

Situation

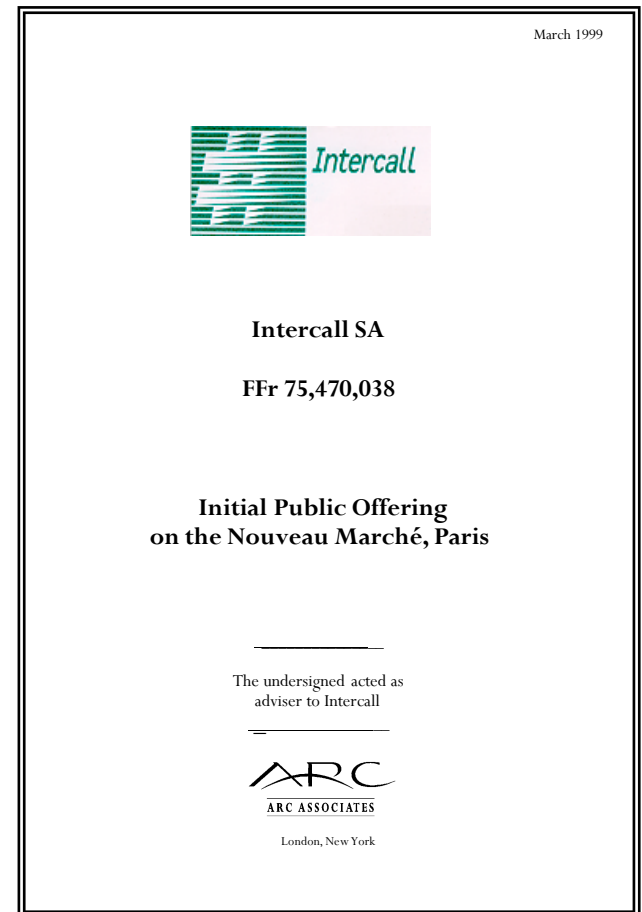
- Intercall S.A. appointed ARC Associates in December 1997 to review strategic alternatives for developing the company
 - Intercall had revenues in 1998 of over FFr 220 Million and as of April 1999 is the market leader in remote memory pre-paid telephone cards in France with approximately 40% market share
- Deregulation and very rapid growth in the marketplace were placing increasing demands on the company and ARC Associates was engaged to advise on ways of strengthening Intercall's competitive and financial position

The Approach

- Following detailed discussions with management and a review of the telecommunications marketplace in the US and Europe, ARC Associates decided to pursue a joint strategy of finding either strategic or new financial investors for Intercall
- Together with Intercall management, ARC Associates developed the business plan, wrote an information memorandum and prepared presentation materials for prospective investors
 - Following extensive but unfruitful discussions with a number of possible strategic investors, ARC Associates concluded that the most attractive option for shareholders was to effect an initial public offering of the business

The Transaction

- Using the materials prepared by ARC Associates, Intercall pursued a process that resulted in a public offering of 19% of its share capital on the Nouveau Marché in March 1999. The total value of Intercall shares sold was approximately FFr 75.5 million



Transaction Value: \$13m