

Acquisition Opportunity

Residential Electrical Contractor (SIC 1731)

Business Description: The company provides electrical contracting services to Nevada and Northern California. The business includes trucks, equipment, existing contract base, relationships with general contractors in all three markets (Las Vegas, Reno, and Northern California), a trained workforce, and an experienced management team. (The owners are retiring would have to be replaced after a negotiated transition period.) The company owns real estate in Las Vegas (appraised value \$2.1 MM) and Northern California (appraised value \$5.2 MM) that is also available for sale. The business's competitive advantages are its market share and its software based cost and production control. These advantages have allowed the company to grow market share in each of its markets consistently.

Distribution: The company sells its services to general contractors and has a market share of 10% in Las Vegas, 20% in Reno, and 15% in Northern California. The company expects to grow its market share as it displaces weaker companies forced out of business in each market and plans to grow geographically as far South as Bakersfield in its California market in 2008.

Operational Strengths: Strong and growing market share.
Strong and growing margins aided by implementation of new inventory management and production control software.
Financial strength to grow geographically.

The Transaction: The family would accept a buyout but the two sons are willing to retain an ownership interest and remain with the company managing the Las Vegas and Northern California operations. The family will sell or lease the real estate at market rates in a separate transaction.

Financial Information:

Financial Summary
(U.S. \$MM)

	<u>2007 Est.</u>	<u>2006</u>	<u>2005</u>
Revenue	\$20.3 Prelim	\$42.0	\$27.0
Adjusted EBITDA	\$4.4 Prelim	\$5.7	\$5.5