	Mar-07		\$270.0					
Inmar, Inc.	Apr-07		226.1					
<b>Total Investments and Reserves – Fund II</b>			<b>\$1,226.1</b>					

# NMC Transaction Footnotes

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1. Capital invested represents the aggregate amount invested by New Mountain in each portfolio company.
2. Realized proceeds include all cash dividends, interest income and other payments received from or in respect of portfolio companies (including amounts received but held in escrow) as well as cash distributions from the sale of securities as of December 31, 2006. All figures are gross, before expenses, management fees and carried interest, if any.
3. National Medical Health Card Systems, Inc. was valued in the Fund I's December 31, 2006 audited financial statements based upon the underlying preferred shares (at the common stock price) plus the value of the convertibility feature at December 31, 2006.
4. Delttek has been valued based upon a third party appraisal prepared for the company in December 2006 and used to establish the value for management stock options. Based upon this study, the median value for Fund II's majority stake would be \$425.7 million which is used herein and ties to New Mountain's December 31, 2006 Fund II audited financial statements.
5. Validus and Paris Re have been valued at their GAAP book value per share as of December 31, 2006. All other unrealized investments have been valued as of December 31, 2006 at original cost plus accrued PIK interest and dividends (where applicable).
6. IRRs are calculated based on daily investment inflows and outflows, with the return annualized through December 31, 2006. Gross IRRs shall mean an aggregate, compound, annual gross internal rate of return on investments. In the case of portfolios of realized and unrealized investments, the gross IRRs are based on realizations and internal valuations of New Mountain as of the applicable date. Internal rates of return are presented on a "gross" basis (i.e., they do not reflect the management fees, carried interest, taxes, transaction costs and other expenses to be borne by investors in the Fund, which in the aggregate are expected to be substantial); for a description of such management fees and carried interest, see "VII. Summary of Principal Terms." Prospective investors upon request may obtain a hypothetical illustration of the effect of such fees, expenses and other charges on such returns. Actual realized returns on unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions on which the valuations used in the prior performance data contained herein are based. Accordingly, the actual realized returns on unrealized investments may differ materially from the returns indicated herein.

# Consistent Application of NMC Strategy

Company	“Top down” Identification of Sector	Attractive “Defensive Growth” Industry	Acquisition without Auction	New Mountain “Value Added”	Tight Control of Risk	Expectation of High Returns
Strayer Education, Inc.	✓	✓	✓	✓	✓	✓
Surgis, Inc.	✓	✓	✓	✓	✓	✓
Overland Solutions, Inc.	✓	✓	✓	✓	✓	✓
Apptis, Inc.	✓	✓	✓	✓	✓	✓
National Medical Health Card Systems, Inc.	✓	✓	✓	✓	✓	✓
Deltek Systems, Inc.	✓	✓	✓	✓	✓	✓
Validus Holdings Ltd.	✓	✓	✓	✓	✓	✓
MailSouth, Inc.	✓	✓	✓	✓	✓	✓
Connexions, Inc.	✓	✓	✓	✓	✓	✓
Ikaria, Inc.	✓	✓	✓	✓	✓	✓
Inmar, Inc.	✓	✓	✓	✓	✓	✓



# Business Building Creates Value At All Companies

	New Name	New Strategy	New CEO	New CFO	Strategic Acquisitions	Growth Capital	New Marketing or Sales Strategy	Improved Governance and Controls	New Board	IT Upgrades
Strayer Education, Inc.		✓	✓	✓			✓	✓	✓	✓
Surgis, Inc.	✓	✓	✓	✓	✓	✓		✓	✓	✓
Apptis Inc.	✓	✓		✓	✓	✓		✓	✓	✓
Overland Solutions Inc.	✓		✓	✓	✓	✓	✓	✓	✓	✓
National Medical Health Card			✓	✓	✓	✓	✓	✓	✓	✓
Deltek Systems Inc.			✓	✓	✓	✓	✓	✓	✓	✓
Validus Holdings Ltd.	✓	✓	✓	✓		✓		✓	✓	
MailSouth Inc.		✓	✓		✓	✓	✓	✓	✓	
Connexions				✓		✓	✓		✓	✓
Ikaria, Inc.	✓	✓	✓			✓			✓	

