



# STRATEGIC ADVISORS

Middle Market Investment Bankers

*Bringing Efficiency to Inefficient Markets*

**2011**

*Second Quarter (2Q 2011)*

## PITTSBURGH REGIONAL M&A REPORT

**Merger & Acquisition (M&A) Advisory  
Corporate Finance Advisory  
Strategic Consulting**

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## PITTSBURGH REGIONAL 2Q 2011 M&A TRANSACTIONS

<u>Closed</u>	<u>Buyer/Investor (Ultimate Parent)</u>	<u>Buyer Local</u>	<u>Buyer Type</u>	<u>Target (Seller)</u>	<u>Target Local</u>	<u>Target Sector</u>	<u>Trans Value (\$MM)</u>
04/01/2011	<b>HJ Heinz Co. (NYSE: HNZ)</b>	PGH	Public	Coniexpress S.A. Industrias Alimenticias		Consumer	-
04/01/2011	Titan Tire Corporation (Titan International Inc. (NYSE: TWI))		Public	Latin American Farm Tire Business ( <b>Goodyear Tire &amp; Rubber Co.</b> (NYSE: GT))	AK	Consumer	-
04/04/2011	<b>Heckmann Water Resources Corporation</b> (Heckmann Corporation (NYSE: HEK))	PGH	Public	<b>Devonian Industries, Inc.</b>	CLK	Industrials	-
04/04/2011	<b>Gas Analytical Service Inc.</b> (CriticalControl Solutions Corp. (TSX: CCZ))	CLK	Public	<b>Gas Measurement and Integration</b>	CLK	Industrials	1.3
04/04/2011	<b>American Environmental Group Ltd.</b>	AK	Private	Mid America Lining Co., Inc.		Industrials	-
04/11/2011	<b>PetroChoice</b>	ALT	Private	Anderson Lubricants, Inc.		Industrials	-
04/11/2011	Vital Materials Co., Limited		Private	<b>Bolton Metal Products Company</b>	ALT	Materials	-
04/11/2011	Fisher/Unitech, Inc.		Private	<b>SolidWorks Software Business (Roney Software for Manufacturing Inc.)</b>	ERIE	Info Tech	-
04/12/2011	Eli Research, Inc.		Private	<b>Collection Management Company, Inc.</b>	PGH	Financials	-
04/14/2011	Sentinel Capital Partners, L.L.C.		Financial	<b>Chromalox, Inc.</b>	PGH	Industrials	-
04/14/2011	Undisclosed		Private	<b>Education Finance I LLC (Education Management Corporation (NASD: EDMC))</b>	PGH	Consumer	44.4
04/15/2011	Prairie Capital, L.P. and Vierville Capital, LLC		Financial	Pyott-Boone Electronics, Inc. ( <b>Fetterolf Group, Inc.</b> )	JTN	Industrials	-
04/15/2011	<b>Polyconcept North America, Inc.</b> (Polyconcept Holding B.V.)	PGH	Private	Trimark Sportswear Group Ltd.		Consumer	-
04/18/2011	<b>Printscape, Inc.</b>	PGH	Private	<b>Visual Impact Graphics, Inc.</b>	PGH	Industrials	-
04/22/2011	Coalview Recovery Group, LLC		Private	<b>Certain Strategic Assets (Beard Technologies LLC)</b>	JTN	Industrials	-
04/25/2011	One Call Medical, Inc.		Private	<b>Diagnostics Plus, Inc.</b>	ALT	Bus Serv	-
04/25/2011	<b>Wendell August Forge</b>	NC	Private	Old Forge Metals Inc.		Consumer	-
04/27/2011	ColorMatrix Corporation		Private	<b>Gayson Silicone Dispersions Inc.</b>	AK	Materials	-
04/30/2011	<b>Logistics Plus, Inc.</b>	ERIE	Private	Horizon Logistics, LLC (Horizon Lines, Inc. (NYSE: HRZ))		Industrials	-
05/03/2011	<b>PPG Industries Inc. (NYSE: PPG)</b>	PGH	Public	Certain Assets (Equa-Chlor, LLC)		Materials	27.0
05/03/2011	Inmar, Inc.		Private	<b>M-DOT, Inc.</b>	ERIE	Info Tech	-
05/04/2011	Cogent Healthcare, Inc.		Private	<b>Hospitalists Management Group, LLC (AEA Investors LP)</b>	CAN	Healthcare	-
05/09/2011	<b>Allegheny Technologies Inc. (NYSE: ATI)</b>	PGH	Public	ATI Ladish Co., Inc.		Industrials	819.1
05/09/2011	Halma plc (LSE: HLMA)		Public	<b>Kirk Key Interlock Company, LLC (Owens Holdings, LLC)</b>	CAN	Industrials	14.7
