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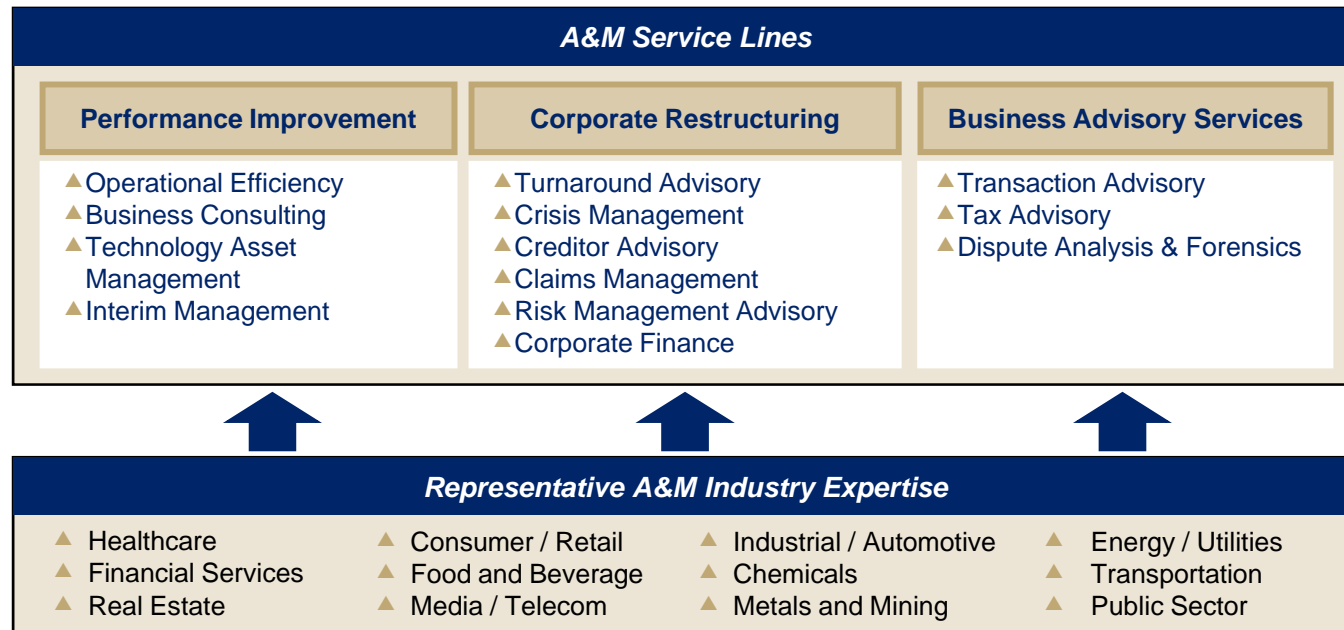
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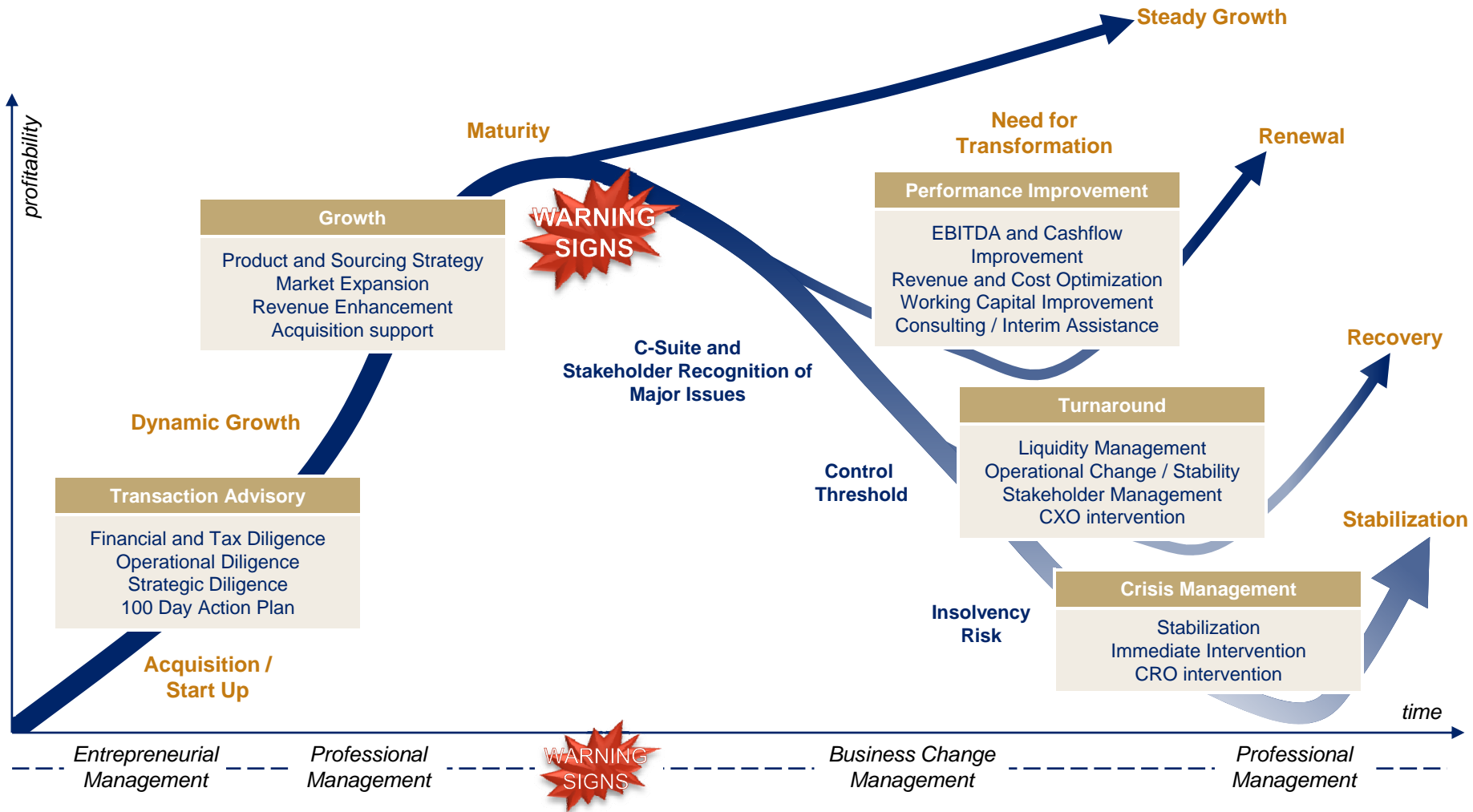
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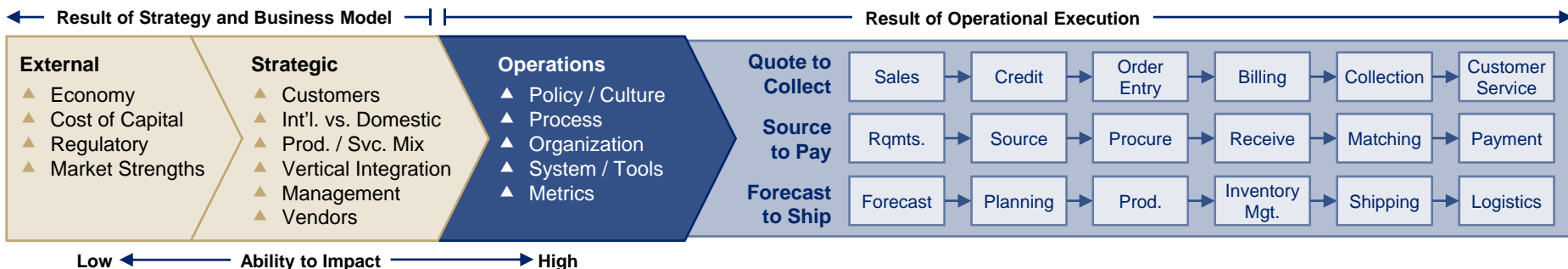
Since 1983, A&M's distinctive blend of leadership, problem solving and value creation has allowed it to become one of the fastest growing independent professional service firms.

