



Welcome!

Extended Line Management Experience

Exquisite Functional Knowhow



Top-Management Consulting Knowhow

Deep Industry Expertise



Dear Valued Customers, Partners and Friends,

True North offers intelligent, solid management and consulting services for demanding business situations. With a lot of experience from its own leadership positions, authentic knowledge and fresh ideas.

- We **act respectfully**, respect the life performance of the entrepreneur as well as the interests of all Stakeholder.
- We act **with confidence**, go transparent front and secure the understanding and support of all participants.
- We **live the commercial virtues** and gain where necessary, the sense of diligence and thrift and the work ethics.
- We act in a **straight line**, say what we think and do what we say and keep us out of "political games".
- We act **fearlessly**, proceed without hesitation and do what is needed

That is why we have given ourselves a name, where the direction and sincerity enroll simultaneously: A clear view at the target. Cool in thought with passion for the cause. Facts driven and True to the analysis, transparent in the implementation. And reliable as the gyrocompass that won't let itself get worked up.

Uwe Jenssen

Dr. Frieder Schuppert

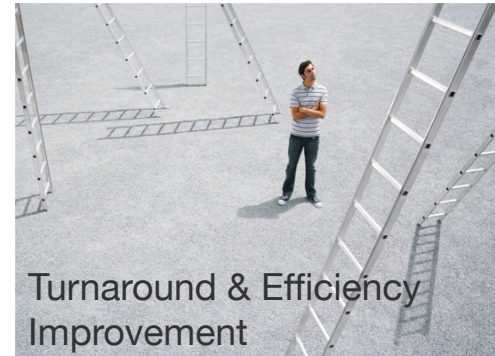
Michael North

TrueNorth Focuses in Strategy Advisory, Mergers & Acquisition, Organizations Development and Business Recovery



Mergers & Acquisitions
Corporate Finance

- Mergers & Acquisitions Strategy and Market Research
- Buy side and Sell Side Support
- Deal Preparation and Negotiation Support
- Due Diligence Support



Turnaround & Efficiency Improvement

- Business Recovery Plans and Implementation
- Efficiency Improvement
- Banks and Creditor Communication



Interim Management

- Chief Restructuring Officer
- Chief Financial Officer
- Other Functions



Management Consulting
Strategy & Organization

- Strategy Audit & Definition
- Growth- and Portfolio Management
- Corporate Organization
- Profit center Organization
- Post-Merger Integration,
- Corporate Controlling
- IT Governance

Our team can be proud of over 100 M&A deals with an enterprise value in excess of €10 billion, over 30 successful restructuring cases and more than 150 consulting projects. We will be happy to provide you with more information in our one-to-one meeting

Media, print and paper: publishing houses, printers, paper factories, media logistics, etc. Plant construction: technical building services equipment, heating, air-conditioning and ventilation systems, building automation, security technology. Machine construction: automation technology, metal processing, conveyor technology, construction machines. Foundries. Automotive, automotive suppliers. Electrical industry, electrical plant construction. Energy: energy producers, power station equipment, suppliers. Services: logistics, facility management, direct marketing, etc. Food industry. Health: hospitals, old people's homes, medical equipment

... and now getting into detail with the National High Technology Centre of Georgia

The idea of the „New Centre“ is born. A lot of questions are arising:

Any First description and technical specifications?

What is exactly the structural and economic situation of the center?

What are the strengths and the opportunities and what are weaknesses and treats?

How can the external experts be financed?

How has a team of internal and external experts to be structured during the different phases of the project and how has the collaboration to be organized?

Are the product likely to perform, be profitable and meet customers and distributors expectations?

Are there already patented products?

How will the product be built? How will it work? What software and operating system is needed? Will it fit into smart technologies?

What is the expectation of the Georgian Government?

Are risks (product, execution, etc.) acceptable?

Are we able to deliver quickly enough?

What different interest groups are involved?

What are the market expectations of the real Estate redevelopment?

Are there any international donor organizations available to support and fund the project?

Background of NHTC and it's current challenges

First layout of the “New Centre”

The **Principal intends to restructure and resettle** the NHTC (also Centre or Institute) from its current location within the City in line with the City Development Plan. The Centre, as a state-owned company, is engaged in the production of Boron, Oxygen, Carbon ultrapure isotopes. The Centre is one of the very few companies engaged in this production worldwide and this potential should be harvested. The project therefor can be considered in several parts:

