

Gordon Brothers Europe

Creating Value Where Others See None

Gordon Brothers Overview

Gordon Brothers Group

Established in Boston US, 1903

Global offices in US, Europe & Asia



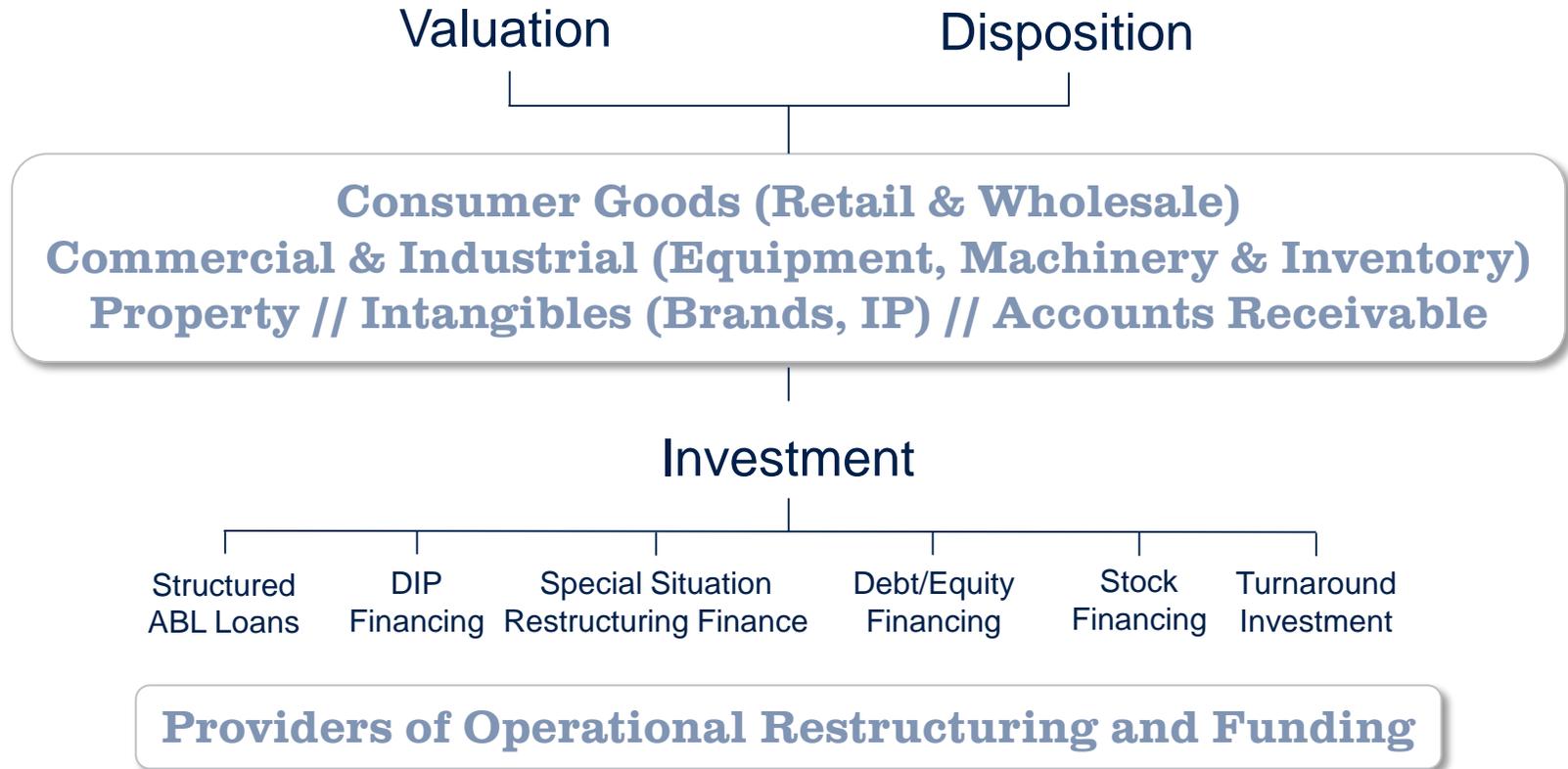
275+ employees...

...and a global network of 400 specialists...

former CEOs, CFOs, heads of retail, property, commercial & industrial operations and executives with other industry, legal and financial expertise.

What we do...

