

Postern

Solutions for Turnaround and Change

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POSTERN

A BRIEF HISTORY - WHO WE ARE

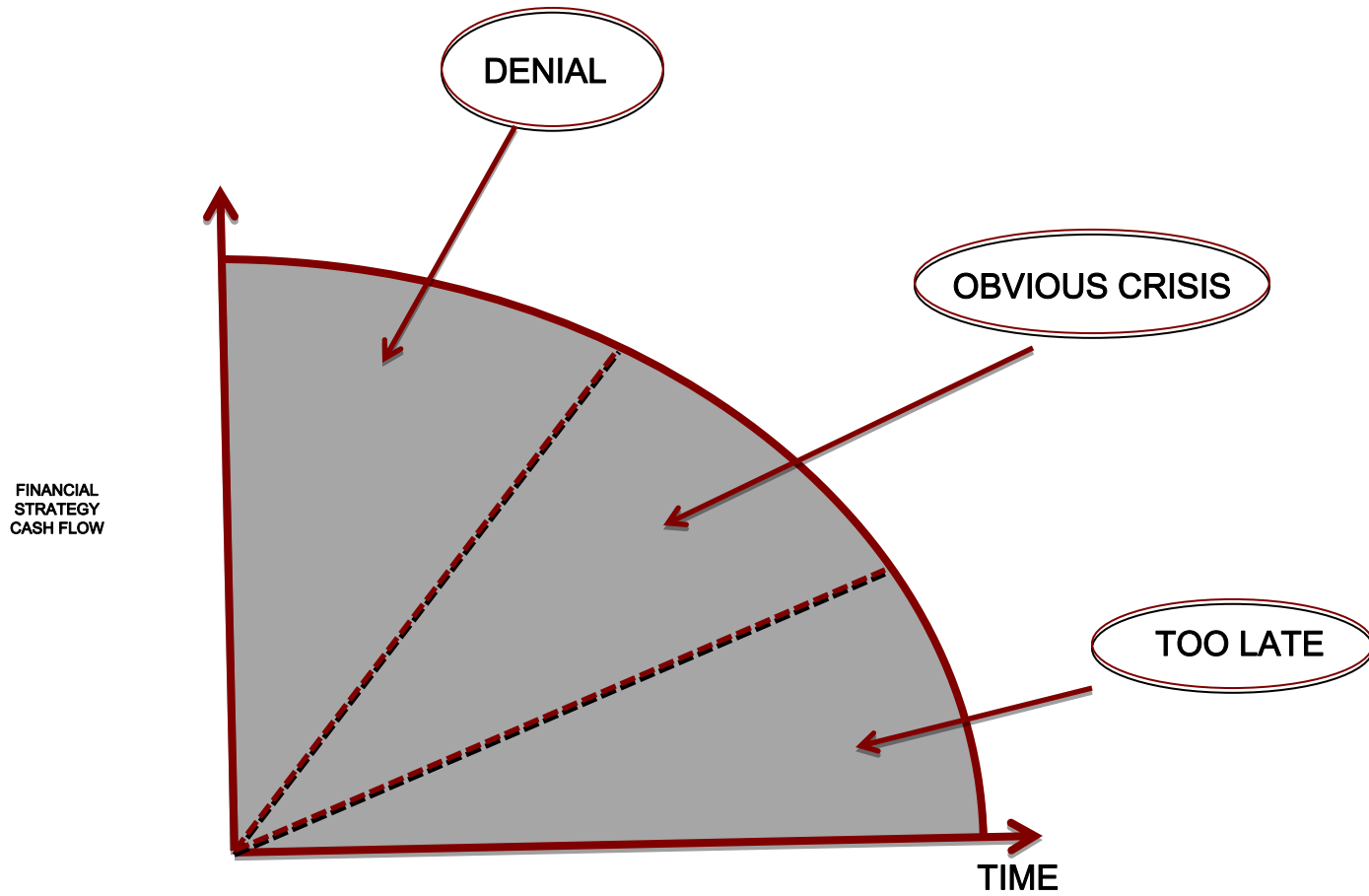
- Postern has been established for 20 years, setting the standard for turnaround and restructuring services since its formation in 1991
- Postern's founders are co-founders of the Institute for Turnaround
- Postern has completed over 250 interim assignments at Director level since its formation
- We are experienced Business people – we are “do-ers”, not HR specialists or report writers
- We have an experienced back-up team for speedy response
- We can advise on raising finance through our in-house team of asset-based lenders

