

Comprehensive, practical information you need to understand the key drivers behind M&A activities

Mergers, Acquisitions and Business Valuation

An intensive, two-day seminar focusing on:

- Strategies, Synergies, Defenses and Corporate Organization for the M&A
- Accounting, Tax and Regulatory Issues Surrounding the M&A
- Online Search and Screening for Comparable Data and Acquisition Targets
- How to Implement the Due Diligence and Financial Analysis Process
- How to Value a Business: Various Methodologies and Techniques
- Key Value Drivers in an Acquisition
- Negotiation Techniques to Solve Differences Between Buyers and Sellers
- How to Structure the Deal and Finance the M&A
- Key Elements to Include in an Acquisition Contract
- Understand the Limits on the Use of NOLs in an M&A
- Learn Special Valuation Techniques for “High-tech” Companies

Designed for:

CPAs and financial professionals who want a state-of-the-art update on M&A

CEOs, business owners and corporate attorneys who understand basic finance

Earn 16 hours of CPE, which includes 4 hours of Accounting and 12 hours of Specialized Knowledge & Applications

Cincinnati, OH
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Comprehensive, practical information you need to understand the key drivers behind M&A activities

Mergers, Acquisitions and Business Valuation

In two dynamic, fast-paced days you will learn the key aspects of the merger and acquisition process and the business valuation techniques that are an integral part of an M&A transaction. Software and online resources related to this topic will be illustrated on a large, interactive computer screen at the front of the room. This practical, nuts 'n' bolts seminar is designed to give you the essential and timely information you need to fully understand the M&A process.

We'll start the first day with an analysis of the different strategies related to merger and acquisition decisions, including synergy, diversification, and buy vs. build analysis. We'll highlight the classic defensive M&A strategies and discuss how most firms organize for an M&A in terms of staffing, organizational structure, and integration.

Next, we'll clearly review the accounting, tax, and legal aspects of a merger and acquisition. We'll explain, with unmatched crystal clarity, the new accounting rules for acquisitions, the related amortization of goodwill, and how to conform with GAAP. We'll detail the different tax aspects of M&A, including tax-free exchanges. We'll also cover the SEC pre-merger notification requirements.

Next, we'll illustrate how to search online for information on both public and private companies. This information can be used to select appropriate acquisition targets and/or to develop comparables for valuation and financial projections. This online search and screening will be displayed on a large, interactive computer projection.

Then, we'll explain all the pertinent aspects of the M&A due diligence process and how to use a due diligence checklist. We'll carefully review the financial analysis required prior to acquisition, potential accounting distortions, how to recast the balance sheet, how to normalize income, and how to prepare *pro forma* financials subsequent to the acquisition.

The next section of our seminar will be a

comprehensive explanation of how to value a business. We'll examine various business valuation models, including asset- and income-based valuation procedures. We'll clearly explain how free cash flow and excess earnings can impact valuation. We'll discuss market comparable approaches, combination approaches, **key value drivers in an acquisition**, and how to make

your firm more valuable. We'll also explain how to quantify and justify an acquisition premium and review special valuation techniques for "high-tech" companies. This section of the seminar will feature a comprehensive business valuation case study to ensure that everyone clearly understands business valuation techniques.

ation techniques.

Next, we'll cover risk analysis for an M&A transaction. We'll review the methodology involved, have an in-class, large-screen, interactive demonstration of the state-of-the-art software used for this analysis, and conclude this section with a case study to reinforce the concepts.

Then, we'll analyze the structure and financing of the M&A. We'll explain your sources of payment, how to deal with investment bankers, and how to justify the valuation of securities and dilution issues. We'll also **clearly explain the negotiation techniques you need to solve the valuation differences between buyers and sellers.**

Next, we'll examine the key covenants to include in an acquisition contract. We'll also review typical deal structures for privately held companies, including earnouts and seller financing.

We'll conclude our seminar with a comprehensive, "real-world" case study and in-class evaluation to make sure you have absorbed this important information. This **practical**, two-day seminar is designed to give you the comprehensive, **on-the-job tools** you need to be an integral part of any organization's M&A team. **You will not get this much M&A/business valuation information in a four-day seminar at four times the price!**

**Understand Why
an M&A
Succeeds or Fails**

Class sizes are limited! Telephone us today at **800-635-9615** or register online at **www.nccetraining.com** to reserve your place!

