



Bringing Efficiency to Inefficient Markets

Firm Overview

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Firm Overview

Strategic Advisors is an investment banking firm that provides Strategic Consulting, Merger & Acquisition and Corporate Finance Advisory services to middle market companies.



We provide our clients with the ability to explore all possible alternatives and the capability to execute a selected strategy.

Strategic Advisors Overview

Middle Market Investment Banking Firm

- Formerly Mellon Strategic Advisors
- Seasoned professionals with backgrounds in investment banking, private equity, accounting and taxation
- Principal shareholders have worked together for over 20 years
- Have closed over 250 middle market transactions as principals and advisors

M & A and Private Placement Advisory Services

- Strategic consulting service creates and explores all realistic alternatives
- Process results in selected strategies tailored to meet clients' goals & objectives
- Acquisition, divestiture advisory, and capital formation via private placements of debt and equity

Services targeted toward the Middle Market

- Companies with valuations of \$10MM to \$300MM
- Considering sale, acquisition, expansion, wealth diversification or transfer
- MBOs, LBOs, Divestitures, Recapitalizations, and Restructurings

Guiding Principles

- Committed to fully understanding clients' goals and objectives
- Provide customized solutions to meet clients' goals & objectives
- Support solutions by in-depth due diligence and analysis
- Senior level attention on every assignment
- Exceed client expectations via confidential processes and deal expertise
- Provide clients access to national market of lenders, investor, and acquirers
- Accept engagements on a highly selective basis
- Base fees on success of engagements thereby aligning business interest to client's interest
- Committed to highest level of performance and integrity

Why Strategic Advisors – Client Value Proposition

M&A & Corporate Finance Expertise

- Diverse industry experience
- Founders have private equity and M&A experience
- Sophisticated valuation and forecasting capabilities
- Fully understand current debt & equity market trends
- Assist with complex transactions & tax issues
- Discreet & effective deal management
- Access to financial and strategic buyers

Committed Customer Focus

- Focus on understanding clients' goals & objectives
- Strong transaction leadership for client
- Consultative advisory services
- History of satisfied clients
- Fully staffed teams with strong experience
- Aggressive negotiators on behalf of client
- Committed to deliver best solution

