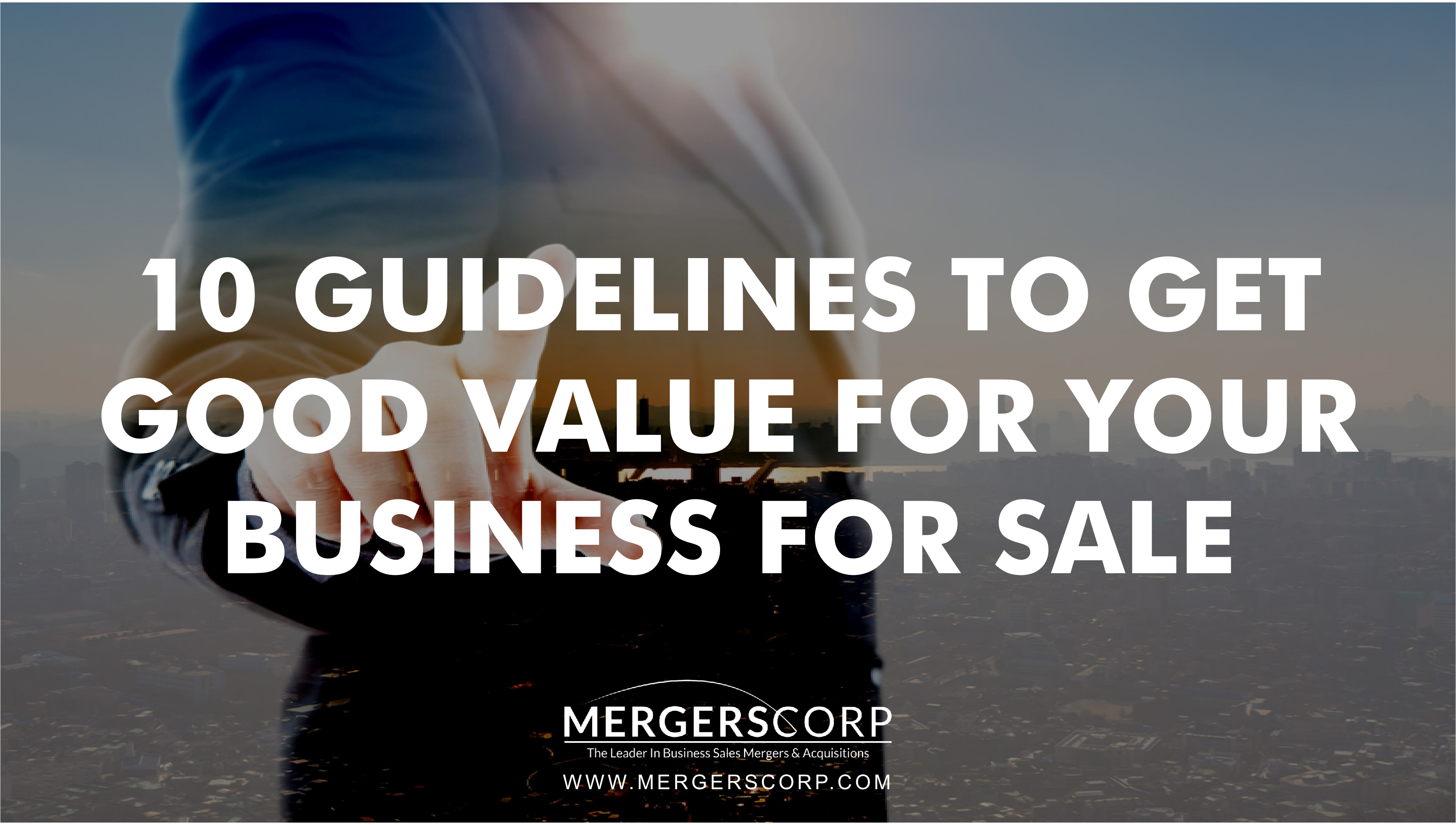

10 GUIDELINES TO GET GOOD VALUE FOR YOUR BUSINESS FOR SALE

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Your business is probably one of your biggest assets, so it is important that you enable it to have its optimum value at the time of sale. There are many mistakes that can be made in selling a business, which can devalue it. Follow these guidelines so that you can avoid these mistakes.