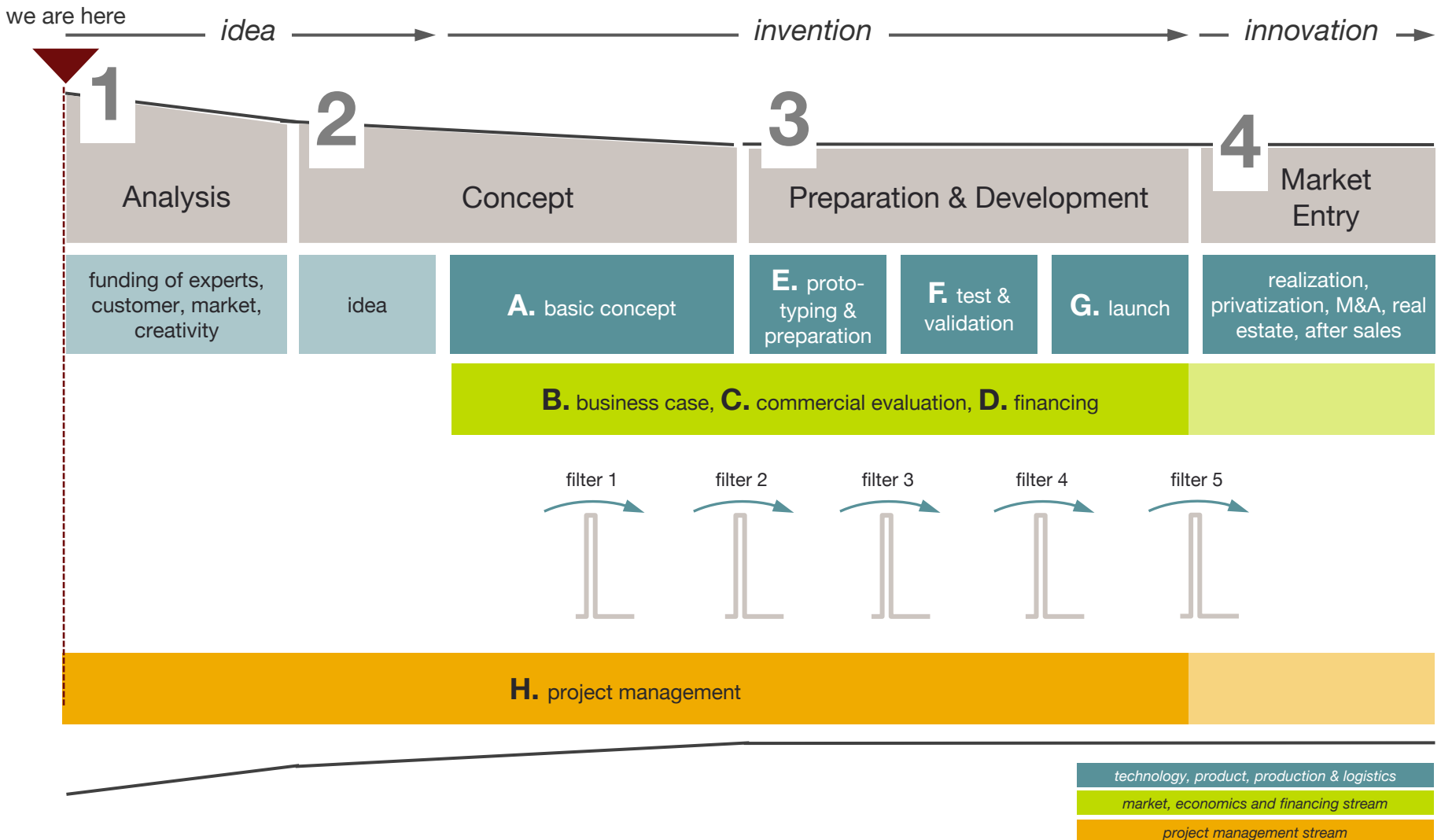
- Resettlement of the NHTC **using the freed-up land** and existing assets as a way of financing the new land and constructions
- **Restructure the commercial relations** of the Centre to achieve a higher participation in the sale proceeds with the perspective to make sales activities available for NHTC on its own.
- **Finalize the privatization** of the Centre to make it a fully privately-owned company and respecting potential state interests
- **Possible acquisition** of international trade companies to gain higher profitability
- Obtain international equity and debt **financing** to achieve the project goals
- Develop and include the local management and staff of NHTC to **gain long-term sustainability** for the future of the Centre and act as a benchmark for Georgian economy

The idea of the „New Centre“ is born.
How can the idea lead to success?

Crucial questions to be answered

- How has the **project to be shaped**? Which steps, filters and milestones have to be taken? How is the time schedule to be defined? And what cost are to be expected?
- How has a **team** of internal and external experts to be structured during the different phases of the project and how has the collaboration to be organized?
- Which **external services** have to be taken in and how have the terms of fairness, competitiveness and suitability of the terms and conditions offered by any party to be involved whether industrial or financial?
- How can the **financing** to be secured? Are co-investors, and which ones, necessary? How have the appropriate transactions to be structured?
- What are the **market expectations** of the innovation? How will a valid business plan look like?
- Can the necessary external experts be financed through **international organizations** like Worldbank, IFC, EBRD, KfW or others?

