Meridian Commercial Advisory

Consulting & Advisory Services

Contact:

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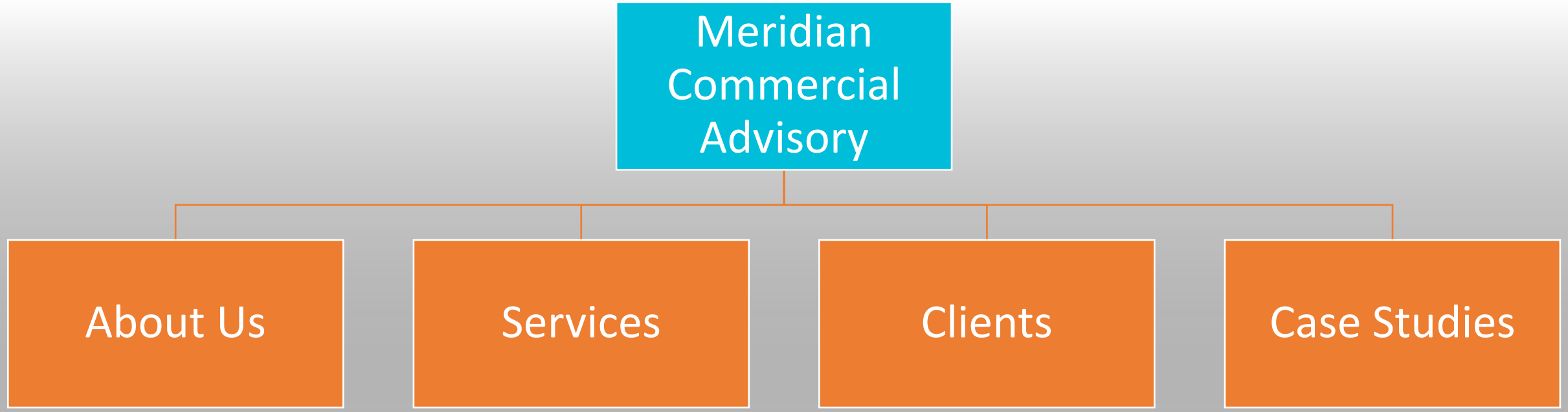
Agenda


Meridian Commercial Advisory
About Us
Services
Clients
Case Studies

About Us

Meridian Commercial Advisory

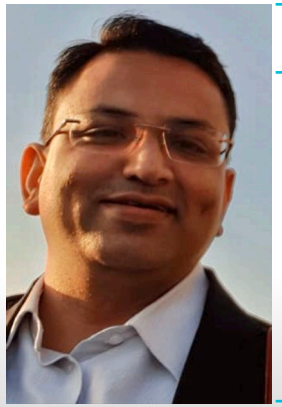
Meridian Commercial Advisory has its origins in 2010, when it was formed with a focus on Middle Eastern markets. Subsequently, the company has expanded the scope of its services to clients in European and Asian countries.

Drawing upon the vast experience of the protagonists of the firm across multiple industries in the financial, consulting and corporate space, the company provides best-in-class services from a commercial and marketing perspective to a broad base of clients in Consumer Markets, Food, Retail, Automotive, Industrial, Real estate, Infrastructure & Utilities.

Our bespoke services are tailored specifically to the most impending concerns of the clients in a rapidly changing environment which presents new challenges as the conventionally accepted mechanisms for operating businesses experience substantial transformations in the fast-emerging digital age.

Our boutique services business model revolves around selective partnerships with internationally renowned experts in their fields of business, complementing their skill set with a view to providing a one-window platform to our most treasured clientele.

Usman Rauf



Background

Usman brings commercial and business development expertise to the consulting set-up with experience in a broad range of sectors including automotive, consumer & luxury goods, manufacturing & retail, energy & infrastructure. Having worked in investment banking and corporate & project finance roles, he is well positioned to advice on financial engineering options for businesses in multiple stages of development. Having experience with both small and large scale businesses including the leading global multinationals, Masdar, Coca-Cola and The AES Corporation, he is also well-equipped to provide consulting services in business transformation environments.

Professional Experience

- Usman has 21 plus years of consulting, financial market and corporate experience with exposure to budgeting, financial planning & analytics, mergers & acquisitions and corporate and project finance & advisory
- Work with leading multinationals and clients including across a broad range of sectors including infrastructure, utilities, FMCG, consumer goods, real estate, digital, food & retail, with a hands on knowledge of the key requirements for successful transformations of businesses
- Usman has experience in corporate & project finance transactions as big as GBP 6 billion and has an in depth understanding of all key macroeconomic, and microeconomic factors that shape the trends of the region
- Cross-country power, district cooling, water, waste management, gas distribution & ports projects covering investments in Americas, Europe, Middle East & Asia-Pacific, and expertise in financial advisory, modelling & valuations of projects, businesses & portfolios
- Development of Switzerland based venture capital fund focussing on investments in renewable energy
- He has developed the utilities business for the largest real estate development in the region with 500,000 residents, workers & visitors
- He is an MBA and is a risk professional, certified by the Global Association of Risk Professionals and has an Environmental, Social and Governance certification from the Center for Sustainability & Excellence

SERVICES

Meridian Focus On Commercial Management Activities

Meridian Commercial Advisory Services – Functional Expertise

Business Consulting

- ❑ Commercial Business Models
- ❑ Budgets
- ❑ Business Plans
- ❑ Business Proposals
- ❑ Feasibility Reports
- ❑ Business Transformation
- ❑ Procurement Support

Financial Consulting

- ❑ Transaction support
- ❑ Financial Modelling
- ❑ Investment Memorandum
- ❑ Tax Planning
- ❑ Risk Management
- ❑ Due Diligence
- ❑ Valuations

Marketing Services Advisory

- ❑ Marketing Strategy
- ❑ Brand Development
- ❑ Product & Portfolio Development
- ❑ Channel Development
- ❑ Market Research
- ❑ Return on Investments Models

Digital Transformations

- ❑ Digital Strategy
- ❑ Digital Marketing Plan
- ❑ Digital Launch Strategy
- ❑ Digital Assets Development & Deployment
- ❑ Brand Monitoring and Development
- ❑ Return on Investment Models

Project Management

Project, Company, Product or Brand Launch & Implementation

- ❑ Strategy
- ❑ Design or Development
- ❑ Commercialization
- ❑ Launch Strategy and Implementation
- ❑ Post-Launch Monitoring & Evaluation
- ❑ Return on Investment Models

Business Analytics

- ❑ Dashboards
- ❑ Data Mining
- ❑ Descriptive Analytics
- ❑ Predictive Analytics
- ❑ Insights & Opportunity Analysis
- ❑ Shareholder Return, Entry & Exit Models

The scope of our services extends across the full stages of growth for a company during its life cycle

Business Consulting
Facilitating the advancement of businesses through their entire growth spectrum

We endeavor to provide the appropriate platforms for achieving targets defined in collaboration with clients for new business concepts or relatively mature organizations

Project Idea – New ventures define their unique value proposition, establishing a sustainable competitive advantage

- Customer Development Framework
- Lean Start-up Framework
- Value Proposition Development
- Competitive Evaluation
- Market Assessment Modelling
- Commercialization Assessment
- Business Plans
- Feasibility Reports

Startup - Entrepreneurs end up building castles on sand if they focus on administrative issues for their business

- Time Performance and Profitability Framework
- Commercialization Strategy
- Marketing Strategy
- Digital Strategy
- Budgeting
- Risk Management
- Outsourcing of non-core activities

Growth Company - Growth centered around core competencies retains the sustainable advantage for businesses

- Business Development Strategy
- Competitive Benchmarking
- Streamlining of operations
- Budgeting for Growth
- Business Transformation Strategy
- Business Analytics
- Risk Management

Mature Company - Mature businesses need an external perspective to identify areas for continuous improvement

- Business Transformation
- Diversification
- Acquisition
- Rationalisation
- Business Analytics
- Risk Management

Meridian Commercial Advisory brings a multi-faceted experience across a broad range of sectors in play to meet the customized needs of clients

Financial Consulting
Business growth cycle stage-appropriate financial solutions

Financial consulting serves a complementary function during ideation and start-up phases, while developing into standalone business support solutions for mature Platforms

- Business Planning & Analysis
- Competitive Evaluation
- Market Model Assessment
- Commercial Model Assessment
- Financial Model
- Business Valuations
- Financing Assessment
- Stakeholder returns on investment

- Business Model Setup
- Budgeting
- Risk Management
- Tax Consulting
- Business Valuations
- Financing Pitchbook
- Stakeholder returns on investment

- Financial Planning & Analytics
- Tax Consulting
- Debt Investment Memorandum
- Equity Investment Memorandum
- Growth Capital Financing
- Business Valuations
- Stakeholder returns on investment

- Financial Planning & Analytics
- Tax Consulting
- Business Valuations
- Transaction Support
- Debt Investment Memorandum
- Equity Investment Memorandum
- Stakeholder returns on investment

We provide solutions that can outsource non-core finance activities enabling entrepreneurs to focus on their core skillsets, while providing longer range plans for induction or in-house resources

Marketing Services Advisory
We sell the problem that we solve not the product

Our competitive edge lies in result-oriented return on investment based solutions that monitor the yield from each dollar of marketing spend

Marketing Situation Analysis → Determination of Marketing Segments & Targets → Definition of Marketing Strategy → Determination of Marketing Budget → Definition of Marketing Plans → Implementation of Marketing Plans → Control of Marketing Results

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Digital Transformations
Carving out niches through creative digital business models

