



Very Profitable, Strong Growth Electronics Manufacturing Services Co. California

Highlights:

- **Highly profitable with \$4 million EBITDA projected for current fiscal year**
- **Strong growth supported by major industry trends**
- **Stable in-place management, solid internal systems and excellent cost structure**
- **Great customer base – defense, aerospace, medical, communications, electronics, and more**
- **Multiple facilities can handle significant growth**

Summary:

This highly profitable company has been very well managed through its multi-year period of rapid growth. From the addition of a second manufacturing facility, to financial management, market positioning and staffing, the sellers have built a company that is ready for significant additional growth. Average annual revenue growth for the last three years has exceeded 42%. EBITDA growth from 2004 to 2005 was over 140% and from 2005 to 2006 it was over 180%. Growth continues: revenue for the trailing twelve months ending 3/31/07 was \$9.2 million and EBITDA was \$3.7 million; the first 6 months of the current FY show revenue growth of 30% and EBITDA growth of 60% compared to the year ago period.

The market for the company's services has been, and continues, growing dramatically thanks to well entrenched, irreversible industry trends: RoHS implementation and miniaturization. The company's services improve yields, reliability and useful life of their clients' components and assemblies. The company is an industry leader. Despite being one of the country's largest providers of its specific services, sellers estimate that the company has less than 1% market share.

The company's client base is as diverse as the countless uses of electronic components. It has invoiced over 300 different clients each of the last three years. Many clients require mil-spec work. For the FY ending 9/30/06, the largest five customers produced equipment for government communications, medical devices, industrial controls and aerospace. The company also works with components for numerous other industries, including household goods, farm equipment, microwave, environmental monitoring, marine equipment, petrochemical, and electronics. It also works closely with several customers on time critical R&D and pre-production jobs.

The company has an excellent cost structure. COGS as a percentage of revenue peaked in 2004 at 47.8% and has steadily declined to 35.9% for the latest six month interim period. Unlike most EMS operations, like circuit board assembly or fabrication, this company has a very low cost of materials: less than 4.0% of revenue. It also has a very high rate of return on assets.

The company is well organized and staffed, employing around 130 people. The sellers continue to implement the necessary steps to support ongoing growth, including new hires in management and sales and introduction of a new service line. The company has also begun the ISO certification process.

One seller currently works full time and will stay with the buyer under an employment agreement. The second seller works approximately 8 hours per week and will retire upon the sale. Sellers will approve the release of all additional information.

Financial Summary

Income Statement			
FYs Ending September 30 (\$ 000's)			
	2004	2005	2006
Sales	3,717.7	5,095.7	8,088.8
Gross Profit	1,940.0	2,728.1	4,847.4
Adj. EBITDA	452.8	1,059.1	3,005.7
Unadjusted Balance Sheet March 31, 2007 (\$ 000's)			
Current Assets	2,732.0	Current Liabilities	166.6
Fixed + Other Assets	1,212.7	Long Term Liabilities	39.9
Accumulated Deprec.	-776.3	Equity	2,961.9
Total	3,168.4	Total	3,168.4

For Information Contact: Sunbelt, Greater Bay Area			
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This information has been supplied by the Seller. Sunbelt, Greater bay Area makes no warranty or representation as to the accuracy or completeness of this information. Potential Buyers must conduct their own due diligence.			



The undersigned prospective purchaser ("Buyer") hereby requests confidential information, currently and from this time forward, on a business ("Business") represented by Sunbelt Business Advisors ("Sunbelt"). Buyer hereby acknowledges that Sunbelt first provided such information to the Buyer. In consideration of Sunbelt having provided such information, the Buyer hereby agrees:

1. Any information Sunbelt provides about the Business was obtained from the business owner ("Seller"), and Sunbelt makes no representations or warranties as to its accuracy or completeness. Buyer is solely responsible for investigating all aspects of the business and obtaining any legal, tax or other counsel Buyer deems necessary, prior to purchasing the business.
2. Any information Buyer is given about the Business, including its availability for acquisition, shall be treated as confidential and proprietary. Buyer shall not disclose, without prior written permission, any such information to any third party except Buyer's representatives/affiliates engaged in evaluating the information, and shall obtain the agreement of such third parties to maintain confidentiality. If Buyer decides not to purchase the Business, Buyer shall promptly notify Sunbelt of this fact and shall promptly return all documentation or destroy without retaining copies, summaries, analyses or extracts. Any unauthorized disclosure shall constitute a material breach of Buyer's duty to the Seller and Sunbelt and could result in their seeking recourse against the Buyer. Buyer shall indemnify, defend and hold Sunbelt harmless from any liability resulting from such unauthorized disclosure.
3. The Seller of the Business about which Buyer shall be given information by Sunbelt has entered into an agreement providing that Seller shall pay a fee to Sunbelt if, during the term of that agreement or within twenty four months thereafter, the Business is transferred to a Buyer introduced by Sunbelt. Should Buyer or anyone with whom Buyer is connected acquire any interest in the Business, Buyer shall protect Sunbelt's right to a fee from the Seller.
4. Buyer shall conduct all inquiries into and discussion with the Business about which Sunbelt provides information solely through Sunbelt, and shall not directly contact the owner, employees or other representatives of the Business except by prior arrangement with Sunbelt.
5. If Buyer breaches the terms of this Agreement or in any way interferes with Sunbelt's right to a fee, Buyer shall be liable for such fee and any other damages, including reasonable attorney's fees. Any controversy or claim arising out of or relating to this Agreement or its breach shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association by one or more arbitrators appointed in accordance with those rules. Any arbitrator so selected need not be a member of the American Arbitration Association.
6. Sunbelt may act as a dual agent representing both Buyer and Seller. In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer: a) a fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer, b) diligent exercise of reasonable skill and care in performance of the agent's duties, c) a duty of honest and fair dealing and good faith and d) a duty to disclose all facts known to the agent materially affecting the value or desirability of the business that are not known to, or within the diligent attention and observation of, the parties.
7. Buyer Acknowledges receiving a copy of this Agreement.
8. The undersigned executes this Agreement on behalf of Buyer and warrants that he/she is duly authorized to do so.

