

# Merger & Acquisition Support Services



M A S S



**T**echnology Catalysts International (TCI) has a 20-year history of assisting clients in their technology identification and acquisition needs and in provision of business research consulting services. The company now has offices and affiliates in North and South America, West and Central Europe, and throughout Asia. We focus on the chemicals, pharmaceuticals, and related fields. Our Merger & Acquisition Support Services (MASS) program builds on this experience.

## A Customized Service for Corporate Development

TCI's MASS program goes beyond mere identification of acquisition targets. The service is used across the entire spectrum of M&A activities ranging from setting strategic objectives to final deal negotiation. However, MASS differs from other merger, acquisition, or divestiture consulting in several important ways:

- TCI focuses on technology-driven chemical, pharmaceutical, advanced materials, and related process industries. Our science, engineering, and business professionals are qualified to assess the quality of the target company's technology base, compare it to alternate competitive routes, and estimate the earnings potential of the business which might result.
- TCI does not charge any commission or success fee. The cost to our client is for professional time and related expenses only. And the total project cost is predetermined.
- Using our global network of offices, affiliates, and industry contacts, we are able to identify potential buyers as well as merger and acquisition prospects. Strong personal relationships with key senior executives assure that we receive a fair hearing and are able to obtain difficult-to-get information about these target firms.

## How MASS Projects are Designed and Completed

MASS projects are customized to precisely fit the particular client's needs in the most cost-effective manner. We do not use a "formula" approach. Rather, TCI utilizes its technical strengths and industry contacts to assemble the required information and to perform the needed analysis in the minimum amount of time. TCI professionals are well qualified to provide any or all of the traditional M&A tasks: strategic objective setting, development of qualified leads, development/analysis of pertinent information, support to the negotiating team, and the like. While each assignment is designed to meet the client's ultimate objectives, TCI provides only those services specifically required to insure the prompt and accurate completion of the project.

In all cases, the client controls the project definition and scope of work. TCI's staff provides assistance and insight as required. From project definition to final closing, senior TCI staff work closely with the client. Together, they develop a list of critical information needs and obtain this information for use in evaluation of potential acquisition targets or divestiture buyers.

Personal interviews are the primary source of data and information acquisition. However, most projects start with extensive Internet and other electronic database searches. In addition, TCI maintains extensive files containing difficult-to-locate information on small- to medium-size companies. Senior TCI professionals coordinate the information gathering process. Personal interviews are then conducted, and where necessary, by TCI's foreign-based associates to conduct the interview in the local language.

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## What MASS Can provide


Clients have successfully used MASS to:

- Evaluate a target company's products and proprietary position.
- Benchmark the target company's customer perceptions of relative quality, pricing, service, and technical capability against the target's competitors.
- Identify non-traditional or "cross-over" industries as possible divestiture candidates.
- Investigate the market position of each of a list of targets - markets served, market share, market potential, and principal competitors.
- Assess target technological strengths and weaknesses in major business lines.
- Provide descriptions of physical facilities and processes.
- Identify possible "due diligence" problems such as environmental, plant safety, or legal problems that may need further investigation by specialists.
- Characterize and assess the target's management team.
- Analyze the target's financial performance.
- Prepare preliminary valuations of the targets using DCF techniques that take into account the technology of the targets.
- Prepare pro forma estimates of the impact of a potential acquisition.
- Illustrate the strategic advantage of mergers to prospective target companies
- Identify the correct contacts with whom to initiate negotiations assuming the recommendation is to proceed.

## Advantages of MASS

Our clients benefit from several advantages when using the MASS program:

- **Confidential Inquiries** - The client's identity is never disclosed in discussions with an acquisition candidate unless prior approval has been obtained.
- **Global Coverage** - TCI is headquartered in the US and has 13 offices and affiliates in Europe, Asia, Canada, and Latin America.
- **Extensive Contacts** - We have worldwide coverage of candidate companies by virtue of our 20-year history of assisting companies in their various strategic alliances.
- **Customized Approach** - To meet an individual client's specific needs, TCI will custom design a MASS project to those needs in the most cost- and time-efficient manner.
- **Industry Focus** - TCI concentrates all of its consulting efforts on the chemicals, pharmaceuticals, advanced materials, and related process industries.
- **Technical Understanding** - TCI professionals fully understand the target company's technology and the opportunities to implement that technology.
- **Small- and Medium-Size Company Focus** - We concentrate on technologically-advanced companies, which are still small enough to consider merger or acquisition.
- **No Commissions** - TCI fees are based on our estimates of required professional time and related project expenses. Absolute objectivity is assured.
- **Confidentiality** - All information developed during a project is held in confidence. We will execute non-disclosure agreements with clients as required.



MASS

## What is Different About MASS?

The 1990s were a period of major restructuring, with many large, multinational public corporations changing their strategic focus. Within this framework there have been mergers and acquisitions on a scale never experienced before. There has also been a proliferation of divestments or spin-offs of profitable businesses that no longer satisfy a company's reconfigured view of its future role in an increasingly global and more competitive business environment.

This has led to the creation of an unprecedented number of small- to medium-size, privately held companies, largely supported by the growth of the venture capital industry. In addition, government-backed initiatives such as the Small Business Innovation Research (SBIR) program have led to the development of many smaller companies that possess innovative products and processes at or near commercialization.