Interested in cutting costs, launching a new product, creativity, boldness and the ability to deliver astonishing results on shoestring budgets, We can recommend Digital Business Solutions

- Sanity check on ideas based on market knowledge
- Screening of ideas
- Preliminary assessment of viability
- Selection of project idea
- Market modelling
- Initial Feasibility

- Commercial model assessment
- Recommendation on digital business models
- Conventional Business model tie-up with Digital
- Market Launch Plan
- Post Launch Evaluation

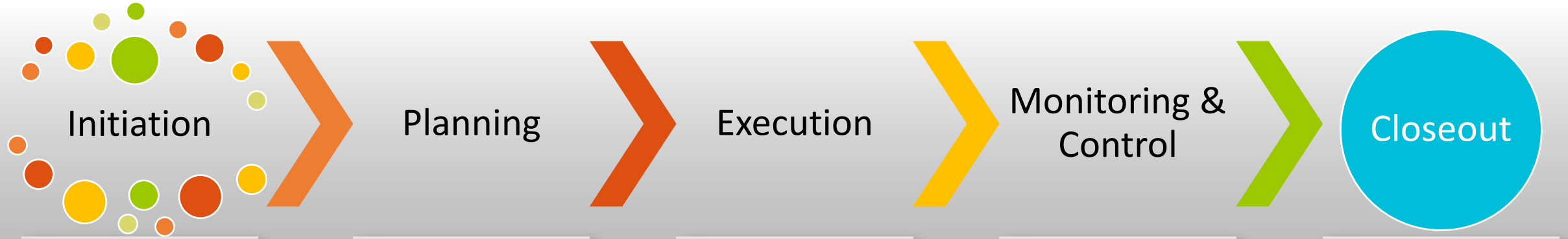
- Need assessment
- Conventional business model review
- Scope for digital transformation
- Business transformation plan
- Marketing Analytics
- Returns on Investment Models

- Need assessment
- Conventional business model review
- Scope for digital transformation
- Business transformation plan
- Marketing Analytics
- Returns on Investment Models

We work with our clients on a comprehensive needs assessment to enhance sources of revenue by recommending one or more of our exclusive Digital Business models

Project Management
Experience in successful execution of Business Transformations

All projects are managed on a Time-Performance-Profitability metric approach that focusses on maximizing the value to the client



Scope Management	Stakeholder Management	Risk Management	Time Management	Performance Management	Profitability Management

Clients

Clients


شارع منقوشة
MAN'OUSHE STREET
UNITED ARAB EMIRATES
MINISTRY OF ENERGY & INFRASTRUCTURE
الإمارات العربية المتحدة
وزارة الطاقة والبنية التحتية
Masdar
A MUBADALA COMPANY
مصدر
إحدى شركات مبادلة
MITSUBISHI
EUROMONITOR INTERNATIONAL
STOP 24
anytime. all the time.
COMPU ME
UIS
United Iron & Steel
AL-MAWARID Bank
بنك الموارد
opdenergy
ELLICOTT 1738®
INVENTOR OF TIMEKEEPERS
REMAH
رماح
Keppel Corporation
ENCORE
Athar Al Majd
Bexair
ALHABTOOR
AL HABTOOR MOTORS
Ferrari
THE BODY SHOP
Oren Hydrocarbo
kaykroo
HOUSING DEVELOPMENT CORPORATION
ALDAR
Sorouh
JET SET
N·B·A·R
1847
DUBAI GEM PRIVATE SCHOOL
أولى
oula
Five Stars KNPC Award
FIC-HSEQ-COP
الغرير
Al Ghurair
EMAAR
Balubaid
بالبيد
Coca-Cola
VEOLIA
أم القرى
Um Al-qura
شركاء المجلس
Majlis Partners
Beyond Wealth Management
Up
الإتحاد العقارية
Union Properties
SIGNATURE DEVELOPERS
اوتوزون
autozone
ALJOMAIH AUTOMOTIVE
The largest GM dealer in the Middle East
CCC
CAPITAL COOLING
devcco
DISTRICT ENERGY VENTURE
QPIC
QENA PAPER INDUSTRY CO.
BARWA
بروة
WINSOME RESOURCES SARL
Partners in enhancing value
suez environnement
مرافئ أبوظبي
ABU DHABI TERMINALS
مرافق قطر
Marafeq Qatar
AES
we are the energy
FAUJI FOUNDATION
Trust for the welfare of Ex-servicemen and their families
OBS
MRC GROUP
the grooming company
EMRC
FOODIE BRANDS
CEDARBRIDGE
i2
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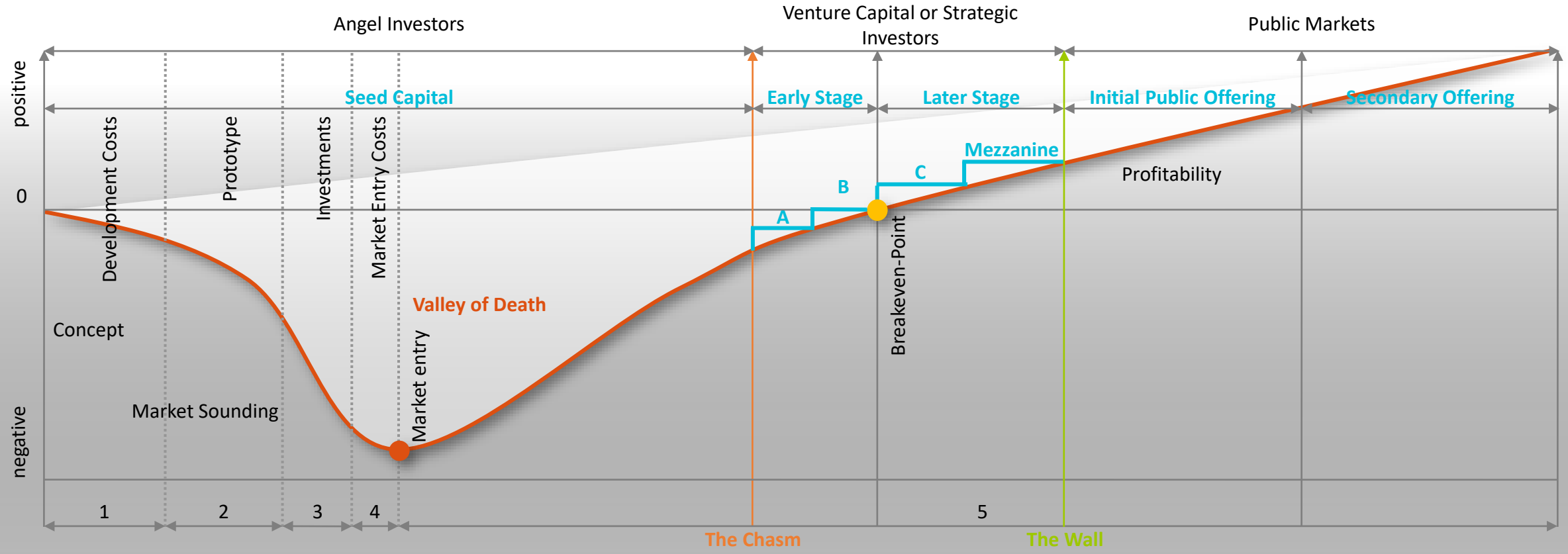
Case Studies

