



Corporate Overview

September 20, 2004





Corporate Overview

- **H2V Capital Partners, LLC**
 - **A retained full service merchant banking & capital advisory firm**
 - interim operating assistance
 - securing targeted financings
 - mergers or acquisitions
- **H2V gets it done! During the last ten years, H2V's principals have :**
 - **Participated in transaction valued in excess of \$2 billion**
 - **Achieved greater than 90% success rate on transactions**
 - **Averaged 120 days from start of assignment to term sheet**
 - **Extensive network w/ institutional investors & fortune 1000 companies**
 - **Allows for introductions that result in successful transactions**
- **We focus on transactions between \$30 million and \$1.0 billion**



Our Professionals

- **Herb Biggers, Founding Partner**

- Mr. Biggers brings a diversified background to H2V's investment banking team with entrepreneurial experience, project management and transaction experience. Formerly with a senior level retailing consultant and former president, officer and director of home decor retailers, including: Dekor, Maxim Group and Home Depot Expo. Mr. Biggers also served as Operating Partner at Management Buyout Firm Hancock Park and Associates. Advised Chairman and CEO of Sears to divest non-core retail operations in September 2002, and enjoys a strong ongoing relationship with senior level management in fortune 1000 retailers.

- **Ted D. Morgan, Managing Director**

- Mr. Morgan has over thirty years of experience as an operating officer and financier of a variety of technology and distribution companies. He was the founder of several unique business concepts including the Office Club, Inc., a public company, which, through a merger with Office Depot (a NYSE listed company), has become the largest office-products specialty retail chain in the world. Other entities founded, financed, and operated by Mr. Morgan include: E-commerce ventures, telecommunications ventures, computer accessories; business/ educational software; office product distribution (to the Warehouse Club industry); medical/dental product distribution (similar concept to Office Club, Inc.); medical/dental professional financial services; electric vehicle development and distribution; and corporate finance/ advisory services. Mr. Morgan has served as a director and advisor to a number of multinational companies. Mr. Morgan holds a B.S. degree in Business Administration and Production Management from California State University.

- **Bill Hamlin, Director**

- Mr. Hamlin was formerly Executive Vice President of Merchandising and Group President of North American Operations for Home Depot. He is credited with building the western division of Home Depot, including the California market, and putting merely every large-scale West Coast competitor of Home Depot out of business.

- **Sir Geoff Mulcahy, Director**

- Sir Geoff Mulcahy was formerly the CEO, Executive Director and Group Managing Director of Kingfisher Plc. Credited with building Kingfisher Plc. into the largest home center retailer outside of the United States.

- **Gene Harper, Director**

- Mr. Harper served as Vice President of Finance of Dekor from 1999 to 2002. Mr. Harper was responsible for the build and operation of the finance and accounting departments of Dekor. From 1994 to 1998 he served as Chief Financial Officer of the Maxim Group, a NYSE company. Prior to The Maxim Group, Mr. Harper was employed by KPMG for eleven years as a senior manager in the retail and distribution division. Mr. Harper has over 20 years of retail and financial management experience.



Transactions







- Retail
- Manufacturing
- Technology
- Internet
- Telecom
- Service



Transactions

- Retail

– Representative Client and Industry Experience of our Principals:




	CLIENT	FOCUS	TRANSACTION
	OFFICE CLUB	OFFICE PRODUCTS	MERGER-OFFICE DEPOT
	MEDChoice Warehouse Leslie Pool Supplies	HEALTH CARE POOL SUPPLIES	FINANCING- \$22.0M ACQUISITION - \$100M
	Kingfisher, Plc.	HOME IMPROVEMENT	CORPORATE ADVISORY
	Sears	DEPARTMENT STORE	CORPORATE ADVISORY
	99 Cent Stuff	DEEP DISCOUNT	CORPORATE ADVISORY
	DÉCOR Interior Design	INTERIOR DESIGN	FINANCING - \$80.0M
	PC Express, Ltd.	COMPUTER PRODUCTS	INVESTOR/ADVISOR
	Planet E Shop	HOME SHOPPING	INVESTOR/ADVISOR



Transactions

- Manufacturing

– Representative Client and Industry Experience of our Principals:




	CLIENT	FOCUS	TRANSACTION
 Seattle Lighting	SEATTLE LIGHTING	LIGHTING PRODUCTS	ACQUISITION - \$50.0M
 FORECAST	FORECAST LIGHTING	LIGHTING PRODUCTS	ACQUISITION - \$24.0M
 ENOVASYSTEMS	HOMESTEAD FANS	CEILING FANS	ACQUISITION - \$12.0M
	ENOVA SYSTEMS	HYBRED AUTOS	FINANCING - \$40.0M



Transactions

- Technology/ IT Services

– Representative Client and Industry Experience of our Principals:

	CLIENT	FOCUS	TRANSACTION
	CSC	IT OUTSOURCING	SEARS CONTRACT - \$1.6 B / 10 YRS
	CSC	IT OUTSOURCING	ADVISOR-RETAIL
	CHRISTIES	SOFTWARE	PRINCIPAL/FINANCING
	EMERGENT ENERGY	FUEL CELLS	ADVISOR/INVESTOR
	DAZZLE MEDIA	MULTIMEDIA	SALE/SCM SYSTEMS - \$25M
	ORYX TECH	THIN FILM	FINANCING - \$8.0M
	HESWARE	COMPUTER SOFTWARE	ACQUISITION - \$8.0M