1. Plan the sale: Ideally you should start to plan for a sale 3 years before you expect to sell, but if you are already too late for that, at least one year is necessary. There are many things to plan in getting the business ready, from making sure your bookkeeping is in order to refurbishment. Thought needs to go into how you plan the transition, whether you provide training, what assets you are selling and if you are selling the business as a whole. All these things and many more need time. Professional help can enable you to make a thorough plan in preparation for sale and is important at this stage if you want to get a good price for your business.

2. Put the business on the market: It is tempting when someone recommends a buyer or shows interest in buying your business to just pursue that one lead. However, when you are only opening the option to one buyer, it is unlikely that you will get the price the business is worth. Make sure you get exposure for your business advertised for sale to a large group of potential buyers.

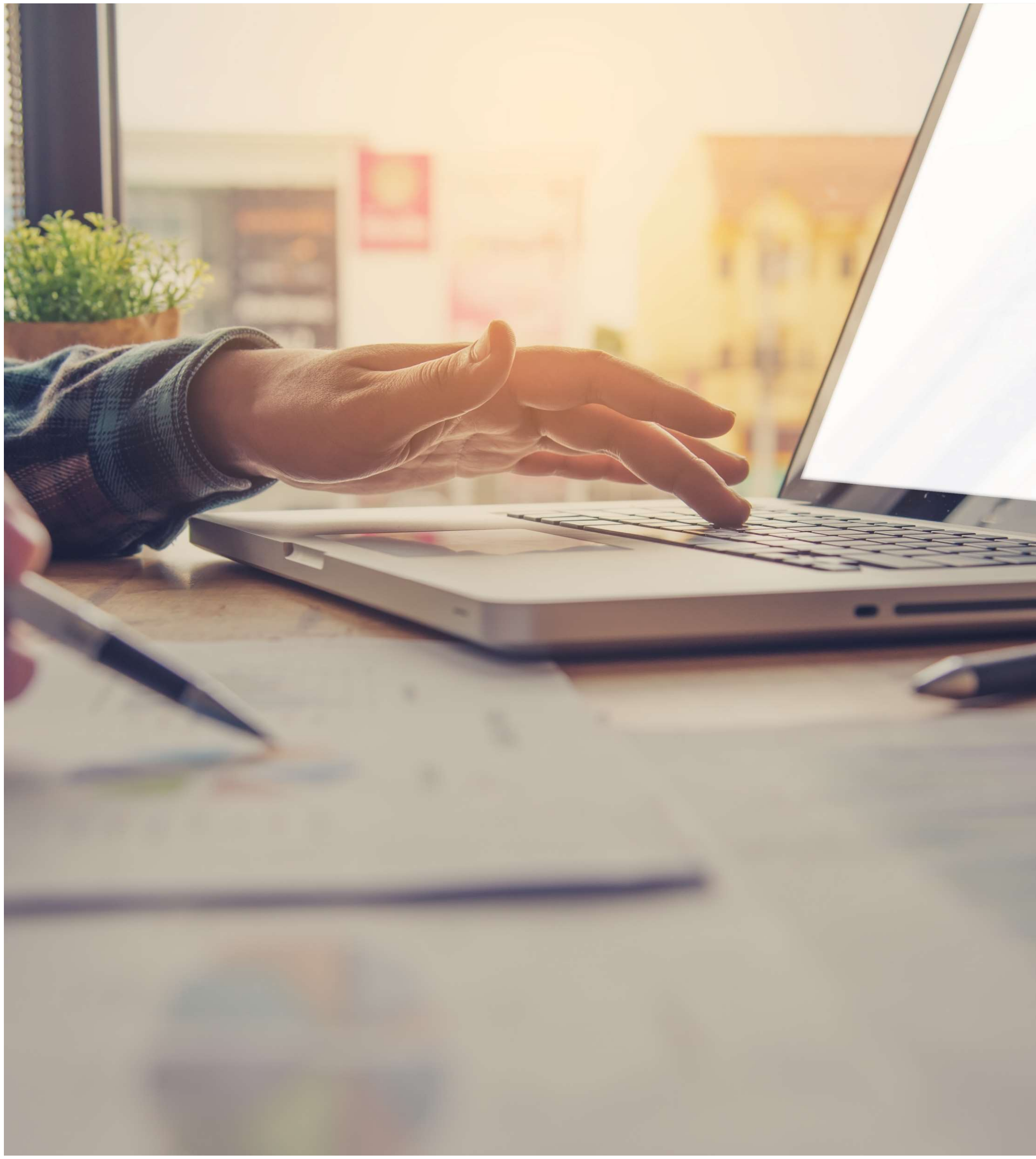
3. Tell it how it is - warts and all: It is essential to be honest about your business, even with something that is negative. Once a buyer is interested and is ready to make a deal they will want to investigate in more details about the business and do due diligence. If they come across something that has been hidden this will cast doubts into their minds that there could be other issues with the business. At this point the buyer will usually reduce the price they are willing to pay and more often than not a deal is no longer reached. So it is important to be upfront with anything that may seem negative and deal with it head on, so that it can be managed well from the start.