POSTERN

WE UNDERSTAND YOUR NEEDS – QUICK REACTION TEAM

- We work for Banks, Private Equity investors, and Venture Capital companies, using our experienced Core Team to turn around underperforming companies
- We understand the needs of lenders to *minimize write-downs* and of investors to *maximise enterprise value*
- We have developed strong methodologies, successfully implemented over many years, to turn poor performers into multi-million pound assets
- We work swiftly to create *tailor-made strategies*. We agree a plan with stakeholders, then lead the implementation. Companies can survive and succeed in difficult times, and maximize stakeholder value
- When firm remedial action is identified and taken early, we expect to achieve *rebound and resilience building*
- Stakeholders must recognize the “*Demise Curve*”. They must engage turnaround professionals early.
- Stakeholders must avoid allowing their companies to move from recognized distress into administration. The value on liquidation is usually <10% of what a turnaround typically achieves
- Postern *minimize risk*. Our “Quick Reaction Team” works fast, proven by an extensive history of successful turnarounds.

The Demise Curve



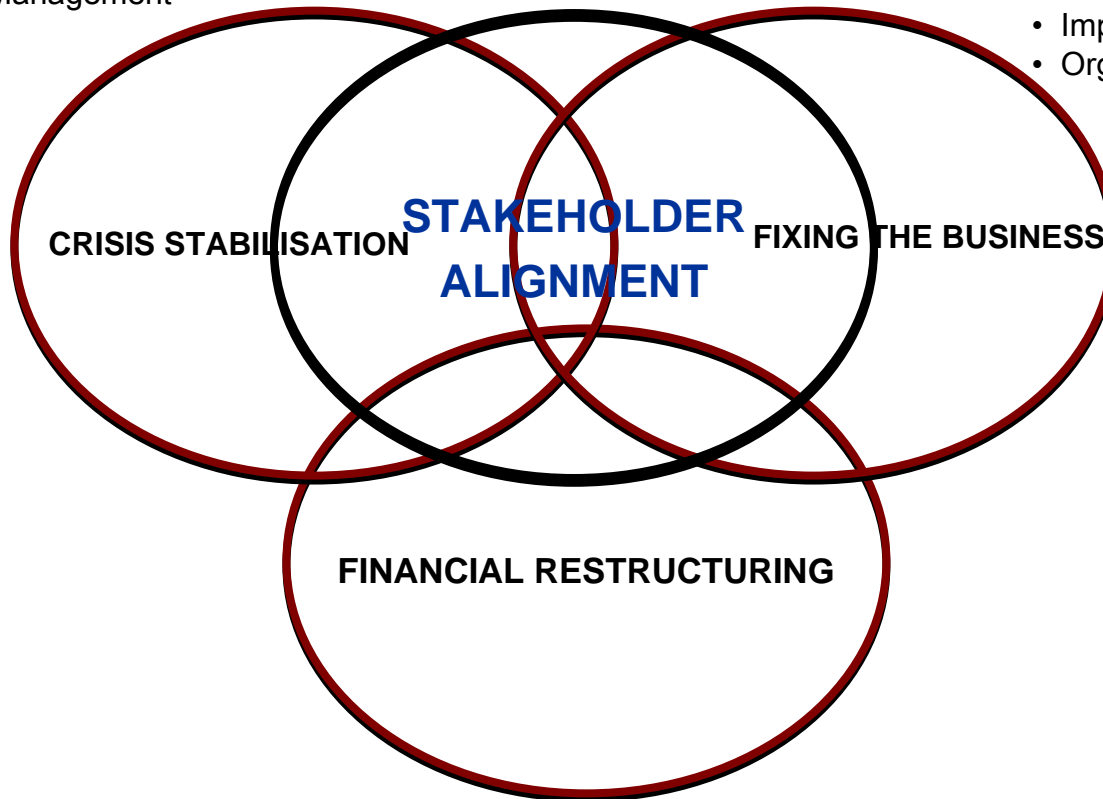
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QUICK REACTION TEAM - TROUBLE-SHOOTERS

KEY INGREDIENTS FOR SUCCESSFUL TURNAROUND HAVE NOT CHANGED

- Troubleshoot
- Working Capital Management
- New Leadership

- Product / Market / Customer / Geographical refocusing
- Improved processes
- Organisational change