# The New Mountain Team

## Professional Team

Steven Klinsky - *Managing Director and CEO*  
 Michael Ajouz - *Managing Director*  
 Adam Collins - *Managing Director*  
 David DiDomenico - *Managing Director*  
 Michael Flaherman - *Managing Director*  
 Douglas Londal - *Managing Director*  
 Mat Lori - *Managing Director*<sup>(1)</sup>  
 Thomas Morgan - *Managing Director*  
 Alok Singh - *Managing Director*  
 David Wargo - *Managing Director*  
 Andrew Wellington - *Managing Director*  
 Frank Carolan - *Senior Advisor*  
 Bob Grusky - *Senior Advisor*  
 David Shaw - *Senior Advisor*<sup>(2)</sup>  
 Harry Durity - *Senior Advisor*  
 Fred Salerno - *Senior Advisor*  
 Bert Notini - *Senior Advisor*  
 Matt Ebbel - *Vice President*  
 Matt Holt - *Vice President*  
 Peter Masucci - *Vice President*  
 Daniel Riley - *Vice President*  
 Vignesh Aier - *Associate*  
 Claude Burton - *Associate*  
 Ian Carmichael - *Associate*  
 André Moura - *Associate*  
 Brad Weckstein - *Associate*  
 Timothy Bliss - *Associate*  
 John Brunger - *Associate*<sup>(1)</sup>  
 Lars Johansson - *Associate*<sup>(1)</sup>  
 Robert Mulcare - *Associate*<sup>(1)</sup>  
 Jack Qian - *Associate*<sup>(1)</sup>  
 Adam Weinstein - *Controller*  
 Andrew Barous - *IR Associate*



NEW MOUNTAIN CAPITAL LLC

## Managerial Advisory Board

Robert Bennett - *CEO, Liberty Media*  
 Edward Breen - *CEO, Tyco Industries*  
 Ken Buckfire - *Founder, Miller Buckfire*  
 Gary Gensler - *U.S. Treasury*  
 Declan Kelly - *FTI Consulting*  
 Fred Langhammer - *Former CEO, Estée Lauder*  
 Dennis Leibowitz - *Formerly, CSFB*  
 Arthur Reimers - *Goldman Sachs*

## Past or Present

### Portfolio Company Management

Robert Silberman<sup>(3)</sup> - *CEO, Strayer*  
 Joseph Hutts - *CEO, Surgis*  
 Jeff Haniewich - *CEO, Overland*  
 Bert Notini - *Chairman, Apptis*<sup>(4)</sup>  
 Steven Baldwin - *CEO, Apptis*  
 Tom Erickson - *Chairman, NMHC*  
 Kevin Parker - *CEO, Deltek Systems*  
 Albert Braunfisch - *CEO, Mailsouth*  
 Tom Settle - *Pres, MailSouth*  
 Jack LeFort - *CEO, Connexions*  
 Ed Noonan - *CEO, Validus*  
 David Shaw - *CEO, Ikaria*  
 John Whitaker - *CEO, Inmar*

### Past or Present NMC Company Directors

David A. Coulter - *Strayer*  
 Karen Ferguson - *OSI*  
 Joe Kampf - *Deltek*  
 David Ogens - *Apptis*  
 Howard Finkelstein - *Apptis*  
 Janet Perna - *Deltek*  
 Frank Shepherd - *MailSouth*

- (1) Hired, but not yet started  
 (2) Transitioning to role as CEO of Ikaria  
 (3) Also serves on the Managerial Advisory Board  
 (4) Also serves as New Mountain Senior Advisor



NEW MOUNTAIN CAPITAL LLC

*Building Great Businesses*

