

RAYMOND JAMES CAPITAL



In Partnership with Management

Who We Are

Raymond James Capital is the merchant banking subsidiary of Raymond James Financial, Inc. (NYSE-RJF), one of the largest investment banking firms headquartered in the Southeast. We invest in the recapitalization and growth of established middle-market businesses.

What We Do

We create value-added partnerships with owners/managers of private businesses with pro forma EBITDA of at least \$2 million that

- (i) need or desire some current liquidity and/or
- (ii) seek additional capital to take advantage of exciting growth opportunities.

An Introduction to Raymond James Capital

Why Raymond James Capital?

Flexible Transaction Structures

We do not have cookie-cutter financial structures. We break the mold by listening to what business owners actually want. Based on their interests, we craft a customized financial structure that incorporates their liquidity desires and the future capital needs of the business.

Value-Added Business Partner

We are a financial partner with an operational and financial perspective uniquely positioned to help business owners create value. Our experience in working closely with owners of middle-market businesses allows us to “speak their language” and gives us an uncommon understanding of how to assist them in enhancing their business.

Types of Transactions

Recapitalizations

A recapitalization is a partial sale of a company that in effect allows the business owner to “take some chips off the table, yet continue to play their hand.” A recapitalization can provide:

- I Partial current liquidity
- I Elimination of personal guarantees for the company’s debt obligations
- I A significant retained equity interest for future appreciation
- I Flexibility in estate planning to minimize taxes
- I Continued operating control
- I Additional capital to fund future growth opportunities

Management Buyouts

We assist management with the acquisition of an operating division or subsidiary of a larger company or with the purchase of a private company.

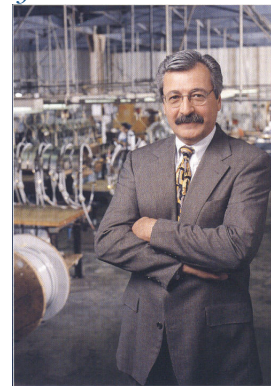
We provide strategic, financial and consulting services to enable management to successfully complete a transaction that results in liquidity for the current owners, yet provides management with the ability to maintain their company’s independence.

UNIQUE OPERATIONAL PERSPECTIVE

Our experience in working closely with owners of middle-market businesses allows us to “speak their language” and give us an uncommon understanding of how to assist them in enhancing their business while minimizing its weakness.

“I truly enjoy the engineering and design side of my work, and with so many opportunities ahead of us at HVT, I wasn’t ready to walk away from a business I had spent years building. However, I felt it was financially prudent for me to have some current liquidity before embarking on the next stage of HVT’s growth, I knew there were many firms out there who would be willing to offer me cash for my business but what I was looking for was someone who could offer me advice as well. Raymond James Capital convinced me that they have the resources I need to help me achieve my personal financial goals and my strategic business objectives.”

Jerry Goldlust
*President and CEO
HVT Group, Inc.*



Investment Philosophy

Focus on Building Value

Our investment philosophy begins with the belief that a strong management team, possessing an owner's mentality, is the key to building superior long-term value.

Raymond James Capital believes that the most successful investments are created by proven management teams who respond positively to having or retaining operating autonomy and an ownership position in their company. We strive to be an active and responsive partner with owners/managers but will not participate in the day-to-day operations of the business. We do provide business development assistance and transactional support.

Management teams are expected to maintain a meaningful equity stake in their company, such that, along with their incentive compensation, they are able to build significant wealth through the growth of their company.

Investing in Growth

Raymond James Capital's investment philosophy has been further defined by our individual and corporate experience in financing and advising successful growth companies. We believe that small-and medium-sized growth companies provide the optimal opportunity to produce superior investment returns.

This focus, which is also the focus of Raymond James' investment banking and research organizations, allows us to better evaluate investment opportunities, as well as to add value to our portfolio companies.

Flexibility

We structure transactions to meet the needs of all parties, including operating management and selling shareholders.

Companies in which we invest have the following characteristics:

I An outstanding management team with a proven track record in the industry in which the company operates and with the desire to acquire or retain significant equity ownership in the transaction in order to reap the economic benefit of the value created by their efforts;

I A history of profitable operations with EBITDA, after adjustment for owner-related expenses, of greater than \$2 million for the prior 12-month period;

I A strong defensible market position supported by leading market share, proven technology, proprietary concepts or recognizable brand names; and

I Attractive exit opportunities within 10 years as supported by growth opportunities and operational excellence.

Raymond James Capital is interested in situations where there is a clear opportunity to enhance the value of the business through our financial and board-level involvement in partnership with management. We do not invest in start-up or early stage companies or in industries undergoing rapid technology change.

