



STRATEGIC ADVISORS

Middle Market Investment Bankers

Bringing Efficiency to Inefficient Markets

2009

Third Quarter

REGIONAL AND SECTOR M&A OVERVIEW

- PITTSBURGH REGION
- U.S. CONSUMER SECTOR
- U.S. INDUSTRIAL SECTOR
- U.S. MATERIALS SECTOR

Merger & Acquisition Advisory
Corporate Finance Advisory
Strategic Consulting

400 Southpointe Boulevard, Plaza I, Suite 440
Canonsburg, PA 15317 • Tel. 724-743-5800
Fax 724-743-5870 • www.strategicad.com

An Affiliate of BPU Investment Management, Inc.
One Oxford Centre, 301 Grant Street, Suite 3300
Pittsburgh, PA 15219 • Tel. 412-288-9150 • Member FINRA, SIPC

PITTSBURGH REGIONAL 3Q 2009 M&A TRANSACTIONS

3Q 2009 REGIONAL M&A TRANSACTIONS

Closed	Buyer/Investor	Target	Transaction Value (\$MM)	Buyer Type
07/01/2009	Allegheny HealthCare Group LLC	Allegheny County Nursing Home and Rehabilitation Center	8.0	Private Co.
07/01/2009	Interstate Waste Services, Inc. (Highstar Waste Holding Corp.)	Howell Trucking Company and Kight Sanitation	N/A	Private Co.
07/01/2009	ColdCypress LLC	Red Square Systems Inc.	N/A	Private Co.
07/06/2009	DynaVox Technologies, LLC	Blink Twice, Inc.	N/A	Private Co.
07/08/2009	Reserve Capital Management	Commercial Alloys Corporation	N/A	Private Co.
07/08/2009	Imperial Zinc Corp.	Commercial Alloys Corporation	N/A	Private Co.
07/10/2009	Kirkland Capital Partners	Northwest Mailing Service, Inc.	N/A	Private Equity
07/21/2009	Litigation Solutions LLC (MCMC LLC)	RSight Investigations Incorporation	N/A	Private Co.
07/23/2009	Koppers Holdings Inc. (NYSE: KOP)	Crosstie Pre-Plating Business and Related Assets (Coastal Timbers, Inc.)	N/A	Public Co.
08/03/2009	EnerSys (NYSE: ENS)	Keystone Mountaineer Power Systems, Inc.	N/A	Public Co.
08/04/2009	RedZone Robotics, Inc.	ICOMMM, Inc	N/A	Private Co.
08/05/2009	Guardian Alarm Company Of Michigan, Inc.	Barco Security Services Inc.	N/A	Private Co.
08/11/2009	Pinnacle Treatment Centers, Inc.	Health Masters Inc.	N/A	Private Co.
08/14/2009	PNC Bank, National Association (PNC Financial Services Group Inc. (NYSE: PNC))	Dwelling House Savings and Loan Association	N/A	Public Co.
08/18/2009	Myers Industries Inc. (NYSE: MYE)	Amerikan LLC (Florikan-E.S.A. Corp.)	N/A	Public Co.
08/23/2009	Mon-Vale Non-Acute Care Services, Inc.	Kenric Manor, Inc.	1.3	Private Co.
08/26/2009	University of Pittsburgh Medical Center	Beacon Hospital (Beacon Medical Group Ltd.)	34.75	Private Co.
08/31/2009	Lewis-Goetz & Company, Inc.	International Gasket Company, Inc. (Leader Global Technologies, Inc.)	N/A	Private Co.
08/31/2009	Cleveland Clinic Home Care Services Inc.	Medina Hospital	N/A	Private Co.
09/02/2009	I.D. Images, Inc.	Concorde Labeling Systems, Inc.	N/A	Private Co.
09/02/2009	Election Systems & Software, Inc.	Election Systems Business (Diebold Inc. (NYSE: DBD))	5.0	Private Co.
09/08/2009	Paper Converting Machine Company, Inc. (Barry-Wehmiller Companies, Inc.)	F.L. Smith Machine Company, Inc.	N/A	Private Co.
09/08/2009	Cognizant Technology Solutions Corp. (NASDAQ: CTSH)	Pepperweed Advisors, LLC (Pepperweed Consulting, LLC)	N/A	Public Co.
09/14/2009	Theken Spine, LLC	Innovative Spinal Technologies, Inc.	9.25	Private Co.
09/16/2009	Hunt Group	Kabobs, Inc. (HJ Heinz Co. (NYSE: HNZ))	N/A	Private Equity
09/16/2009	Google Inc. (NASDAQ: GOOG)	reCAPTCHA Inc.	N/A	Public Co.
09/22/2009	TeleTracking Technologies, Inc.	RadarFind Corporation	N/A	Private Co.
09/23/2009	Investment Group	LandAmerica Tax and Flood Services, Inc. (LandAmerica OneStop, Inc.)	N/A	Private Equity
09/24/2009	Xaloy, Inc.	Spirex Corp.	N/A	Private Co.
09/29/2009	Atlas Energy, Inc. (NASDAQ: ATLS)	Atlas Energy Resources LLC	1,427.63	Public Co.

