

EBSCO INDUSTRIES, INC.

Committed to
Growth Through Acquisitions



Who We Are



F. Dixon Brooke Jr., President,
and J.T. Stephens, Chairman

Founded in 1944 by Elton B. Stephens, EBSCO Industries, Inc. is a global corporation with a history of diversity and growth in sales, manufacturing and the information industry.

From its beginnings as a small team of magazine sales representatives, EBSCO has expanded into more than 40 business

categories employing 5,100 people. The company is ranked in the top 200 of the nation's largest privately held corporations, based on revenue and number of employees, according to *Forbes* magazine.

"EBSCO aims to be a good work home, to deliver useful products and services to our customers with excellent service and to improve and grow in all our endeavors."

~ F. Dixon Brooke Jr., President

"We look to our customers to learn to develop better products and services and foster the creativity and ingenuity that will make us better. We are thankful for our historical progress. We will continue to seek improvement and growth."

~ J.T. Stephens, Chairman

EBSCO Guides Itself with Seven Values:

- **Customer First** – Our jobs and our company's future come from the customer.
- **Sales** – We communicate, educate and persuade to offer our products and services as far and wide as the market opportunity exists.
- **Growth** – We are committed to finding and growing revenues and business activities.
- **Profitability** – Profits provide the resources to maintain operations, to invest to improve them, to develop new opportunities and to ensure a financially secure organization.
- **Engineering** – We must constantly seek to identify and to develop ways to realize opportunities and to change shortcomings.
- **Thrift** – The need for economy stands as an eternal verity.
- **People** – People make the difference when they work together as a knowledgeable, productive and motivated team with mutual respect for one another.

EBSCO Businesses

Information Services

- The world's largest provider of print and electronic journal and periodical subscriptions to libraries, corporations, colleges and universities and other institutions
- A leading provider of full-text and bibliographic databases designed to meet the reference needs of all libraries

Manufacturing and Distribution

- Hunting and fishing products: game calls, fishing lures, decoys, treestands, game cameras and muzzleloading rifles
- Looseleaf binders and information packaging products
- Indoor/outdoor LED and non-LED signs for commercial, church and school use
- Commercial offset and quick-service printing
- Point-of-purchase displays and retail merchandising fixtures
- Steel joist and metal roof decking
- Business-to-business direct mail catalog marketer of display products
- Consumer cameras and camera accessories
- Office and school furniture and equipment supplier
- Promotional products manufacturer and supplier

General Services

- Management liability and property/casualty insurer
- Textbook distribution and supplier to the U.S. military

Publisher Marketing Services

- Magazine sales to individuals and reception rooms
- Content hosting for scientific, technical and medical journal publishers
- Magazine publishing, consumer and business-to-business

Real Estate Development

- Mt Laurel, a traditional neighborhood development in Birmingham, Alabama
- Alys Beach, a traditional neighborhood development on the Florida Gulf Coast

EBSCO's Future

EBSCO aims to grow organically by cultivating internal opportunities and externally by acquiring successful businesses.

EBSCO seeks to acquire companies that manufacture products or provide services for consumer or business consumption.

We are interested in companies for acquisition which:

- Have demonstrated sales growth, profitability and market leadership
- Have sound management talent, an entrepreneurial approach to operating the business and a willingness to remain with the company post-acquisition
- Have a desire to leverage EBSCO resources while maintaining significant decision-making and management autonomy
- Have a niche, competitively positioned business activity
- Have strong and stable customer and vendor relationships

EBSCO's Acquisition Interests

First, we look to acquire businesses that are strategic fits with our existing platforms. There is no specific requirement in terms of size, large or small, for these strategic acquisitions.

Second, we seek to develop new business platforms. For these acquisitions, we prefer that a business have a track record of profitability, with pretax profits of \$3 million or more.

In general, we seek to acquire businesses with sound management talent characterized by an entrepreneurial spirit, a sustainable growth and profitability record and a desire to leverage EBSCO resources while retaining autonomy in profit-center decision making and management leadership.

What Makes Selling to EBSCO Different?