- ▲ A&M has more than 1,400 professionals with offices in 39 cities, 15 nations, which are spread across North America, Europe, the Middle East, Asia and Latin America staffed with over 200 Managing Directors.
- ▲ A&M's geographic coverage ensures responsive, high quality and consistent service in local and cross border situations





WORKING CAPITAL DRIVERS



QUOTE TO COLLECT

- ▲ Strategic and Tactical Customer Segmentation
- ▲ Proactive Key Customer Management
- ▲ Dispute Management and Eradication
- ▲ Dynamic Credit and Risk Management
- ▲ Tracking of Customer Profitability

SOURCE TO PAY

- ▲ Vendor Segmentation with differentiated Sourcing Strategies
- ▲ Purchasing Center of Excellence with Purchasing Channel
- ▲ Vendor rationalization and term re-negotiation program

FORECAST TO SHIP

- ▲ Service segmented based on customers' needs
- ▲ Clear policies on what to stock and where to hold it
- ▲ Structured stock strategy at SKU level
- ▲ Shared forecasts with strategic customers and suppliers
- ▲ Enabling Technology to facilitate decision making

Understanding of the underlying operational process and the use of information in an objective manner often leads to improvement opportunities.

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Board members can be proactive in identifying potential issues by looking for early warning signs, asking questions and monitoring performance.