We propose for the project a 4-phases innovation process as a well defined stage-gate-process



Start with the Analysis and the Project Management has thereby all activities, the project budget and project reporting in hands

funding of external experts and analysis

Get international donor institution to start with initial analysis

- Understand the capabilities of the NHTC management and staff to fill potential gaps with external expert and managers which will act as catalysts for the whole project.
- Develop a SWOT analysis together with a detailed description of the situation “as it is” including strength and opportunities, weaknesses and threats.
- Draft an overview of the real estate including buildings and the rights of use including the views of the municipality and the Georgian Government. Understand the local market for real estate development.
- Understand the old privatization situation including the involved groups.

project management

monitor and control the project activities and to secure alignment with the project budget

- The project management starts up with the definition of the project governance (project organization, meetings, reports, escalation procedures, etc.), the bringing together and setting up the team and to kick off the project.
- Initially the project structure with all the necessary activities (detailed planning according the above described logic and tasks), capacities needed and a time schedule have to be worked out as well as a first project budget.
- Ongoing works within are the execution of the project governance and the project controlling. The to be expected plan changes – for this is an development project – have to be worked out clearly and have to be presented to the steering committee for decision.

The “technology, product, production & logistics” stream comprises all necessary gates to a successful go live

A basic concept

clear view on the possibilities and the limits of the technical realization.

- **draft technical product concept** with detailed product specification, technical feasibility, product architecture principles, technology needs and access, regulatory constraints, patents & licensing, etc.
- **draft production concept** with production technology needed including make-or-buy concept and supplier available, machinery/investments needed.
- **draft architectural study** and removal concept

E Preparation & prototyping

- **Prototyping** is more or less a controlled cycle of small-scale-realisation with following improvements.
- **Detailed static and architect plans**, and alternatives are to be developed with feedback of local authorities and organizations

F testing and validations

- **large-scale production needs**
- **patenting** of the research results
- **iterations** until a going-live is evaluated to be successful
- **live testing** of a **production start** and a live testing of the **supply chain** too.
- **governmental pre-approvals**

G launch

- to prepare and realize the market entry strategy
- minute plan for the the last weeks before and after the “going-live”
- monitor it on a daily basis to success.
- Promotion for all activities

The “market, economics and financing” stream accompanies the economics of the project from an early stage to the end

business case

achieve **very early a validation of market ability and the market chances** of the new offer. It is as well to be worked out initially and to be refined with the progress and the learnings of the project.

- **market analysis: market dynamics and industry characteristic** (economics of scale and scope, technology drivers trends), the effect of **external factors** such as regulation and public policy, **market size and growth** projection (evaluate market potential and revenue potential, segments of the current target market, key segment characteristics and the market’s implicit and explicit needs), to identify market structure and competitor’s positioning (strengths and weaknesses, products and services offered including substitutes, their key segments targeted, pricing and positioning)
- **product/market concept: customer value proposition, customer interest, substitution products**, risk-/reward analysis, and the positioning (concrete products and services offered, segments targeted, pricing and distribution) etc.
- **market entry strategy**, how to gain **market access** (channel options for Existing markets, availability of channels and access to key segments) and a **model for the diffusion of the new product** into the market, which depends amongst others on factors like renovation cycles of the private households. Derived from that there is to calculate the volume planning for the new product.