Services provided



Our Credentials

Gordon Brothers – A Global Company

Our clients include:

BLANCO



Praktiker

COMPUSA

FOCUS
diy & gardening



JESSOPS

REPUBLIC™

FOR
First Quench
Retailing



comet

EROSKI



MAXBAHR

STAPLES

the BookPeople

BORDERS

bauMax

Gordon Brothers

What people say

REPUBLIC



“With Gordon Brothers Europe, a professional, commercially focused service, we worked as one team. Their knowledge and approach ensured Sales increased immediately and substantially, whilst maintaining excellent operational and service standards, freeing up our time to find a buyer to maximise the recoveries for creditors.”
Hunter Kelly, Partner at EY

Conbipel



“This was achieved extremely effectively and ahead of schedule. We were impressed with the skill of Gordon Brothers and have subsequently used them to help develop further strategies for our European investment business.”
Jean Rollier, Oaktree Capital Management

FOR
First Quench
Retailing



“Appointing Gordon Brothers to trade out the store portfolio proved to be the right decision. They had a large team in place within hours and had implemented what proved to be a winning formula - across all stores, nationwide - within 3 days.”
Ian Corfield, KPMG



Ashbury

“I’m very happy to be working with both Gordon Brothers Europe and Centric. Both senior lenders were very responsive from the onset, and worked closely throughout to deliver a flexible and timely solution.”
David Zulman, Chairman and CEO, Ashbury

Praktiker

“The whole project was a huge success for us at Praktiker. We were really pleased with the speed, responsiveness and general ‘can-do’ and ‘make-it-happen’ attitude shown by the Gordon Brothers’ team”
Karl-Heinz Keth, Geschäftsführer, Praktiker, Austria & Hungary

real

“Gordon Brothers’ high reputation is very well deserved - they delivered excellent results for us here at Real.”
Reiner Ebling, Logistics Director, Metro Group

Valuation & Corporate Recovery

Our Offering...

- In-depth expertise in:
 - Accounts Receivables;
 - Inventory;
 - Machinery & Equipment;
 - Property;
 - Brands;
 - Intellectual Property.
- We can offer tailor-made solutions such as:
 - Asset Valuations (NOLV or FMV);
 - Single item or large scale asset recovery programmes;
 - Managed exits;
 - Good Co. and Bad Co. solutions in an M&A context.
- We provide advice for any fund disposition or enhancement of liquidity.
- We partner with asset-based lenders, investment funds or advisors to maximise the value of all assets through tailored solutions.

The logo for Praktiker, featuring the word "Praktiker" in a bold, blue, sans-serif font, centered within a yellow rounded rectangular background.

Undertook inventory valuation of
€739m at retail value.

The logo for BookPeople, featuring the word "BookPeople" in a red, serif font, with a small red smiley face above the letter 'e'.

Inventory valuation to support
ABL facility.

The logo for Burdens, featuring the word "Burdens" in a bold, blue, sans-serif font, centered within a yellow rounded rectangular background.

Receivables, inventory and plant –
reviewed, valued, funded and
disposed of in administration.

Valuation & Corporate Recovery

Why Gordon Brothers...

- Gordon Brothers Group undertakes valuations on assets with a value in excess of €30 billion each year across Europe, North America and Japan.
- The team at Gordon Brothers Europe collectively has over 150 years experience in asset valuation.
- Our first-hand knowledge and experience in the disposition of assets globally enables us to provide accurate recovery values in all asset classes.
- We work closely with our clients to ensure they and the company have a good understanding of the valuation.

Technosound

Conducted site inspection, valuation of stock and online auction; collected monies and cleared stock.



ATU
Die Nr.1 Meisterwerkstatt

Provided comprehensive valuation, that allowed GB Credit Partners to participate in its first European loan.



MAX BAHR

Sale of FF&E took place in tandem with the store closures, providing additional time to sell assets.

Investment & Finance

Our Offering...

- We can arrange financial solutions for businesses in special situations, such as:
 - Distressed Acquisitions (i.e. post insolvency);
 - Financial/Operational Restructuring;
 - DIP;
 - Distressed Debt Purchase;
 - Fund Turnarounds;
 - Long-term growth.
- We can facilitate lending solutions into the following industry sectors:
 - Aerospace, Automotive, Brands, Consumer Products, Industrial Equipment, Manufacturing, Commodities, Retail, Property and Wholesale.
- We can provide lending solutions which are fully collateralised either against an asset or a pool of assets and are in the form of:
 - Tranche B Loans;
 - Mezzanine Financing;
 - Bridge Loans.