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OUR COMPETITIVE ADVANTAGE

- We are experienced business people, with >150 years combined business experience in our Core Team
- We are “do-ers”. Only a quick response can help failing companies avoid the critical deterioration, which can happen in weeks
- We implement tailor-made strategies immediately, and have extensive experience to support our claims
- We are not report-writers. Financial institutions tend to reach automatically for the major accounting firms to do IBR’s. These IBR’s take scarce time, and usually provide reports rather than action. They are very expensive, and the costs are paid for by the desperate company already short of cash
- We work as a Core Team. We quickly distill the key causes, not just the symptoms, assess whether a viable business model remains, and propose solutions within days
- Lenders and investors must take swift action, to ensure their company’s survival. Postern offer a fast and low-risk solution
- Postern are trusted by banks and institutions. We have worked successfully with them over many years, to implement strategies to revive distressed companies

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METHODOLOGY

- **Interrogation** - understand business at all levels - Team In-Company Review (2-5 days)*
- **Assessment** - complete report on current position
- **Strategy** - obtain commitment to agreed direction
- **Organization** - review organizational structure
- **Integration** - cross business understanding of strategy
- **Governance** - clear documentation and audit trail
- **Communications** - establishing ongoing dialogue and transparency

Post Crises Period Management

Postern can provide banks and stakeholders with experienced NED's to provide them with eyes and ears on a frequent basis on each impaired asset

Postern can provide on-going coaching & mentoring services for management

* Subject to size, structure, complexity etc

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WHY POSTERN? – THINK VALUE NOT PRICE

➤ Postern vs. other experienced turnaround executives and/or teams

- A team is inherently better than an individual
- Postern's Core Team is not an ad hoc grouping, but a cohesive and mobile force with over 150 years' experience in driving change over many industry sectors
- The Core Team meets regularly. Each member brings knowledge, practical experience, and a Devil's Advocacy to the table – we are professionals
- Postern is known to deliver consistently. There are few practices that can offer the same service or that specialize in the turnaround or with companies typically up to £500 million
- We understand that leadership is key to unlocking the true potential of a business – this is the basis of our Core Management Team
- Interim Executives are recognized as a lower-cost, higher added-value, and faster solution than management consultants

➤ Postern vs. the Big 4 accounting firms

- IBRs take scarce time, usually provide reports rather than action, and are very expensive (typically well over £100k). Tragically, the costs are then paid for by the desperate company already short of cash
- Others then typically have to lead the implementation, but without the buy-in or the learning-curve from preparing the IBR
- Distressed companies do not need 100-page reports, but rather fast and practical action by executives who can quickly distill the key causes (not just the symptoms), propose solutions within days, and lead the implementation

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TRUST AND CONFIDENCE ASSURED

- Postern has worked with banks, VC's and private equity groups, to minimize write-downs and maximize long-term enterprise value.
- Our experience encompasses:
 - Corporate Restructuring
 - Driving through organizational change
 - Maximizing return from existing assets
 - Post Acquisition integration
 - Pre-sale preparation
- Some case studies are attached ([click here](#))

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EXAMPLE CASE STUDIES

- UK quoted substantially loss making electronics group. Removed most of board and prepared strategy sold to shareholders in rights issue to re-capitalize company and moved back to profitability and ultimate sale to very large quoted company. Project lasted 19 months.
- Major European Agri business £200m Turnover. Appointed at the 'request' of the bank. Advised bank that financing a recapitalization programme was justified and company ultimately sold on to very large food processing group.
- Appointed by stakeholders to manage turnaround of a £40 million UK listed printed circuit manufacturer. Postern closed loss-making subsidiary and sold another to management and brought the company to profitability and saw share price increase by over 50% within 12 months
- £100 million plc manufacturing business with plants in the UK and USA. Postern appointed by domestic and international banks to stabilize and strategically review. Net assets had been overstated and total indebtedness to the banks not been fully recognised. Postern was able to demonstrate a viable future for the company and implement a successful strategy whereby the banks were paid out in full and shareholder value was re-established
- Major multi-national quoted engineering consultancy introduced by bank. Company short of cash through uncontrolled expansion. Sold 12 offices in USA to management and sold Hong Kong/China office subsequently preparing rights issue documentation and achieved first rescue rights at a substantial premium
- Medium sized retail group with large scale wholesaling business - 70 shops toys/hobbies. At the request of the bank brought in to review and subsequently established company had been badly effected by fraud - investigated using specialist team and Cray computer. Sold 40 shops initially to private equity subsequently became core part of Jessups Holdings. At start bank owed £13m Postern left after 14 month with company account £1m in credit
- VC backed Transport operation with shipping tractor (84) / trailer units (300 plus trailers) across North Sea to deliver through Europe. Business lacked leadership. Installation of Postern CEO and brought other specialists to strengthen management. Sold or closed a number of transport elements introduced sophisticated truck control computer system through which profitability gradually restored and bank made whole
- USA national event management and digital media group badly effected by falling out of two principal stakeholders creating lack of leadership and direction. At bank request, subsequently divided company in two and sold event management arm, re-structuring digital media unit to become primary digital media supplier and manager for Hilton Hotels Corporation.