Key Benefits of Attending

- ◆ Understand all key aspects of mergers and acquisitions
- ◆ Learn the different methods of business valuation and which technique to use in different situations
- ◆ Understand M&A due diligence procedures and how to construct a due diligence checklist
- ◆ Learn how to screen *online* for comparable information for acquisitions
- ◆ Learn where to search for appropriate acquisitions: investment bankers, industrial brokers and others clearly detailed
- ◆ Review the different standard defensive strategies for a hostile takeover
- ◆ Understand what synergy is and how to quantify it
- ◆ Review the role of the investment banker during the acquisition process
- ◆ Learn how to structure a deal for a privately held company — earnouts and seller financing
- ◆ Understand the limits on the use of NOLs in an M&A
- ◆ Learn special valuation techniques for “high-tech” companies
- ◆ Learn creative deal structures for both private and public companies
- ◆ Analyze window dressing and accounting procedures: inventory valuation, R&D, leases, unfunded pension liabilities, off-balance-sheet financing, economic obligations, and unrecorded liabilities
- ◆ Learn how to normalize earnings for business valuation purposes
- ◆ Learn what constitutes antitrust; review the historical perspective of mergers by the courts and FTC
- ◆ Understand antitrust statutes and regulations, and the Department of Justice antitrust guidelines
- ◆ Review SEC and other regulatory, pre-merger notification requirements
- ◆ Understand the cost of capital, return on invested capital, economic value added (EVA) and how it impacts M&A decisions
- ◆ Review the key elements of the M&A contract
- ◆ Structure the sale to minimize taxes — analyze tax aspects of an M&A such as tax-free exchanges and how to best allocate acquisition price
- ◆ Understand the mechanics and different methods of business valuation
- ◆ Learn the difference between discount and cap rates and the relationship between the cap rate and P/E multiple
- ◆ Understand excess earnings and free cash flow and how this impacts the purchase price
- ◆ Discuss the pitfalls of using ‘rule of thumb’ approaches to business valuation
- ◆ Identify the key value drivers in an M&A and how to enhance the value of your company
- ◆ In-class, large-screen demonstration of software designed to analyze, assess and quantify risk for M&A decision making purposes
- ◆ Justify the discount rate you use for business valuation purposes and M&A negotiations; understand the build-up approach
- ◆ Learn how to finance the M&A — sources of payment, valuation of securities and dilution issues are all clearly explained
- ◆ Earn 16 hours of continuing professional education credit (CPE for CPAs)

Course Materials

You’ll receive a comprehensive workbook that will serve as a valuable reference tool. This manual contains all the information covered during the seminar; including an M&A due diligence checklist, acquisition candidate profile screening and evaluation checklist, step-by-step instructions for business valuation, along with detailed examples and spreadsheets, acquisition contracts, and a comprehensive practical case study of the information reviewed during the seminar.

Comprehensive Seminar Agenda

Mergers, Acquisitions and Strategic Analysis

- Overview of M&A Activity
 - Volume of Activity and Size of Deals
 - Reasons for M&A Waves
- M&A Successes and Failures
 - Reasons for Failures
 - Key Ingredients for Success
- Role of Mergers in Business Development
 - M&A as One of Several Methods to Grow the Organization
- Merger Strategies — Reasons and Justifications for Mergers
 - Economies/Synergies
 - Diversification
 - Buy vs. Build and Capital Costs
 - Strategic Realignment of Organization
 - Other
- **CASE STUDY:** Review of Strategy Issues

Overview: Steps in the M&A

- Screening Candidates
- Due Diligence and Financial Analysis
- Valuation of a Business
- Deal Structure and Valuation of Securities
- Integration
- Organizing the Firm for M&A
 - Skill Sets/Staffing Requirements
 - Organizational Structure
 - Decision Process
 - Integration Process
 - Role of Investment Bankers
- Types of Mergers
 - Friendly vs. Unfriendly
 - Analysis of ‘Defensive Strategies’
- M&A Resource Material
 - Books
 - Websites

Background Understanding for M&A

- Accounting Issues
 - Purchase Transactions; FASB 141
 - Goodwill Write-off Policies
- Legal Issues: SEC, FTC and Department of Justice
 - Pre-merger Notification Requirements
 - Antitrust Guidelines and Issues
- Constructing the Acquisition Contract
 - Legal Framework and Key Covenants, Terms and Conditions
 - Typical Purchase Agreements

Understanding Tax Implications of M&As

- Tax-free Exchanges
- Taxable Transactions

- Tax Consequences for Buyers and Sellers
- Step-up vs. Carry-in the Basis
- Allocating Acquisition Purchase Price
- Limits on the Use of NOLs: IRC Sections 382, 384 and SRLY Rules

Due Diligence and Financial Analysis

- Due Diligence Explanation
 - Things to Look for — Checklists
 - Hidden Assets and Liabilities
 - Understanding the Business
- **CASE STUDY:** Review of Due Diligence Issues
- Financial Analysis
 - Differences Between Small and Large Firm Financial Statements
 - Potential Distortions: Inventory Valuations, Goodwill, R&D, Over- or Under-funded Pensions, Deferred Taxes, etc.
 - Recasting the Balance Sheet
 - Normalizing Income for Analysis and Valuation
 - *Pro forma* Financials Following the Acquisition