Notes:

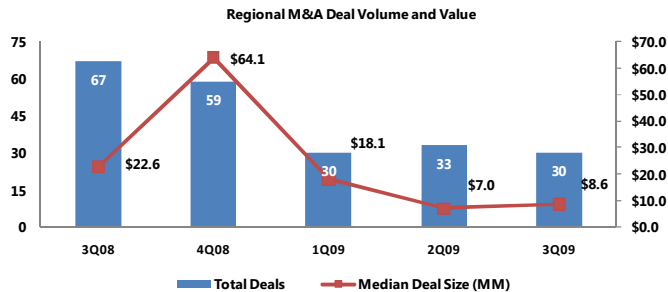
Bold companies are local and parent companies are in parentheses (if available)

Local Areas include: Pittsburgh, Zanesville, Bradford, Erie, Johnstown, Altoona, Canton, Greensburg, New Castle, Akron, Steubenville, Youngstown, Cumberland, Oil City, Clarksburg and Wheeling

Source: S&P and Strategic Advisors

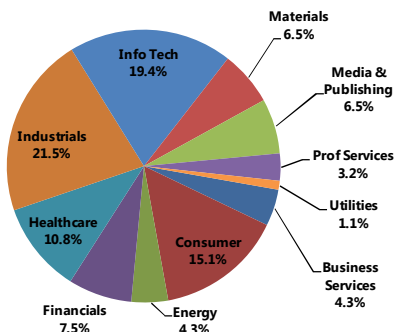
Either buyer, target, or seller must be local and transaction must have had a change in control

3Q 2009 REGIONAL M&A STATISTICS

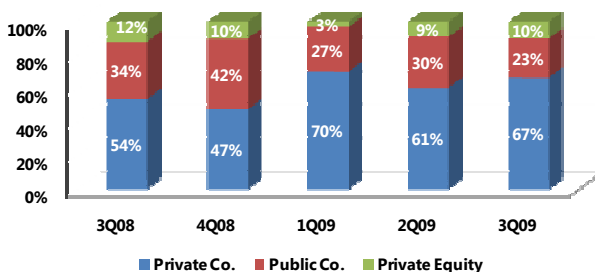


- Regional M&A volume decreased 55.2% from 67 deals in 3Q 2008 to 30 deals in 3Q 2009.
- Regional M&A median deal value decreased 61.9% from \$22.6MM in 3Q 2008 to \$8.6MM in 3Q 2009.
- Industrials (21.5%) and info technology (19.4%) comprised a majority of the regional targets for the first 3Qs of 2009.
- Private companies comprised 67% of buyers for 3Q 2009, relative to only 54% in 3Q 2008.

