SAMPLE TEASER

(Actual Case Study)

Background: Southeast based company distributing construction related niche product lines through multiple locations. Company rejected an offer from major big box retailer in early 2006 based on concerns about culture. In the fall of 2006 company entered into a Letter of Intent (LOI) with a well established equity group that was not able to close an equity offering and could not fund the acquisition. A major "Wall Street" equity fund agreed to step in and fund the acquisition but the company was very concerned about a culture fit. The LOI has been terminated but the company remains committed to a transaction although deal fatigue is an issue. 2006 revenues will approximate $220MM with TTM EBITDA of $20MM. The Company operates in an industry estimated to approximate $2 ½ BB and is considered a major player.

Financial History:		2004	2005	2006
	Revenues	$162	$191	$220
	EBITDA	10	18	20

The Company's growth has been fueled by numerous acquisitions since inception and filling out existing service areas. See attachments for revenues and EBITDA since inception and growth plans for 2007 and beyond. Several acquisition opportunities have already been initiated and others are identified including one with revenues in excess of $100 MM.

Current Valuation and Deal Structure: Valuation of 6 ½ times TTM EBITDA estimated to be $130 MM. Debt of $65 MM with the remainder equity of which over 30 % or $25 MM will be contributed on a pari passu basis by all existing shareholders proportionate to their current equity stake.

Management Team and Financial Reporting: Management is exceedingly competent and committed to grow the Company through acquisition to $500 MM in the next five years. The financial reporting systems are excellent with monthly exception reporting for all locations. Accounts receivables monitored daily with 33 days sales average balance. Inventories cycle counted and physically counted annually with turns approximating 7 times. 2006 write-offs were less than $100K on a $30 mm balance.

Balance Sheet and Working Capital: Balance sheet is clean - all debt will be paid at closing. Working capital at closing estimated to approximate $35-40 MM.

Customers: Construction tradesmen and companies with 40 % of the business commercial. No customer concentration risk with largest 3 customers accounting for less than 6 % of revenues.

Other Considerations: CEO is debt adverse and would not be comfortable with any more leverage than indicated above. An incentive stock or phantom stock option plan needs to be put in place post closing. Culture is very important, the company is well run and the CEO/majority owner wants a partner to help grow the business for an exit in 5-7 years after achieving his personal goal of $500 MM in revenue.

Buyer Requirements: Buyer must agree to pay a buy side advisory fee to XXXXXXX of not less than 1 ¾ %. Buyer must execute the attached CA prior to receiving any additional information. A term sheet must be submitted no later than January 31st with a commitment, supported by past performance, to close within 90 days.