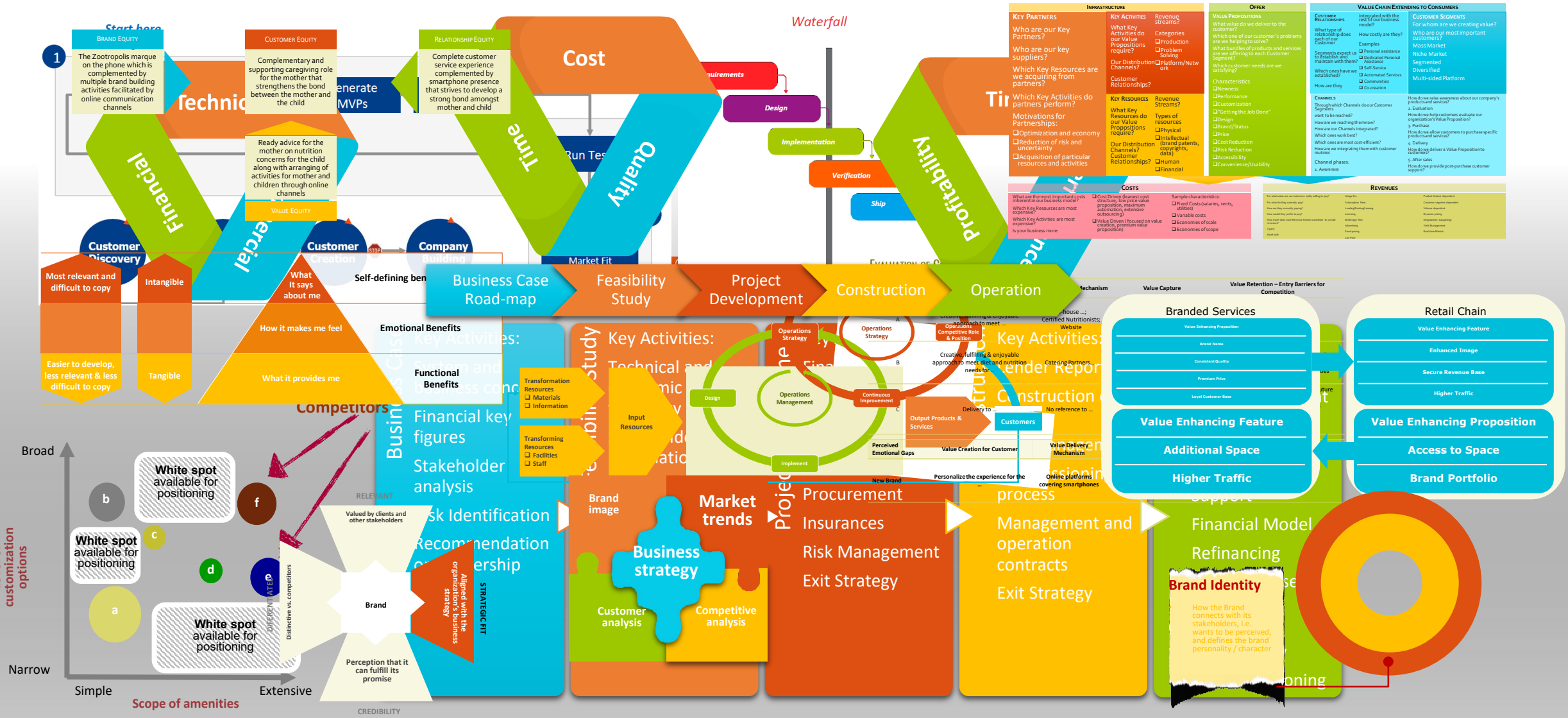
Stages of Growth for a Company

Our case studies extend across the full spectrum of growth stages for a company

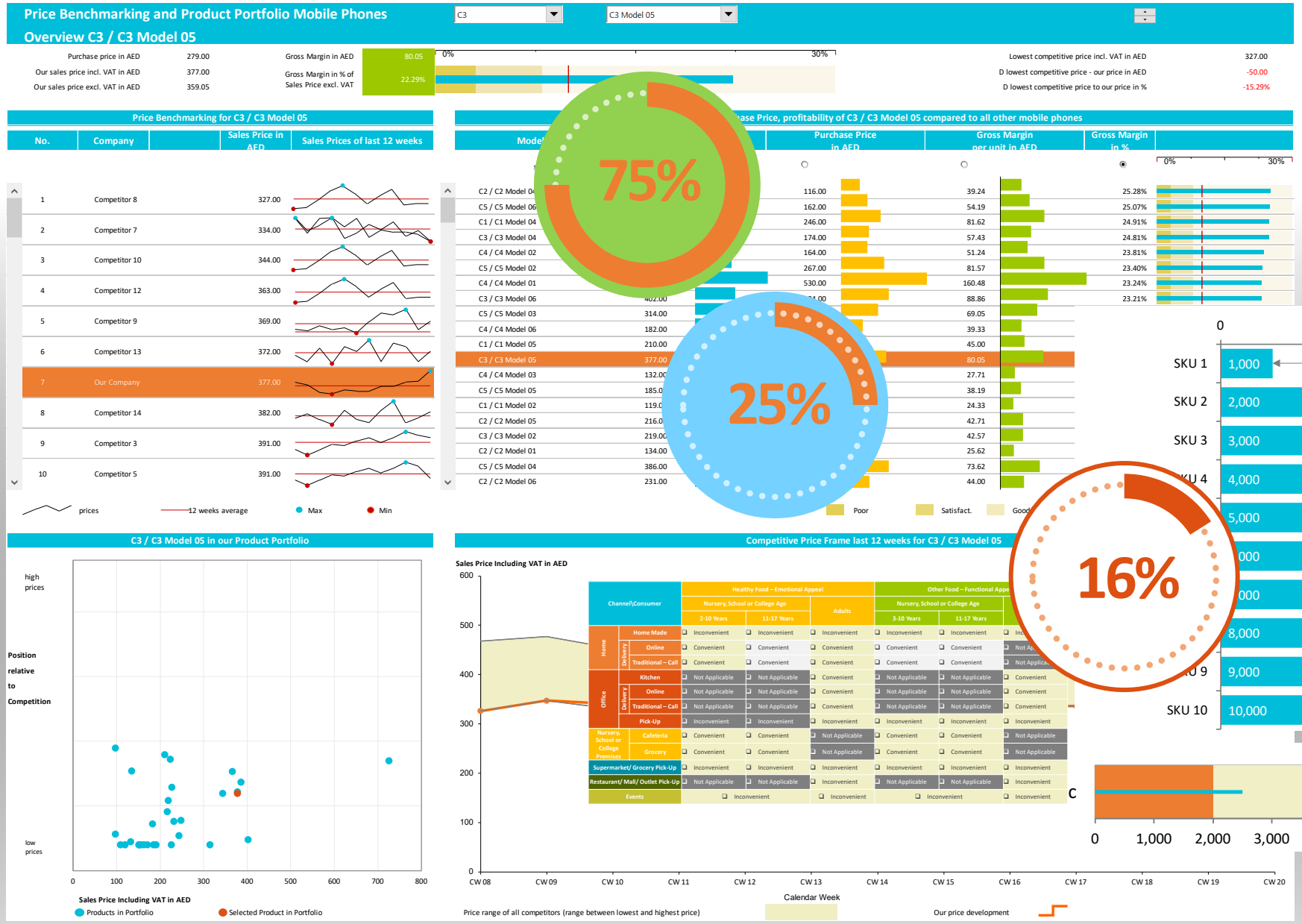


Seed or Start-up: Market research and product development; **Early Stage:** Funding full-scale operations and selling products/services; Not yet profitable; **Later Stage:** Funding expansion and new products; Near break-even

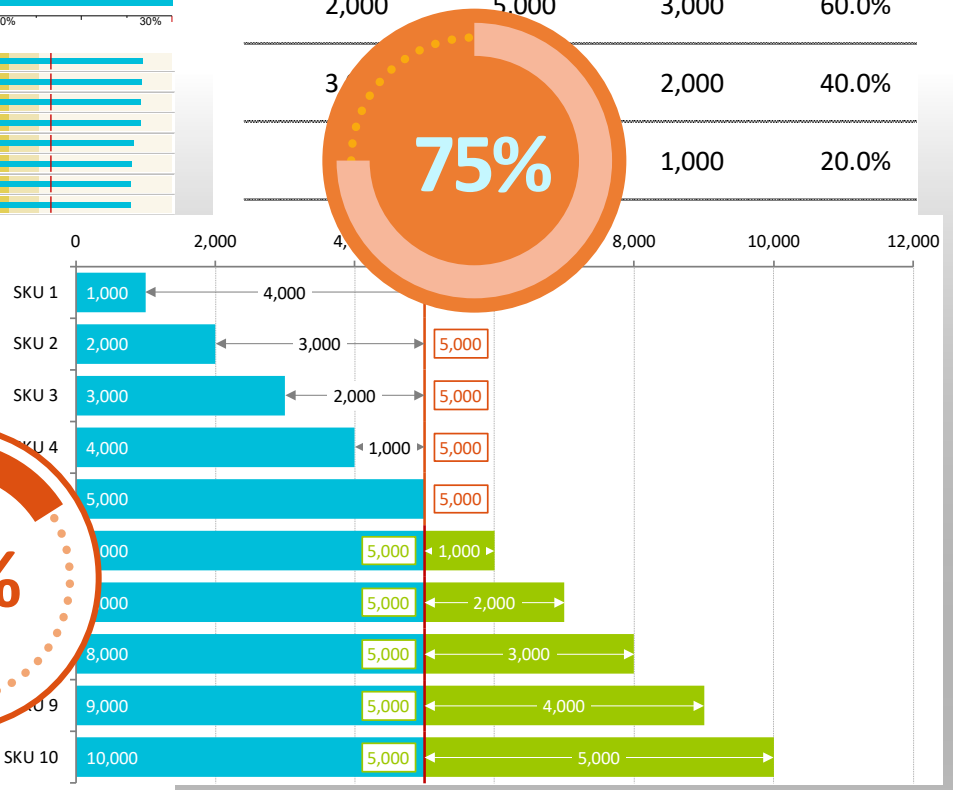
Business Development & Transformation Frameworks

