

## 2011 Newsletter

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### Where We Are

Einstein is credited with saying that the “true sign of intelligence is not knowledge but imagination.” This can be expanded to emphasize the importance of thinking creatively to solve seemingly difficult business problems. While the Great Recession has challenged global businesses, it has also been a driver of innovation and new opportunities. The investing community has recalled the importance of discipline and value creation and the business community the need for planning, cost control and commercial creativity. As a result, we believe that North American businesses will emerge into this new economy stronger and engage the world more competitively than ever.

Our transactions and clients’ successes over this past two years have again confirmed the value of G.C. Andersen Partner’s creative approach, expert skills and seasoned perspective. Our firm develops innovative solutions and valuable opportunities where others see impossible obstacles. Chris Andersen, for example, has often spoken, including at the Milken Conferences, about solutions to the “valley of death” for companies seeking capital when there remains

project development risk or execution risk. Chris has advocated for the expanded use of efficacy insurance and other similar solutions to cap the developmental and execution risk of energy, cleantech and related projects and businesses. The firm recently put this to the test while advising a geothermal energy company seeking to drill and execute on a portfolio of European sites, where feed-in tariffs support high IRRs upon project completion. We were engaged to obtain an investor by the original owners and later, by the acquirer, to restructure the target’s debt. Where others had given-up, G.C. Andersen Partners recognized the risk of drilling dry holes in unproven geologic formations as the fatal factor for investors. By assembling recognized geological experts from several universities and research organizations it was possible to credibly quantify the probability of the dry hole risk. With this in hand, it was possible to obtain a form of insurance to cover that probability. Our solution was to find drilling experts as investors who not only invested cash, but could leave their un-realized profit on the drilling contract as further equity investment, to be realized upon completion of the pro-

jects. The model of using efficacy-like insurance and other creative solutions to bridge the “valley of death” unlocked the value previously obscured by a less informed concept of risk and unleashed the power of entrepreneurship. Our firm is proud to encourage this combination of entrepreneurship and imagination to create value. This model can be applied to many other businesses.

G.C. Andersen Partners is pleased that the entrepreneurially-driven middle market is moving again, albeit at a measured pace. We believe mid market M&A and capital raising is entering a period of steady, prolonged growth. We continue to seek business relationships with clients who value the experience and creativity we bring to help them succeed.

As always, we owe our achievements and growth to you, our clients and friends. We look forward to a successful 2011 and to continuing our work with you. Spring is swiftly approaching,

From all of us at,

**G.C. Andersen Partners, LLC**

## Andersen Partners Overview

G.C. Andersen Partners is a boutique investment bank and principal investment firm that prides itself on its senior experience, depth of relationships and consistent creativity. The firm provides conflict-free advice for large and mid market transactions. We advise Fortune 500 companies, growth businesses and developing companies across the range of industries, as well as boards of directors and substantial shareholders.

Our specialized services and expertise frequently enables us to obtain better terms and higher value for our clients.

Sample engagements include:

### **Sold Global Hedge Fund Financial Services Business for Over \$300 Million**

Substantially exceeded client's initial pricing expectations. Achieved high price by identifying and emphasizing the company's unique qualities.

### **Principal in the Purchase of Approximately \$2 Billion of Corporate Debt**

Applied our proprietary methodology to discretely execute purchases  
Able to implement because no in house trading desk to create internal conflict

### **Obtained Private Equity for Fundless Sponsor's Rollup Strategy; Awarded the Canadian Dealmakers Program's "Canadian Dealmaker of the Year Mid-Market Award" in 2009, as featured in Canada's Globe and Mail**

Obtained private equity for management team to acquire more than 50 wireless retail stores to create the largest, national independent Bell-branded dealer in Canada.

- Advised leading management team from start-to-post-closing
- Refined transaction structure and acquisitions model
- Mitigated early stage and execution risk considerations
- Obtained a well-capitalized and experienced private equity sponsor

### **Advised Fortune 500 Company on 4 Strategic Acquisitions in 18 months**

Retained as exclusive buy-side acquisitions advisor for a public, Fortune 500 agricultural company, with \$3 billion of revenue, to acquire four companies each for up to \$80 million over an 18 month period. This was critical to the company meeting its growth targets. The company's market cap increased by over 115% from the time GCAP began assisting until the company was acquired approximately 2 years later.

### **Advised Publicly Traded Middle Market Company on 4 Strategic Acquisitions in 24 months**

Retained on four separate occasions by a major transportation equipment manufacturer to advise on the acquisition of four separate businesses with enterprise values of \$450 million, \$280 million, \$225 million, and \$80 million.

## Advisory Business (Continued)

**Company Undisclosed** GCAP is acting as exclusive financial advisor to a top tier celebrity cooking personality and related companies in connection with new opportunities and continuing the growth of the global business and brand.

