

Coldwell Banker Commercial Advisors Mergers & Acquisitions



Capabilities Presentation

Who we are

Coldwell Banker Mergers & Acquisitions (CBM&A)

1. CBM&A is part of the commercial real estate division of Coldwell Banker Commercial
 - Coldwell Banker started as a real estate firm over 100 years ago, and today has over 3,500 offices worldwide
2. Our M&A specialists have 100 years of combined experience representing buyers and sellers.

What we do

Coldwell Banker Mergers & Acquisitions

1. CBM&A represents profitable companies in the lower mid-market.
 - a. Our client-centered approach promotes a partnership based on integrity, confidentiality, professionalism & experience
 - b. Each client benefits from the expertise of our most senior team members
 - c. Our “success fee” structure means that each engagement becomes a personal commitment for the team - we don’t get paid until your deal is successfully concluded.
 - d. We apply both quantitative and qualitative analysis, looking beyond the “hard numbers” of a business, to understand each of our client companies’ unique qualities.
 - e. By running a limited auction process, clients benefit from creation of a competitive bidding process that often results in higher sales prices and more favorable transaction terms.

Transaction Types

Coldwell Banker Mergers & Acquisitions

1. Owner's Exit

To facilitate the retirement or other exit for company owners

2. Management Acquisitions

To help key managers acquire their company or division from corporate parents

3. Recapitalization

To purchase shares from current shareholders seeking liquidity, to add capital to the balance sheet or to reduce debt

4. Industry Consolidation

To combine your management's operating experience and relationships with new sources of capital and expertise to consolidate a fragmented industry

Why use a sell-side advisor?

1. Increased sales price

By conducting a limited auction process, we can force potential buyers to compete with each other resulting in higher values paid.

2. More favorable deal terms

Competitive environment results in more cash to sellers and more attractive financial and legal terms.

3. Maintain control of due diligence process

Keep buyers due diligence requests reasonable and keep process moving along. Assist sellers in preparing due diligence information.

4. Insure confidentiality throughout process

Allows seller to decide when to notify employees, customers and vendors about the transaction.

5. Allows seller to focus on what they do best: operate their business

Representative Transactions



SAAS and CRM company based in California, sold to a private equity investor.



Manufacturer of water-measurement instruments used primarily by government entities to gather and record hydrological data. Acquired by a strategic buyer.



Manufacturer of medical products acquired by a Southern California strategic buyer



South-Dakota manufacturer of fiberglass storage tanks acquired by an employee-owned holding company that invests in market-leading manufacturers of industrial, commercial and construction products.

Representative Transactions



LA BOULANGE

Northern California wholesale/retail bakery sold to a French company.



The Leader in Energy Management Technology

Florida-based provider of training programs for executives to improve their overall health and wellness as well as their personal and business performance. Acquired by Johnson & Johnson.



Utah craft brewing cooperative and brew pub restaurant group. Sold to Fireman Capital, a Boston private equity group.



Oregon Based fertilizer manufacturer/ wholesaler and seed/garden product wholesale and retail. Sold to strategic acquirer Helena Chemical.

Representative Transactions



Michigan-based producer/distributor of a variety of eyecare products worldwide. Acquired by a Chicago-based private equity firm.

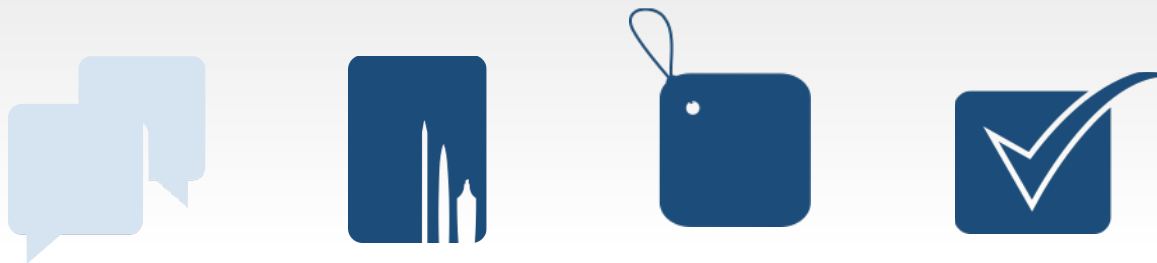


Regional rubber hose product distributor acquired by Lewis Goetz, one of the nation's largest hose product distributors.