Maximizes Client Value

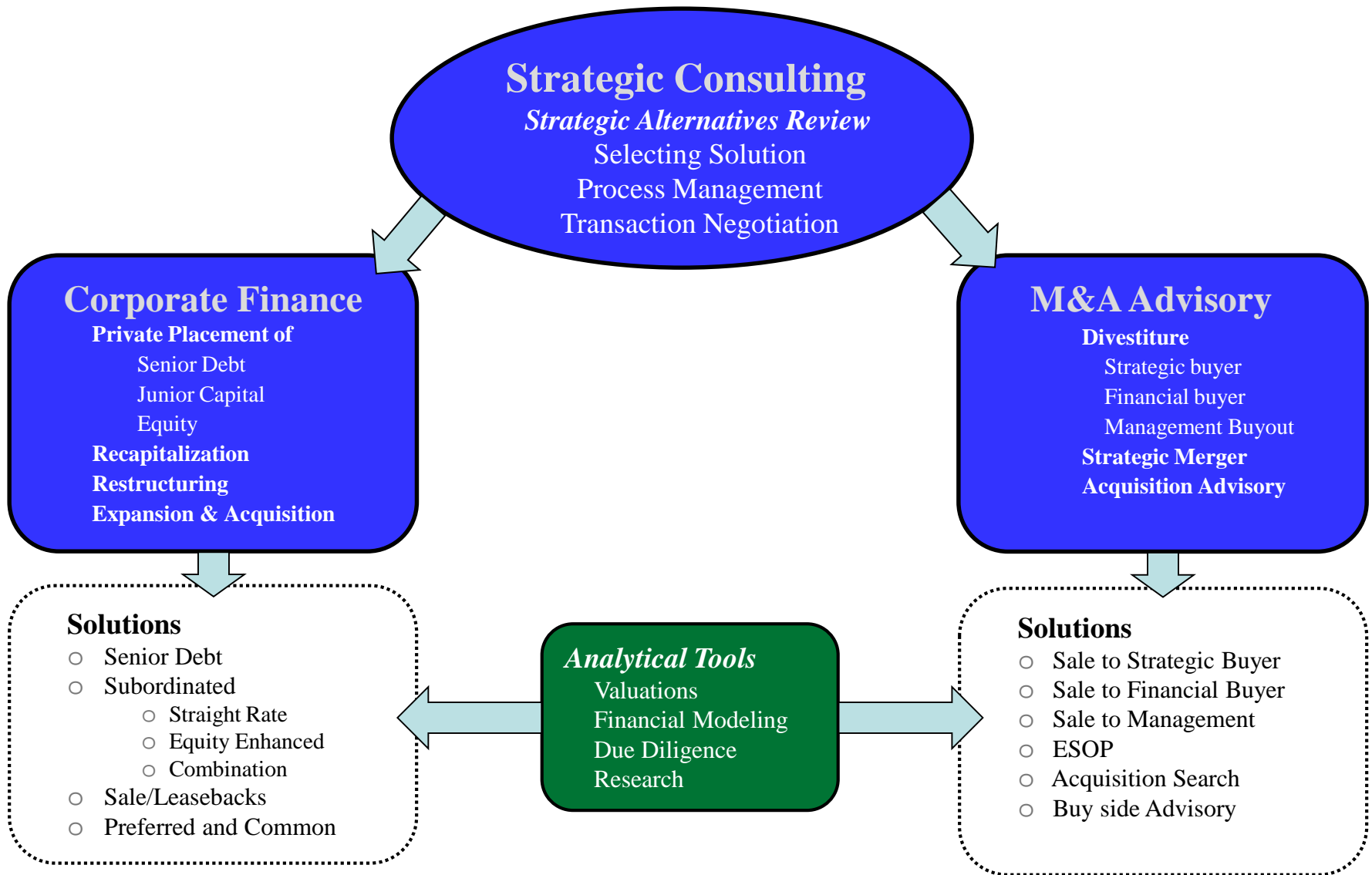
Market Credibility & Knowledge

- Outstanding name and reputation
- Proprietary database of strategic & financial buyers
- Principals have over 25 years of experience each
- Long history with private equity & mezz. community
- Ensures competition & broad market coverage
- Strong research capabilities and market knowledge
- Proven history of success

Value Driven Execution

- Broad market coverage via controlled auction process
- Discreet and efficient process
- Quality & effective sales & placement memorandum
- Uniquely able to target buyers & investors
- Minimal management disruption
- Competitive bidding platform
- Proven deal process

Strategic Consulting Approach – Develops Alternatives



The Strategic Alternatives Review

Objective

- *Provide a framework for middle market business owners to explore the capital market alternatives available to meet their goals & objectives*
- *Establish the owners' current equity value as a "portfolio asset" on a "mark to market" basis*

Approach

- Understand the goals and objectives of the shareholders or private owners and managers
- Establish a "Status Quo" alternative of the business based upon a five year projection
- Determine Value (DCF, Market Comps and Leverage Test)
- Develop all Strategic Alternatives that meet shareholder objectives
- Summarize alternatives and review financial and business impacts of implementing each alternative
- Compare alternatives on the basis of wealth creation, risk and meeting owners' objectives
- Recommend and assist in selecting the most appropriate alternative

Strategic Alternatives

- Status Quo
- Recapitalization
- Acquisition(s)
- Divestiture

Potential Engagements

Public or Private companies with revenues of \$10MM to \$300MM

- Full or partial sale of ownership interests under consideration
- Growth oriented looking to expand via internal growth or acquisition
- Succession planning or management buyout discussions begun or underway
- Owners who realize they have “all their eggs in one basket”
- Public and considering going private
- Looking to divest non-core divisions or assets
- Potential for financial turnarounds
- Management group that desires to have an ownership stake

Private Equity Groups

- Looking to acquire or divest portfolio companies
- Need to restructure portfolio companies

Financial Institutions

- Looking to divest loans, LP interests or other specialized assets
- Have assets requiring work-out assistance

Sample Transaction – Advisory & Divestiture

Company *Interface Solutions*

Status Closed

Description The low-cost global market leader in the manufacture of fiber-reinforced gasket material and parts sealing solutions for the heavy-duty diesel, automobile, small engine, transmission and compressor markets.