4. Keep focused: When in negotiations to sell your business, it is easy to lose your focus on running the business. If this leads in turn to a down turn in the business then this will also cause a down turn in the price someone is willing to pay. A previously agreed price may need to be renegotiated, adding to the stress. It is definitely advisable to turn to those who are in the Mergers and Acquisition profession, so that they can deal with all the nitty-gritty, keeping the stress away from you and allowing you to keep running your business well to the end.

5. Diversify the customer base: It is risky taking on a business where there is only a small customer base. When a business is sold there is a likelihood some customers will discontinue their custom. Acquirers know this and will want to see a wide customer base so this likelihood will have less effect. More than 10% of the revenue or profits should not come from a single customer. If you are not able to broaden the customer base, make sure you have long term contracts which will reassure the buyer that the customers are there to stay.

6. Develop your staff: A buyer will be looking to take on a business that can keep on working well and grow after they have bought it. It will be of great benefit to them if the staff is well trained and competent in running the business and so add to its value. Staff training, specifically in managerial roles should start at least a year before putting your business up for sale. Nobody will want to buy a business that is dependent solely on the skills of the seller for its success.

7. Make sure your book keeping is good: Good bookkeeping speaks volumes about how a business is run and inspires confidence in the business. It also helps in due diligence and in the process of the negotiations, by giving an accurate account of the business and its financial history.