Idaho-based chain of 14 retail jewelry stores sold to a Houston private equity group.

The Process

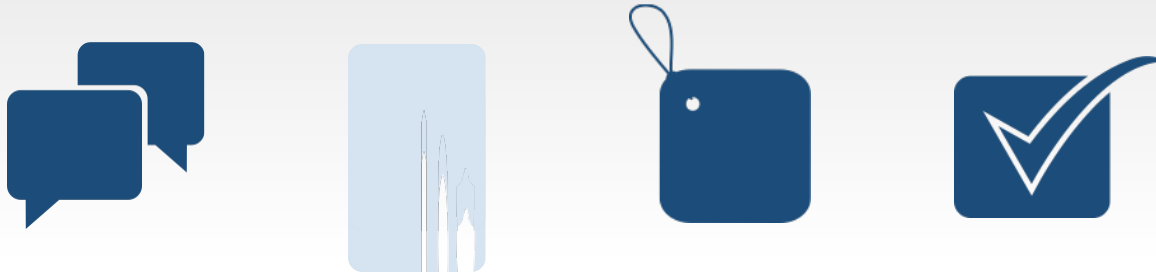


1. Preliminary Discussions and Set Transaction Goals

Prior to engagement, our M&A team works closely with the prospective client to bring focus and objectivity to the decision of whether to sell.

We explore the client's goals and review the available alternatives, consider the timeliness of the transaction, educate the client about the issues involved in completing a transaction and discuss valuation parameters.

The Process

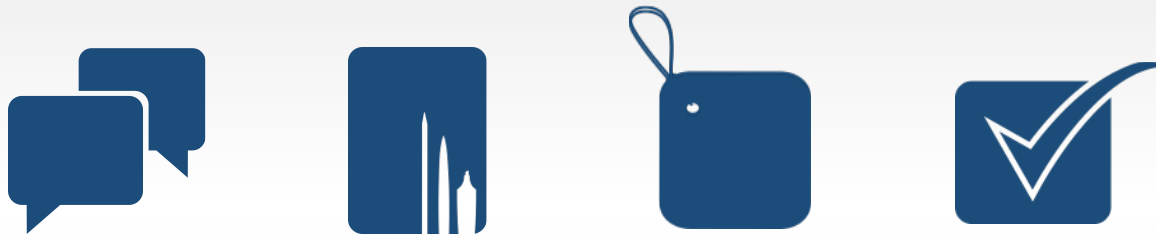


2. Deciding to sell initiates Research and Analysis

During our initial due diligence phase, the experience that our team brings to the process enables them to recognize, and capitalize on, values that others may not recognize.

We assess the company's strengths and weaknesses, analyze historical earnings and projected future performance, review the company's operations and management infrastructure, and research the company's industry and competitors. This stage culminates in the creation of a comprehensive confidential offering memorandum that describes the clients.

The Process

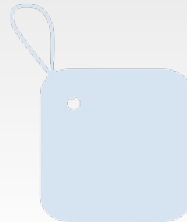


3. We market your company to Qualified Buyers

Our rigorously planned marketing strategy draws on an extensive network and proprietary database. We prepare a well-researched list of potential acquirers that includes strategic buyers, high net worth individuals, and private investment groups.

We create an "auction" environment where multiple buyers compete to acquire the company, then we select the winning bid and negotiate an agreement in principle.

