

# CAMBRIDGE PARTNERS & ASSOCIATES, INC.

## Valuation Services for Today's Value Minded Economy

Cambridge Partners is pleased to announce its completion of an intellectual property appraisal of the patents, trademarks and other technology of a firm engaged in designing and manufacturing spill proof reusable beverage containers and other technologies.

Cambridge Partners is a management consulting firm providing valuation and appraisal services to the U.S. and international business communities. Among others, our services include: valuations of intangible assets, business enterprises, real estate, fixed assets and construction cost segregation analysis.

The results of our work are relied upon by: attorneys, private equity groups, banks and financial institutions, public and privately held companies worldwide, accountants, real estate investment trusts (REITS) and other professionals whose clients may require appraisal services.

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### Valuation Services:

- \* Fairness & Solvency Opinions
- \* Valuations for FASB compliance
- \* Business & Stock Valuations
- \* Intangible Asset Appraisals
- \* Options Valuations (ASC 718, IRC 409A)
- \* Transfer Pricing in compliance with IRC § 482
- \* Cost Segregation Studies
- \* Valuations for Litigation Support and Fresh Start
- \* Valuations of FLPs and LLCs for Estate & Gift

Machinery/Equipment	Business Valuation	Real Estate
Cost Segregation	Intangible Assets	Financial Reporting



**As part of a business combination,  
Cambridge Partners valued the intellectual property of a  
company engaged in designing and manufacturing  
reusable beverage containers**

The following describe the valuation methods utilized in valuing the company's intellectual property. The income approach (utilizing the relief from royalty method) was applied in the valuation of the patents. In using this method, we assumed the marketer of the product did not own the underlying patents or patent applications to which the products relate, and therefore they would be obliged to negotiate a license with, and pay royalties to, the owner of the technology for the rights to such property. By virtue of ownership, this expense is avoided or relieved.

The underlying concept set forth in the valuation is that of the present value of expected future cash flows in the form of net royalty savings generated over the remaining life of the patents or patent applications and of an analysis relative to the risks associated in obtaining such cash flow returns.

A forecast of applicable net sales is developed for patents by associating them with their related product group's forecasted sales over their remaining lives. The pretax royalty savings due to the patents and patent application was calculated by application of the estimated economic royalty rate to the projected applicable net sales. We then tax affect these cash flows and present value them using an appropriate risk adjusted rate of return.