commercial evaluation

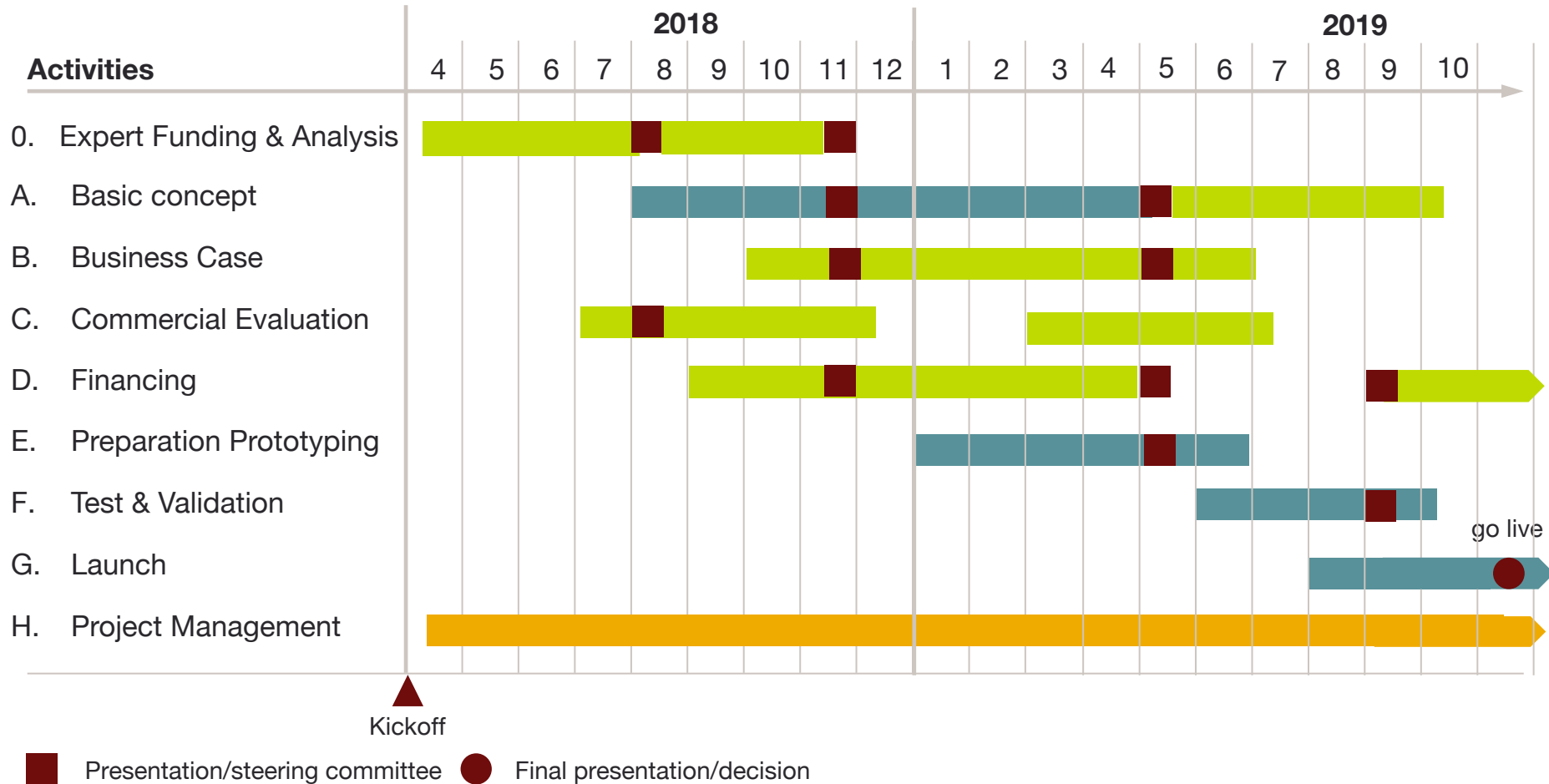
clear the economics of the product and the project during the whole project lifetime.

- work out a **first product calculation** based on the technical product concept as a calculation scheme and a concrete calculation.
- **P/L and balance sheet planning** including one offs and investments related to the project. The planning should ideally worked out as a variable cost contribution calculation which can easily be varied with volume changes and give a outlook to 3 to 5 years and detailed information when and under what conditions the break-even will be reached.
- **business valuation** of the future center and the real estate development.

financing

Derived from these numbers the **financial needs and the overall funding** with all possible options (equity, loans, etc.) have to be evaluated and structured. The **M&A and Privatization strategy** will be based on above elaborated analysis and strategies.

Draft Proposal Project Schedule



TrueNorth – Some Impressions on Market Entry and Strategic Planning

Typical traps affect the value of the strategic planning process

Strategy – Strategic Planning

Is the early warning system effective?

- Is the business environment monitored regularly?
- Are there strategic scenarios?
- Is there a link to risk management?

Are the competitors well monitored?

- Is there a regular SWOT analysis of the competitors?
- Is there a regular quantitative competition analysis?

Is the strategic plan well quantified?

- Are there business plans, scoring models or utility value analysis?
- Are there rules of thumb?

Is the strategic plan linked to operative planning?

- Is the strategic plan defined top down (company to business segments)?
- Is the strategic plan basis for the operative annual plans and budgets?

Is the organization informed and actively committed?

- Is the communication about strategic goals openly and target oriented?
- Is the compensation linked to strategic performance?
- Are people on all levels involved?