Business of interest: Very Profitable, Strong Growth Electronics Manufacturing Services Co. ref: SB469

By: _____
Company name

Signature: _____

Date: _____

Name: _____

Title: _____

Address: _____ City: _____ State: _____ Zip: _____

Email: _____

Phone: _____



Sunbelt

Buyer Profile For: _____

Print Business Name

WE PROVIDE EACH SELLER THE FOLLOWING CONFIDENTIAL FACTS ABOUT YOUR FIRM PRIOR TO RELEASING ANY INFORMATION ABOUT THEIR BUSINESS.

BACKGROUND INFORMATION:

1. What type of business is your Firm:

- Private
- Public, stock symbol _____

Is it a:

- C Corporation
- S Corporation
- Limited Liability Corporation

2. In what industry is the Firm presently active? _____

3. Please give a brief description of the Firm's present business:

4. Please list the following officers of the Firm:

Chairman _____ CEO/President _____
 COO _____ CFO _____

5. Do you have a web site? _____ If so what is the address? _____

6. What are the Firm's current annual sales? _____

7. Why is the Firm looking to buy a business? _____

8. What amount does the Firm have for a down payment? _____

9. What are the Firm's down payment ability and the source of those funds that can be **substantiated** at the time of making an offer? _____

10. Firm equity [all assets minus all liabilities] exceeds \$1,000,000 ___ \$5,000,000 ___ \$10,000,000 ___

11. Has firm ever filed bankruptcy? _____ Had a foreclosure? _____ Had a judgment filed against it? _____

12. Is there any reason the Firm might be declined a loan for a business acquisition? _____

13. Will anyone outside of the Firm's officers advise in the review of business records and the decision to purchase a business? _____ If so, who? _____

14. What is the Firm's timeframe to purchase? Immediate No hurry

15. Will the Firm supply management for an acquisition? _____ Or, does it want management in place? _____

16. What are the Firm's geographic limitations? _____

Signature

Date

Printed Name

Title

I certify that the above information is true and correct; that I represent and warrant that I have the authority to sign this profile on behalf of said entity and its owners; and acknowledge receipt of a copy of this profile

Disclosure Regarding Agency Relationship



When you enter into a discussion regarding a business opportunity transaction, you should from the outset understand what type of agency relationship or representation you have with a Business Broker.

AGENT IS REPRESENTING BOTH SELLER AND BUYER

A Business Broker, a California licensed Real Estate Salesperson or Real Estate Broker, can legally be the agent of both the Seller and the Buyer in a transaction (dual agency) and is hereby notifying you that this is the situation in this transaction.

In a dual agency situation, the Business Broker has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with both the Seller and the Buyer.
- (b) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (c) A duty of honest and fair dealing and good faith.
- (d) A duty to disclose all facts known to the agent materially affecting the value or desirability of the business that are not known to, or within the diligent attention and observation of, the parties.
- (e) A duty to disclose all facts known to the agent materially affecting the desirability of the Buyer - financial history, creditworthiness and background of the Buyer that are not known to, or within the diligent attention and observation of, the parties.

A Business Broker is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the asking price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a business opportunity transaction do not relieve a Seller or Buyer from the responsibility to protect his/her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A business broker is a person qualified to advise about buying and/or selling business opportunities. If legal or tax advice is desired, consult a competent professional.

Throughout your business opportunity transaction you may receive more than one disclosure form, depending upon the number of Business Brokers assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form.

Unless the potential buyer discloses to Sunbelt at this time that they are currently represented by a broker, the potential buyer acknowledges that they are not represented by another broker and that Sunbelt will be acting as a dual agent. Buyer retains the right to their own representation; however, by signing, they recognize that Sunbelt is not under compulsion or responsible to co-broke, once signed.

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE.

BUYER/SELLER _____ Date _____
BUYER/SELLER _____ Date _____
BUSINESS BROKER _____ Date _____

Sunbelt • Business Sales & Acquisitions

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