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DUTY OF CARE AND DUE DILLIGENCE

- While Postern normally contracts with the distressed company, our duty of care is to the banks and financing institutions while the company is in breach
- Contractually, Postern will always retain the right to speak to any stakeholder whom in our view we need to involve in the process
- Occasionally, we supplement our Core Team from our small team of trusted interim personnel, which have already been stringently and thoroughly approved

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OUR PROPOSAL

- Postern recognizes the need for fast response and therefore our **Quick Reaction Team** will provide an initial 2-day commercial due diligence assessment for FREE*
- Postern and the bank and/or stakeholder then meet quickly to agree our analysis and proposal
- Where can we help you? Let us look together at your portfolio and their issues now
- Please call: Michael Scordino – 07710 024 911 or 020 7520 9362

* Quick assessment evaluation to gain clarity and perspective on the engagement

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CORE MANAGEMENT TEAM

- **Archie Coulson** – Chairman. Co-founder of Postern in 1991 after many years of experience in reconstructions across a wide variety of industries. Archie has managed some 29 assignments, being chairman or deputy chairman of 15 of these. His assignments have included the chairmanship of Prestwick Holdings plc, the chairmanship of a £200 million turnover private agricultural and processing group, deputy chairman ERA Group plc and chairman of a multi-national logistics group.
- **Michael Scordino** – CEO. An international executive with strategic and corporate finance experience in various industry sectors across the globe. A consummate and successful negotiator with CEO re-structuring and turnaround around experience on both sides of the Atlantic in such sectors as media and entertainment, event management, hospitality, real estate, IP, IT, advertising, insurance, automotive and technology. Michael has operated in China and with the Chinese Government and as advisor to Istituto Poligrafico e Zecca Dello Stato (Italian State Mint).
- **Michele Maddocks** – Director. Michele heads the Interim Management business of Postern, joining after a career in Financial Public Relations with Broad Street Associates and Warwick Corporate, where she worked on several hostile takeover bids and handled analyst, media and investor relations. Since joining Postern she has successfully secured multi-discipline assignments within the retail, fmcg, manufacturing, engineering and public sectors.
- **Trevor Swete** – Consultant. One of the original founders of Postern, Trevor set up Postern Fund Management, formed to manage a SFA regulated turnaround fund invested in by a number of leading private equity funds. Prior to joining Postern he was Managing Director of Hill Samuel and transactions included the privatisations of Jaguar and British Airways, Dunlop and Godfrey Davis reconstructions. He later joined Drexel Burnham Lambert as Managing Director, corporate finance, to establish the department and a £200 million mezzanine fund. During his former time at Postern he successfully managed several corporate turnarounds.
- **Tony Evans** – An interim CEO since 1994; operating internationally in quoted, PE funded and VC supported capital and/or labour intensive companies. A deliverer of world class added value, often through complex transformational change, he has successfully turned round groups of companies with >£0.5bn fixed assets and over 6000 employees; established and run multi-national teams; and contributed in excess of £100 million in client value on a number of assignments.
- **John Cowley** - Has 20 years in international CEO turnaround roles with corporates such as BTR, and 10 years working for investors and lenders as an interim executive. He has saved and grown start-ups, SMEs, and global multi-site operations >£100M, and has worked across many markets and technologies. He has graduated from the Harvard Advanced Management Program, and from Cambridge University in Natural Sciences, and focuses on manufacturing and logistics.