Financials
Sales > \$150.0 MM
EBITDA > \$25.0 MM

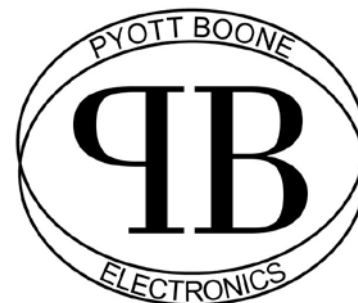
- Situation**
- > Portfolio company of middle-market private equity firm
 - > Company emerged from recession and reached record sales and profits
 - > Leveraged strong performance to acquire chief competitor in Europe
 - > Increased geographical diversification with nearly 50% of sales outside U.S. (21% of sales outside U.S. when acquired by client)
 - > Private equity firm desired to exit their investment after holding for 5 years
- Solution**
- > Company engaged Strategic Advisors to advise on valuation and run a targeted auction process to sell the Company
 - > Marketed company to only a select group of financial buyers as Management did not want to become part of a larger company
 - > Generated significant interest, with nearly all buyers submitting Letters of Intent
- Outcome**
- > Company was sold to Wind Point Partners
 - > New owners plan to invest additional capital to pursue add-on acquisitions, upgrade and consolidate existing facilities and further grow the company
 - > Interface sale EBITDA multiple exceeded comparable market transaction multiples



Sample Transaction – Advisory & Divestiture

Company *Pyott-Boone Electronics, Inc.*

Description A leading developer, manufacturer and marketer of the most extensive and technologically advanced communication, tracking and monitoring products for underground mining and tunneling.



Financials

Sales	\$45.5MM
EBITDA	\$12.0MM

Situation

- > Pyott-Boone was 99.8% owned by Fetterolf Group, Inc.
- > During 33 years of ownership, Fetterolf Group achieved its business goals and was seeking to monetize its investment in the Company
- > Pyott-Boone had been growing rapidly after capitalizing on increased regulation to create safer and more productive underground mining environments
- > The Company was looking for strategic investors to build on its past success by expanding the Company's product offering and service solutions for existing customers, as well as new customers in international markets and in other industries

Solution

- > Fetterolf Group engaged Strategic Advisors to advise on valuation and run a controlled auction process to sell the Company
- > Ran controlled auction process, targeting over 150 buyers comprised of private equity and strategic buyers
- > Generated significant interest, receiving 10 indications of interest ("IOI") and turning away additional offers that couldn't meet valuation expectations

Outcome

- > Company was sold to Vierville Capital and Prairie Capital
- > This combination of equity partners brought a strong and experienced investment team with significant international relationships
- > Company was sold for \$68.0MM
- > Management and Fetterolf Group rolled over \$2.0MM+ into the transaction

Sample Transaction – Representation for PEG

Company *Susquehanna Capital*

Description Central Pennsylvania Private Equity Fund that invests in regional middle market companies
Owners of five privately-held companies with revenues ranging from \$30MM to \$130MM



Sold York Label, York Barbell and Interface Solutions

Arranged LBO of Interface Solutions, Cooper Manufacturing Co., Herculite Products and New York Wire

Services Provided

- > Representation for Acquisition and Divestiture Activity
- > Investment Opportunity Review
- > Risk Assessment
- > Valuation
- > Financial Modeling
- > Capital Structure Alternatives
- > Capital Formation
- > Letter of Intent / Purchase Agreement Advice
- > Due Diligence Review

Structure

- > Acquisition Advisory - Success fee based on debt commitments raised
- > Divestiture Advisory - Success fee based on aggregate purchase price