Selecting a Sample of Comparable Companies and Online Data Sources for Screening Candidates

- Determining What Constitutes a Comparable Company
 - Online Sources of Information
 - Private Companies
 - Public Companies
- Searching/Screening Online
- Building an Acquisition “Pipeline”

Business Valuations

- Overview of Various Valuation Frameworks
- Asset Valuation — Balance Sheet Framework
- Earnings Valuation
 - Discounted Cash Flow Valuation
 - Definition of Cash Flow
 - Terminal Value Alternatives
 - ◆ Determining the Discount Rate
 - ◆ Determining the Forecast Period
 - ◆ Excess Earnings Defined
 - ◆ Free Cash Flow Explained
 - Equity Discounted Cash Flow Valuation vs. Asset DCF Approach
 - Capitalization Rates, Approaches and Justifications, Understanding the Build-up Approach

Seminar Agenda Continued

- Market Comparables
 - ◆ Multiple of Earnings, EBITDA or Revenue
 - ◆ Other Comparable Methods
- ‘Rule of Thumb’ Approaches
 - ◆ Industry Examples
 - ◆ Sources of Information/References
- Combination Approaches
- Valuation of High-Tech Companies
- Weighted After-Tax Cost of Capital (WACC) and EVA
- **CASE STUDY:** Review of Valuation Issues
- Key Value Drivers in an Acquisition
- Quantification of Synergies and Justifications of the Acquisition Premium

Valuation Methods

- Methodology
- Excel™ Large Screen, In-Class Illustration (template included)

Financing & Deal Structure

- Sources of Payment
 - Cash vs. Debt vs. Equity vs. Other
- Valuation of Securities
- Deal Structure Issues for Publicly Traded Companies
 - Valuing Options, Warrants and Convertibles
 - Dilution Issues
- Case Study — Review of Deal Structure Issues
- Deal Structure Issues for Privately-Held Companies
 - Earnouts
 - Seller Financing
 - **CASE STUDY:** Private Company

Effective Offers and Effective Negotiations

- Owner’s Motivation: Public vs. Private and Strategies to Use
- Presenting the Offer
- Sample LOI and Purchase Contract
- **CASE STUDIES:** Avoiding Typical “Deal Killers”

About NCCE

Since 1984, the National Center for Continuing Education (NCCE) has produced and marketed continuing professional education and executive training in major cities throughout the United States. We provide critical business information to Fortune 1000 managers, attorneys, CPAs, healthcare administrators, engineers and business owners nationwide.

To Register

In order to maintain the quality of your learning experience, class size is strictly limited. Contact us today to ensure your place.

By Phone: 800-635-9615
By Fax: 850-222-4862
Online: www.nccetraining.com
By Email: registration@nccetraining.com
By Mail: NCCE, 967 Briarcliff Drive
Tallahassee, FL 32308

Confirmations with hotel location and additional information will be sent within three days of receipt of payment to each registrant.

Tuition:

Base Fee: \$1,395 per attendee, payable in advance to NCCE. We accept checks, MasterCard, Visa, Discover and American Express.

Discounts:

Early-bird: \$150 discount if payment is made by the date specified on the registration form.

Multiple Registrations: \$100 discount for two to three people from the same organization.

Group Discount: Contact NCCE to learn about group discounts for 4 or more registrants.

Discounts may not be combined.

Course Schedule:

| | Day 1 | Day 2 |
|--------------------------|------------|------------|
| Registration | 8:30 a.m. | N/A |
| Morning Session Begins | 9:00 a.m. | 8:30 a.m. |
| Lunch (On Your Own) | 12:00 p.m. | 12:00 p.m. |
| Afternoon Session Begins | 1:00 p.m. | 1:00 p.m. |
| Session Concludes | 5:00 p.m. | 4:30 p.m. |

Register Early

This seminar features **actual computer presentations** using Excel™. Seating is limited to assure a quality presentation. Register early to guarantee a seat and take advantage of our special **\$150 early-bird discount**.

Continuing Education Credits

This group-live seminar is recommended for 16 hours of CPE including 4 hours of Accounting and 12 hours of Specialized Knowledge & Applications. The National Center for Continuing Education is registered with the National Association of State



Boards of Accountancy (NASBA), as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of

individual courses for CPE credit. Complaints regarding registered sponsors may be addressed to the National Registry of CPE Sponsors, 150 Fourth Avenue North, Suite 700, Nashville, TN, 37219-2417. NASBA web site: www.nasba.org. For more information on administrative policies including complaint and refund, contact our office at 800-635-9615.

Who Should Attend?

This seminar is ideal for accounting and financial professionals who want a state-of-the-art understanding of M&A and business valuation techniques. This seminar is also appropriate for CEOs, business owners and corporate attorneys who have a basic background in finance and accounting.