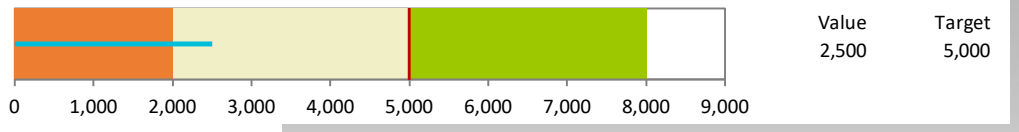


Market Analysis, Company Performance, Benchmarking & Dashboards

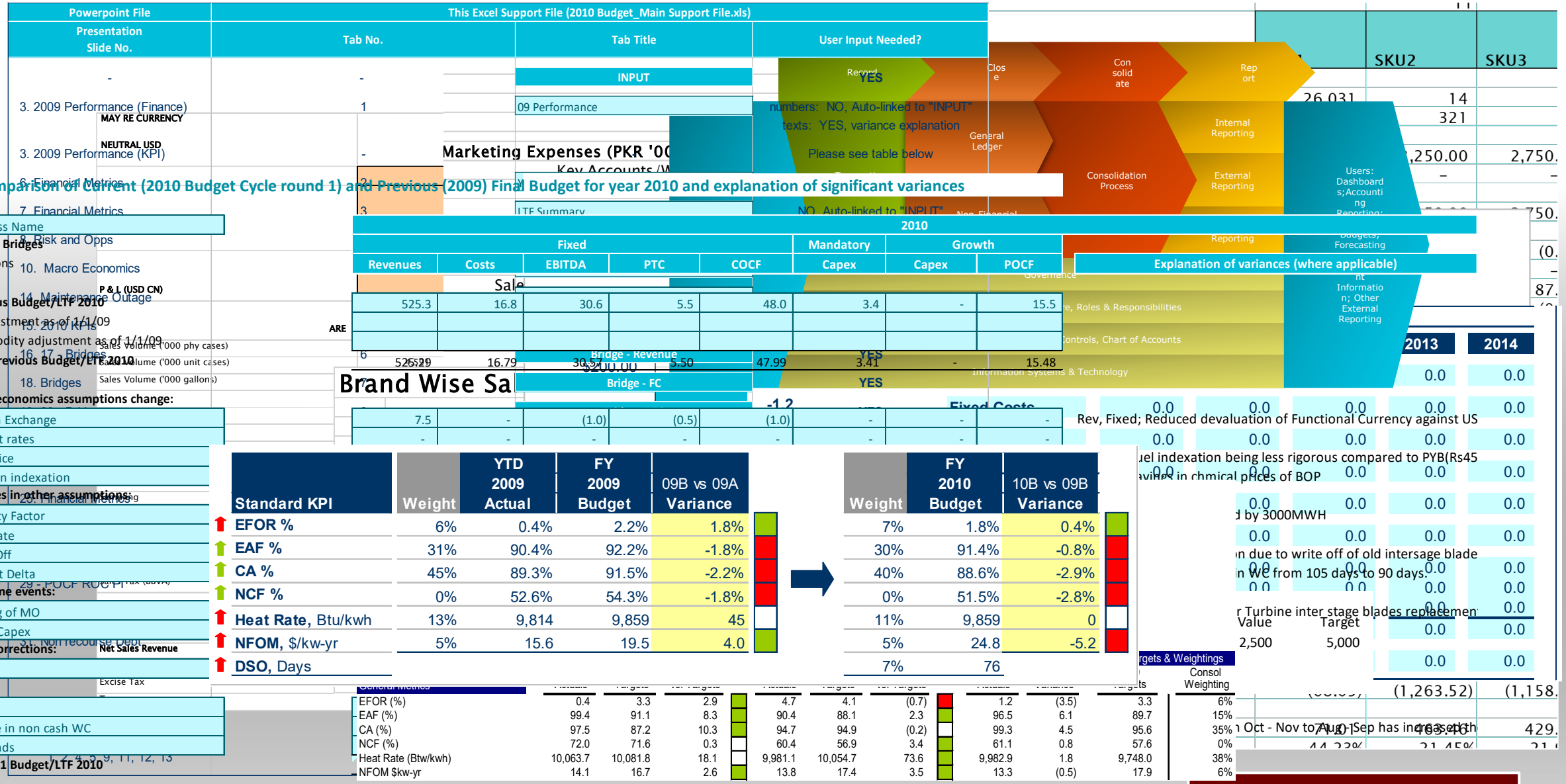


Value	Target	Gap	Gap in % of Target
1,000	5,000	4,000	80.0%
2,000	5,000	3,000	60.0%
3		2,000	40.0%
		1,000	20.0%





Budgeting, Financial Planning & Analysis



Standard KPI	Weight	YTD 2009 Actual	FY 2009 Budget	09B vs 09A Variance	Weight	FY 2010 Budget	10B vs 09B Variance
EFOR %	6%	0.4%	2.2%	1.8%	7%	1.8%	0.4%
EAF %	31%	90.4%	92.2%	-1.8%	30%	91.4%	-0.8%
CA %	45%	89.3%	91.5%	-2.2%	40%	88.6%	-2.9%
NCF %	0%	52.6%	54.3%	-1.8%	0%	51.5%	-2.8%
Heat Rate, Btu/kwh	13%	9,814	9,859	45	11%	9,859	0
NFOM, $/kw-yr	5%	15.6	19.5	4.0	5%	24.8	-5.2
DSO, Days					7%	76	

EFOR (%)	0.4	3.3	2.9		4.7	4.1	(0.7)		1.2	(3.5)	3.3	6%
EAF (%)	99.4	91.1	8.3		90.4	88.1	2.3		96.5	6.1	89.7	15%
CA (%)	97.5	87.2	10.3		94.7	94.9	(0.2)		99.3	4.5	95.6	35%
NCF (%)	72.0	71.6	0.3		60.4	56.9	3.4		61.1	0.8	57.6	0%
Heat Rate (Btw/kwh)	10,063.7	10,081.8	18.1		9,981.1	10,054.7	73.6		9,982.9	1.8	9,748.0	38%
NFOM $kw-yr	14.1	16.7	2.6		13.8	17.4	3.5		13.3	(0.5)	17.9	6%

rgets & Weightings
Consol Weighting

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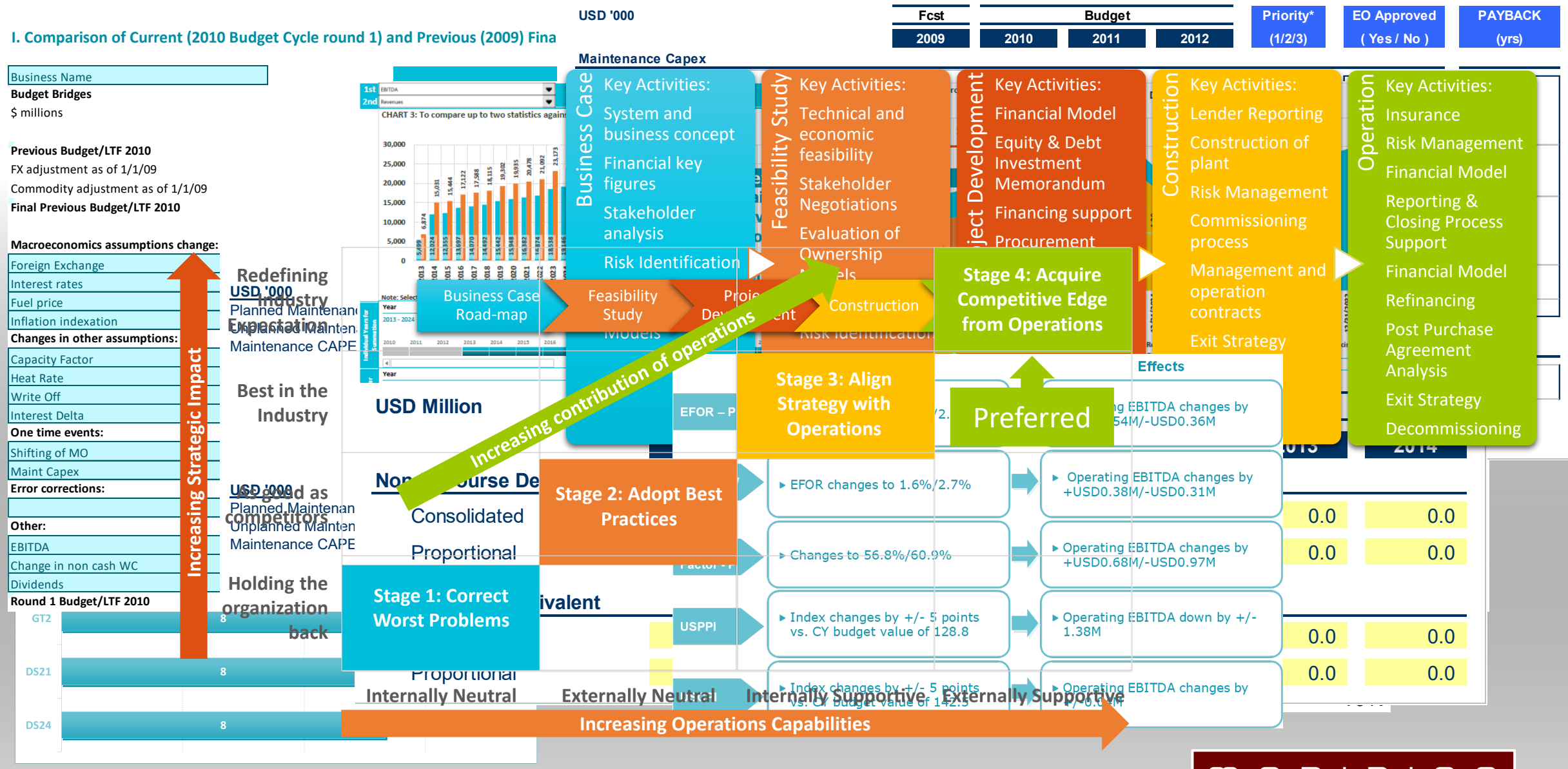
ENERGY, UTILITIES AND INFRASTRUCTURE



Energy & Utilities Value Enhancing Framework – upsides, sale, refinancing & other opportunities

