

## Wind River's Long-Term Outlook Allows it to Build in the Face of an Industry Downturn

In December 2005, Wind River Holdings purchased The Haven Group, a leading manufacturer of custom homes, which are produced in Haven's facilities and then shipped to the home site location for final setting and finishing. In Haven's controlled production process, its quality construction techniques are inspected and certified regularly to create a home that is far superior in quality to what is commonly delivered in on-site construction. In addition, Haven has no restriction in the design, amenities to be included or size of the homes it produces. Due to its controlled process, Haven is able to produce and deliver its homes in approximately one third of the time used with costs at or below those to build a comparable home with on-site construction crews—all in a less invasive, more environmentally friendly manner than often experienced with on-site construction. The August 2007 issue of *Southern Living Magazine* features a Haven Home as its Idea House in Watersound, FL.

As per its investment plan, Wind River embarked on

expanding the senior management team in order to position the company for future growth. Jerome Smalley, formerly the COO and Vice Chairman of The Rouse Company was recruited as CEO and an additional seven executives have been added to the senior staff with one additional hire yet to be completed. Haven has updated and launched a new website at [www.havenhomes.com](http://www.havenhomes.com).

During this time, extensive market research has been conducted to assess consumer needs and preferences in the eastern parts of the country currently served from Haven's facilities in Pennsylvania and South Carolina. Haven's research has revealed distinct consumer preferences for architecture and design based on demographic status (i.e. empty nesters, newlyweds, busy families), location (coastal vs. mountains, south vs. north) and price points. In addition, the new Haven team has analyzed multiple sales channels such as the traditional builder channel, specific project developers and a direct-to-the-consumer retail approach.

With its expanded management team in place and significantly greater market information, Haven is now embarking on Wind River's strategy development process where the management team is creating the long-term growth plan for the company. All options are open for consideration. Thorough analysis and discussion will lead to a consensus driven outcome generated by the management team and fully supported by Wind River Holdings.

All of these efforts are being made in the face of a well publicized downturn in the residential housing industry. Fortunately, Wind River, Haven and its management team all believe in the long-term opportunity to deliver a great home buying experience for the consumer. Therefore, short-term cycles in the market, while not desired, can be endured and utilized to strengthen the business for future growth. Wind River looks for opportunities where its patient, experienced capital can support sound long-term business decisions and growth plans.



### **Target Criteria:**

**Location:** U.S. based operations

**Size:** \$5-\$15 million EBITDA or \$25-\$125 million in enterprise value

### **Industry:**

- Light manufacturing and assembly: consumer or industrial
- Business and consumer services
- Financial services

**Branding:** Branded products or services: consumer or industrial

**Investment:** Control position

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