This seminar is perfect for:

- CEOs, CFOs, treasurers and controllers
- CPAs, financial and accounting managers and staff accountants
- Financial and security analysts
- Mergers and acquisitions staff
- Investment bankers, consultants and corporate strategic planners
- Attorneys who work in an antitrust or M&A environment

Alumni Program

After you attend just one NCCE course, you are automatically upgraded to Alumni status. All Alumni receive a \$100 discount off the full price of any NCCE seminar. Simply let us know while registering that you are an NCCE Alumnus! *The Alumni discount cannot be used in conjunction with any other discount.*

Transfers, Substitutions and Cancellations

If you are unable to attend your session you may send a substitute or transfer to another NCCE seminar. Transfers are valid for one year. Written notice of any registration change must be received at least one business day before the seminar begins.

A full refund will be given if the registration is cancelled in writing at least fourteen (14) days prior to the seminar date. Registrations cancelled less than 14 days before the seminar are subject to a \$300 cancellation fee. In fairness to all attendees, registrants who do not cancel in advance and do not attend are liable for the entire fee.

More Dynamic NCCE Seminars

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Your Seminar Will Be Led By One of NCCE's Expert Faculty

Ronald Rizzuto, PhD

Dr. Rizzuto is a Professor at a major university and has received several teaching awards including the University of Denver's Distinguished Teaching Award and the College of Business' Cecil Puckett Teaching Award.

Dr. Rizzuto has consulted on capital expenditure analysis, mergers and acquisitions, corporate financial planning and telecommunication finance with First Data Corporation, Time Warner, Cox Communications, Adelphia Communications, Chevron, Conectiv, PricewaterhouseCoopers and Qwest. His book Managing by the Numbers: A Common Sense Guide to Understanding and Using Your Company's Financials is a highly regarded finance book for operating managers.

Dr. Rizzuto is also a Senior Fellow at the Magness Institute at the Cable Center, where he conducts training programs, research and consulting projects focused on the cable telecommunications industry.

David Braun

David earned his Bachelor of Business Administration from The College of William and Mary. He is President of Capstone Strategic, Inc. and consults with Fortune 1000 and multinational firms on how to grow revenues via merger and acquisition transactions. David has over 15 years experience formulating acquisition strategies in a wide range of manufacturing and service industries.

David has delivered presentations on *International Acquisitions*, *Value Creating Acquisitions* and *Issues with Acquiring Privately-Held Companies* as a featured speaker throughout the U.S. Over the past 10 years, he has led seminars for over 10,000 top-level business executives on various M&A topics. Prior to his current position, David led the acquisition division of an information technology company where he was part of the management team that grew revenues 400% over four years.

Seminar Prerequisite

Please bring a financial calculator to the seminar.

Course Level: Intermediate

Prerequisites: This program requires you to have a basic understanding of financial analysis.

No Advanced Preparation Required

Custom Training Programs

If you have a group of 12 or more employees who need to learn the critical elements for success, NCCE's customized training may be the cost-effective solution for your organization. NCCE's in-house seminar clients include: Hewlett-Packard, Oracle, Harley-Davidson, Stanley Tools, General Mills and Deloitte & Touche. **For more information or to schedule a custom program, please call NCCE at 800-635-9615.**

Mergers, Acquisitions and Business Valuation

SEMINAR INFORMATION

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| <input type="checkbox"/> | Cincinnati, OH July 15-16, 2008 Course Number 08703CI | Hilton Cincinnati Netherland Plaza 35 West Fifth Street 513-421-9100 | Early-bird Deadline June 2, 2008 |
| <input type="checkbox"/> | Los Angeles, CA July 28-29, 2008 Course Number 08703LA | Los Angeles Marriott Downtown 333 South Figueroa Street 213-617-1133 | Early-bird Deadline June 2, 2008 |
| <input type="checkbox"/> | Nashville, TN August 4-5, 2008 Course Number 08703NA | Gaylord Opryland 2800 Opryland Drive 615-889-1000 | Early-bird Deadline June 20, 2008 |
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| <input type="checkbox"/> | Ft. Lauderdale, FL September 23-24, 2008 Course Number 08703FL | Bahia Mar Beach Resort 801 Seabreeze Blvd. 954-764-2233 | Early-bird Deadline July 21, 2008 |

REGISTRATION INFORMATION

This form may be duplicated for additional registrations.

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| Multiple - 2 to 3 (\$100 discount*) | \$1,295 |
| Single after early-bird deadline | \$1,395 |

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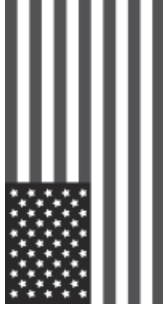
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