Project Transaction Reference points

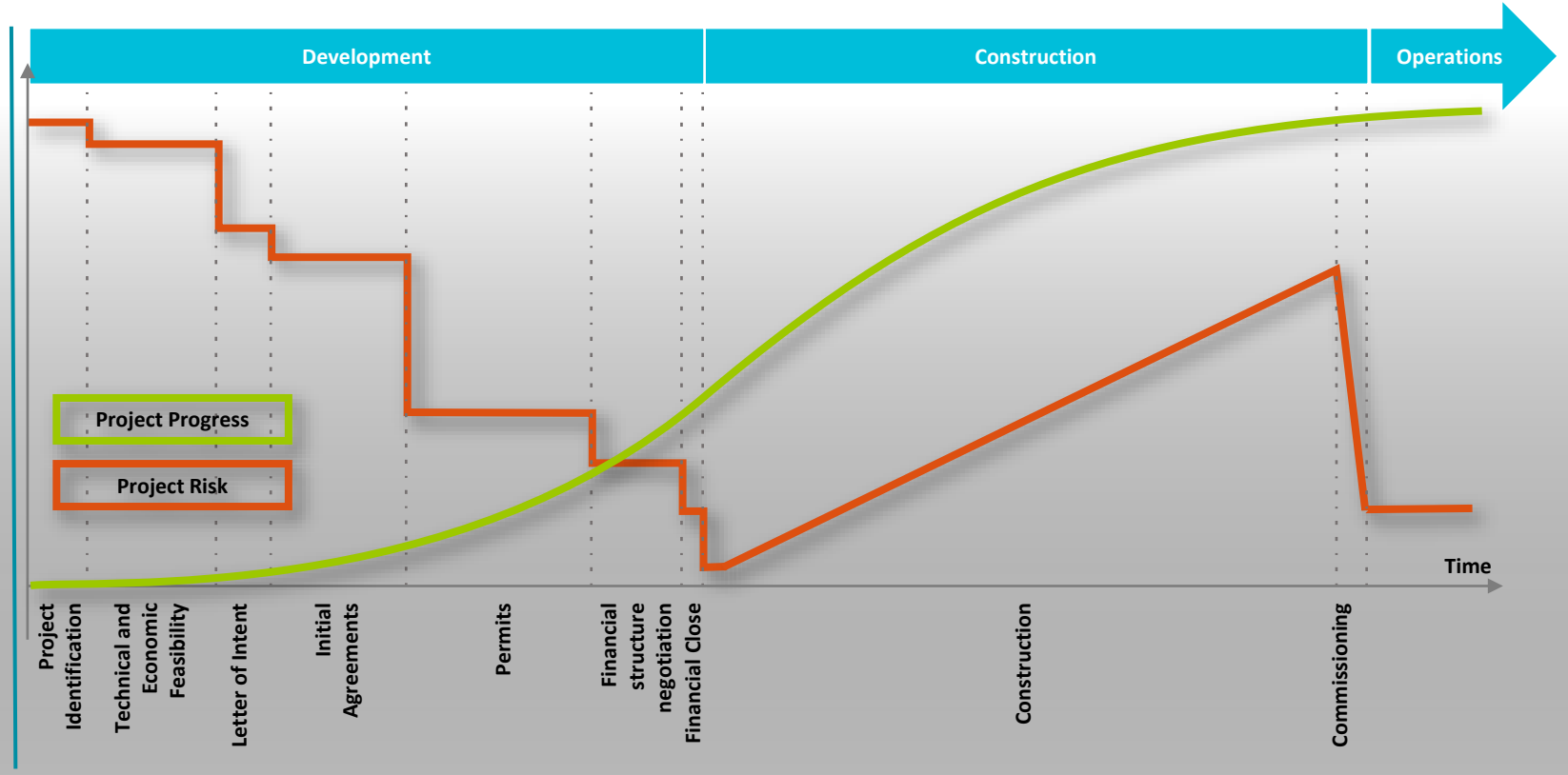
Equity or Merger & Acquisition

- Greenfield to fund initial development costs
- Greenfield at the Ready-to-build stage on obtaining permits
- Greenfield at the time of Financial Close
- Brownfield at any point after the expiry of the lock-down period, if applicable

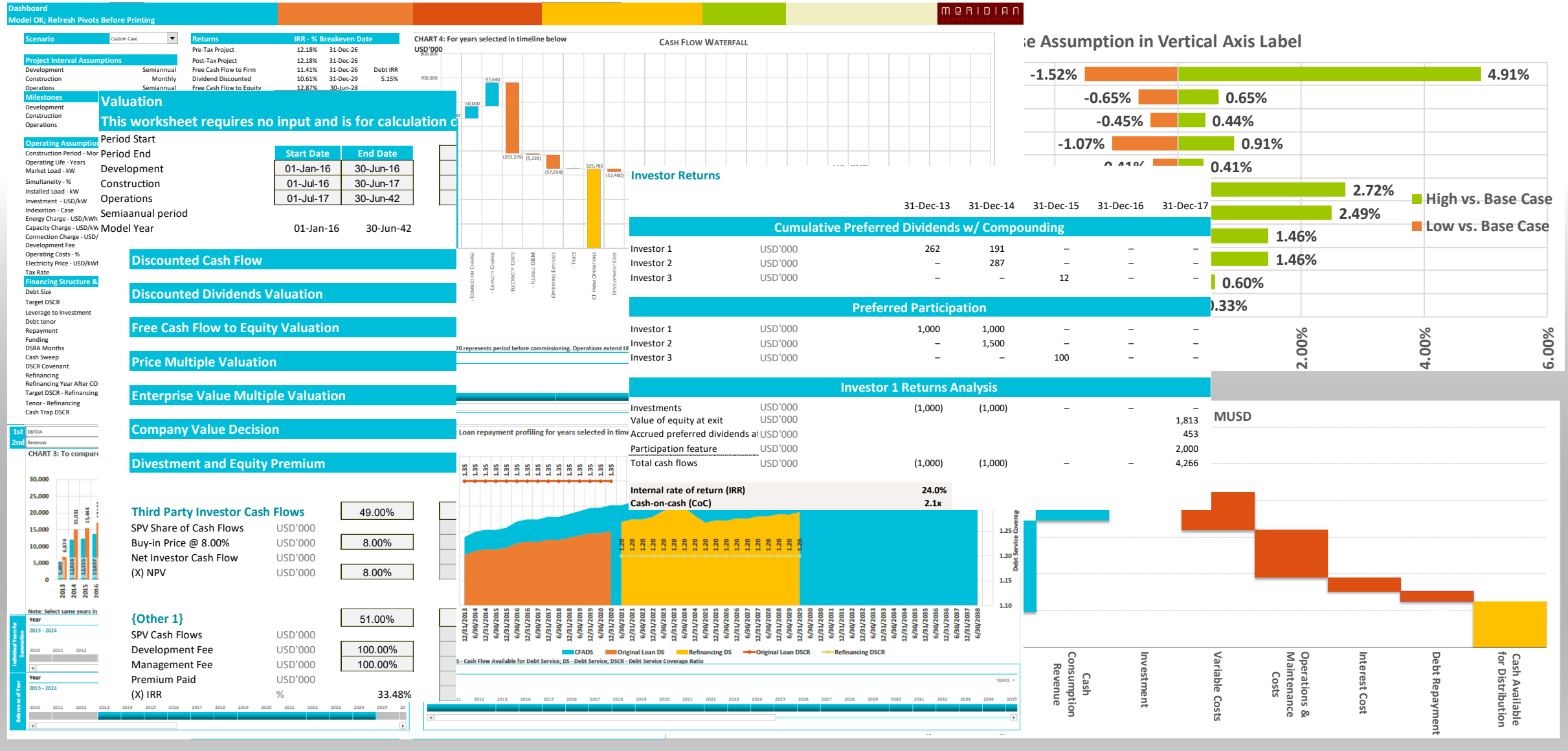
Financing

- At the time of Financial Close
- Refinancing after the expiry of the Defect Liability Period with a reduced risk exposure to lenders
- Subsequently, at any stage of the project
- Acquisition, Equity Bridge or Project Loans

Typical development cycle for a Utility Project



Business Finance, Due Diligence, Valuation & Modelling



Financial Model

Dashboard
Model OK; Refresh Pivots Before Printing

Scenario	Custom Case

Project Interval Assumptions	
Pre Commercial Operation Date	Monthly
Post Commercial Operation Date	Semiannual

Milestones	Start	End
Development	01-Sep-16	30-Jun-17
Construction	01-Jul-17	30-Jun-19
Operations	01-Jul-19	30-Jun-49

Operating Assumptions	
Construction Period - Months	24
Operating Life - Years	30
Installed Capacity - TR	11,889
Investment - SAR/TR	11,717
Energy Charge - SAR/TRh	0.38
Inflation Rate - Case	Base Inflation
Operating Costs - Case	Base Cost
Market Load - TR	13,987
Capacity Charge - SAR/TR	874
Connection Charge - SAR/TR	4,283
Development Cost	5.00%
Development Fee	0.00%

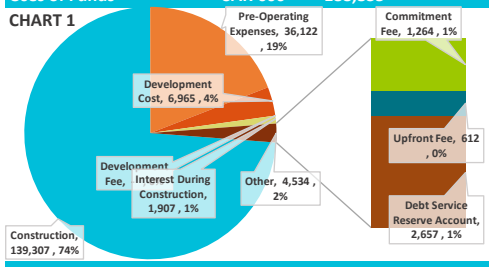
Financing Structure & Covenants	
Debt Size	☑ Gearing - True; DSCR - False
Target DSCR	1.20
Non-Equity Financing	33.00%
Debt tenor	20.00
Repayment	Sculpting
Funding	Equity First
DSRA Months	6
Cash Sweep	16.00%
DSCR Covenant	1.20
Refinancing	☐ Refinance - True; False
Refinancing Year After COD	5.00
Target DSCR - Refinancing	1.20
Tenor - Refinancing	10.50
Cash Trap DSCR	1.20

Returns	IRR - %	Breakeven Date
Pre Tax	10.83%	31-Dec-27
Dividend Discounted	3.21%	30-Jun-40
After Tax	15.11%	31-Dec-22
Debt	2.88%	