Sample Transaction - Public to Private

Company *The Lion Brewery*

Description Contract packager in beverage industry

Financials

Sales	\$30 MM
EBITDA	\$4 MM



Situation

- > Board of Directors of a closely-held public company wanted to divest
- > Management, with limited financial resources, was seeking to purchase the Company, maximize its ownership and retain board control
- > Purchase price proposed at \$20MM
- > Strategic buyer was bidding on Company
- > Time was of the essence to structure a deal that met management's objectives

Solution

- > Advised management on business value and structure
- > Maximized management's equity position at 46% with contribution of only 3% of total cash equity
- > Prepared memorandum, targeted investors and obtained financing commitments within 45 days

Outcome

- > A management-led investor group acquired the Company for \$20MM
- > Management maintained 46% ownership and retained board control

Sample Transaction – Advisory & Divestiture

Company *OmniTech*

Description A leading designer, manufacturer, marketer and distributor of electro-optic night vision equipment to the government, military and law enforcement markets



Financials

Sales	\$21.8 MM
EBITDA	\$5.7 MM

Situation

- > Company owned and managed by two shareholders
- > Owners had agreement to sell company at beginning of year for \$31.5MM
- > Deal fell apart as economy and markets deteriorated
- > Owners were still looking to diversify wealth
- > Selling to a larger company in defense industry would allow company to compete for larger government contracts

Solution

- > Company engaged Strategic Advisors to run controlled auction
- > Strategic Advisors believed right buyer would pay premium above previous offer
- > Ran controlled auction process, targeting solely companies that competed in the defense market

Outcome

- > Company was sold to FLIR Systems Inc., a public strategic buyer
- > Key managers received employment contracts and options in acquiring company
- > Company was sold for \$42.0MM, a 33% premium beyond offer received earlier in the year
- > Owners have potential to receive additional \$2.0MM if sales targets are met over following year

Sample Transaction – Management Buyout



Company Interface Solutions

- Description** Interface Solutions Inc., located in Lancaster, PA is a leading manufacturer of sealing solutions, flooring felt, and engineered composite materials. Interface is the market leader in the manufacture of fiber reinforced gasket materials and flooring felts for the resilient vinyl sheet flooring market
- Situation**
- > Strategic Advisors was introduced to the Management team who wanted to execute a Management Buyout
 - > The Company was owned by Citicorp Venture Capital (CVC)
 - > CVC wanted to run an auction process to execute a sale of the Company
 - > The Company was formerly owned by Armstrong World Holdings, which indemnified the Company against asbestos litigation
 - > Armstrong went into bankruptcy so the indemnification needed to be approved by the court
 - > Significantly underfunded pension and post-retirement medical. Union contract soon expiring
- Solution**
- > Strategic Advisors advised the Management Team on valuation and structure which included bringing in a new equity partner
 - > Adjusted value for the underfunded pension and post-retirement medical
 - > Introduced Susquehanna Capital to the Management Team, which bid as part of the auction
 - > Mitigated asbestos risk and advised to take out insurance until company could get indemnity
 - > Company renegotiated union contact to save on medical and pension expense - funded into a work stoppage if need be
 - > Targeted a select number of capital providers who were willing to lend given the current situation
- Outcome**
- > Management and Susquehanna won the deal
 - > Raised senior debt, subordinated debt and common stock to support Susquehanna's new equity and Management's rollover
 - > Deal completed prior to company receiving asbestos indemnification
 - > Funded into a work stoppage
 - > Company later received indemnity and significant savings from the union

Sample Transaction – Advisory and Divestiture



Company *York Tape and Label*

Description **Manufacture of Pressure Sensitive Labels**

Financials
Sales **\$63.0**
EBITDA **\$7.1 MM prior year - \$8.5MM LTM**

- Situation**
- > Susquehanna Capital (PEG) wanted to divest
 - > Goal was to keep the Company intact and reward management
 - > Management, with limited no ownership and limited financial resources, was seeking to purchase the Company and maximize its ownership and obtain desired employment contracts
- Solution**
- > Advised Susquehanna and Management on business value and structure - Value \$46MM
Senior, Mezzanine, Preferred Stock and Mgmt. Rollover and new Equity
 - > Maximized management's equity position at 20% (prediluted) with contribution of only 11% of total equity
 - > Prepared memorandum, targeted investors and obtained financing commitments within 60 days
- Outcome**
- > Management and Huron Capital acquired the Company
 - > Management maintained 20% ownership pre-diluted and 15% diluted
 - > Negotiated desirable employment contracts