05/10/2011	Golden Gate Capital		Financial	<b>Tollgrade Communications Inc.</b>	PGH	Info Tech	136.9
05/11/2011	Gateway Entertainment Studios, L.P.		Private	<b>31st Street Studios</b>	PGH	Consumer	2.0
05/12/2011	Acuity Brands, Inc. (NYSE: AYI)		Public	<b>Healthcare Lighting, Inc.</b>	ERIE	Industrials	-
05/12/2011	<b>Management and F.N.B. Capital Corporation, LLC</b>	PGH	Private	<b>Paragon Asset Recovery Services Inc. (Aon Corporation (NYSE: AON))</b>	PGH	Financials	-
05/16/2011	Wolters Kluwer Health, Inc. (Wolters Kluwer NV (ENXTAM: WKL))		Public	<b>Lexi-Comp, Inc.</b>	AK	Healthcare	-
05/16/2011	Socius1 LLC		Private	Microsoft Dynamics NAV Practice ( <b>Lean Back-Office</b> )	AK	Info Tech	-
05/16/2011	<b>The J. M. Smucker Company (NYSE: SJM)</b>	CAN	Public	Rowland Coffee Roasters, Inc.		Consumer	360.0
05/19/2011	Wilson Creek Holdings, Inc. (Corsa Coal Corp. (TSXV: CSO))		Public	<b>Maryland Energy Resources, LLC</b>	JTN	Energy	16.2
05/24/2011	SteelRiver Infrastructure Partners LP		Financial	<b>T. W. Phillips Gas and Oil Co.</b>	NC	Utilities	-
05/25/2011	Cerner Corporation (NASD: CERN)		Public	<b>Resource Systems</b>	ZAN	Info Tech	-
06/01/2011	<b>PPG Industries Inc. (NYSE: PPG)</b>	PGH	Public	Ducoat Coatings South Africa (PTY) Ltd		Industrials	-
06/01/2011	ParenteBeard LLC		Private	<b>McCrory &amp; McDowell</b>	PGH	Prof Serv	-
06/01/2011	API Technologies Corp. (NASD: ATNY)		Public	<b>Spectrum Control, Inc.</b>	ERIE	Industrials	273.9
06/01/2011	<b>Lewis-Goetz &amp; Company, Inc.</b>	PGH	Private	Valley Rubber and Gasket Co., Inc.		Industrials	-
06/02/2011	XTO Energy Inc. (Exxon Mobil Corporation (NYSE: XOM))		Public	<b>T. W. Phillips Gas (SteelRiver Infrastructure Partners LP) and Oil Co. and Phillips Resources, Inc</b>	NC	Energy	1,700.0
06/03/2011	Impala Warehousing (US) LLC (Trafigura Beheer B.V.)		Private	Burnside bulk terminal in Louisiana ( <b>Ormet Corporation (OTC: ORMT)</b> )	SBV	Industrials	28.0
06/06/2011	VSE Corp. (NASD: VSEC)		Public	<b>Wheeler Bros., Inc.</b>	JTN	Industrials	220.0
06/07/2011	<b>Michael Baker Corporation (AMEX: BKR)</b>	PGH	Public	JMA Architects, Inc.		Industrials	-
06/08/2011	<b>Enterprise Ventures Corporation (Concurrent Technologies Corporation)</b>	JTN	Private	Coremotive Inc.		Prof Serv	-
06/16/2011	<b>St. Barnabas Health System</b>	PGH	Private	<b>The Arbors at St. Barnabas, Inc.</b>	NC	Healthcare	-
06/23/2011	<b>Howard Hanna Real Estate Services, Inc. (Hanna Holdings, Inc.)</b>	PGH	Private	B-H Agency Real Estate		Financials	-
06/28/2011	B&G Crane Service, LLC		Private	Assets in Texas ( <b>Ray Anthony International, LLC</b> )	PGH	Industrials	-
06/30/2011	<b>St. Cyril of Alexandria Catholic Elementary School</b>	PGH	Private	<b>Cardinal Wright Regional Catholic</b>	PGH	Consumer	-
06/30/2011	Colliers International (FirstService Corp. (TSX: FSV))		Public	<b>NAI Pittsburgh Commercial Real Estate Inc.</b>	PGH	Financials	-
06/30/2011	Harris Computer Systems, Inc. (Constellation Software Inc. (TSX: CSU))		Public	<b>ProSoft Technologies, Inc.</b>	PGH	Info Tech	-
06/30/2011	<b>Wabtec Global Services (Westinghouse Air Brake Technologies Corporation (NYSE: WAB))</b>	PGH	Public	<b>Transit Aftermarket Parts Business (GE - Transportation)</b>	ERIE	Consumer	-