For the 21st century, the stage is set for corporations to acquire smaller companies. As equity markets tighten and leveraged-buy-outs decline, a number of these companies are looking to strategic corporate buyers to cash out their "sweat equity" investment through an acquisition or licensing arrangement which can also prove beneficial to the purchaser. A smaller acquisition can be used to fill a gap in a product line, broaden the customer base of a company, and/or strengthen the research capability of a firm.

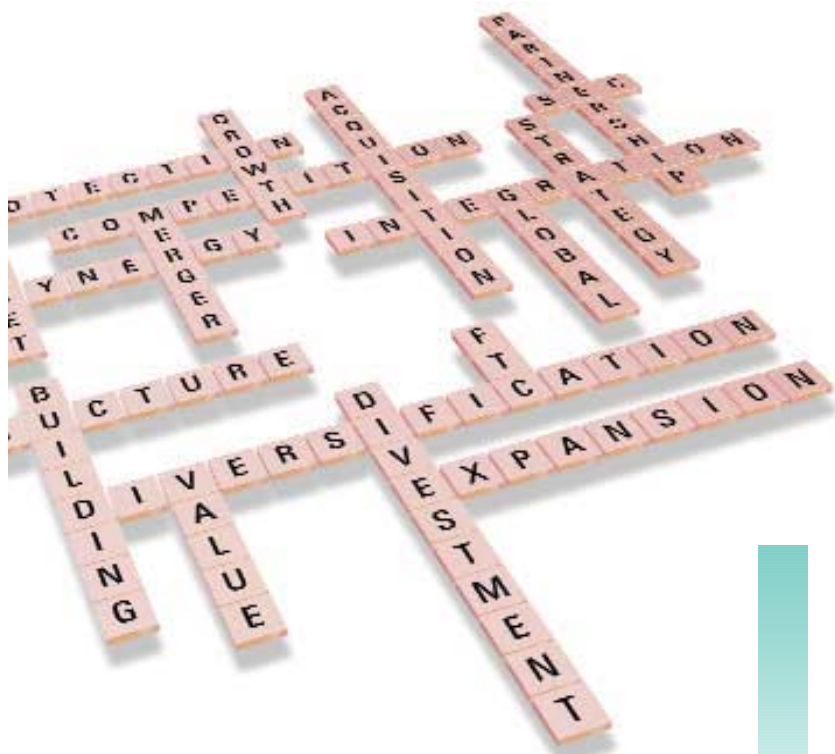


Unlike investment bankers, TCI is a technology scouting, assessment, and business research consulting company. In over two decades, TCI and its affiliates have identified more than 30,000 technology-based companies on behalf of North American, Asian, and European clients. These companies include:

- Small- and medium-size privately owned firms with annual sales in the \$1 million to \$100 million range.
- Venture capital portfolio companies with an emphasis on advanced-technology companies.
- R&D partnership companies formed by large companies to explore new technologies.
- Start-up firms in incubator programs.

Through its global network of contacts and full-time professional staff, TCI is positioned to obtain additional difficult-to-get, unpublished non-confidential information about companies of interest. The combined technical and business expertise of our staff extends to the following targeted industries for the MASS program:

- Specialty and Fine Chemicals
- Advanced Materials
- Pharmaceutical/Health Care
- Consumable Consumer Products
- Food Technology
- Biotechnology



# About TCI

Since 1979, Technology Catalysts International (TCI) has provided consulting services to the pharmaceutical and chemical industries. The firm offers technology transfer and technical assessment for emerging technologies. It also provides competitive intelligence, market research, merger and acquisition, and other strategic alliance services to clients in the ethical and over-the-counter pharmaceutical, drug delivery, chiral compounds, functional foods, polymers, fine chemicals, and advanced materials businesses. TCI has headquarters in Falls Church, VA in the US. The firm has offices and associates in Germany, Italy, the UK, the Czech Republic, Israel, Canada, Argentina, Brazil, India, China, Korea, and Japan.

The Global Consulting Services for Strategic Alliances offered by TCI include the following:

- **Licensing Locator™** is an in-depth, organized worldwide search for technology.
- **Out-Licensing Services** provide the client with a phased, cost effective way to out-license technology.
- **Ask TCI Any Question** is a specialized information service designed to protect a client's anonymity while providing unpublished, difficult-to-get, non-confidential information.
- **Food Technology Consulting Practice** is focused on specific client needs in the global food business.
- **Drug Delivery Information Services** are the only analytical and competitive intelligence services provided to pharmaceutical companies, developers of drug delivery technologies, and material suppliers on a global basis.
- **Optically Active Chemical Information Services** focus on the rapidly expanding field of chiral products and technologies.
- **Late-Stage Product Acquisition Services** represent a new and unique approach to pharmaceutical technology transfer.
- **Generic Drug Analysis Service** enables fine chemical and drug delivery clients interested in making or marketing generic drugs to cost-effectively target those opportunities with the highest margins.
- **Advanced Warning & Counter Surveillance** is an analytical, in-depth competitive and technology assessment service that provides strategic analyses on a periodic basis in areas of crucial importance to the client.
- **Benchmarking Studies** offer assistance in benchmarking technologies against currently practiced "best-in-class" production technology.
- **Custom & Special Studies** may be tailored to a client's very specific business and technical needs.
- **International Pharmaceutical & Chemical Technology Forum** is an international forum for the development of strategic partnerships organized and hosted by TCI.
- **Technology & Business Reviews** are multi-client offerings covering emerging or developing technologies that represent business opportunities.

For more information contact any of the offices on the back cover.



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