Provided a £1.2 million Term Loan to leading luxury jewellery retailer.



A €10.5 million Term Loan provided to the leading flat-pack furniture manufacturer.



Strengthened Miro with cash injection and specialist expertise.

Investment & Finance

Why Gordon Brothers...

- Our ability to assist in arranging bespoke lending solutions is based on a deep understanding of asset values and our close relationships with private equity firms and most of the world's best-known banks.
- We follow a clear transaction procedure:
 - Preliminary Phase: NDA signing, receipt of information package;
 - Pre-check phase: Material reviewed by Gordon Brothers; request & review of further information;
 - Issuance of Indicative Term Sheet & start of Due Diligence or Turn Down;
 - Closing.
- We have the ability to discreetly fund up to €50 million on any debt or equity transaction.
- Support of GB Credit Partners and Gordon Brothers Group if required.



BLANCO

Store closure programme implemented.
Funding through the purchase of inventory provided immediate liquidity.



BookPeople

£2.5 million Term Loan facility provided to the multi-channel book retailer.



IhrPlatz

Implemented a successful turnaround out of insolvency.

Retail Solutions

Our Offering...

- We own and manage the largest Global database© containing details of recovery values for all asset classes, captured in real-time.
- We offer tailor-made solutions such as:
 - On-site inventory clearance;
 - Store rationalisation programmes;
 - Store closures and relocations;
 - Country or managed retail operation exits;
 - Restructuring expertise;
 - Operational and trading advisory;
 - Brand acquisition.
- We can manage fund disposals by applying in excess of €200 million of our own capital and we can provide immediate liquidity through the purchase of merchandise.
- We partner closely with businesses to maximise the value of all assets through tailored programmes.



Chosen by global giant to support its strategic restructure.



Partner of choice to manage UK exit strategy.



Provider of asset disposition throughout Europe

Retail Solutions

Why Gordon Brothers...

- We are one of the largest buyers and sellers of under-performing consumer products worldwide.
- Ever year Gordon Brothers buys and/or sells over €5billion of surplus merchandise on behalf of clients.
- We provide accurate recovery values in all asset classes.
- We advise on sales recovery and provide liquidity.
- Our experience allows us to advise and implement the right disposition strategy, maximising the return for either the secured lender or the administrator.
- We look after the entire disposal process, freeing up our clients' senior management to focus on other areas.

The logo for Max Bahr, featuring the brand name in a bold, black, sans-serif font on a yellow rectangular background.

Appointed to close 132 Max Bahr stores, disposing of all inventory as well as the FF&E in 73 of the outlets.

The logo for Blanco, featuring the brand name in a bold, black, sans-serif font.

Store closure programme implemented. Funding through the purchase of inventory provided immediate liquidity.

The logo for Republic, featuring the brand name in a bold, black, sans-serif font with a horizontal line underneath.

Restructuring and operational expertise helped drive sales. Administrator focused on finding a buyer.

Case Study

Praktiker & Max Bahr

Background

- Praktiker AG filed for preliminary insolvency with the Local Court in Hamburg on July 11, 2013. Max Bahr filed for preliminary insolvency on July 26, 2013.

Requirements

- To provide an inventory appraisal for Praktiker.
- Manage a national store closure programme for Praktiker and underwrite results.
- On commencement of the Praktiker project GBE was then appointed by the Administrator to close all Max Bahr branded stores in Germany.

Approach

- A phased approach was used for all stores closures, starting in October 2013 and the last stores closing at the end of February 2014.
- GBE managed all elements of the store closures for both Praktiker & Max Bahr, including tactical stock management and high profile marketing support.
- Negotiated with suppliers and enhanced financial offering by €28m with additional augmented stock.
- Following the store closure appointment, GBE was engaged by the Administrator to dispose of the FF&E within 73 Praktiker stores.
- The FF&E was offered for sale by private treaty to the public and trade by way of retail sales direct from the store at advertised prices.

Results

- A inventory appraisal for Praktiker totalling €832m at retail value.
- All inventory disposed. 156 Praktiker branded German stores closed.
- 125 Max Bahr German stores closed, disposing of €474m of inventory at retail value, as well as FF&E in 73 of the outlets.