FLEXIBLE TRANSACTION STRUCTURE

We do not have cookie-cutter financial structures. We break the mold by listening to what business owners actually want. Based on their interest, we craft a customized financial structure that incorporates their liquidity desires, as well as the future capital needs of the business.

“I began by seeking a financial partner who could provide me with the means of passing my family business on to my sons. What I found was even more: a financial partner who could turn on a dime. Raymond James Capital’s demonstrated ability to rapidly change course in midstream has given me the security to know that I have a partner who listens and responds to the needs of my business.”



Ed Casson Jr.
Chairman and CEO
Southern Lithoplate, Inc.

The Benefits of a Business Relationship with Raymond James Capital

Commitment

We are committed to being a valued long-term partner with business owners and management teams. Raymond James Capital invests with the belief that management and equity participation by management are the most critical elements in the success of a business. We work with owners/managers as they grow their company, providing strategic, financial and consulting services in order to support execution of their business plan.

Substantial Equity for Owners and Management

We ensure that our owner/manager partners have significant equity participation, including attractive incentive packages. Our desire is to align our investment interests with those of the individuals who are running the business.

Financial and Operating Expertise

Raymond James Capital adds value. We provide our owner/manager partners with the resources and flexibility to successfully execute their business plans by leveraging our dedicated equity capital, strong relationships with lending sources and extensive operating and financial expertise. The seasoned experience of our principals with debt markets and mergers and acquisitions, along with the knowledge and insight of more than 100 investment banking and research professionals gives us the ability to assess a company's needs and respond quickly with the optimal financing package and move to closing.

Our industry knowledge and relationships, and our experience with assisting growing companies achieve success in surmounting the operating and financial hurdles that accompany growth, provides owners/managers with a full-service partner intently focused on helping them make their business more valuable.

Ability to Move Quickly

Raymond James Capital has the ability to make deals happen.

We have proven experience with management teams and sellers to creatively tailor transactions to meet the needs of all parties while allowing for the growth of the underlying business.

We are experienced in moving quickly, yet prudently, from the inception of a potential transaction to its closing.

Raymond James Capital utilizes the resources of our affiliated companies to assist in the due diligence process and has relationships with experienced accounting and legal professionals to allow us to close expeditiously. We understand that lost time on a transaction may easily translate into lost opportunity.

Confidentiality and Integrity

We understand and fully respect the need for complete confidentiality regarding shared information or discussions. Throughout its history, Raymond James has been known for high-quality standards and an emphasis on providing for the financial well-being of our clients. This culture of integrity defines our working relationships with management teams and business owners.

VALUE-ADDED BUSINESS PARTNER

Raymond James Capital is interested in situations where there is a clear opportunity to enhance the value of the business through our financial and board-level involvement in partnership with management.

“From our first meeting Raymond James Capital, through the closing process and now into post-closing activities, it is clear that Raymond James has brought much needed business acumen and expertise to Greer. While allowing us the freedom to run our business as we see fit, they have brought us new ideas and new ways to grow and evolve. We have always had a great idea of what the trees looked like; Raymond James has helped us to see the forest. Our tactical expertise, coupled with Raymond James Capital’s strategic vision, will be of tremendous value to our customers, our employees and the family.”



Bill White
*President and CEO
Greer Laboratories, Inc.*

Our Resources

Through its subsidiaries, Raymond James Financial (NYSE-RJF) is one of the leading financial services firms in the United States and is the largest investment banking and financial advisory firm headquartered in the Southeast. Raymond James has grown to become an international firm with more than 4,800 financial advisors through its three broker/dealer subsidiaries and more than \$27 billion in assets under management through its asset management subsidiaries. Raymond James prides itself on understanding the needs of its clients and serving them in an exceptional manner with integrity.

Since 1962, Raymond James has advised and financed middle-market companies. During the past five years, Raymond James' investment banking department has managed or co-managed more than 260 public offerings, raising in excess of \$41.8 billion for its clients, and has provided merger and acquisitions services for more than 170 companies, involving transactions with a combined asset value of over \$14.7 billion. In addition, Raymond James' Equities Research Department has been recognized in The Wall Street Journal for its excellence and currently provides written coverage on more than 500 public companies. The accumulated knowledge and contacts of Raymond James are utilized by Raymond James Capital in adding value to our portfolio companies.

The principals of Raymond James Capital have more than 60 years of combined investment banking, private equity and senior corporate management experience. We strive to create an environment in which our partners, including management teams and investors, reap financial and personal rewards through the ownership of growing middle-market companies.

Contact Information

We are very interested in discussing potential opportunities with intermediaries, accountants and attorneys, as well as management teams and business owners. We look forward to hearing from you. Direct any inquiries or proposals to:

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