**Notes:**

Bold companies are local

Local areas include: Pittsburgh (PGH), Zanesville (ZAN), Bradford (BDF), Erie (ERIE), Johnstown (JTN), Altoona (ALT), Canton (CAN), Greensburg (GBG), New Castle (NC), Akron (AK), Steubenville (SBV), Youngstown (YT), Cumberland (CBD), Oil City (OC), Clarksburg (CKL), Wheeling (WLG) and Du Bois (DB)

Source: Capital IQ and Strategic Advisors

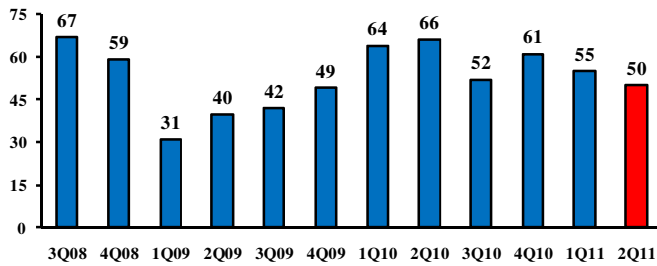
**M&A Transaction Requirements:**

Either buyer, buyer parent, target or seller must be local, and the local participant must have purchased or sold majority control

Excluded transactions which only involved selling of real estate or facilities

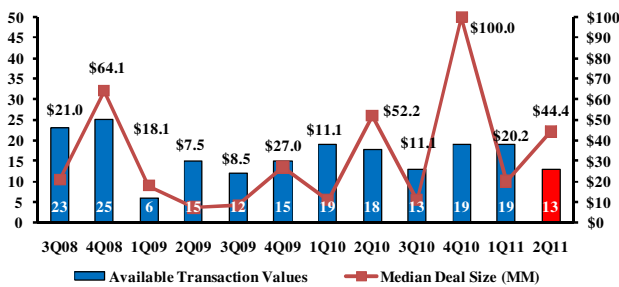
## REGIONAL 2Q 2011 M&A TRANSACTION STATISTICS

