

# Eugène Eisenberger Entreprises

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*Fusions et Acquisitions - Mergers and Acquisitions*

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PRESS RELEASE – October 2008

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**3E has organised and just closed the 100% divestiture of the MATELECO group to TTI Inc, an American company, subsidiary of BERKSHIRE HATHAWAY, Mr. Warren BUFFETT's investment fund.**

3E, in November 2004, had already closed an OBO transaction (Owner's Buy Out) on the MATELECO group with MBO PARTENAIRES.

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**MATELECO** is a distributor of electronic components, N°1 in France in connectors. Founded in 1974 by Mr. Claude JOLY, Bernard LE JEUNE and Bernard FRANCHET, it has steadily grown with the distribution of firstly connectors by representing the largest worldwide manufacturers and secondly passive components under BANELEC, a company acquired in 1997.

MATELECO has six regional agencies with a turnover exceeding € 40 millions and an average growth (higher than the market) of 12% per year over the last 13 years.

In 2004 the founders wished to cash out part of their professional assets while preparing the divestiture of the company. This assignment given to 3E has been concluded with the investment by MBO PARTENAIRES in its capital through an OBO transaction.

After being approached by a competitor (other than TTI), MATELECO shareholders decided to organise the process and 3E was assigned to define the strategic options and then to organise the divestiture.

Different solutions had been considered, such as a new LBO transaction including new shareholders or an industrial divestiture. 3E has organized a dual track process by contacting various international groups in MATELECO industry as well as investment funds and private family holdings.

TTI, which had shown great motivation during the process and presented interesting synergies with MATELECO, was chosen unanimously. Negotiations took place with Mr. Gene CONAHAN, n°2 of TTI, and were supervised by Mr. Paul ANDREWS, the founder and President. They resulted in the most attractive offer both on price issues and also on the preservation of the business model which had made the success of MATELECO.

MATELECO is the 2<sup>nd</sup> acquisition of TTI after the one of MOUSER, a US sales by catalog player, acquired in 2000. MATELECO brings to TTI a complementary customer base, two major European franchises of connectors and a unique model of connectors distribution.

TTI will allow the MATELECO team to go forward by keeping with its business model and will speed up its development in the passive components field.

**About TTI Inc** ([www.ttiinc.com](http://www.ttiinc.com)):

TTI, 7<sup>th</sup> worldwide distributor of electronic components, is a niche player located in FORT WORTH, TEXAS. It developed in America then in more than 20 countries, a group of distribution specialized in electronic passive components and then in connectors.

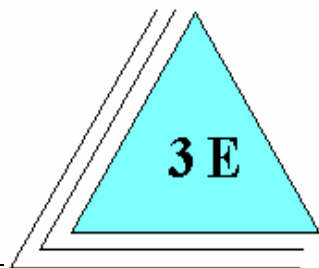
Mr. Paul ANDREWS, a former Bible salesman, founded TTI in 1971 after being laid off from his position as buyer at GENERAL DYNAMICS.

TTI experienced a regular development to reach in 2007 a turnover of \$ 1,4 billion; it has always been profitable and never dismissed anybody.

Noticed by the famous investor Warren BUFFETT in 2006, TTI was acquired 100% by his investment fund BERKSHIRE HATHAWAY which has \$ 35 billion in cash.

**About 3E** ([www.3e.fr](http://www.3e.fr)):

3E is a M&A boutique created in 1985 and managed by its founder Eugene EISENBERGER who graduated from SUPELEC (Electronic engineer) and HARVARD.



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3E advises divestitures, mergers, acquisitions and financial operations as LBO and fund raising transactions with industrial and financial players.

3E has a strong track record in the field of Information Technology, Electronic, Consulting and Professional Training and also on other sectors such as Media, Mechanics, Textile-Clothing and Staffing.

This operation demonstrates the 3E expertise for:

1. international negotiations (all discussions and agreements have been made in English),
2. the Electronic sector,
3. the industrial divestitures.

### **Sellers advisors:**

- ✓ **Financial: 3E, Eugene EISENBERGER and Stephane POUPAULT.**
- ✓ **Legal: FONTAINE MITRANI, Frederique FONTAINE and Guillaume POUYET.**
- ✓ **With the participation of the shareholder and investment fund: MBO PARTENAIRES, Richard BROCHE and Florian DE GOUVION SAINT CYR.**

### **Acquirer advisors:**

- ✓ **Legal: BAKER & MCKENZIE.**
- ✓ **Tax audit: ERNST & YOUNG AVOCATS (lawyers).**
- ✓ **Accounting Audit: ERNST & YOUNG.**

Electronic

Divestiture 100%



French distributor of electronic components

has been sold to



US distributor of electronic components,  
subsidiary of **Mr. WARREN BUFFETT's** fund

**BERKSHIRE HATHAWAY INC.**

The shareholders of  
**MATELECO** have been advised by



Mergers & Acquisitions

**September 2008**

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