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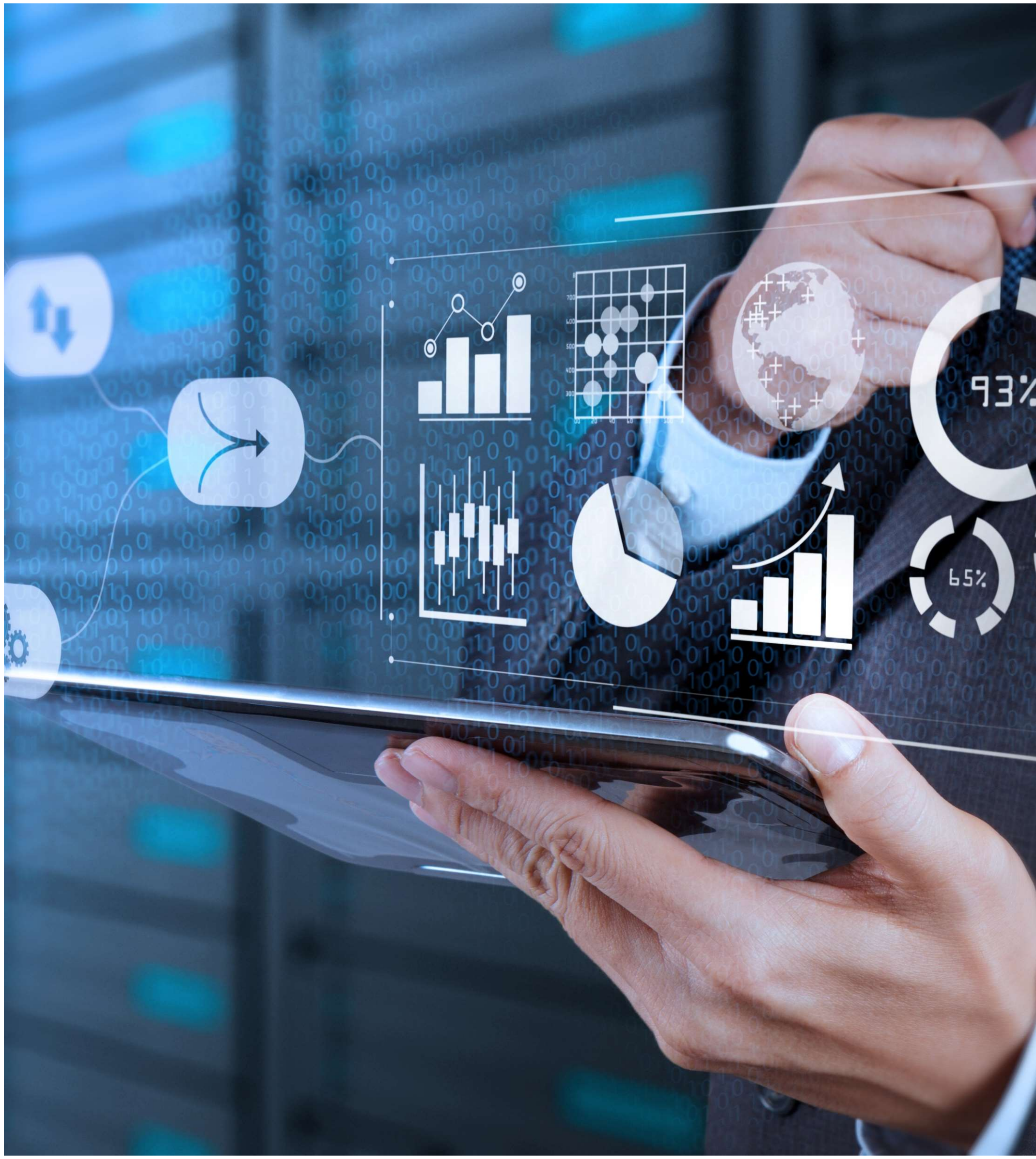
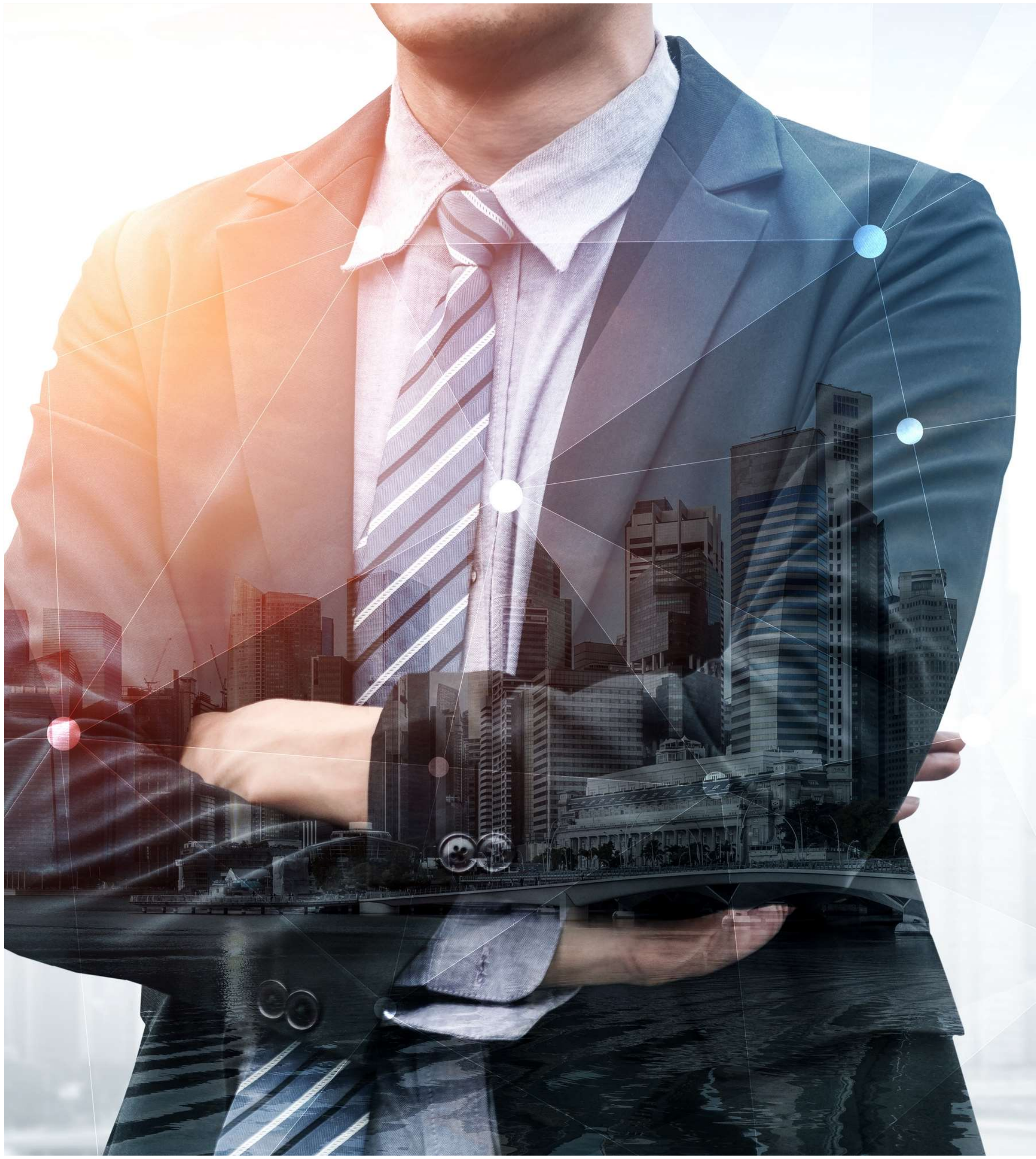
8. Have thorough and strong contracts: Make sure that all your contracts are water tight and up to date. An acquirer will not want to be locked into an agreement which could mean rises in rent or that suppliers could pull out without warning. Make sure your intellectual property is protected and that you have good insurance.