Typical Traps



1 Target Planning

2 Strategic Analysis

3 Strategy Selection

4 Implementation

5 Strategic Controlling

For whole company

- Define Vision: „who and where are we today and who and where want we to be in 5 years“
- Define mission statement
- Define strategic goals

For company and each business segment

- External analysis (market & competition)
- Internal analysis resources
- Synopsis: SWOT

- Define portfolio management (whole company)
- Select and formulate strategy for each business segment and elaborate alternative strategic options
- Quantify strategic options in business plans

- Implement business segment plans
- Design structures and systems for all business segments
- Complete business plans for all segments
- Combine business plans on company level

- Carry out planned actions with operational targets, budgets
- Implement benefit tracking process
- Perform regular performance management and operational checks

Strategic Planning

The key for a successful market entry is to understand the targeted market and the forces of competition

Strategy – Market Entry

1 Understand Market Dynamics

Understand Industry Characteristic

- Economics of scale and scope
- Technology drivers trends
- Effect of external factors such as regulation and public policy

Understand Market Size and Growth Needs

- Evaluate Market Potential
- Segment current target market
- Key segment characteristics
- Domestic versus global market
- Market's implicit and explicit needs

Competitor's Positioning; Strengths and Weaknesses

- Identify market structure and competitors
- Products and services offered
- Key segments targeted
- Pricing and positioning

Market Access: Channel Options For Existing Markets

- Availability of channels
- Access to key segments

2 Capability Assessment and Offering

Product/Service Offering

- Features of new products
- Service-evolution plans

Non-Product Related Sources of Differentiation

- Customer service
- Necessary to access to key market segments

Economic Assessment

- Cost of manufacturing
- Cost of bringing to market

3 Strategy Formulation

Develop Product Market Strategic Options

- Develop strategic segmentation based on needs and new service offering
- Positioning and targeting strategy
- Pricing and promotion
- Channel/market access

Assess Options and Select Optimal Option

- Implement ability risk
- Economic assessment –cost–potential and revenue

Develop Core Benefit Proposition

- Value proposition of the offering to key segments
- Branding strategy

TrueNorth – Some Impressions on Corporate Finance and Mergers & Acquisitions

Mergers & Acquisitions Activities Are a Means of an Active Portfolio Management

Portfolio Management

1 Adding Value to Existing Portfolio

- Growth in existing lines of business
- Reorientation or innovation on the product and market side
- Regional expansion
- Selectively filling gaps in existing portfolio
- Creating Value through buying resource synergies and/or especially innovation of the business model
- Create value through restructuring

2 Growth through New Business

- Enforce existing business segments
- Diversification into new lines of business

3 Adjustment Through Divestment

- Disposal of business lines
- Selectively „clean the house“ in existing business lines

4 Set Strategic Goals

- Define the target portfolio
- Identify levers to effect reorientation and optimization
- Identify resource and business model innovation synergies
- Set and quantify goals, e. g. sales profit, cash flow, etc.
- Work out action plan with time schedule, milestones, responsibilities etc.

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5 Define Internal Growth Plan Set Up Mergers & Acquisitions Process

TrueNorth Manages the Special M&A Success Factors that Lead to the Best Results for Our Customer

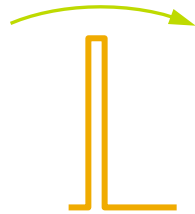
Speed



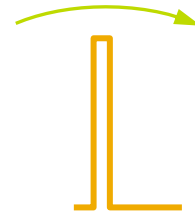
Right Valuation



Expertise & Professional Tools



Interest-free Process



Effective Information



Professional Negotiation

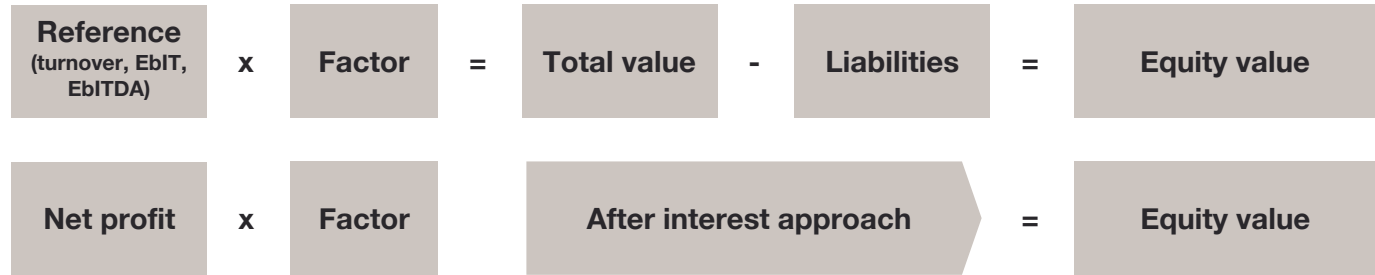


- Full concentration for the M&A process – free of day-to-day business - 100% of our capacity is at your service
- Broad network of internal and external specialists
- Profound understanding of European „Mittelstand“
- Right valuation is going to be one of the crucial factors to achieve the best price possible.
- Mastering the math's
- Theoretical Knowledge, esp. legal and fiscal knowledge and capital market know-how
- Broad Practical skills, esp. transaction-know-how
- Having profound sparring partners
- Utilization of professional tools (company profile, information memorandum, ...)
- Systematic approach
- Systematic Evaluation of potential targets/buyers - no choice at random
- No conflict of interests eg. from within the immediate private and business environment
- Effective handling of information without selective information processing
- 100% confidentiality without leaks to bidder
- Access to the top management on a broad range of companies
- Point of contact ≠ decision maker – having the advisor as “protecting shield”
- Experience in this special field of negotiation
- Establish an open competition between potential investors

