

Precision Tube Technology, Inc.

A SUCCESSFUL INVESTMENT

by CIVC Partners

Industrial Growth



In March 2002, CIVC Partners, LLC, and Tangram Partners, Inc., sold **Precision Tube Holding Corporation** to Maverick Tube Corporation.

Precision is the leading manufacturer of steel coiled tubing for worldwide oil and gas well service, recompletion, and sub-sea flow line markets. The company's robust growth is driven by substantial cost and technological advantages of coiled tubing over conventional, jointed steel tubulars in a large and increasing number of oil and gas applications. Throughout seven years of ownership, CIVC and Tangram actively supported the company with growth capital and strategic guidance as the business expanded and evolved. The sale marks another successful exit for CIVC, yielding a return of 2.5 times the firm's initial equity investment.

The Investment Strategy

In January 1995, CIVC Partners, Tangram Partners, and key members of management invested in Precision. At the time of its investment, CIVC was attracted to Precision for a number of reasons. First, since its inception in 1990, Precision had captured a major share of a market that was growing 15-20% annually, due to the substantial cost and technological advantages of steel coiled tubing in oil and gas well service applications over conventional jointed tubulars. Second, the company's deep technological and manufacturing experience, along with its close working relationship as the preferred or sole-source supplier to many of the world's leading oil and gas service providers, resulted in solid, defensible profitability and return on assets. Finally, the company's strong, entrepreneurial management team possessed the vision and talent to initiate an aggressive growth strategy.

The Results

Under CIVC and Tangram ownership, Precision continued its strong track record of successful growth as a differentiated, value-added supplier of coiled steel tubing. Both groups took an active role in working with management to strengthen Precision, by focusing on a number of critical areas. A new CFO was installed shortly after closing, leading to the implementation of more robust financial and MIS reporting packages. Later, the CEO and founder of Precision moved to Chairman as part of a CEO succession plan. These steps facilitated a smooth transition from an entrepreneurial organization to a professionally managed organization. Finally, along with capital, CIVC and Tangram supplied the strategic and tactical resources to help expand manufacturing overseas. As a result, during the investment period, Precision's revenue and profitability tripled, and returned a substantial capital gain for CIVC.

CIVC PARTNERS' PORTFOLIO COMPANIES

sector

Business
Services

THE BRICKMAN GROUP, LTD.

Landscape Maintenance

GENERAL ROOFING SERVICES, INC.

Commercial Roofing

KELLERMEYER BUILDING SERVICES, LLC

Contract Cleaning Services

LA FITNESS INTERNATIONAL, LLC

Full Service Fitness Clubs

sector

Financial
Services

AMERICAN FIDELITY & LIBERTY, INC.

Long-term Care Insurance

FACTUAL DATA CORP.

Credit Information Services

RAM REINSURANCE COMPANY

Municipal and Asset-backed Bond Reinsurer

WINTRUST FINANCIAL CORPORATION

Community Banking Services

sector

Media/
Communications

GOCOM HOLDINGS, LLC

Television Stations

PRIMECO CHICAGO PCS

Wireless Communications

TRANSWESTERN HOLDINGS, LP

Yellow Pages Directories

sector

Industrial
Growth

HOLLINEE, LLC

HVAC Filtration Media

K & K SCREW PRODUCTS, LLC

Precision Screw Machining

NSP HOLDINGS, LP

Industrial Safety Products

WASTEQUIP, INC.

Waste Handling Equipment

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CIVC Partners, with over 30 years of experience in private equity investing, manages \$1.3 billion in private equity capital and currently invests from an \$800 million fund closed in 2002. CIVC Partners provides growth capital to middle-market companies and executives with a focus on business services, financial services, media and communications, and industrial growth. The latest information on CIVC Partners and its portfolio companies can be found at www.civc.com.

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