9. Keep it confidential: When customers or employees hear about a possible sale they may leave you because of the uncertainty this causes. Competitors can also use this for their advantage. If there is a key employee that you are concerned about, there may be incentives that can be given to encourage them to stay, but be aware of the cost to the company in this case.

10. Strong deal making team: Many acquirers are experienced in buying a business and have a strong team dedicated to making deals with professional advisors and lawyers. It is important that you have a team that can match this professionalism in order to get a good deal. Mergers and Acquisition advisors can be the solution to dealing with tough negotiations and making sure there is a fair deal, which is closed efficiently.



In summary, in order to sell a business at its best value there are a number of things to keet in consideration. Planning should start early, as much as 3 years, before putting it up for sale, not only to work out details of the transition, but also for the business to be running at its optimum potential. Staff should be trained in management and the paperwork correct and thorough. It is important to market the business well to a range of potential buyers and to be clear about all the aspects of the business. A good team is also important for making the negotiations.



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Our M&A Process

TARGET APPRAISAL	APPROACH	DUE DILIGENCE	NEGOTIATION & CLOSE	POST MERGER INTEGRATION (PMI)
Key Areas				
▪ Target & market analysis; ▪ Initial assessment of synergies & value drivers; ▪ Indicative valuation; ▪ Go or No-Go decision; ▪ Preparation of transaction documents (NDA – Non-disclosure Agreement/LOI-Letter of Intent); ▪ Select Transaction team; ▪ Appoint advisors; ▪ Consider funding ability.	▪ Initial approach letter; ▪ Signing of NDA; ▪ Prepare & share initial information requests; ▪ Formulation of LOI (Letter of Intent) & possible negotiations; ▪ Initial meeting and Q&A; ▪ Circulate information on the Target to the Transaction team.	▪ Set scope of due diligence; ▪ Set up VDR (virtual data room); ▪ Coordinating of due diligence, further meetings and Q&A sessions; ▪ Consider points relevant to the Post-Merger (PMI) phase;	▪ Revisit indicative valuation & prepare detailed valuation based on due diligence findings; ▪ SPA negotiations with the seller; ▪ Development of final structure (share/asset deal) and final valuation; ▪ Approvals; ▪ Signing of SPA & Close.	▪ Consider the extent of integration; ▪ Development of 100 Day PMI Plan; ▪ Consider short & long term objectives; ▪ Estimate requirements to capture synergies; ▪ Determine resource needs & optimal allocation.
Parties Involved				
▪ CFO; ▪ Head of M&A; ▪ Accountants; ▪ Corporate finance advisors; ▪ Consultants.	▪ Senior management; ▪ CEO, CFO, CTO; ▪ Strategy director; ▪ Head of M&A; ▪ Head of Business Development; ▪ Consultants.		▪ Company general counsel; ▪ Lawyers; ▪ Senior management.	▪ Company general counsel; ▪ Lawyers; ▪ Senior management/HR.