Credit Metrics	Original Loan	Refinancing
Amount - SAR'000	61,213	NA
Minimum DSCR	1.20	NA
Loan Life Coverage Ratio	1.82	
Project Life Coverage Ratio	2.54	
First Drawdown	01-Jun-18	NA
Loan Repaid by	31-Dec-30	NA
Debt Tenor	11.50	NA

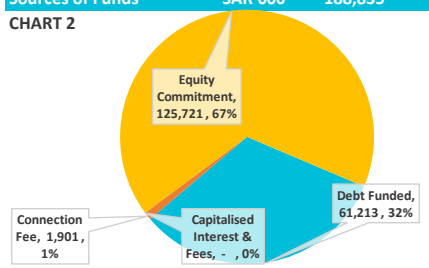
Uses of Funds SAR'000 188,835

CHART 1



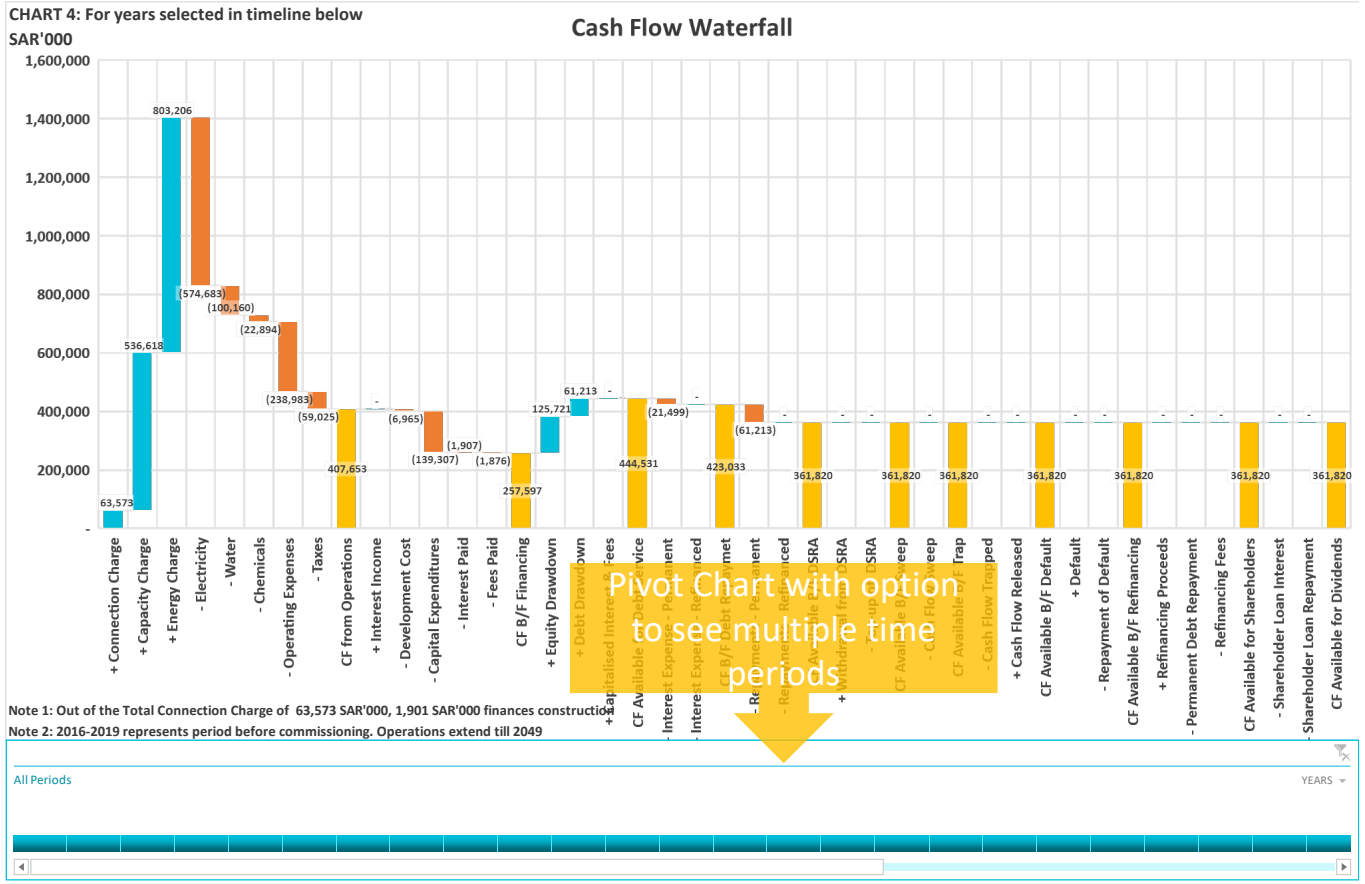
Sources of Funds SAR'000 188,835

CHART 2



Note: Bank Interest & fees for debt procurement are paid

CHART 4: For years selected in timeline below



Pivot Chart with option to see multiple time periods

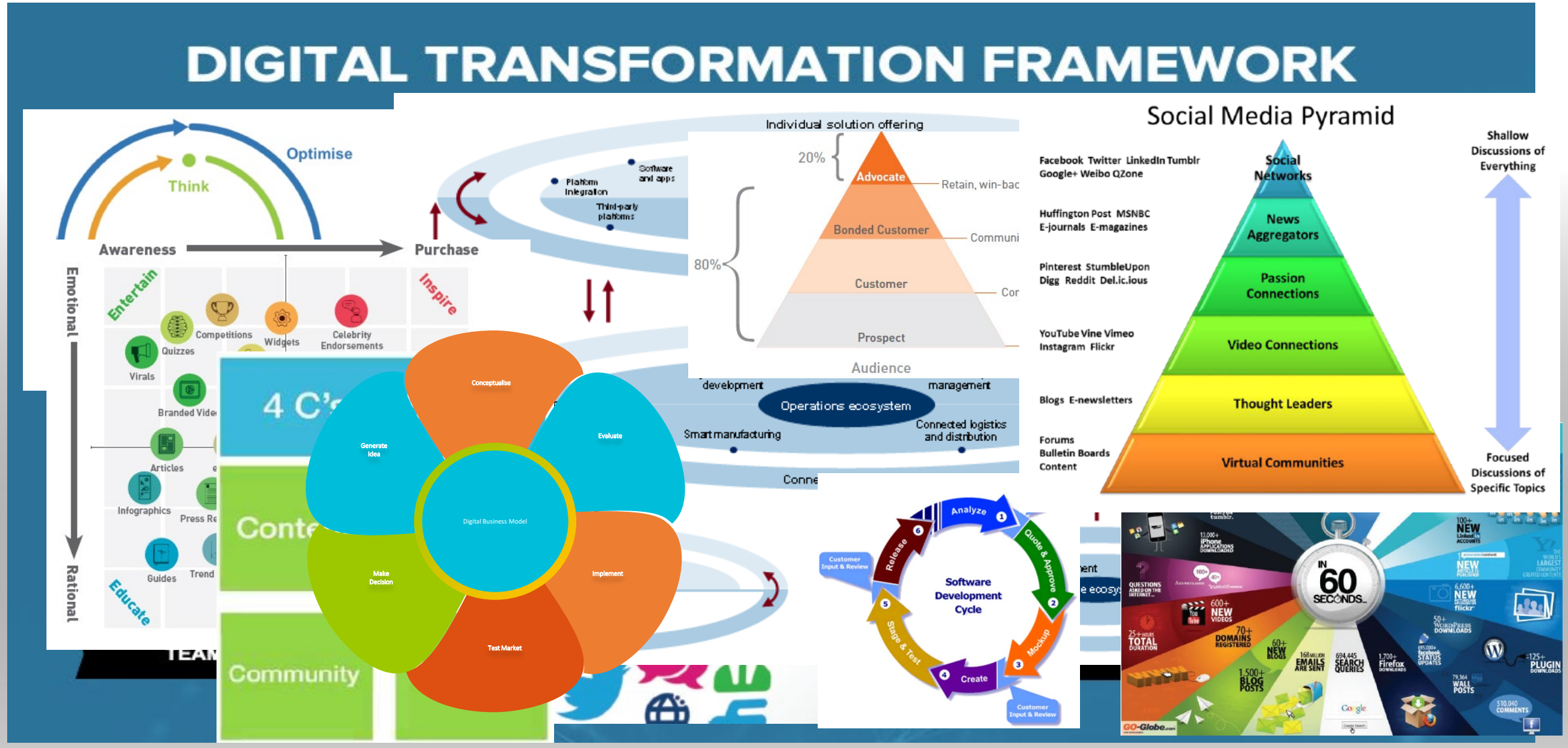
Note 1: Out of the Total Connection Charge of 63,573 SAR'000, 1,901 SAR'000 finances construction

Note 2: 2016-2019 represents period before commissioning. Operations extend till 2049

All Periods YEARS

Refinancing Option; Flexibility to Change Model Time Intervals; Multiple Drawdown and Repayment options including Pro-Rata; Equity First, Sculpting, Annuity, Fixed Principal etc.

Digital Development Frameworks



Digital Dashboard

50 %

Mobile drives over 50% of ecommerce traffic

2/3

By 2018 video will account for 2/3 of mobile usage.

Hence why 2/3 of orgs will increase spending on video this year

Social & Mobile

We do not have a choice on whether we do social and mobile.