Sample Transaction - Recapitalization

Company AllPak



Description A leading provider of rigid packaging solutions such as metal and plastic drums, plastic bottles, closures, labels, bags and a myriad of other packaging related components

Situation

- > Strategic Advisors had previously raised senior and subordinated debt to help the two owners buy out three other owners
- > The Company had paid off the subordinated debt and paid down some of the senior debt
- > The owners had been thinking of strategies to diversify their wealth and thought that an acquisition strategy was the best route
- > Given the aggressive debt markets, Strategic Advisors proposed to the owners that they could recapitalize the Company with additional debt thereby allowing them to take a \$12.0MM distribution and diversify their wealth. Total Leverage expected was 3.7x EBITDA

Solution

- > Strategic Advisors advised the Company on creating a detailed business plan and financial model
- > Given that the leverage was 3.7x, thought the deal might need some junior capital.
- > Mitigated collateral issues by focusing senior lenders on the Company's cash flow and high fixed charge coverage ratio
- > Targeted a broad and diverse number of capital providers who were willing to lend on strong cash flows

Outcome

- > Targeted senior lenders first to see if they could provide the financing for the whole deal
- > Completed Transaction with all senior debt and with no equity dilution
- > Owners took a \$12.0MM distribution

Sample Transaction - Restructuring

Company *Houghton International*

Description Manufacturer of Specialty Chemicals and Lubricants

Financials
Sales \$310MM
EBITDA \$24MM (Normalized)

HOUGHTON INTERNATIONAL

Specialty Chemicals, Oils and Lubricants for
Metalworking and Manufacturing Processes

Situation

- > Economic downturn - rising oil and energy prices impacted business
- > Selling off non-core assets and reducing overhead
- > Chemical management segment rapidly growing
- > Senior lenders desired a restructuring
- > Needed capital formation services to execute debt restructuring

Solution

- > Determined market debt structure based upon normalized earnings, mitigated downside risk by emphasizing enterprise value
- > Developed full understanding of cost initiatives and non-recurring expenses
- > Raised \$25 million of subordinated debt to ease senior bank pressure
- > Restructured senior debt with existing bank group to avoid harsh senior debt market conditions

Outcome

- > \$60 million Revolving Line of Credit, \$8 million Senior Term Loan and a \$25 million eight year subordinated note (bullet amortization) issued with a detachable warrant

Sample Transactions



has been acquired by



The undersigned acted as financial advisor to the shareholders of Interface Solutions.



Securities and investment advisory services are offered through BPU Investment Management, Inc. member FINRA/SIPC, and a registered investment advisor

Sell-Side Advisor

A Family Office Private Equity Group



was formed by the owners of



The undersigned acted as consultant and financial advisor in the formation of Elk Lake Capital.



Securities and investment advisory services are offered through BPU Investment Management, Inc. member FINRA/SIPC, and a registered investment advisor

Consulting



has been acquired by



MANAGEMENT AND HURON CAPITAL PARTNERS

The undersigned assisted in the negotiations and acted as financial advisors to Management and to the Seller.



Sell-Side Advisor

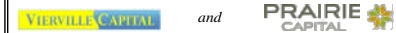


A portfolio company of



FETTEROLF GROUP, INC.

has been acquired by



The undersigned acted as financial advisor to the shareholders of Pyott-Boone Electronics, Inc.



An affiliate of BPU Investment Management, Inc. Registered Investment Advisor & Member FINRA/SIPC

Sell-Side Advisor



has been acquired by



The undersigned served as financial advisor to the owners of North Penn Pipe & Supply, Inc.