Investment Strategy – EBSCO seeks to acquire companies and grow their profitability over the long term. EBSCO does not divest its businesses, in dramatic contrast to most buyers who acquire companies, leverage them with debt and implement a three- to seven-year divestiture strategy. We feel that this point of differentiation positions us as an ideal suitor for individually owned, family-owned or closely held businesses.

Transaction Complexity – As a closely held, private company, EBSCO does not have a lengthy or complicated acquisition approval process, nor does it require financing contingencies. EBSCO seeks to move swiftly, typically closing the acquisition within 75 days of a signed letter of intent, and aims to provide a seamless transition following the transaction.

Financial Stability – EBSCO ranks among the top 200 privately held corporations in the United States according to *Forbes* magazine. This financial stability provides acquired companies the resources needed to grow.

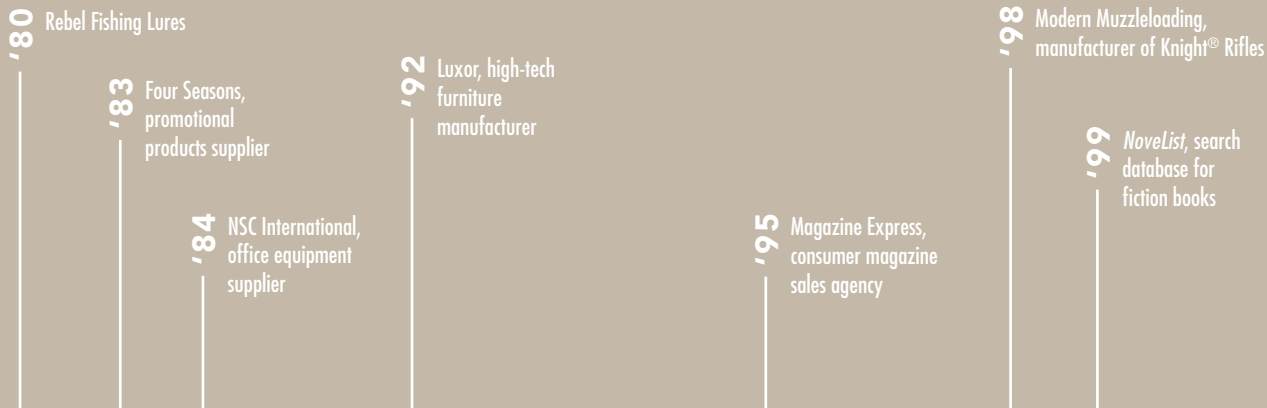
Culture – EBSCO utilizes a profit center philosophy. Profit centers are autonomous operating entities, each with a general manager who is given autonomy in decision making and management leadership, which encourages entrepreneurship.

Resources – Acquired profit centers benefit from EBSCO's economies of scale and collective bargaining power. Profit centers have access to corporate resources, including accounting, finance, cash management, legal, human resources, information systems and marketing.

Integration – It is EBSCO's goal for the "Monday after" the acquisition to be a continuation of the success factors that have driven the business. Therefore, we seek to minimize change and allow managerial autonomy to foster continued entrepreneurship.



ACQUISITION TIMELINE SINCE 1980



1980

1990



2000

EBSCO's Culture

EBSCO's most distinguishing characteristic is its culture and investment philosophy. Specifically, our mission statement is "to grow profitability over the long term"; therefore, we do not divest our companies. Other buyers grow profitability over the short term, sell and make a quick return. As a result, many good businesses are often destroyed after several rounds of highly leveraged divestitures.

Given the importance of cultural integration following an acquisition, we encourage and facilitate conversation between prospective sellers and owners of businesses acquired by EBSCO.

Here are two comments from owners of companies acquired by EBSCO:

"EBSCO is an organization of honesty and integrity, and it starts at the top. They have lived up to everything they said prior to the acquisition. I am able to run the company very much like before the acquisition with the peace of mind that my family is now financially secure."

– General Manager, Crown Products

"Being a family business, we were very apprehensive about selling something that we had nurtured for over 20 years. To our extremely pleasant surprise, we have been welcomed as part of a new family that has treated us with integrity, honesty, and a genuine concern for our continued well-being."

– General Manager, Summit Treestands

If you would like more information on EBSCO, please visit our Web site, www.ebscoind.com, or call:



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