The choice is how well we do it – Erik Qualman

Mobile ownership

More people own a mobile device than a toothbrush

World Populations

If Facebook were a country, it would be the 3rd largest

1. China
2. India
3. Facebook
4. United States
5. Indonesia
6. Brazil
7. Pakistan
8. Bangladesh

50 million Users

Years to reach 50 million users

Radio	38
TV	13
Internet	4
iPod	3

Youtube

2nd largest search engine in the world

Wikipedia

Wikipedia has over 50 million articles

Studies show it is as accurate as Encyclopedia Britannica

4Ps

Goodbye 4P's of Marketing: product, price, place & Promotion

4Cs

Hello 4C's of digital: creating, curating, connecting & culture

200 million

There are over 200,000,000 blogs

34%

34% of bloggers post opinions about products and brands

50%

Over 50% of global population is under 30 years old

96 %

96% of millennials have joined a social network

Facebook

Facebook tops google for weekly traffic in the US

2

Every second 2 new members join LinkedIn

That's like the entire enrollment of the Ivy League joining LinkedIn every day

90 %

Do you like what they are saying about your brand?

You better.

90% of the buyers trust peer recommendations

80%

80% of companies use Social Media for recruitment

76%

76% of companies use LinkedIn for recruitment

50%

50% of millennials would rather lose their sense of smell than their technology

Mobile & Social

Mobile & Social aren't emerging.

They are merging

Twitter

Grandparents are the fastest demographic on twitter

13

The LinkedIn age limit has been lowered to 13

:07s vs :08s

The average person has a :07 seconds attention span. The average goldfish has :08

Brands

Realtime marketing and newsjacking are becoming staples for savvy brands

55-65 years

The fastest growing segment on Facebook is 55-65 year old females

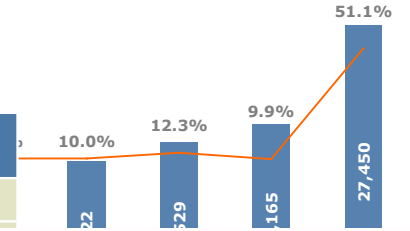
$ 1

If you were paid $1 for every article on Wikipedia, you would earn $1,712.32 per hour

AUTOMOBILE

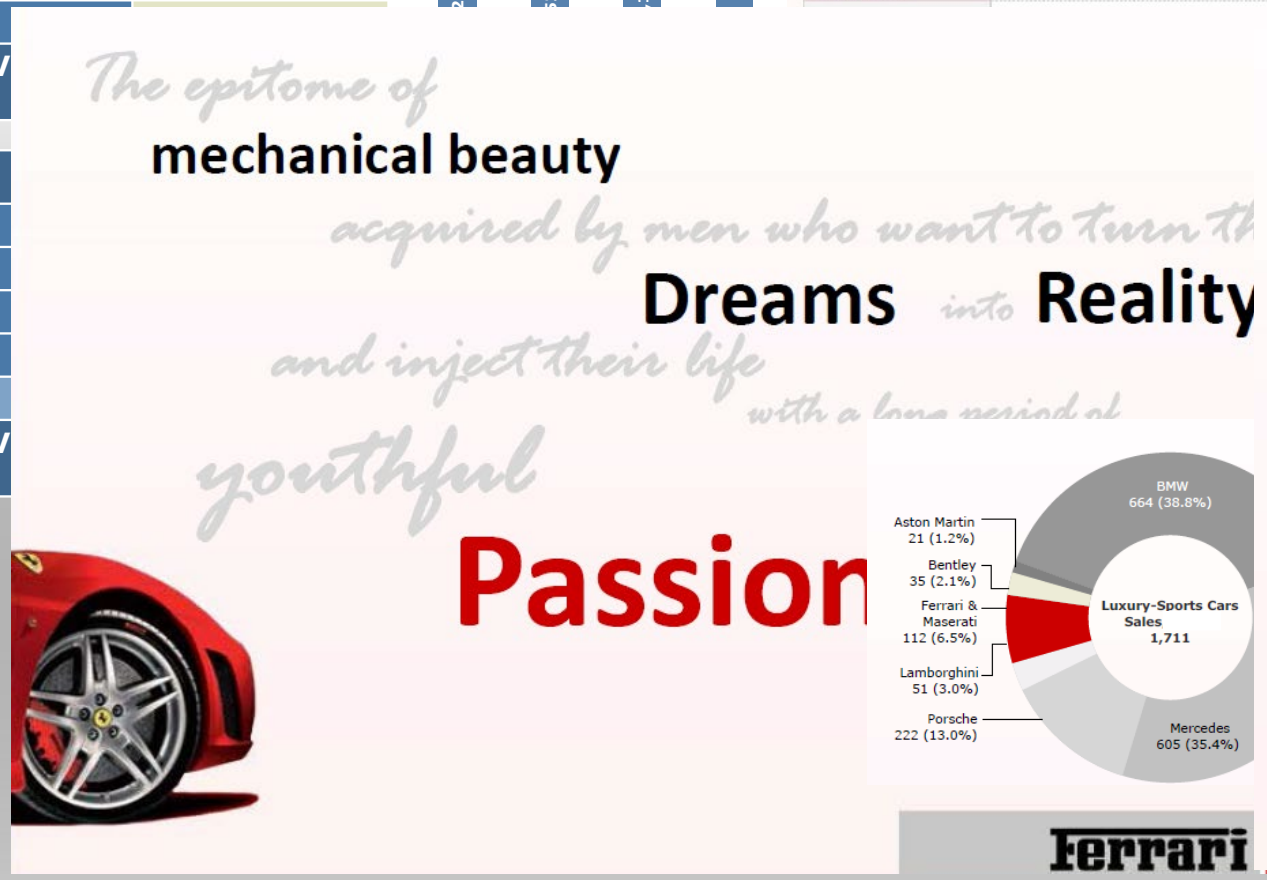
ABC Motors Valuation	Percentage
Discounted Cash Flow Weight	70%
Price Earnings Weight	
ABC Motors Shareholder V (USD `000)	

Discounted Cash Flow
WACC
Risk Free Rate
Market Rate
Perpetuity Growth Rate
Beta (Number)
ABC Motors Shareholder V (USD `000)

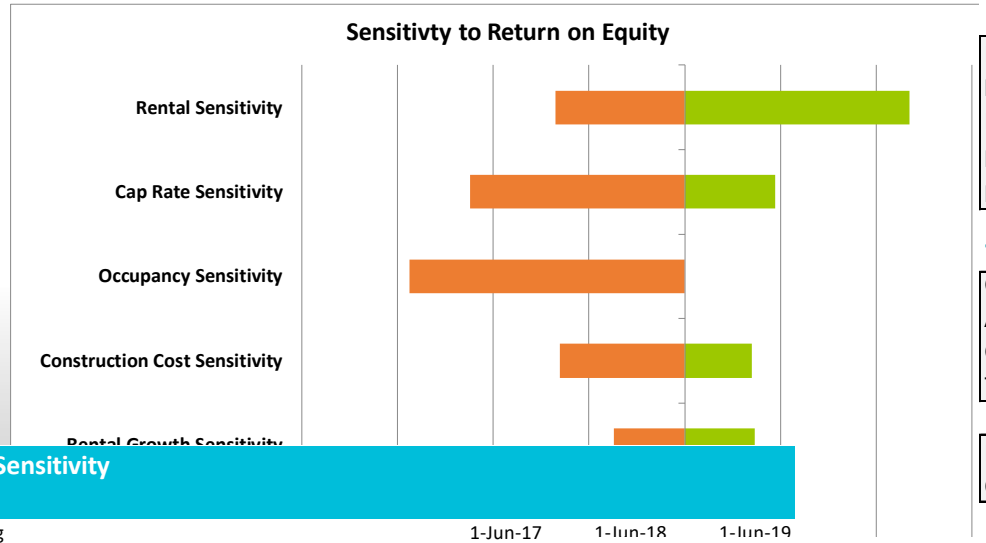


Price Earnings Comparables
United Auto Group
Auto Nation Incorporation
Group 1 Automotive

- Marketing Team
- Gallery Section
- Merchandise Boutique



Real Estate



Depreciation (Initial Cap Cost)

Improvement Ratio	%	100.00%
Land	AED	0
Improvement	AED	21,200,000
Depreciation - No. of Yrs	yrs	39
Depreciation (Annual)	AED	543,590

Terminal Value:

Capitalization Rate	%	8.00%
Appreciation Rate	%	5.00%
Cost of Sale	%	4.00%
Terminal Value Option		2
Income Taxes	%	0.00%
Cap Gains Tax	%	0.00%

Project Statistics

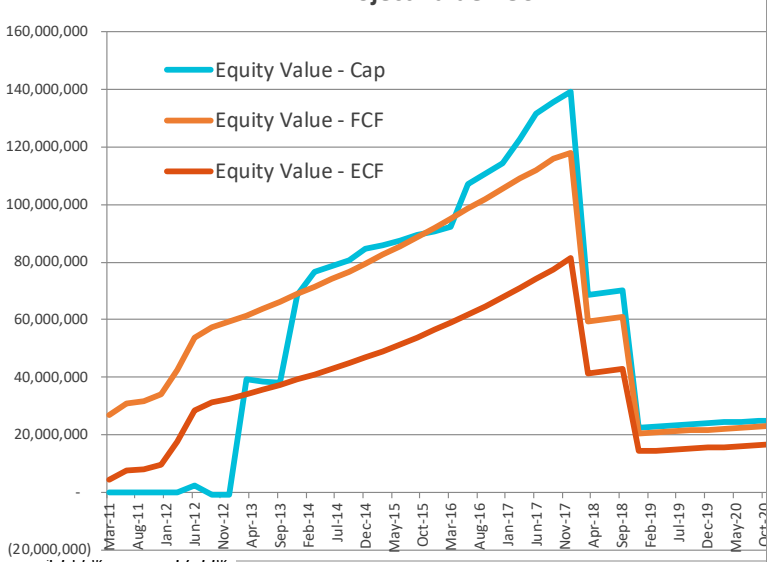
Year Ending		1-Jun-17	1-Jun-18	1-Jun-19
Period		-	1	2
Investment Period		TRUE	FALSE	FALSE
Operating Period		FALSE	TRUE	TRUE
Income				
Gross Rent	AED	31,144,797	1,920,000	1,920,000
Vacancy & Credit Loss	AED	1,557,240	96,000	96,000
Gross Income	AED	29,587,557	1,824,000	1,824,000
Expenses				
Management Fee				
Repairs/ Maintenance				
Total Operating Exp				
Net Operating Income (NO				
Debt Service				
Debt Service Payment (P&I				
Mortgage Balance (o/s)				
Terminal Value				
Appreciation				
Mkt Value - Appreciated				
Mkt Value - Cap Rate				
Terminal Value before Tax				