Regional M&A Target Business Sector YTD 3Q09

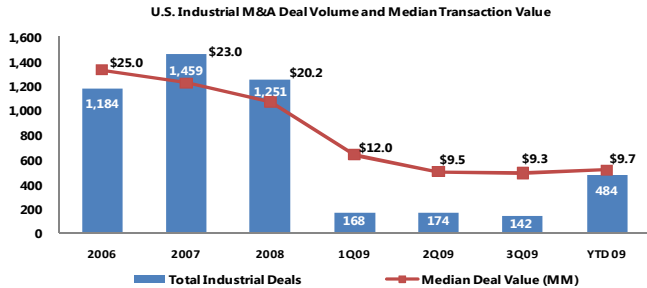


Regional M&A Data by Buyer Type



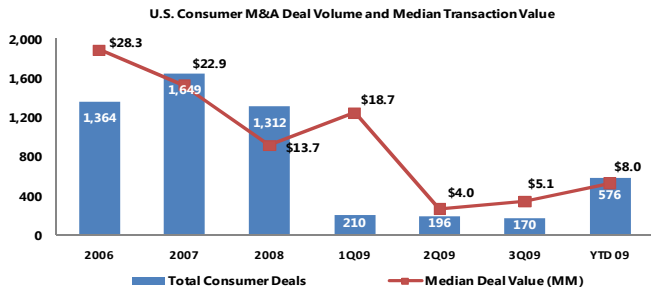
NATIONAL 3Q 2009 M&A BY SECTOR

INDUSTRIAL SECTOR



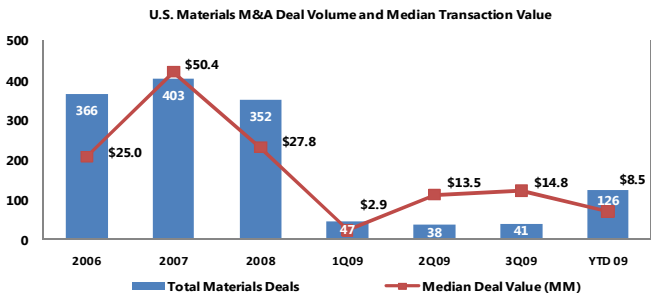
- **2Q 2009 vs. 3Q 2009 - Quarterly**
 - M&A deals decreased 18.4% from 174 to 142
 - M&A median transaction value decreased 2.6% from \$9.5MM to \$9.3MM
- **3Q 2008 vs. 3Q 2009 - Annually**
 - M&A deals decreased 54.0% from 309 to 142
 - M&A median transaction value decreased 63.0% from \$25.0MM to \$9.3MM

CONSUMER SECTOR



- **2Q 2009 vs. 3Q 2009 - Quarterly**
 - M&A deals decreased 13.3% from 196 to 170
 - M&A median transaction value increased 28.4% from \$4.0MM to \$5.1MM
- **3Q 2008 vs. 3Q 2009 - Annually**
 - M&A deals decreased 51.2% from 357 to 170
 - M&A median transaction value decreased 55.3% from \$11.5MM to \$5.1MM

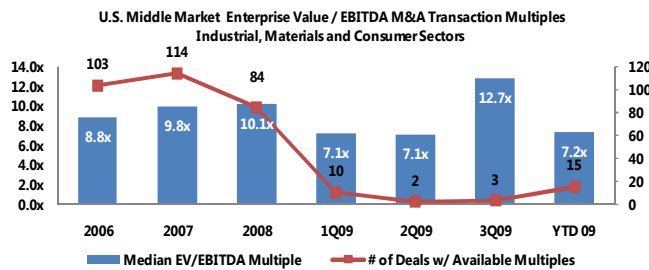
MATERIALS SECTOR



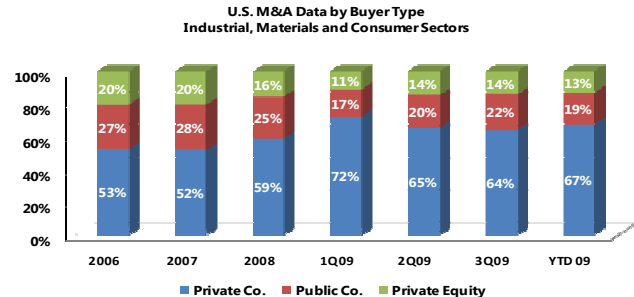
- **2Q 2009 vs. 3Q 2009 - Quarterly**
 - M&A deals increased 7.9% from 38 to 41
 - M&A median transaction value increased 9.5% from \$13.5MM to \$14.8MM
- **3Q 2008 vs. 3Q 2009 - Annually**
 - M&A deals decreased 51.2% from 84 to 41
 - M&A median transaction value decreased 40.0% from \$24.7MM to \$14.8MM

INDUSTRIAL, CONSUMER & MATERIALS COMBINED DATA

VALUATIONS



BUYER COMPOSITION



- Combining all three sectors, median enterprise value / EBITDA transaction multiples for middle market firms decreased 26.1% from 9.8x through the first 3Qs of 2008 to 7.2x for the same period in 2009.

- Private equity groups continued to comprise a smaller percentage of buyers representing 13% of buyers through the first 3Qs of 2009 relative to 16% for the same period in 2008.

For more information, please contact any of the professionals listed below or visit our website at www.strategicad.com

Andy Hays	Managing Director and Founder	arhays@strategicad.com	724-743-5810
Andy Bianco	Managing Director and Founder	ajbianco@strategicad.com	724-743-5820
Matt Dalton	Associate	mmdalton@strategicad.com	724-743-5840
Matt Steve	Associate	masteve@strategicad.com	724-743-5830

Strategic Advisors is a middle market investment banking firm that helps clients achieve financial and business goals by providing merger and acquisition advisory, corporate finance advisory and strategic consulting services. Our company is one of the few middle market investment banking firms whose Managing Directors have had experience investing in and managing their own companies. As a result, Strategic Advisors not only has expertise in advisory services but also firsthand knowledge of what stakeholders, investors and lenders expect and desire.

When considering a sale of your business, the acquisition of a business, or the restructuring or recapitalization of your balance sheet, the best pathway for achieving your expectations is a well-run sale process that addresses all your personal and business goals. Strategic Advisors is accustomed to working with business owners to determine the best pathway to achieve their goals and objectives. Give us a call to discuss your possibilities.