

THE KEYSTONE GROUP

Atlanta

Chicago

Dallas

M&A Services Overview - 2010

Helping Clients Realize the Value of their Acquisition



Keystone was founded in Chicago in 1991. We recently expanded into Atlanta and Dallas. Over the years, we've built the business around a few core principles...

Clients	Middle market - manufacturing, distribution and transportation companies
Market to	Corporations, PEG's and Banks
Focus	Execution – 80% of our work is helping clients implement solutions
Teams	Small, experienced teams that blend industry and consulting expertise
Services	<ul style="list-style-type: none">• Mergers and Acquisitions• Turnaround• Strategy and Operations
Results	<ul style="list-style-type: none">• Provide 5X to 10X annual return for 1-time investment in Keystone• Clients realize 110% of synergy target

...and have helped clients successfully integrate over \$80B in transaction value.

Our clients and the deals cover a wide range of industries, deal sizes geographies and integration complexities. In many projects we have worked on a global basis encompassing diligence, integration planning and post-close execution.



In the typical transaction our client is looking for our assistance in delivering:

- Assistance with **GO / NO GO** decision in diligence
- Meticulous, flawless management of **DAY 1 CONTINUITY** by function
- Integrated internal / external **COMMUNICATION**
- Identification and management of **CULTURE INTEGRATION** risks
- **MAXIMUM SYNERGY REALIZATION** – on average our clients realize **110%** of targeted synergies
- **ACCELERATED SYNERGY CAPTURE** in the face of deal complexity, and lean internal resources – on average our clients realize synergies in **85%** of their targeted time

Keystone's M&A methodology, toolkit, resources and deal-specific capabilities have been structured to address these critical issues

To achieve those objectives, we believe a handful of things make the difference between success and failure.

- Clarity
 - Have a clear plan – and communicate it actively and consistently - for the deal, including rationale, integration and people.
 - This helps focus people on the critical activities that need to be accomplished, while reducing the ambiguity that can sap productivity.
- Focus
 - Identify and complete the things that matter.
- Speed of decision-making and implementation
 - Structure the effort to facilitate rapid issues resolution and decisions.
 - Get ahead of the synergy curve
- Objectivity – Decisions should be based on facts rather than subjectivity and “playing favorites.”

Our approach, tools and teams are designed to accomplish these key objectives, rolling up our sleeves to supplement client resources.

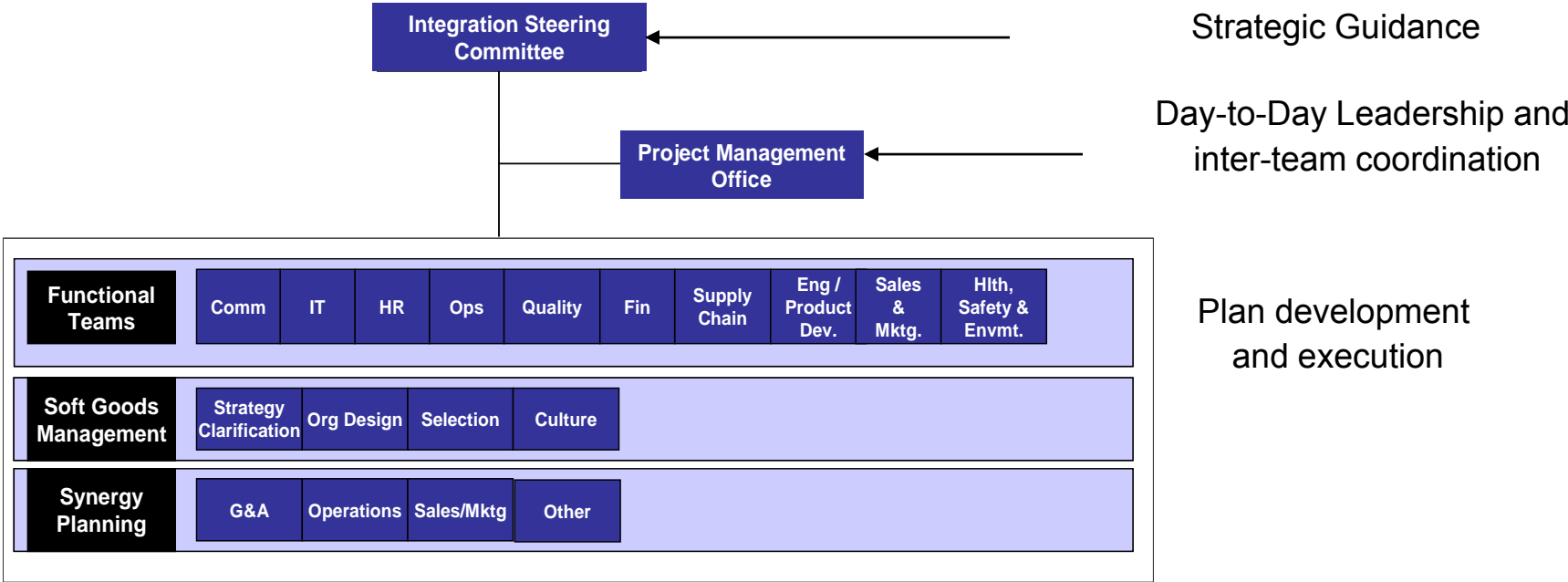
Our M&A services help clients achieve seamless operational continuity and accelerates synergy realization. We typically work in the following areas:

- Operational due diligence
 - Clarification of deal priorities and diligence process, resources, and work plan
 - Identification, valuation and prioritization of synergy opportunities and risks
 - Development of clear, streamlined diligence findings report and presentation
- Pre-close planning
 - Day 1 continuity
 - Synergies and risks
 - Soft goods – org structure, culture integration, staffing and selection and communications
- Post-close execution
 - Meticulous management of Day 1 transition, including customer interface and top line retention, order-to-cash, supply chain continuity, communications, etc.
 - Accelerated synergy execution – assistance on key projects
 - Go-forward operational continuity

Throughout the deal, we provide strategic project management and “hands-on” subject matter experts to supplement client resources.

Project Team Structure

We recommend a streamlined, but structured management process with three integrated team levels, which is tailored to the unique nature of each deal:



Keystone has participation at all three levels, supplementing and supporting client resources.

To support the process, we have developed a comprehensive set of tools, templates and real-world examples, that are:

- Efficient
 - Developed in Office tools
 - Flexible and adaptable to tailor to each deal
- Experience-based - updated with each major transaction
- Complete
 - Due diligence
 - Integration planning
 - Post-close execution
 - Communications and organization
 - Synergy tracking and project management

This jump-starts the process and provides the focus for the integration teams, helping to leverage the scarce client resources and limited time available before close.

Keystone is typically involved in the execution phase helping our clients realize synergies. In fact, 80% of our M&A revenue comes from execution. Some of the more common projects include:

- Plant consolidation
- Thruput improvement
- Procurement / material cost reduction
- Back office consolidation
- Front office consolidation
- SKU / customer rationalization
- Sales force effectiveness
- Cross selling gains
- Product development
- Yield improvement
- Inventory reduction
- Product design standardization

...we track our results and on average we deliver 110% of planned synergies.



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Barry Dunne

300 N. LaSalle Street
Suite 4300
Chicago, IL 60654

Phone: 312.960.3640
Mobile: 630.251.2984

bdunne@thekeystonegroup.com

Pragmatic advice, relentless execution, superior results.

Atlanta ♦ Chicago ♦ Dallas