Praktiker

MAX BAHR

Highlights

- Successful country exit for both the Praktiker & Max Bahr brands.
- Understanding of asset values allowed GBE to guaranteed results for the administrators.
- Augmentation of stock.
- FF&E successfully sold in store.



Case Study

Darty

Background

- Darty Group is a leading cross channel service-led electrical retailer operating over 450 stores in eight European countries.
- It generated an annual turnover of nearly €4 billion in 2011/2012 through three operating segments; Darty (France), other established businesses (Vanden Borre in Belgium, BCC in the Netherlands and Datart in Czech Republic and Slovakia), and developing businesses (Darty Spain and Darty Turkey).

Requirements

- To help its developing business exit the Spanish market.
- Manage all operational and financial aspects of a full country trade-out.

Approach

- Dispatched an expert team of retail specialists to stores to manage all promotion and discounting of stock.
- Team adapted to what was a fluid and sensitive situation.
- Sales promotion techniques and price incentives used to maximise sales recovery.
- Public awareness driven by a full marketing programme, including digital and social media.

Results

- 41 Spanish stores closed within 9 weeks, meeting target sales recovery figures.
- Darty group able to concentrate their efforts on their profitable and successful on-going businesses.



Highlights

- Gordon Brothers Europe added value by providing a flexible and supportive service, adapting to the fluid and sensitive situation.
- 41 stores closed in 9 weeks.
- Despite the labour dispute KPIs were delivered and exceeded.



Case Study

Blanco

Background

- Blanco – a Spanish retail company specialising in the design, production, distribution and sale of clothing and accessories for women and men.
- Founded in 1960 and headquartered in Madrid.
- Total of 207 stores in Spain, Portugal and France, an online business and 69 franchise operated stores in 20 countries.
- Voluntarily led for bankruptcy June 3, 2013.

Requirements

- Assistance with business restructure.
- Funding solution.

Approach

- Working closely with the Blanco management team, developed and implemented a store closure programme.
- Negotiated with suppliers.
- Provided funding through the purchase of inventory.
- Handled marketing to generate sales.

Results

- Alleviated stock pressures ensuring most stores continued trading.
- Guaranteed immediate continuation of the business.
- Support from Gordon Brothers Europe allowed the administrator to concentrate on finding a buyer for the business and Blanco has now been acquired by the specialist group Fawaz Alhokair, headquartered in Saudi Arabia.



Case Study

ATU (Auto-Teile-Unger Holding GmbH)

Background

- ATU is Germany's leading provider of automotive merchandise and repair services.
- Founded in 1985 and headquartered in Germany, ATU operates over 650 stores in Germany, Austria, Czech Republic, the Netherlands, Italy and Switzerland.
- ATU's stores are a combination of retail space and automotive workshops.

Requirements

- Funding was required in order to recapitalise between the company and its main creditors including Centerbridge Partners and funds managed by Goldman Sachs.

Approach

- Gordon Brothers Europe provided an inventory valuation to its investment management affiliate GB Credit Partners.
- The valuation enabled GB Credit Partners to understand the unique elements of this special situation and gain comfort in the structured finance solution.

Results

- A joint loan facility of €75 million was provided by GB Credit Partners and Hayfin Capital Management in February 2014.



Highlights

- Gordon Brothers Europe used asset expertise to provide comprehensive valuation, enabling the provision of a funding solution.
- A joint loan facility of €75m was provided.
- First European transaction for GB Credit Partners.



Case Study

The Book People

- **Background:**
 - The Book People, headquartered in Godalming, Surrey, is an award-winning independent direct bookseller reaching customers across the United Kingdom and Republic of Ireland through a network of distributors, websites and mail order catalogues.
 - Gordon Brothers Europe and The Book People have had an existing relationship since January 2013.
- **Requirements:**
 - Gordon Brothers Europe was asked by the Company and the senior ABL lender to provide additional second lien financing to supplement the company's funding arrangements.
- **Approach:**
 - With the ability to leverage expert understanding of asset values, coupled with access to permanent in-house capital, Gordon Brothers Europe was able to provide a £2.5 million Term Loan facility.
- **Results:**
 - The loan, supported by inventory and real estate assets was able to bolster the award winning business outside of its main trading periods.

Highlights

- The Loan facility allowed the company time to secure an equity recapitalisation.
- The collateral for the transaction included a combination of inventory and real estate – leveraging Gordon Brothers' comfort with a variety of asset classes.

The Book People



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