Two Common Methods of Company Valuation

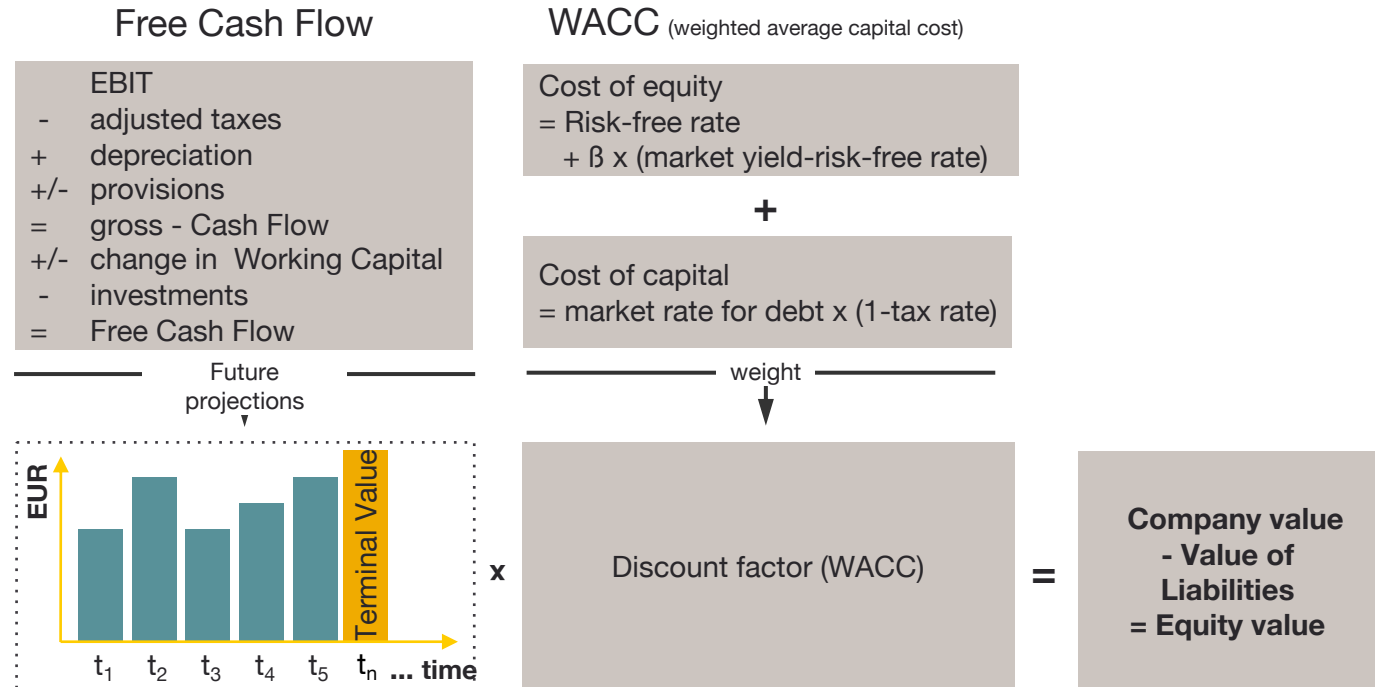
1 Multiples

... can provide for an overall estimate of the enterprise value



2 DCF-analysis

... is superior because synergies can be factored in



M&A buy side: TrueNorth supports in all stages of the buying process ...

1 Mergers and Acquisitions Strategy

2 Due Diligence & Integration Setup

3 Post Merger Integration

4 Disinvestment - „Clean the House“

pre-merger

post-merger

- Action**
- Define vision and strategy of „new“ enterprise
 - Define growth path and portfolio strategy
 - Identify target and rough evaluation (strategy fit)
 - Analyze potential synergies and enterprise value
 - Work out draft
 - Work out indicative price tag

- Commercial Due diligence (detailed market analysis and competitive position)
- Financial und legal due diligence (by lawyers, auditors)
- Detailed analysis synergies
- Justify enterprise value
- Elaborate integration concept (organization, systems, sales, Production, purchase, etc.)
- Communication concept
- Define deal structure
- Merger preparation and Action plan
- Support negotiation and closing

- „Capture value“
- Establish business model (customers, products, sales channels, markets, ...)
- Establish operating model (organization, processes, systems)
- Integrate organization and leadership model
- Communicate! (integrate employees and middle management)
- Establish project management and monitoring
- Work out tax und legal issues

