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Dear Friends: As we celebrate our first year of Excellere’s (pronounced, “x-cell-lear”) inaugural \$265 million fund, we are pleased to report that we had a terrific year that was made possible by our valued limited partners and our treasured network of intermediaries.

In addition to building-out our firm’s infrastructure and closing six transactions during our first 12 months, we reviewed more than 240 transactions, 86% within our industries of focus. We are proud of the network of intermediaries who have provided us with these high quality transaction opportunities. We genuinely believe that our firm’s success will continue to flourish because of the trust and belief from these valued relationships.

As we look forward to another great year, we will continue to execute our highly-disciplined by-and-build strategy:



▶ Deep industry domain expertise and experience



▶ Working hand-and-hand with management teams with a spirit of service and partnership

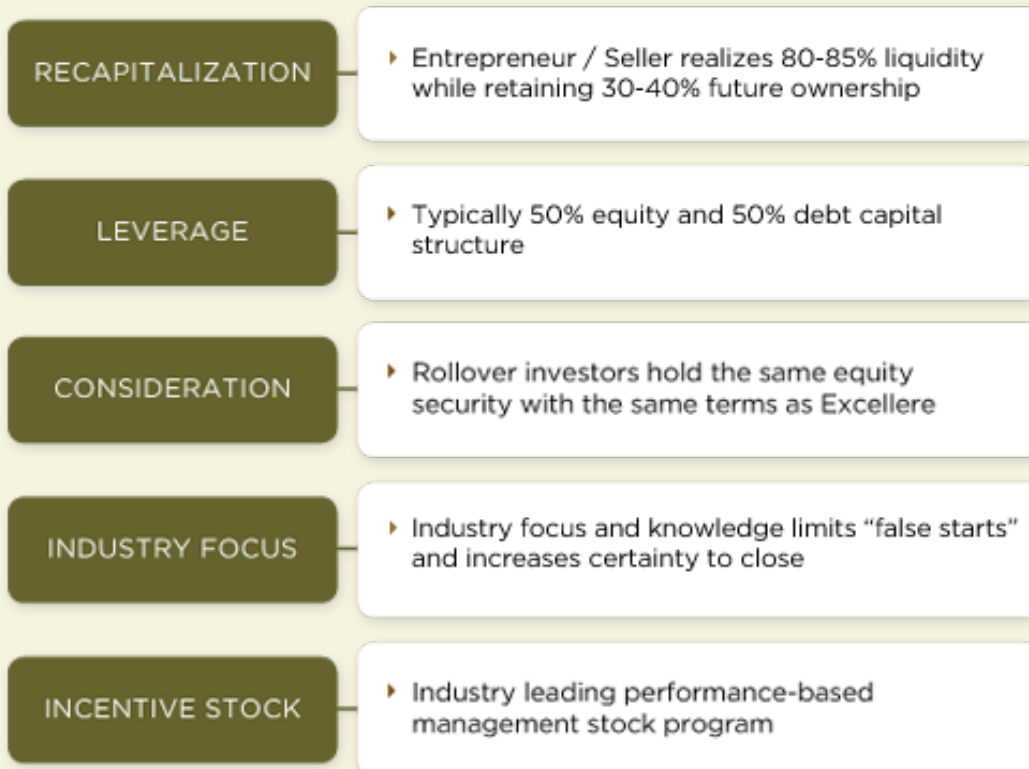


▶ Building industry leaders with enduring value and excellence

Thank you for a terrific first year. We look forward to continuing our success together in 2008.

The Excellere recapitalization structure is a foundation of the Excellere investment strategy and was designed around Excellere's entrepreneurial partners who desired a transaction structure that had relatively low leverage and significant upside in the form of rollover stock and incentive stock. To facilitate these objectives, the average Excellere platform company's capital structure utilizes approximately 50% debt and 50% equity; and approximately 30% of the ownership is held by management. This structure allows the management team to pursue its growth strategy without the demands of a highly-leveraged enterprise while participating in the value creation of a successful buy-and-build strategy.

As the deal community faces an uncertain leverage and operating environment that began in 2007, Excellere believes that its low-leverage transaction structure should appeal to intermediaries that desire more certainty of close. Please find below an overview of the Excellere transaction structure.



As provided below, Excellere has developed tremendous industry domain expertise through its investment experience and extensive research in a variety of sectors. While we are dedicated to the industries where we have significant domain expertise, Excellere will consider outsourcing opportunities across a broad array of industries.

