



CONFIDENTIAL BUSINESS PROFILE
Specialty Metals Distributor

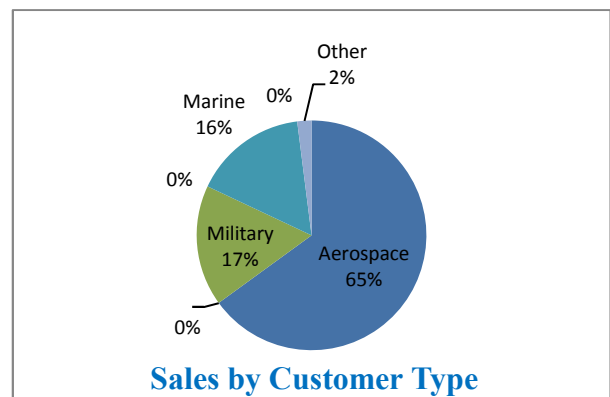
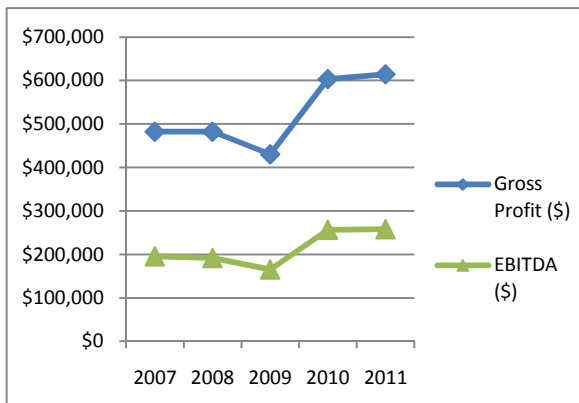
Gross Sales 2011:	\$ 2,028,110	Terms:	Negotiable
Gross Profit 2011:	\$ 614,363	Selling Price:	Reasonable Multiple of Gross Profit
Adj. EBITDA 2011:	\$ 258,021	Location:	New England
5 Year Average Gross Sales:	\$1,887,774		

Acquisition Highlights

- Company is well known within the industry for its ability to source difficult to find metals.
- Has grown its sales over time, reaching \$1MM in sales in 2005 and \$2MM in sales for the first time in 2010.
- An acquirer would take control of a company that was immediately profitable and enjoyed gross margins of 30% in 2011. A new owner with industry experience could be fully up and running autonomously within 6 months.
- Company has a large customer base of around 200 customers annually who understand the acumen that its employees bring which has not only driven repeat business but also referrals. The fact that the company survived the difficult post 9/11 aerospace environment is testimony to the strength of its customer relationships.
- Company is starting to win orders from new significant name brand clients in aerospace and marine industries.
- An investment of \$250,000 in inventory would enable margins on certain items to go up to 50% from the long-run 25-31% gross profit margin. It is expected that a new owner would be able to roll that inventory approximately two times a year – leading to a growth in free cash flow of around \$100,000 annually.
- Recently received ISO Certification in early 2012. This new certification should help drive sales growth for any acquirer as this company has not had the certification long enough to receive any of the benefit of the additional sales volume which ISO Certification should convey.
- Because this metal distributor does not have any exclusive vendor relationships, it can serve as an unbiased resource to competitively source and price metals – allowing it to pass on a portion of these savings to its clients.
- Employees have the technical knowledge (AMS, ASTM, GE, P&W, federal and military specifications) to provide extremely tailored service that anticipates the needs of its clients.

Business Synopsis

- In business: Since 1995
- Employees: 2 full-time, 1 part-time, 2 owners working part-time



Contact: Jeffrey Rich, CFA 860-818-6064 or jrich@touchstoneadvisors.com

Our client requires a signed confidentiality agreement and indication of financial qualifications.
 DISCLAIMER: All information contained in this document has been provided by the subject company or its agent to Touchstone Advisors, LLC and while believed to be correct has not been verified. Accordingly, Touchstone Advisors, LLC makes no representations or warranties as to the accuracy and truthfulness of such information. The recipient hereof acknowledges that Touchstone Advisors, LLC shall not be liable for any loss or injury suffered by recipient in any way connected to the delivery by Touchstone Advisors, LLC of this document. At all times Touchstone Advisors, LLC is an agent for the seller and not for the buyer unless a specific agreement exists for Touchstone Advisors, LLC to act as the buyer's agent.