- Disinvestment strategy (for not necessary assets, licenses etc.)
- Define disinvestment targets
- Audit risk and counter synergies)
- Define deal structure for disinvestments (IPO, trades sale, spin-off, etc.)
- Masterplan disinvestment (organization, communication, legal, HR etc.)
- Start action plan
- Establish project management and monitoring
- Tax und legal issues

- Result**
- M&A approach
 - Target list with strategic fit
 - Indicative price tags

- Detailed target information and revised value
- Prepared merger with integration schedule
- Prepared closing

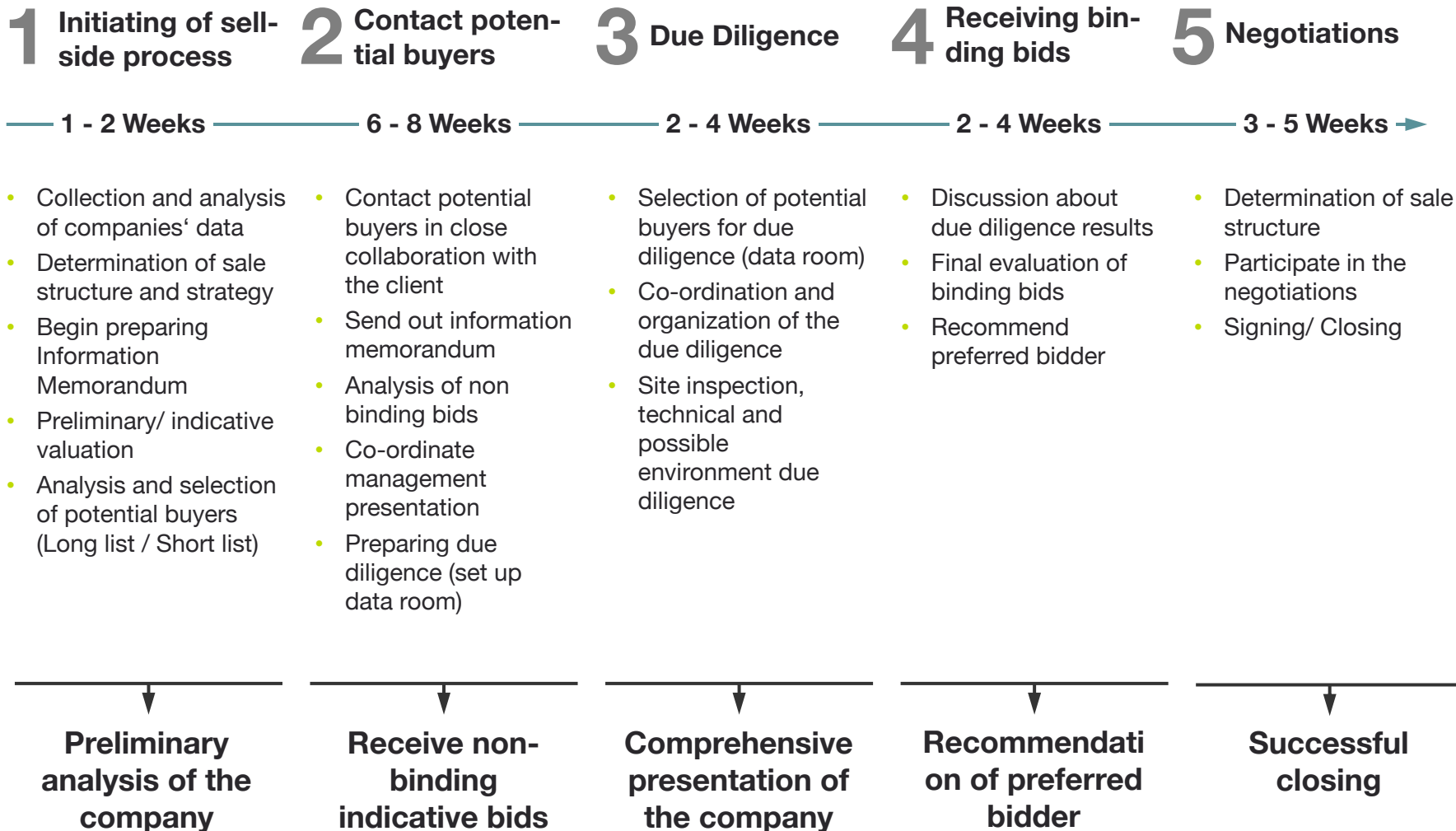
- Master plan with communication concept
- Readiness for day 1
- Started implementation and „value capture“

- Disinvestment concept und master plan
- Prepared disinvestment with de-integration plan

Letter of intent

Closing

M&A sell-side and privatization: TrueNorth supports in all stages of the selling process too



