



Acquisition Profile

Structural Engineering Firm

Executive Summary

Burley & Associates has been retained to identify an acquirer for a successful consulting firm providing professional structural engineering services (“Firm”, or “Company”) in the Mid-Atlantic region. The Company is a 14-member structural engineering firm, certified as a small business by the U.S. Small Business Administration.

The services provided, which include over 3,000 successfully completed projects to date, cover the following:

- design of new buildings with concrete, structural steel, wood, masonry
- light-gage steel framing systems
- evaluation of existing buildings
- renovation and modification of historic buildings
- upgrading building systems
- field investigations, studies and analysis of complex engineering issues
- contract drawings and specifications
- design calculations
- bid letting services
- review of shop drawings
- construction administration and supervision
- sustainable design services
- value engineering
- concrete repair

The Firm also has a vast experience in conducting:

- needs assessments
- feasibility surveys
- environmental studies
- designs, cost estimates, and construction administration

Approximately 75% of service fees are generated from design projects. In the vast majority of cases, the Firm’s services on these projects continue through the construction administration phase.

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Financial Summary

The Company has a strong track record of profitability, a strong balance sheet, and very minimal debt. Even with revenues slightly down, net income in 2007 was up by 62% over 2006.

Full-year 2007 saw the firm generate \$1.7 million in revenues and \$337,000 in single owner cash flow. Gross profit in 2007 was 66%, which is consistent with the average of the past 3 years.

A snapshot of the firm's recent revenue and earnings history is as follows:

	2007	2006	2005
Revenue	\$1,700,000	\$1,830,000	\$1,870,000
Gross Profit	\$1,130,000	\$1,240,000	\$1,200,000
Single Owner Discretionary Cash Flow	\$340,000	\$270,000	\$420,000

Valuation and Deal Structure

The shareholders will entertain offers of varying financial and legal structures. Each offer will be evaluated on its own merits and in relation to other offers.

It is expected that potential acquirers may propose several scenarios and that the structure of each proposal will vary. What ultimately constitutes an acceptable offer will vary based on the percentage of the deal that is cash, notes, or other consideration. In some cases, an all cash offer may be the successful offer. In other cases, an offer with reasonable cash and a very rich and very secure deferred portion may be the right deal if it results in a significantly higher total value. Certainly, the intangible values of the acquirer and the anticipated future of the acquiring firm will be considered.

In all cases, proposals and Letters of Intent are expected in the range of 3.5 to 4 times Seller's Discretionary Cash Flow plus the value of Net Working Capital, subject to deal structure and other terms.

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Upon proper qualification, including the customary exchange of financial information and confidentiality agreements, a detailed book (Confidential Memorandum) will be provided.