This Confidentiality Agreement will confirm our mutual understanding in connection with Touchstone Advisors ("TOUCHSTONE"), providing, and your receipt of, information regarding the Company listed below ("The Company").

1. "Information" means all oral or written or electronic data, reports, records or materials in any form obtained from TOUCHSTONE or the Company or their respective employees or representative, including, but not limited to, the name, address, and type of business of the Company, or the knowledge that the Company may be considering a sale, or even the fact that Information has been provided, or any other information of any kind about the Company or its business, assets, customers, suppliers, employees, agents, finances, contracts, plans, or operations. Information shall not include, and all obligations as to non-disclosure by the undersigned shall cease to be any part of, such Information to the extent that the undersigned can show such Information: (i) is or becomes public other than as a result of acts in breach of this agreement by the undersigned or its employees or representatives; (ii) was already known to the undersigned before it was first disclosed to the undersigned by TOUCHSTONE or the Company hereunder; (iii) is independently obtained by the undersigned from a third party, provided that such third party is not under any duty of confidentiality to the Company; (iv) is independently developed by the undersigned without use of any Information supplied hereunder; or (v) is obligated to be disclosed pursuant to applicable law, regulation or legal process.
2. The undersigned agrees that: (i) the Information is being furnished solely in connection with the undersigned's consideration of the acquisition of the Company, and (ii) the Information shall be treated by the undersigned as "secret" and "confidential", and (iii) no portion of the Information shall be disclosed to others, except to those of the undersigned's employees, advisors, financing sources, and agents, collectively, its Representatives, whose knowledge of the Information is required to evaluate the Company as a potential acquisition and who shall assume the same obligations with respect to the Information as are set forth under this Agreement, and (iv) the Information shall be used solely to evaluate the possibility of the acquisition of the Company and for no other purposes, and (v) upon receipt of written notice from the Company, the undersigned and its Representatives shall cease using the Information and shall return the Information to the Company. The undersigned hereby assumes full responsibility for the compliance of such Representatives to the terms of this Agreement.
3. It is understood that the Company is the intended party and beneficiary whose rights are being protected and may enforce the terms of this Confidentiality Agreement as if it were a party to this Agreement. TOUCHSTONE represents and has a contract with the Company only and not with the undersigned. The Company shall compensate TOUCHSTONE. In the event of a dispute the venue shall be, unless otherwise agreed upon, Hartford County, CT. The prevailing party shall be entitled to recovery of all reasonable costs including attorney's fees, court costs, costs on appeal, and interest from date of breach. Any and all disputes shall be resolved by binding arbitration in accordance with the rules of the American Arbitration Association.
4. The undersigned agrees that for a period of two years there shall be no visits, nor employee, supplier or customer contacts regarding the proposed transaction without express permission from TOUCHSTONE and the Company. The undersigned agrees further that for the same two years it will not hire any of the Company's employees it becomes aware of as a result of its review of a potential transaction with the Company. The undersigned agrees that it will not interfere in any way with the Company's business using knowledge acquired under this Confidentiality Agreement, nor use any such Information in a manner harmful to the Company.
5. All communications shall be directed through TOUCHSTONE unless otherwise specified in writing. All Information shall be promptly returned or destroyed, as directed in writing by TOUCHSTONE or the Company. Any attempt to circumvent TOUCHSTONE's contract with the Company shall be actionable at law for tortious interference with contract.
6. It is understood that: (i) no representation or warranties are being made as to the completeness or accuracy of any Information; and (ii) any and all representations and warranties shall be made solely by the Company in a signed acquisition agreement or purchase contract and then be subject to the provisions thereof.
7. The undersigned acknowledges the responsibility to perform a due diligence review at its own cost and expense prior to any acquisition.
8. This agreement constitutes the entire agreement between the parties regarding the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, between the parties regarding (i) the subject matter hereof and (ii) any statements in the Information concerning confidentiality and limitations on use.

I have read, and agree, and accept the terms of this Specific Non-Disclosure and Confidentiality Agreement, and further certify that all information provided to TOUCHSTONE is accurate as of the date on this document and I authorize TOUCHSTONE to verify such information through such reference and background checks as its clients may require.

Company: SPECIALTY METAL DISTRIBUTOR

SIGNATURE: _____ **Date:** _____
Printed Name: _____ **Telephone:** _____
Company Name: _____ **Fax:** _____
Email Address: _____

Attention: Jeffrey Rich, CFA, Touchstone Advisors, LLC
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