



CORPORATE FINANCE MARKET OVERVIEW

The last nine months has seen a pick up in corporate finance activity. A number of business owners are looking to sell, having been unable to do so for the last two years. These business owners are very well aware that to achieve optimum results, however, a proactive strategy is essential. There are many pitfalls that can trap the unwary and business owners appreciate, probably more than ever in our experience, that quality advice is needed and valued.

Deal flow is better than it has been, but the volumes of deals completed are still very much lower than 'normal'. There is far less appetite for risk, with processes regularly coming to a complete standstill if an issue arises, particularly during due diligence. This is not just driven by funders but also by the principals.

The opportunity for deal volumes to improve is certainly there with a wide range of active acquirers, both strategic consolidators and private equity investors. We certainly cannot get carried away but the recent past does suggest that the future is promising. Fingers crossed!

MEZZANINE FUNDING

We have been assisting a small hotel group with the raising of development funding. Banks are now often unwilling to provide all of the finance for a project, such as a redevelopment. The solution in these situations could be to raise mezzanine finance that has more flexible terms than traditional debt finance but does not require the dilution of an equity finance raise.

We assisted our client by introducing them to a wide range of mezzanine providers. A key requirement for mezzanine providers is visibility of the exit route, which was a challenge in this case as the exit relied on bank refinancing to repay the bridge finance.

A mezzanine provider was found willing to take the risk, in return for a fairly substantial return, which the client was happy to accept as a cost of completing the much needed redevelopment.

After a significant period of analysis and review, the Bank concerned finally decided to provide all of the funding. Feedback from the client has been excellent; "you really worked hard to help me; I would recommend you to anybody. I very much hope we can continue to work together."

If you are aware of a situation that may require our assistance, please contact us to discuss the matter further.

Tel: 01908 698 761

neal.judd@najudd.co.uk



WINDCROP

Windcrop, the wind generation company, is going from strength to strength. Unlike conventional large wind farms, Windcrop establishes multiple sites of small systems which have minimal impact on the landscape and provide electricity at the point of use. This approach reduces the time taken to install a system through easier planning approvals.

Windcrop, with our assistance, has recently finalised a major contract that underpins the company's forecast sales for the rest of this calendar year.

Through the work done on Windcrop over the last two years, we are at the forefront of the development of the new renewables market sector.

We are working on a second related project and can see already future opportunities for deals in this sector in the years to come.

FINANCIAL FORECAST MODELLING

We have a deep working knowledge of financial forecast modelling. We work with management teams to develop the operational aspects, and work with the private equity managers on the funding aspects. With broad sector experience, we focus on the key dynamics of a business and therefore the key drivers needed in each model.

We have recently been involved in various forecast modelling projects. One example being assisting a portfolio company of a major private equity house on the development of a fully integrated forecast model to consolidate a first bolt-on acquisition for a buy and build investment in the IT services sector.

In some projects, we advise the company and finance team on a short term basis. We can be very flexible, dipping in and out of projects as necessary, completing the task within the wider deal time constraints.

We have recently improved our website; please take a look and let us know what you think.

www.najuddcorporatefinance.co.uk

CONGRATULATIONS to our monthly Fantasy Football League winners in 2010/11:

DECEMBER

Peter Anderson of Northgate

JANUARY

Karl Wicks of Clydesdale Bank

FEBRUARY

Peter Anderson of Northgate

MARCH

Andrea Smith of Franklins Solicitors

APRIL

Kevin Reynolds of Bridgepoint

MAY

Rory Meighan of Clydesdale Bank



OUR OVERALL SEASON WINNER FOR 2010/11 IS **KEVIN REYNOLDS OF BRIDGEPOINT DEVELOPMENT CAPITAL.** WELL DONE KEVIN!