LIFE SCIENCES MED-TECH

- ▶ Pharmaceutical & device contract manufacturing
- ▶ Medical/Pharma consumable products
- ▶ Pharmaceutical/Biotech outsourced services

HEALTHCARE

- ▶ Outpatient services
- ▶ Specialty distribution
- ▶ Outsourcing services

BUSINESS SERVICES

- ▶ Business process outsourcing
- ▶ Logistics services
- ▶ Specialty outsourcing

EDUCATION AND TRAINING

- ▶ Healthcare
- ▶ Advanced degree / Post-Secondary
- ▶ Specialized career training

SPECIALTY FINANCE

- ▶ Outsourced services
- ▶ Revenue cycle management/Collection services
- ▶ Consumer/commercial insurance services

INFRASTRUCTURE ENERGY SERVICES

- ▶ Outsourced utility services
- ▶ Contract / Project services
- ▶ Engineered materials and services

INVESTMENT DYNAMICS

- ▶ \$4-15 million in EBITDA
- ▶ Majority recapitalizations with significant rollover
- ▶ Management with vision for growth and desire for partnership
- ▶ Differentiated business model with compelling customer value proposition
- ▶ Potential for customer centric buy and build consolidation

OUTSOURCED UTILITY SERVICES

Drawing upon Excellere's success in a variety of outsourcing business models, we are excited to introduce the Outsourced Utility Services industry as a new Excellere industry sector. Outsourced Utility Service companies provide their utility customers with an out-source solution for their installation, ongoing maintenance, upgrade and customer service functions.

Utility companies historically performed many of these services in-house but are increasingly outsourcing certain functions that are either non-core and/or require significant fixed labor. Outsourcing these functions enables utilities to convert fixed labor into variable expense with greater productivity and meaningful cost savings.

Excellere is pursuing a buy and build strategy in the Outsourced Utility Services industry that combines a number of outsourced services and capabilities under a common corporate services structure that can professionally manage multiple utility services. Sub-sectors of interest include: utility asset management services, transmission line build-out, leak detection, nuclear services, pipeline location and inspection, as well as other service segments.

New Platform: Acquisition Solutions, Inc. (ASI)

Overview: Excellere Partners closed its second platform investment, Acquisition Solutions, Inc. (www.acquisitionsolutions.com), on March 14, 2008. Through its consulting and related services, ASI is an outsource provider of acquisition lifecycle services to a diverse cross-section of Federal clientele, including civilian, defense and homeland security agencies (56 distinct clients across 13 cabinet level departments and seven agencies). ASI is considered a leader in its industry and is led by a world-class management team that includes seven "C-level" positions, including the CEO who was the former President of Electronic Data Systems (EDS) State & Local Government Solutions.

Top-Down Investment Thesis: The dollar volume of Federal government purchases has grown by 63% over the past six years to over \$425 billion (~8.5% annual growth). During this same period, the percentage of services purchased compared to product purchases has grown from under 20% of total purchases to approximately 60%, creating more complex acquisition demands. Meanwhile, the aging demographics of the federal acquisition workforce coupled with high turnover among government employees has created greater demand for outsourcing providers to manage increasingly complex acquisition functions.

Buy and Build Strategy: ASI is pursuing acquisition opportunities that will allow it to accelerate its geographic expansion as well as add additional key service offerings for its clients within two general categories:

- ▶ **Smaller, Niche Service Providers** – In each major region where the government has significant acquisition activity there are small, niche players offering a limited number of services in its specific geography.
- ▶ **Divestitures** – There are a number of opportunities to acquire divisions of larger, diversified companies that are compelled to divest their acquisition support business units to eliminate conflicts of interest.

To learn more about ASI, please contact Ryan Heckman at 303-765-2409 or Patrick O'Keefe at 303-765-2412.

Platform Update: MedExpress Urgent Care

Excellere Partners closed its first platform investment, MedExpress Urgent Care, in June 2007 (www.medexpressurgentcare.com). MedExpress is a full-service provider of high-quality urgent care, including digital X-ray, laboratory work, EKGs, IV therapy, stiches and laceration repair, that provides patients a greater level of convenience and flexibility than either emergency rooms or primary care physicians. Since closing, Excellere and Management have made significant progress in building the leading urgent care services business. Highlights of this execution are provided below:

- ▶ More than doubled EBITDA organically
- ▶ Completed four add-on acquisitions; opened seven new clinics; and expanded into two new states, tripling the company's footprint
- ▶ Implemented a new operating and financial reporting system; and added six senior managers, while completing numerous other infrastructure enhancements
- ▶ Total EBITDA has increased more than 500%

To learn more about MedExpress Urgent Care, please contact David Kessenich at 303-765-2405 or Ryan Glaws at 303-765-2404.

New Capability – The Excellere Project Expert Network

When Excellere launched its new fund, the firm wanted to design a program that would provide its entrepreneur and management team partners with operating expertise to assist in various post-closing business improvement initiatives. The vision was to provide Fortune 500 technical capabilities to lower middle market companies. From this vision, Excellere launched its Project Expert Network.

Today, there are 30-plus Project Experts in Excellere's Network who were carefully chosen based upon their ability to complete quality projects versus merely directing them, while delivering a cost-effective solution.

The Challenge: Emerging Company

- ▶ Keeping up with the growth of the business
- ▶ Responding to demanding customers and putting out fires
- ▶ Management teams without much excess "bandwidth"
- ▶ Employee satisfaction
- ▶ Trade-off between growth and profitability

The Solution: Project Experts



EXCELLERE
PROJECT EXPERT NETWORK

- ▶ **Technical focus within various disciplines of business** (HR, Sales and Marketing, I.T., etc.)
- ▶ **Complete projects** at management's direction as an extension of their staff
- ▶ **Negotiated cost structure** that minimizes cost and maximizes benefits

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