Early Warning Signs	Questions to Ask	Measurement Tools: KPIs
<ol style="list-style-type: none"> 1. Reductions in week-over-week bookings; deterioration in backlog 2. Delays in sales fulfillment trends and quality of backlog 3. Missing weekly and monthly sales “latest thinking forecasts” or “LTF” 4. Increasing customer returns / charge-backs 5. Deterioration in accounts receivable agings 6. Unexpected changes (positive or negative) in manufacturing throughput; declines in utilization and standard variances 7. Weekly increases in raw material and WIP investment 8. Declines in accounts payable / vendor requests for accelerated terms 9. Reductions in accrued expenses 10. Tracking to miss or “limited cushion” with debt covenant requirements 	<ol style="list-style-type: none"> 1. Are significant customers withholding / delaying / reducing orders? 2. Are significant customers asking for shipment delays / canceling orders? 3. What factors are utilized in updating LTF; where did the miss occur? 4. Is the sales department over promising or operations under delivering? 5. Have collection procedures changed? Is the deterioration associated with partial payments? 6. Are we able to plan and scale resources appropriately? Where is overtime running? Are declines temporary or do we need to consider realignment? 7. Are there changes in volume or commodity price movements? How has procurement changed? 8. How do our core vendors view our relationship as their customer? 9. Explain any changes in “soft” or “non-cash” accruals from the prior period? 10. How do our lenders view our performance? 	<ol style="list-style-type: none"> 1. Weekly Flash: booking \$ and # by segment 2. Finished good days; held shipment value; customer delay notifications; backlog \$ and fulfillment 3. Weekly Flash: shipments \$ and # 4. Monthly financial package: dispute resolution summary (\$, # and explanations) 5. Monthly financial package: A/R summary stats, DSO, significant aged balances 6. Weekly Flash: production scheduling stats, variances 7. Weekly Flash: throughput and utilization by location 8. Monthly financial package: DPO, key vendor balances and days 9. Monthly financial package: vacation, warranty, restructuring, bonuses, etc. 10. Monthly financial package: covenant calculations and forecasts

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Looking into 2009, financial restructuring has become topical for many of our private equity clients. The Alvarez & Marsal Corporate Finance team has assembled a comprehensive database of recent credit agreement amendments, which is meant to serve as a useful reference tool. We would be happy to provide a restructuring and amendment market update.

FOR MORE INFORMATION, PLEASE CONTACT A MEMBER OF THE A&M CORPORATE FINANCE TEAM:

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A&M CORPORATE FINANCE

Our professionals provide a comprehensive range of restructuring services to clients, including:

- Sale / purchase of assets or companies, debt (including DIP) and equity financing, collateral and / or businesses valuation
- Exchange and / or tender offers
- Restructuring / re-negotiation of bank and other credit agreements
- Chapter 11 plans of reorganization
- Expert testimony

In addition, A&M Corporate Finance provides a unique integrated solution, in partnership with professionals from the Turnaround and Restructuring, Transaction Advisory, Private Equity Performance Improvement and Business Consulting practices within our firm.

OUT-OF-COURT AND IN-COURT AMENDMENT / RESTRUCTURING ADVISORY ASSIGNMENTS

Credit Agreement Amendments

(Construction Services Provider, portfolio company of \$2 billion private equity fund)

- Constructed a business plan¹; and
- Handled negotiations of new credit agreements.

Out-of-Court Restructuring and Sale

(Branded, Custom-fit Automotive Accessories manufacturer, portfolio company of a \$0.8 billion private equity fund)

- Executed a restructuring plan¹; and
- Conducted the sale process.

In-Court Section 363 Sale

(Newspaper Publisher)

- Completed a Section 363 bankruptcy sale at an attractive multiple.

Out-of-Court Balance Sheet Restructuring

(Direct mail, Fulfillment, Database Company)

- Identified financial restructuring alternatives and negotiated with stakeholders;
- Analyzed liquidity needs; and
- Assisted the Company in managing its supplier relationships and identified cost savings opportunities¹.

In-Court Restructuring

(Print and Online Publisher of Technology / Gaming Magazines and Web sites)

- Assisted with the formulation, evaluation and implementation of company restructuring¹; and
- Managed negotiations with stakeholders on the restructuring strategy and plan.

¹ Services performed by Alvarez & Marsal Turnaround and Restructuring

About Alvarez & Marsal

For 25 years, Alvarez & Marsal has set the standard for working with organizations to tackle complex issues, boost performance and maximize value for stakeholders. As a leading, independent global professional services firm, Alvarez & Marsal excels at leadership, problem solving and value creation.

Whether serving in interim management or advisory roles, the firm draws on a deep operational heritage and hands-on approach to deliver comprehensive performance improvement, turnaround management and business advisory services to clients ranging from international enterprises and middle market companies to public sector and healthcare entities from nearly 40 locations around the world.

Alvarez & Marsal Corporate Finance is a registered FINRA broker-dealer and member of SIPC.

To learn more, visit www.alvarezandmarsal.com