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Expert: Stars Have Aligned For Middle Market Business Owners

Author and long time business leader and advisor, Tom Lyons, says 2006 best year in last 30 years for owners who want to exit their businesses, but advises caution.

MINNEAPOLIS, MINNESOTA — Thomas W Lyons, principal and founder of Faelon Business Brokers, an established Twin Cities-based brokerage and M&A firm, said that conditions in the middle market have never been better for selling a business. He added a caution to not sell before you're ready.

Lyons, who also authored the well-regarded M&A book, *Exit Strategy: Maximizing The Value Of Your Business*, identified several key markers as evidence of this claim. They include:

- An historic amount of investment capital available, resulting in large numbers of qualified buyers looking for businesses to purchase.
- Capital gains tax rates at a 73-year low.
- High real estate values.
- Plentiful opportunities to invest. For instance, the one-year T-Bill rate has rebounded from nearly a 1% rate in 2003 to 4.90 %.
- Expert predictions that over the next ten years, many baby boomers will sell their businesses and re-invent "retirement."

"We are living in historic times," said Lyons. "This year a convergence of key factors in the M&A middle market has created a truly unique window of opportunity to sell a business."

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The financial whims of Wall Street and the overall economy exert little or no influence over middle market, privately held businesses, compared with large, publicly traded corporations. Therefore, middle market M&A activity is annually more stable and consistent, if unquantifiable.

With these conditions, Lyons expects a lot of business owners to seek advice in selling. He suggests owners consult a reputable business broker, their financial planner, a trusts and estate attorney, their accountant and an experienced M&A attorney. And then stop and ask: Is this the right time to sell?

“Just because market conditions are the best they’ve ever been doesn’t mean an owner is ready to part with his or her business,” cautioned Lyons. “All business owners should at least ask themselves, ‘Is this the right time to sell? Am I ready? Have I achieved my personal goals, retirement and financial objectives?’ The worst thing an owner could do is to take advantage of ripe selling conditions only to discover that they don’t have enough money for the next phase of life.”

According to Lyons, planning is critical. Yet, business owners are often too busy to contemplate the larger issue. That issue is: What is my business worth today and what do I need it to be worth in order to retire?

“While market conditions can’t get any better than they are now,” said Lyons, “there is uncertainty in how long this window will be open—2006 for sure. There are already indications that conditions may change by mid 2007.”

About Thomas W Lyons

Mr. Lyons is the author of the book *Exit Strategy: Maximizing The Value Of Your Business*, and is a featured speaker on the topics of developing exit strategies for business owners. He has spoken in front of and delivered seminars to private banks, business and civic organizations, chambers of commerce, groups of high-net worth individuals and owners of closely held business concerns and trade associations, among others. He also has conducted closed-door seminars with business advisors on the topic of maximizing the value of a business and controlling the timing of its sale. He is a frequent contributor of articles and expert opinions on exit strategies to business publications, reporters and newspapers.

Mr. Lyons is the founder and president of Faelon Business Brokers. Since 1985, Faelon Business Brokers has represented hundreds of middle market business owners across the country with brokerage, M&A and consulting services.

Faelon Business Brokers is located in Minneapolis. For more information about the firm or about *Exit Strategy: Maximizing The Value Of Your Business*, visit www.faelon.com. Or, phone 952-591-1998 Extn: 1.

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