An affiliate with BPU Investment Management, Inc. Member FINRA, SIPC

Sell-Side Advisor



DELL FASTENER CORPORATION

The undersigned completed a strategic consulting process outlining potential exit strategies and future growth opportunities for the owners of Dell Fastener Corporation



An affiliate with BPU Investment Management, Inc. Member FINRA, SIPC

Consulting



has been acquired by



FLIR SYSTEMS INC. (NASDAQ: FLIR)

The undersigned acted as financial advisor to the shareholders of OmniTech Partners, Inc.



An affiliate with BPU Investment Management, Inc. Member FINRA, SIPC

Sell-Side Advisor



has been acquired by



The undersigned served as financial advisor to Asset Auctions.



An affiliate with BPU Investment Management, Inc. Member FINRA, SIPC

Sell-Side Advisor

Sample Transactions

COPPERHEAD CHEMICAL COMPANY INC.

has recapitalized with its existing lending group to fund future growth, prepay a portion of existing subordinated debt, and to fund a shareholder distribution.

The undersigned initiated the transaction and served as financial advisor and placement agent on behalf of the Company.



Placement Agent



has been acquired by



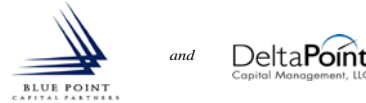
The undersigned acted as financial advisor to the owners of Camalloy, Inc.



Sell-Side Advisor



a portfolio Company of



has been acquired by



The undersigned acted as financial advisor to the sellers of Ultimate Technologies.



Sell-Side Advisor



Amerinet Central

has acquired

VECTOR HEALTHSYSTEMS, INC.

The undersigned acted as financial advisor to Amerinet Central.



Buy-Side Advisor



has recapitalized with senior credit facilities to fund future growth, lower its cost of capital and fund a shareholder distribution.

The undersigned initiated the transaction and served as financial advisors and placement agent on behalf of the Company.



Placement Agent



has been acquired by



The undersigned acted as financial advisor to the owners of Lion Brewery.



Sell-Side Advisor



a portfolio Company of



has been acquired by

River Associates Investments, LLC

The undersigned acted as financial advisor to Main Street Capital Holdings LLC.



Sell-Side Advisor



CYGNUS MANUFACTURING COMPANY

has been acquired by

THE HARDING GROUP

The undersigned acted as financial advisor to the shareholders of Cygnus Manufacturing Company.



Sell-Side Advisor

Sample Transactions



Amerinet Central

has acquired the

**PURCHASING BUSINESS OF
ALLHEALTH**

*The undersigned acted as financial advisor to
Amerinet Central.*



Buy-Side Advisor



has acquired

**Grove City Paving, Inc. and Campbell's
Asphalt Products, Inc.**

*The undersigned acted as financial advisor to
Glenn O'Hawbakker Inc.*



Buy-Side Advisor



has acquired



*The undersigned served as financial advisor, placement
agent and structured the transaction on behalf of
Susquehanna Capital.*



**Buy-Side Advisor & Placement
Agent**



has acquired

COOPER MANUFACTURING COMPANY



*The undersigned served as financial advisor, placement
agent and structured the transaction on behalf of
Susquehanna Capital.*



**Buy-Side Advisor & Placement
Agent**



has acquired

**AVECIA GROUP'S SPECIAL DRUG MIXTURES
BUSINESS**

*The undersigned served as financial advisor, placement
agent and structured the transaction on behalf of
Copperhead Chemical Company, Inc.*



**Buy-Side Advisor & Placement
Agent**



has completed a refinance

\$30,000,000

**Senior Credit Facilities and
Senior Subordinated Note**

*The undersigned acted as financial advisor and
placement agent.*



Placement Agent



a portfolio Company of



has been acquired by



*The undersigned acted as financial advisor to Main
Street Capital Holdings LLC.*