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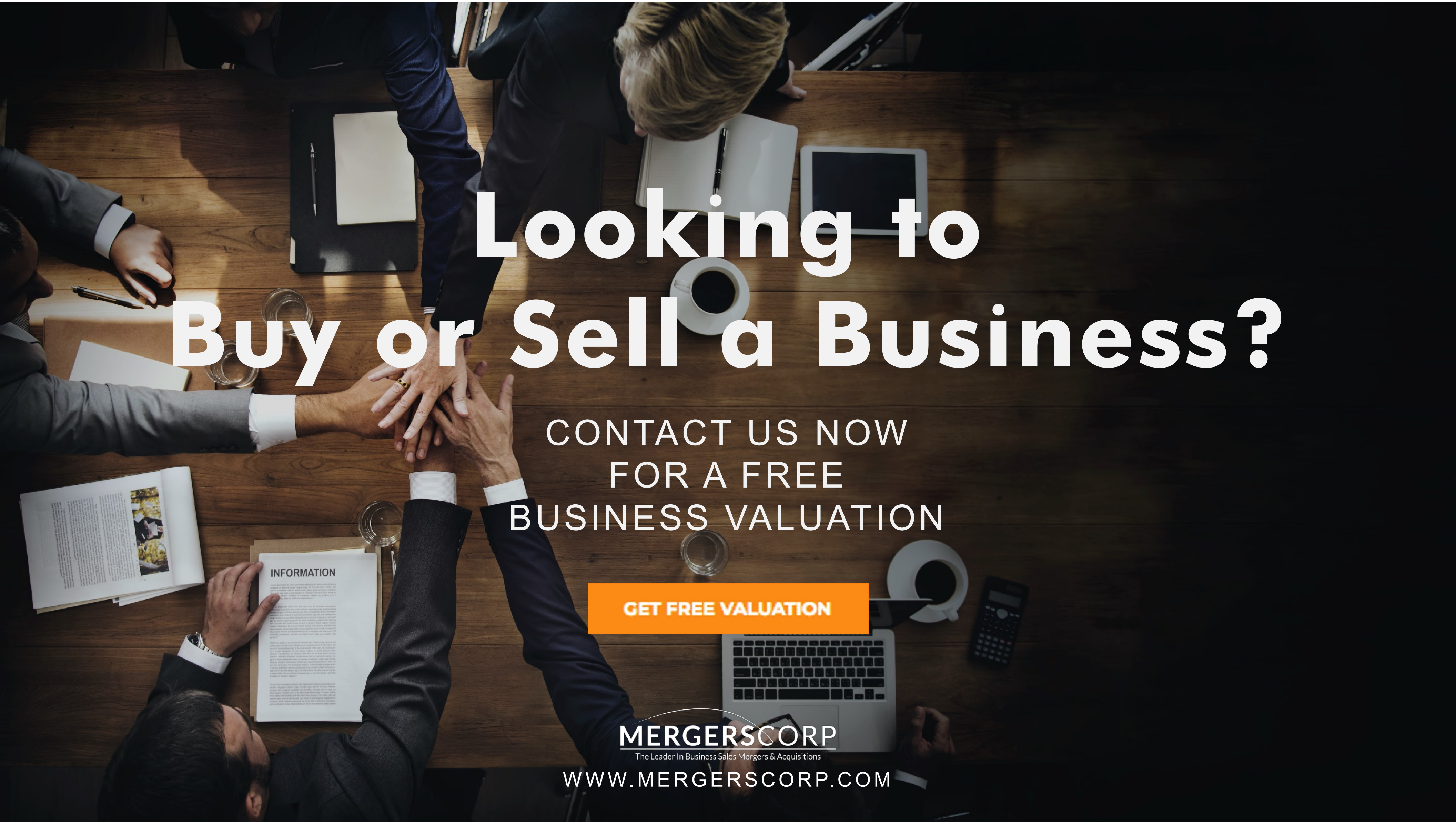

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