Transactions

- Internet

– Representative Client and Industry Experience of our Principals:








CLIENT	FOCUS	TRANSACTION
NEXTRON	INTERNET CONTENT	ADVISOR
TIMESHIFT	INTERNET TELEPHONY	ADVISOR
YEAH LABS	INTERNET TELEPHONY	INVESTOR/ADVISOR



Transactions

- Telecom

- Representative Client and Industry Experience of our Principals:




	CLIENT	FOCUS	TRANSACTION
	ACS WIRELESS	WIRELESS TELEPHONY	MERGER/GN NETCOM \$12.0M
	COMTECH INT'L	INT. LONG DISTANCE	ADVISOR
	DAKOTA TELECOM	REGIONAL CARRIER	MERGER/MACLOUD \$50.0M
	FORVAL INT'L TELECOM	JAPANESE CARRIER	DIVESTITURE \$15.0M
	ICX	INT. LONG DISTANCE	SALE/WORLDPORT \$5.0M
	INTREX DATA COMM	SATELLITE SYSTEMS	MERGER/FIBERCM \$10M
	MICROTEL INT'L	TELCO TEST EQUIP	FINANCING \$8.0M
	NETSOURCE	INT. LONG DISTANCE	FINANCING \$35.0M
TELEPHONE ELECTRONICS CORPORATION	OPTAPHONE	WIRELESS EQUIP.	SALE/ZHONE \$10.0M
	SBC	MAJOR CARRIER	ADVISOR-CLEC
	TEC	MAJOR CARRIER	ADVISOR/INVESTOR
	US WIRELESS	WIRELESS SYSTEMS	FINANCING \$10.0M



Transactions

- Services

- Representative Client and Industry Experience of our Principals:

	CLIENT	FOCUS	TRANSACTION
	SELECT STAFFING	TEMP. STAFFING	ACQUISITION - \$14M
	CASCADE WHOLESALE	CONSTRUCTION	ACQUISITION - \$10M
	MAINTENANCE CARD	QUICK LUBE	STRATEGIC PARTNERSHIP QUAKERSTATE
	SPEED VENTURES	VENTURE CAPITAL	INVESTOR/ADVISOR \$125M
	Q MATRIX	OFFICE SERVICE	ADVISOR
	ALTERNATIVE TECH	INT. ADVISORY FIRM	PRINCIPAL/INVESTOR
	GW COLLECTIONS	COMM. COLLECTIONS	ADVISOR
	MILLENIUM FUNDING	FACTORING	ADVISOR



Relationships with Major US Retailers

- Chairman, Director, CEO & CFO Level

Bed, Bath & Beyond

Costco

Cost / Plus

Discount Tire

Dollar Tree

Federated Department Stores

Hardees-Carl's Junior-La Salsa

Home Depot

JC Penney

K-Mart

Lamp's Plus

Lenscrafters

Linens & Things

Lowe's

Pep Boys

Restoration Hardware

Sears

Smart & Final

Wal-Mart

Woolworth's



Mergers & Acquisitions

- H2V Capital Partners provides advisory services to family-owned, closely held, public, and emerging growth companies seeking liquidity by sale to a strategic or financial buyer.
- H2V professional with significant transactional experience leads every client engagement.
- Our merger and acquisition advisory services include:
 - Sell Side
 - Buy Side
 - Divestitures
 - Recapitalizations
 - Management Buyouts



Private Equity: Growth Capital

- H2V Capital Partners leverages its deep relationships worldwide with private equity investors, mezzanine, and senior lenders to assist clients in raising capital through institutional private placements of equity, subordinated debt, and senior debt.
- H2V Capital Partners focuses on later-stage private transactions, typically those companies seeking to raise at least \$5 million.
- Raised equity is generally used to finance continued internal growth or possible acquisitions.
- H2V can also assist in a re-capitalization to facilitate an alternative capital structure, a management buyout or to provide partial liquidity to current owners and shareholders.
- Private placements may also provide an opportunity for strategic investors, such as business partners, customers, or suppliers, to contribute to a company's growth through an equity investment.



Merchant Banking

- Provide clients with informed, senior-level advice in a manner that empowers development of creative and effective solutions for the multitude of financial and strategic challenges all companies face.
- When we sell a business, arrange financing, prepare a valuation or provide any other advisory services, our clients' goals take top priority.
- Our mandate is to add real value to our client companies, bringing:
 - Merchant banking and corporate finance expertise
 - Experience in navigating the sale and investment process
 - Relationships with major corporations, private equity groups, senior and subordinated lenders, accountants and attorneys
 - Responsibility and flexibility
 - Creativity in arranging optimal transactions
 - Confidentiality
 - Commitment



Summary of Proposed Engagement

- **Services Provided**

- Identify prospective sources for **Client** from within H2V's network of key transaction partners and institutional investors with whom H2V has established including relationships with the senior executives of these companies
- Introduce **Client** representatives to senior level executives at target companies and institutional investors
- Facilitate / attend client meetings and discussions with senior level executives
- Provide insight into the target client's environment
 - Business profile, emerging trends, challenges, issues and initiatives
 - Compelling event / propensity for the client to pursue strategic initiatives
 - Formal and informal decision criteria
 - Decision making process
 - Key decision maker objectives
- Communicate **Client's** value proposition with themes and differentiators with targeted prospects

- **Exclusive Relationship**

- During the term of the engagement, H2V will not provide, participate or engage in similar services to any competitive business enterprise