Sell-Side Advisor



*has completed a Management Buyout through a
recapitalization*

**\$4,000,000 Revolving Credit Facility
\$2,000,000 Senior Term Loan A
\$3,500,000 Senior Term Loan B**

*The undersigned acted as financial advisor and
placement agent.*



Placement Agent

Team Members

Andrew J. Bianco - Managing Director Prior experience includes three years as a Principal with Main Street Capital Holdings, Inc., a middle market private equity firm and eight years as Managing Director within the Mellon Strategic Advisors Group which provided merger & acquisition and private placement advisory services to its clients. At Mellon, he headed the Acquisition and Private Placement Group and grew fee income significantly. Furthermore, Mr. Bianco was responsible for originating and completing various acquisition, divestiture and corporate finance engagements. In addition to his technical expertise, Mr. Bianco has developed an extensive national network of lenders and investors. Other experience includes nine years at Westinghouse Financial Services and three years at Corporate Development Partners, Inc., a regional investment banking firm focused on merger & acquisition and private placement services to middle market companies. At Westinghouse Financial Services' Corporate Capital Group, he was intimately involved in establishing and providing private placement capabilities to the group and liquidity to its \$3.5 billion debt and equity portfolios and was directly involved in the sale of numerous investments including senior, mezzanine, equity and limited partnership interests. As a Managing Director and Principal at Corporate Development Partners, Mr. Bianco was responsible for originating and completing corporate finance engagements with middle market clients. Mr. Bianco has been a guest speaker at numerous conferences and a guest lecturer at Pittsburgh-based universities colleges including the ACG, National Wealth Management, Carnegie Mellon, Duquesne, and St. Vincent. Certified in Mergers & Acquisitions by the AMAA. Successfully completed the Series 7 and 63 exams. M.S., Corporate Taxation, Robert Morris College. B.S., Accounting, Duquesne University.

Anthony J. Ventura – Managing Director Mr. Ventura has a decade of experience in middle market investment banking. Prior to joining Strategic Advisors he was a Director of Corporate Finance at Schneider Downs, which provided merger and acquisition and private placement advisory services to its clients. He worked for a growth-oriented investment bank now known as Headwaters SC. Prior to his career in investment banking, Mr. Ventura served as an investment and treasury analyst at Carnegie Mellon University and a commercial credit underwriter at PNC Bank. Mr. Ventura is a member of the Association of Corporate Growth and has judged its M.B.A case competition. Completed the FINRA Series 7, 63, and 79 exams. B.A. Managerial Economics, Allegheny College. M.B.A. Finance, Tepper School of Business at Carnegie Mellon University.

Team Members

Eric A. Wissinger – Managing Director Prior to joining Strategic Advisors, Mr. Wissinger was Managing Director and Head of the Pittsburgh office at Valuation Research Corporation, an international valuation services firm focused on merger & acquisitions, financial restructuring and fairness and solvency opinions. Prior to Valuation Research Corporation, Mr. Wissinger was a Co-Founder, Principal, and Managing Director of Commonwealth Capital Group, L.P., a regional private equity fund dedicated to alternative asset investing in micro-market industrial businesses. In addition, while associated with Commonwealth Capital Group, Mr. Wissinger became President and CEO of a portfolio company of the fund and was responsible for managing all business operations, sales activities and product development. Mr. Wissinger has originated, structured and executed equity transactions with companies ranging from small, closely-held businesses to divisions of international, multi-billion dollar public companies. Mr. Wissinger has developed a significant national network of equity investors and mezzanine and debt providers. Other experience includes a number of years at Arthur Andersen, LLP and Mark I. Wolk and Associates, P.C., a boutique investment banking and financial consulting firm. At Arthur Andersen, Mr. Wissinger was a Senior Manager within the Economic and Financial Consulting practice where he conducting financial valuation studies, investment banking services and restructuring consultation. At Mark I. Wolk and Associates, Mr. Wissinger was a Director and ran the New York office and was responsible for originating and completing valuation analyses and corporate finance engagements with middle market clients. Mr. Wissinger currently serves on the Boards of Directors of McKees Rocks Industrial Enterprises, Inc. and Engineered Plastics, Inc. Mr. Wissinger received his Bachelor of Business Administration degree from Roanoke College.

Contact Information



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