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GCAP acted as exclusive financial advisor to **GeoEnergy**, a German geothermal company, developing 27 sites to produce 100 MW of electricity qualifying for Germany's 20-year feed-in tariff and the parent company, Petersen Waldheim & Cie. GCAP **sold a majority stake in** the company to **F.I.S.I. Group**, a diversified Italian energy company and **raised additional equity** to fund the company's development.

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GCAP acted as exclusive financial advisor to **F.I.S.I. Group** for the **restructuring** of the **financial liabilities** of their **GeoEnergy** subsidiary.

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GCAP acted as exclusive financial advisor to VantaCore, an investor in aggregates businesses, to **restructure a senior debt facility** for **\$42 million** and obtained a **\$25 million acquisition facility**.

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Acting as financial advisor to **Emergent Group, Inc.**, a medical laser equipment company, in its publicly announced merger with **Universal Hospital Services, Inc.**

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GCAP is acting as exclusive placement agent to raise a **revolving debt facility of \$35 million** for **Liquidez Corporativa**, a leading regional asset-backed lender in Mexico which is growing its business of factoring vendors' government receivables.

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**Company Undisclosed** GCAP is acting as exclusive financial advisor to **raise capital** for a specialty finance company servicing the needs of high profile entertainment and athletic talent.

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GCAP is acting as exclusive financial advisor and placement agent to **N4 Group**, an internet television, digital telecom and broadband internet company, to **raise \$20 million in equity** to develop regional municipal media networks in partnership with municipalities in the Mid Atlantic and South Eastern U.S.

## Advisory Business (Continued)

**Company Undisclosed** GCAP is acting as exclusive financial advisor for the sale of a majority interest in a growing U.S. education-focused modular building company.

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GCAP is acting as exclusive financial advisor for the sale of **Iron City Brewing Company**, an iconic U.S. brewing company.

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GCAP is acting as exclusive financial advisor for the sale of a majority interest in **Iberville Companies**, a leading regional industrial insulation business.

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GCAP is acting as exclusive financial advisor and placement agent to **Ocean Renewable Power Company**, the leading U.S. developer of tidal energy projects.

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**Company Undisclosed** GCAP is acting as financial advisor to the board of a global, **commodities-related hedge fund** on select strategic matters.

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**Company Undisclosed** GCAP acting as exclusive advisor in the secondary sale of a minority interest in a business services company currently majority-owned by a private equity firm.

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**Company Undisclosed** GCAP is acting as strategic advisor to a global air medical transportation company related to acquisitions, strategic partnerships and other growth opportunities.

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**Company Undisclosed** GCAP acted as exclusive financial advisor to the owner of a 4,000 acre parcel of **residential development property** to restructure **\$36 million of senior debt**.

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## Business Proposals & Inquiries

We welcome business proposals and inquiries from our extended network of friends, clients and former colleagues.

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The firm conducts its capital raising private placements through its wholly owned broker-dealer, **G.C. Andersen Partners Capital, LLC., Member FINRA / SIPC**

## Principal Investing



**Agricultural Waste Solutions, Inc.** manufactures proprietary waste-to-energy systems for the dairy and animal-producing industries. The system creates high volumes of pipeline quality gas.



SkyFuel is a leading solar technology company for utility-scale solar thermal power plants using concentrating solar power.

## Business Initiatives

### Non-U.S. Growth Economies: China

GCAP is increasing its involvement in the growing economies outside the United States. The firm recently visited with leading funds and growing entrepreneurs in mainland China and Hong Kong as well as with national and local Chinese party officials. GCAP presented to party officials and entrepreneurs in Changzhou about raising capital in the U.S. and Asia, and brought a delegation from University of Colorado to coordinate programs with local academic institutions in Shanghai and Changzhou.

Please contact us with specific advisory opportunities investment ideas in China, Asia and South America or for their companies in the United States.

Chris Andersen continues as an active member of the International Advisory Council of Guanghua School of Management at Beijing University and attended its recent 4th Annual Meeting in Beijing to meet with global business and thought leaders..



GCAP continues its close strategic alliance with **The Milken Institute**, including reviewing business projects referred to the Institute and furthering the work of the SAVE climate change initiative. Chris Andersen co-Chairs the SAVE board with Dr. Richard Sandor, founder of the **Chicago Climate Exchange**.

## Philanthropic & Social Activities



We will again be supporting the **Leeds School of Business at the University of Colorado** by funding the **G. Chris Andersen Award** for the top 4 teams submitting winning business plans as part of the **CleanTech Venture Challenge 2011** at the **University of Colorado**.



The firm supports **Junior Achievement** of New York, a leading philanthropy which has educated over 7.5 million youths about free-enterprise, business and economics, where Chris Andersen sits on the Board. G.C. Andersen Partners sponsored the first annual **Business Plan Competition** and funded a scholarship award to each winning team member.



GCAP continues its support of the **Heart and Soul Charitable Fund** which provides grants to community-based programs assisting New Yorkers in need and their families.



GCAP continues its support of the **New York Philharmonic** where Sung Andersen sits on the board.