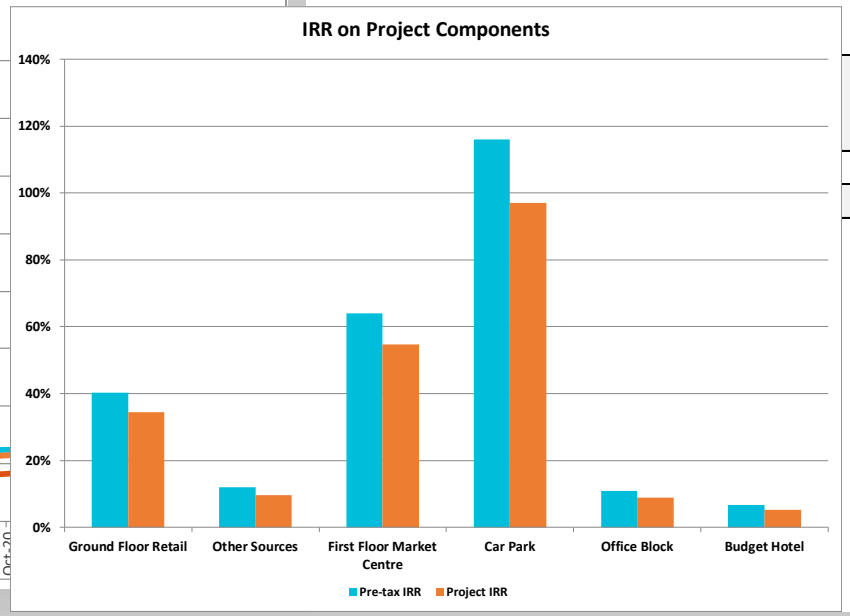
Purchase Statistics

Purchase Price	AED	20,00
Additional (Initial) Capital Exp	AED	1,00
Purchase Costs	AED	20
Total Initial Cost	AED	21,20
Purchase Date		1-Jun
Down Payment	AED	10,60
Loan Amount	AED	10,60
Interest Rate	%	
Amortization Period	Months	

Project Sensitivity

Year Ending		1-Jun-17
Year No.		-
Investment Period		TRUE
Operating Period		FALSE
Terminal Cap Rate Sensitivity		
CFBT	AED	(10,600,000)
Terminal CFBT at Cap Rates:	%	7.25%
	%	7.50%
IRR at Cap Rates:	%	7.25%
	%	7.50%
	%	7.75%
Loan Interest Rate Sensitivity		
CFBT @ Int Rate 5.25%	AED	(10,600,000)
Terminal CFBT	AED	
CFBT @ Int Rate 5.50%	AED	(10,600,000)
Terminal CFBT	AED	
IRR at Interest Rates:	%	5.25%
	%	5.50%





			AED	16
				2-Yrs
			%	1
			% of Rent	
			21,426,893	25,069,465
			226,893	3,869,465
			1,384,112	5,030,609
			13.06%	47.46%
			9.69%	9.65%
			8.44%	8.42%
			2.35	2.34
			13.06%	26.54%
			13.06%	26.54%

Leveraged Buyout

CASH FLOW STATEMENT

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Income	836.6	1,048.1	1,217.3	1,401.0	1,600.3	1,755.5	1,919.2	2,086.0	2,266.0
Depreciation & Amortization	351.3	371.3	392.6	415.1	439.0	464.3	491.2	519.6	549.8
Financing fee amortization	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	0.0
Changes in working capital assets									
Accounts receivable	(106.6)	(97.8)	(103.7)	(109.9)	(116.5)	(123.5)	(130.9)	(138.7)	(147.0)
Inventories	(37.7)	(27.8)	(49.6)	(51.7)	(53.9)	(73.7)	(78.2)	(82.9)	(87.8)
					0.0	0.0	0.0	0.0	0.0
					0.0	0.0	0.0	0.0	0.0
					(21.4)	(22.7)	(24.0)	(25.5)	(27.0)
					55.6	76.0	80.6	85.4	90.6
					0.0	0.0	0.0	0.0	0.0
					20.1	15.7	16.5	16.8	18.2
					100.7	106.8	113.2	119.9	127.1
					0.0	0.0	0.0	0.0	0.0
					343.4	327.8	1,020.6	1,122.6	1,234.9
					891.3	3,150.2	3,432.1	3,727.3	4,024.6

DEBT

Required paydown ()	
Discretionary paydown ()	
Term A	
Required paydown ()	
Discretionary paydown ()	
Term B	
Required paydown ()	
Discretionary paydown ()	
Term C	
Required paydown ()	
Discretionary paydown ()	
Mezzanine	
Cash @ beginning of the y	
Plus: FCFs prior to revolve	
Less: Minimum cash bala	
Cash available for revolver and Cash r (Cash required from revol	
Revolving credit facility	

LBO RETURNS ANALYSIS

Year	Deal date	2007	2008	2009	2010	2011	2012	2013	2014	2015
Date	1-30-07	#####	#####	#####	12-31-10	12-31-11	12-31-12	12-31-13	12-31-14	12-31-15
Mezzanine										
Cash interest		288.0	316.8	348.5	383.4	0.0	0.0	0.0	0.0	0.0
Principal repayment		0.0	0.0	0.0	8,434.4	0.0	0.0	0.0	0.0	0.0
Equity kicker		0.0	0.0	0.0	1,580.4	0.0	0.0	0.0	0.0	0.0
Cash inflows/outflows	(5,760.8)	288.0	316.8	348.5	10,398.2	0.0	0.0	0.0	0.0	0.0
IRR	**20.0%**									
Preferred stock										
Cash dividend										
Principal repayment										
Equity kicker										
Cash inflows/outflows										
IRR										
Management rollover										
Cash inflows/outflows										
IRR										
Financial sponsors										
Cash inflows/outflows										
IRR										
New management equity (options)										
Cash inflows/outflows										
IRR										

EXIT LBO ANALYSIS

EBITDA and net debt projections

	2004	2005	2006 (Deal date: 1-30-07)	2007	2008	2009	2010	2011	2012	2013	2014	2015
EBITDA	2,430.9	2,506.0	2,838.1	3,200.4	3,566.0	3,853.5	4,162.7	4,495.1	4,764.8	5,050.7	5,353.7	5,675.0
Net debt	NM	NM	23,713.2	23,716.0	23,443.6	23,046.5	22,507.3	21,812.4	21,013.7	20,100.2	19,072.1	17,941.8

Exit assumptions

Minimum cash balance	1,000.0
Deal fees as % of equity	2.5%
Exit date	12-31-10
Exit Year (yyyy)	2010
Exit EV / EBITDA Multiple	13.0x

Calculation of equity at exit year

EBITDA at exit year	4,162.7	
Enterprise value at exit year	54,114.9	
- Net debt at exit	22,507.3	
Newco equity value at exit year	#####	Ownership
Equity to mezz	1,580.4	5.0%
Equity to preferred stock	3,160.8	10.0%
Management equity	316.1	1.0%
Equity for sponsors & mgmt equity rolled over	26,550.3	
Management rollover	13.4%	5,159.6
Equity to financial sponsors	**80.6%**	#####

Sources & Uses of Funds

SOURCES		
Cash (less min. balance)	0.0	0.0%
Newco debt - Term A	5,760.8	12.8%
Newco debt - Term B	3,840.5	8.5%
Newco debt - Term C	1,920.3	4.3%
Newco debt - Mezz	5,760.8	12.8%
Newco debt - Revolver	1,920.3	4.3%
Newco preferred stock	5,000.0	11.1%
Newco equity	16,583.2	36.9%
Management equity	200.0	0.4%
Management rollover	4,000.0	8.9%
Total	######	**100.0%**
USES		
Refinanced oldco debt	3,671.2	8.2%
Purchase of preferred stock	222.7	0.5%
Financing fees	192.0	0.4%
Transaction expenses	900.0	2.0%
Purchase of oldco equity	36,000.0	80.0%
Management rollover	4,000.0	8.9%
Total	######	**100.0%**

Goodwill Calculation

Common equity	1,188.2
Purchase price	40,000.0
Goodwill	######

Management rollover

Management rollover	4,000.0	10.0%
Cash to shareholders	36,000.0	90.0%
Oldco equity value	40,000.0	
New management equity	200.0	

SENSITIVITY ANALYSIS

SPONSOR IRR> Exit multiple / Oldco equity value

	35,000.0	40,000.0	45,000.0	50,000.0
13.0x				
14.0x				
15.0x				
16.0x				
17.0x				

MERIDIAN

COMMERCIAL ADVISORY