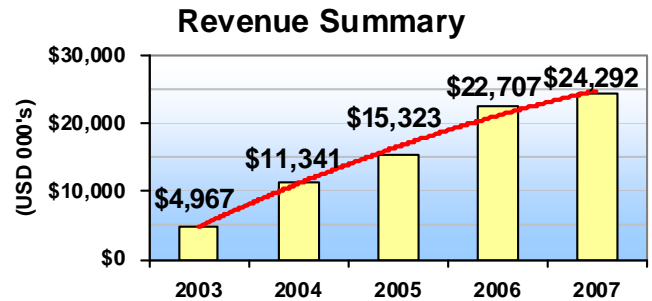


**Offering #:** 1176  
**Location:** Western US  
**Reason for Sale:** Recapitalization

**Business Type:** Wholesale / Retail  
**Structure:** LLC  
**Management:** Remaining (except CEO)

**Acquisition Highlights:**

- Increasing revenues with strong margins.
- Exclusive distributor for leading national manufacturers.
- Diverse customer base with low concentrations.
- In Top-5 population growth state.
- Established management team and employee base.
- 60% plus market share.
- Introducing new products in 2008.



**Business Synopsis:** Headquartered in the Intermountain West, Offering 1176 (COMPANY) is a market leading supplier of niche building products in one of the fastest growing states in the United States; approximately 90% of revenues are generated through merchandise sales, and 10% are generated by installation or warranty services. Selling to Contractors (50%), Distributors (25%), and Retail Consumers (25%), COMPANY is the market’s largest supplier to all three channels. COMPANY holds exclusive distribution agreements from the largest and most recognized manufacturers in its industry, giving it the ability to leverage competitors and shape its market. Despite national residential construction slowdowns, COMPANY’s high growth market and superior practices have resulted in continued revenue growth, increasing average unit prices by over 10%, and recognition as the highest margin distributor in the nation by the industry’s largest manufacturer. COMPANY anticipates offering two new product lines (gained in a recent acquisition) to the largest developed construction customer base in the market via its in-house sales team, and estimates revenues have the potential of doubling within only a few years. COMPANY has also identified specific acquisition opportunities outside its current service area that could further accelerate growth. COMPANY employs 94 full time, non-union employees, and operates 3 warehouses, 4 retail showrooms, 1 dealer showroom, corporate offices, and 30+ company trucks and vehicles. (Most real estate is leased from unrelated parties.) All employees and managers are anticipated to remain in their full capacities after the transaction except for the majority owner, who is now completing his 35<sup>th</sup> year in the industry and desires to continue transitioning into a reduced operating role. All remaining owners and managers have at least 10 years tenure with the company or its predecessor entities, and many have over 20 years. With continued high profitability despite temporarily suppressed demand from the housing market, COMPANY is a valuable opportunity to acquire an industry leader and position for lucrative “2006-private-equity-like” future returns.

**Financial History:** (all in USD 000's)

Year	2003	2004	2005	2006	2007
<b>Revenue</b>	\$4,967	\$11,341	\$15,322	\$22,707	\$24,292
<b>Gross Profit</b>	2,142	4,676	5,904	9,064	9,621
<b>Adjusted Expenses</b>	1,559	3,207	3,709	5,060	5,386
<b>Adjusted EBITDA</b>	<b>\$583</b>	<b>\$1,469</b>	<b>\$2,195</b>	<b>\$4,004</b>	<b>\$4,235</b>

Source: Internal Financial Statements.

**For Further Information Contact:**

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