The Process

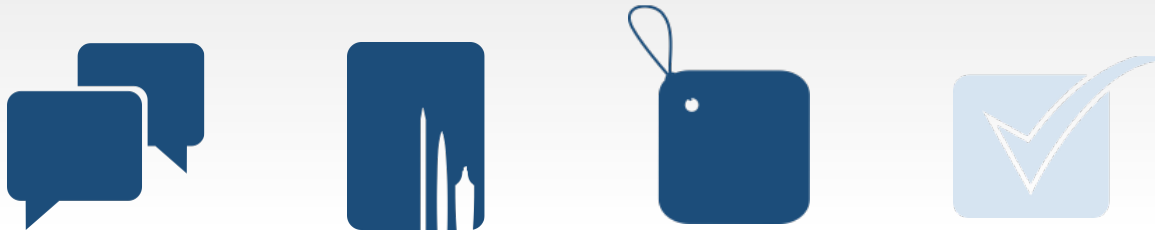


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The Process



4. We complete the Transaction

During this stage, the agreement in principle is negotiated and formalized into a definitive agreement. Coldwell Banker M&A plays a critical role during final negotiations and buyer due diligence when transactions may falter.

We guide the transaction to closing by introducing, if necessary, competent legal and accounting expertise, assisting the client's other counsel to structure a transaction that minimizes the potential tax consequences. We can assist management during buyer due diligence and address sensitive issues, bringing the transaction to a timely and successful close.

Prep for a Transaction

1. As you begin to consider the sale of your company, there are two important considerations:
 - a. What will increase the value of my business?
 - b. What are some of the concerns a buyer will have when considering acquiring my company?

Valuation Drivers

1. Strong, committed management team
2. History of profitability
3. Growth prospects
4. Strong competitive advantages
5. Visibility & predictability of cash flows
6. Positive industry dynamics
7. Multiple competitive acquisition prospects

Buyer Concerns

1. Reliability of financial statements & data
2. Customer concentration
3. Changeover of management team
4. Failure to meet projections through closing date
5. Highly cyclical business
6. Large cap-ex requirements
7. Contingent liabilities

Our Team



Garit D. Lawson
Senior Vice President
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Garit D. Lawson joined Coldwell Banker as Co-Director of the Mergers and Acquisitions Division at the end of 2002. Focused on lower mid-market transactions as a mergers and acquisitions advisor since 1995, he offers diversified buy and sell side advisory engagements, including mergers, acquisitions, buyouts, recapitalization, valuations, and fairness opinions.

Prior to joining Coldwell Banker, Garit was a partner at Inter-west Acquisitions Advisors, a regional M&A advisory firm. He received his Masters degree from the University of Utah in Business Administration and Organizational Development, after which he worked as an analyst for Learning Designs, a company that provides new product introduction consulting services to pharmaceutical, biotechnology and high tech companies.

Garit has founded and operated companies in the retail and business services industries. He therefore understands business from the viewpoint of the owner and entrepreneur. His operational and transactional experience allows him to advise business owners how to maximize their own company's value. His expertise is focused on developing and implementing growth and exit strategies to maximize shareholder value, while taking into account the human “needs and wants” present in all business transactions

Our Team



Elizabeth Bellit
Marketing Manager
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Elizabeth Bellit came to Coldwell Banker Mergers & Acquisitions with 16 years of experience in the advertising industry. Her experience includes executive-level involvement on a variety of national advertising campaigns, from Nissan, to Hewlett Packard, to Iomega, to Princess Cruises. In 1999, Elizabeth moved to Salt Lake City to run the media department at DSW Partners, managing a team of 13 with annual budgets exceeding \$100 million. She has extensive experience researching the demographics, psychographics and cultural trends that affect her clients' businesses, and has been nationally recognized for her skills in research and negotiation.

She joined Coldwell Banker Mergers & Acquisitions as Director of Marketing in the spring of 2003 and is responsible for the group's business development and marketing efforts, including:

1. researching and writing offering memoranda
2. researching methods of marketing mid-market companies to strategic & financial buyers
3. managing the M&A marketing and business development efforts including:
4. generating buyer leads via internet & other media
5. generating seller leads via direct marketing programs