**Quarterly Regional M&A Deal Volume**



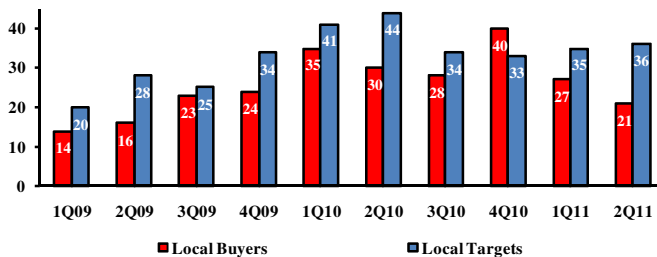
- Quarterly regional M&A volume decreased 9.1% from 55 deals in the first quarter of 2011 (1Q 2011) to 50 deals in 2Q 2011, and year-over-year quarterly regional M&A volume decreased 24.2% from 66 deals in the second quarter of 2010 (2Q 2010) to 50 deals in 2Q 2011.
- Although recent quarterly deal flow shows a declining trend, 2Q 2011 activity remained at healthy levels compared to the average deal volume over the past 12 quarters, which were 53 deals per quarter.

**Quarterly Regional M&A Median Deal Size**



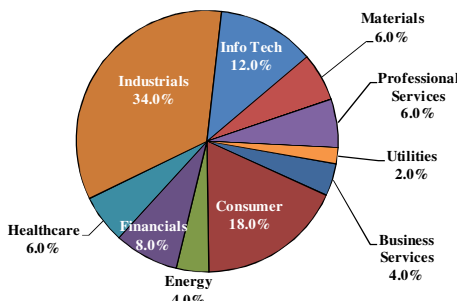
- Of the regional M&A transactions with available transaction values, quarterly median deal value increased from \$20.2MM in 1Q 2011 to \$44.4MM in 2Q 2011. The past quarter was the third highest quarterly median deal value in the past 10 quarters.
- 2Q 2011 had six regional transactions valued over \$100MM, and the largest was valued at \$1.7 billion.

**Regional M&A Buyers and Targets**



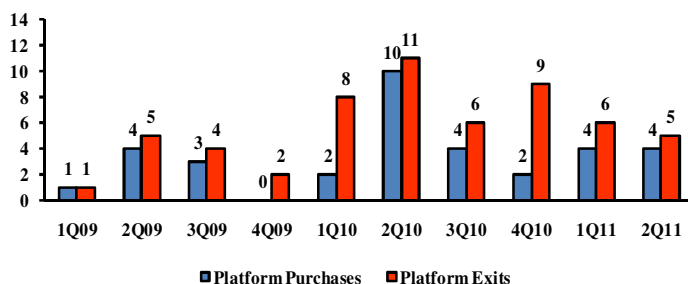
- Quarterly regional M&A transactions with local buyers decreased 22.2% from 27 deals in 1Q 2011 to 21 deals in 2Q 2011, while quarterly transactions with local targets increased slightly from 35 in 1Q 2011 to 36 in 2Q 2011.
- As with overall deal volume, the number of 2Q 2011 local buyers and targets remained at comparable levels with the past eight quarters.

**2Q 2011 Regional M&A Target Business Sector**



- In 2Q 2011, regional M&A targets were primarily concentrated in the Industrials (34.0%) and Consumer (18.0%) Sectors.
- As with 1Q 2011, the largest deal of the quarter was an energy deal with XTO Energy Inc. (subsidiary of Exxon Mobil), which purchased natural gas companies Phillips Resources and TWP Inc. for \$1.7 billion.

**Regional Private Equity M&A Activity**  
(Platform Portfolio Company Transactions Only)



- 2Q 2011 private equity platform company purchases and exits remained at similar levels as in 1Q 2011.
- Private equity activity in the Pittsburgh area seems to be stabilizing at around ten transactions per quarter over the past year.

For more information, please contact any of the professionals listed below or visit our website at [www.strategicad.com](http://www.strategicad.com)

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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. Along with many years of experience in advising middle market clients, our Managing Directors have experience investing in and managing portfolio companies. As such, 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.