

O V E R V I E W

Oxbow Industries, LLC is a diversified holding company that specializes in buying and building businesses in partnership with management. Our transactions provide liquidity for owners, raise capital for corporate growth and create significant equity opportunities for key management. We are long-term investors who seek to build value over time, not overnight.

Over their careers, the principals of Oxbow Industries have successfully completed more than \$2.0 billion of corporate finance transactions. Drawing on over \$700 million in capital from our affiliated resources and partnerships, Oxbow Industries seeks to help its portfolio companies fund growth, acquisitions and other strategic initiatives.

The companies in which we invest are well established, well managed and consistently profitable. We are committed to building these businesses in partnership with management.

We are convinced that strong management is the key to a business's success. In our transactions, management always has a significant equity stake. We look not only for good businesses, but also for operating partners whose knowledge, experience and skill will continue to ensure the long-term success of their companies.

Ox-bow. [oks bo] noun.

1. the fertile land found in the bend of a river shaped like an oxbow;
2. the U-shaped wooden collar attached to a yoke used to assist the team to pull more efficiently and in unison.



The Oxbow - 1836, Thomas Cole

Oxbow Industries, LLC headquartered in Minneapolis, MN, is a diversified holding company dedicated to building businesses in partnership with their management teams. Oxbow seeks to invest in leading middle-market companies with outstanding management teams and a significant opportunity for equity appreciation.

O U R P H I L O S O P H Y

The cornerstone of Oxbow's philosophy lies in the effective blending of professional management with entrepreneurial spirit. We hold as our core belief that modern professional management principles coupled with a disciplined entrepreneurial spirit create a powerful combination.

Oxbow's success results directly from a philosophy that is built on three basic tenets:

- Existing management of acquired companies should be maintained and should participate in the equity structure wherever possible because people are the most valuable asset to any organization.
- The entrepreneurial spirit, balanced with professional management resources and skills, must be fostered and encouraged in order to provide managers with freedom, incentive and financial support to succeed.
- A strong path for sustained growth is a considered, but aggressive approach to acquisitions.

At Oxbow, these guiding principles teamed with considerable financial resources make it possible for Oxbow portfolio companies to achieve extraordinary results and become leaders in their fields.

O U R S T R E N G T H

For over two decades, the principals of Oxbow collectively have developed the expertise and experience to identify, research, negotiate and acquire companies successfully. Oxbow uses its network and resources to identify and invest in high quality businesses with a potential for excellent returns. In each transaction, Oxbow invests its own capital along with capital from other investors. In this capacity, Oxbow handles the origination and structuring of transactions and has continued involvement in the guidance and development of its portfolio companies.

Our approach always supports the management of our portfolio companies and supplements their capabilities. By offering management the ability to access our professional experiences and networks, we provide our portfolio companies with creative resources to consider new ideas. We have the ability to provide seasoned input at the board and senior management level when, and if, it is needed.

V A L U E C R E A T I O N

Oxbow's portfolio companies appreciate our recognition that value creation is not always a smooth process. Macroeconomic cycles, industry conditions and company specific factors all have an impact on the management team's efforts to create value. One of the benefits of working with Oxbow's team is our experience in working with management and shareholder groups to analyze events and to provide support in the evaluation of appropriate strategic and/or tactical responses to often unanticipated circumstances. As investment partners we have significant experience in determining what effect these events may have from a valuation standpoint on our portfolio companies in the market place.

I N V E S T M E N T C R I T E R I A

Oxbow seeks to invest in middle-market companies with a revenue range of \$20-\$250 million.

Our principal target investments include:

Manufacturers of consumer or industrial products

Value-added distributors

Business service providers

Examples within these broad categories include:

Consumer products

Food products and ingredients

Plastics processing

Healthcare products and services

Specialty distribution

Building products

Specialty chemicals

Business outsourcing

Publishing and printing

Software

Educational products and services

Direct mail

Our target investments generally have:

History of profitable growth, having achieved operating profits of approximately \$3.0 million. Companies that are growing rapidly and are expected to reach this threshold quickly are also of interest.

Strong, sustainable competitive position based on superior service, brand identity or a differentiated status. Typically, a strong competitive position is reflected in above-average profit margins.

Management team that remains with the acquired business, operating autonomously and owning a significant stake in the company through direct investment and/or option plans.

Favorable growth prospects due to market dynamics, strong product development capabilities or the availability for add-on acquisitions.

O U R C O M M I T M E N T

Responsiveness. Oxbow is committed to providing business owners with full, fair valuation and timely response to investment opportunities that are presented to us. In those circumstances where speed to closing is a material concern for the sellers, we are prepared to dedicate the necessary resources to achieve a prompt closing. Above all, we believe that there is never just one way to achieve a goal; we are dedicated to providing flexible options that meet the objectives of both the sellers and the management teams.

Confidentiality. We observe a high level of confidentiality and professionalism.

Respecting Management. Day-to-day operations of portfolio companies are the responsibility of the management team. We are committed to maintaining respectful, thoughtful working partnerships with the management of our portfolio companies. Our investments always include meaningful equity participation by the management team. From the time of investment, we view ourselves as a resource for management, there to assist them in accomplishing their goals.

Patient Investors. Unlike many private equity firms, we pursue a patient, long-term partnership strategy. If a portfolio company requires a longer than average investment term to achieve a return that meets our standards, we are positioned to maintain the investment.

Philosophy of Growth. Our investment philosophy is to grow business through top-line expansion, improved profitability and acquisitions. Accordingly, we are prepared to provide portfolio companies with the capital resources necessary to implement their growth strategies. We support investments that make companies not only larger but also qualitatively better.

T R A N S A C T I O N T Y P E S

While Oxbow has the ability to invest in companies at all stages of development, we are almost exclusively focused on opportunities to back a superior management team in acquiring a more mature business. The types of transactions facilitated by Oxbow generally include:

Ownership transition for family owned companies. Frequently, private company owners reach a point where they seek to achieve liquidity, diversify their holdings and/or position the company for the next stage of development. We can facilitate these objectives by sponsoring a recapitalization of the business in which the current owners obtain significant liquidity, and the next level of management is enfranchised through equity ownership. In many cases, previous owners retain an equity interest so that they can capitalize on the continuing growth of their company.

Management buyouts. We are interested in backing entrepreneurial management teams that have identified opportunities to acquire and operate attractive businesses. We offer these teams the equity backing necessary to complete the buyout and contribute our expertise and relationships to facilitate the structuring and financing of the transaction.

Corporate divestitures. Oxbow seeks to acquire divisions that have been deemed non-core by their corporate parent. Often these divisions have untapped growth potential and strong management teams that would benefit from Oxbow's sponsorship, resources and capital.