Transaction

True North- your dedicated key team

The TrueNorth Partners Have Years of Extensive Experience With a Broad Industry Expertise

Dr. Frieder Schuppert



- Studies in economics University of Mannheim, promotion as Dr. in business administration at the chair for logistics
- Roland Berger Strategy Consultants Frankfurt and Munich, project manager for business recovery and media
- Georg von Holtzbrinck Publishers: Managing Director shared services center, Managing Director of Droemer Knauer trade book publishers

Skills & Engagements

- Project experience in Europe, Asia, Australia and USA
- Interim-Manager as Managing Director CRO/CFO/CEO und Consultant
- Buy side- und sell side-support in M&A-Transaction und commercial due diligence
- Extended Expertise in business recovery and restructuring, strategy development organization and IT
- Broad industry expertise

Michael North



- Studies of Economy and International Law at the University of Geneva, Lic.rer.pol and international relations at the Graduate Institute
- Expert of capital markets for going public issues, bond issues, privatizations and fund management
- Bank Director in various international investment banks, i.e. Merrill Lynch, Deutsche Bank, Gulf International Bank and Commerzbank

Skills & Engagements

- Long-term activities in the capital markets, first time introducer of issuers to the international capital markets
- Experience in privatization of RAO UES (Russia), Gulf Air (UAE) Svyazinvest (Russia)
- Long-term experience in Eastern Europe and the Near East
- Restructuring and Consulting of Svyazinvest (Russia) in cooperation of Arthur Anderson

Uwe Jenssen



- Studies in economics and business administration, University of Munich and Augsburg Dipl. Oec.
- Privatization expert and specialist assessment Treuhandanstalt
- Senior Vice President Mergers and Acquisitions, Commerzbank AG, Frankfurt, Kiev, Moscow
- Participated as Board Member in several restructurings and reorganizations (Commerzbank Budapest, Telecominvest, First national Holding)

Skills & Engagements

- Extended Eastern Europe Expertise, e. g. evaluation of Russian mobile telecom industry
- Over 100 completed mergers & acquisitions transactions, going public, restructuring, corporate finance
- Expert in privatization, e. g. executive manager for privatization of the Ukrainian energy industry with Bain Capital (USA), Price Waterhouse (UK), Banco Hispano Americano (Spain)

TrueNorth External Partners and Special Council Have in-depth Knowledge in Relevant Fields Needed in the Project

Prof. h.c. Dr.-Ing. Heinrich Bonnenberg



- Studies of Physic and Nuclear Energy Technology at the Universities of RWTH Aachen and TU Berlin, Dr. –Ing. and Prof.h.c. at University of Humanities and Social Sciences in St. Petersburg
- Associated Governor of Jewish University in Jerusalem
- Federal Cross of Merit for the maintenance of social peace in the East German Länder
- Special Envoy of the Federal Republic of Germany to the Ukraine

Giorgi Dadiani



- Studies in Classical Philology at Tbilisi State University, Georgia
- 1 Year Course in Political Sciences at Armstrong State College USA
- MA in Public & Business Administration, GIPA, Georgia
- Assistant of the deputy general director of the insurance company “Rosgosstrakh” in Moscow Russia.

Marc M. Städtler



- Studies in Urban Planning and Architecture at Technical University of Munich (TUM) Dipl. Ing.,
- Member of the German Chamber for Urban Planners and Architects.
- Principal and Managing Director of own urban planning and architecture studio with focus on delivering complex development projects

Skills & Engagements

- Expert of the Treuhandanstalt Berlin (the German privatization agency after the Reunification of Germany) and responsible director for the protection of the environment and the removal of pollution, including the removal of factories and the disposal of the waste
- Managing Director of various companies including the BMGB Beteiligungs-Management-Gesellschaft Berlin, VERBO Industrie Berating GmbH and B+D Bonnenberg & Drescher Ingenieur GmbH

Skills & Engagements

- Project manager at UN WFP Rail Operation Centre. Conducted a project on rehabilitation of Georgian, Azerbaijan & Armenia railways
- As an entrepreneur he conducts business activities in Georgia, Azerbaijan and Russia by setting up different companies
- Presented to Georgian & Azerbaijan markets 47 different EU brands. Introduced different energy efficient project creation software and energy efficiency calculation
- Broad expertise about economic, social and legal situation in Georgia, Caucasus and Russia

Skills & Engagements

- Unique set of innovative, technical, economic and legal expertise
- More than 30 years of experience in delivering both green field and restructuring projects in Europe, USA, Latin America, Africa and Asia
- Employer’s Representative of joint project of European Bank for Reconstruction and Development (EBRD) and Rogner International in Tirana, Albania
- Urban development expert at United Nations in the Middle East

In Touch.

Read More: www.truenorth.de

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