



STRATEGIC ADVISORS

Middle Market Investment Bankers

Bringing Efficiency to Inefficient Markets

2010

*Fourth Quarter &
Year in Review*

PITTSBURGH REGIONAL M&A REPORT

**Merger & Acquisition Advisory
Corporate Finance Advisory
Strategic Consulting**

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PITTSBURGH REGIONAL 4Q 2010 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>
10/01/2010	Community Health Systems, Inc. (NYSE: CYH)		Public	Forum Health	YTN	Healthcare	120.0
10/04/2010	Dickie McCamey & Chilcote PC	PGH	Private	Golian McCaffrey LLC		Prof. Services	-
10/06/2010	Standard Financial Corp. (NASDAQ: STND)	PGH	Public	Standard Mutual Holding Company	PGH	Financials	-
10/13/2010	Hellman & Friedman LLC		Financial	AMH Holdings II, Inc. (Harvest Partners, LLC; Weston Presidio; Investcorp Bank BSC, Private Equity)	AK	Industrials	1,300.0
10/13/2010	Mine Safety Appliances Co. (NYSE: MSA)	NC	Public	General Monitors, Inc.		Industrials	280.0
10/15/2010	Pro Towels Etc.	PGH	Private	Superior Towel & Decorating		Consumer	-
10/18/2010	MPI Label Systems, Inc.	CAN	Private	ROI Printing Companies LLC		Industrials	-
10/19/2010	MED3000, Inc. (Mitsui & Co. Ltd. (TSE: 8031))	PGH	Public	ISG Group, Inc.		Financials	-
10/19/2010	Matthews International Corporation (NASDAQ: MATW)	PGH	Public	Freeman Metal Products, Inc.		Industrials	30.8
10/19/2010	PM Recovery, Inc.		Private	Kalco Metals, Inc.	NC	Industrials	-
10/22/2010	Viking Pools, Inc. (Latham International LP)	CLK	Private	Blue Hawaiian Fiberglass Pools, Inc.		Consumer	-
10/22/2010	Genco Holdings I, Inc. (Genco Of Lebanon, Inc.)	PGH	Private	ATC Technology Corporation (NASDAQ: ATAC)		Bus. Services	512.3
10/25/2010	Black Box Corp. (NASDAQ: BBOX)	PGH	Public	LOGOS Communications, Inc.		Info Tech	-
10/25/2010	Kadmon Pharmaceuticals LLC (SBI Holdings, Inc. (TSE: 8473))		Public	Three Rivers Pharmaceuticals, LLC	NC	Healthcare	100.0
10/29/2010	GOJO Industries, Inc.	AKR	Private	PURELL Brand (Johnson & Johnson (NYSE: JNJ))		Consumer	-
10/29/2010	Spectrum Control Inc. (NASDAQ: SPEC)	ERIE	Public	Summit Instruments, Inc.	AK	Industrials	5.2
11/01/2010	CACI International Inc. (NYSE: CACI)		Public	TechniGraphics, Inc.	CAN	Info Tech	-
11/04/2010	WHEMCO, Inc. (Park Corporation)	PGH	Private	United Foundries, Inc.	CAN	Industrials	-
11/04/2010	Heinz (China) Investment Company Ltd. (HJ Heinz Co. (NYSE: HNZ))	PGH	Public	Foodstar Holdings Pte Ltd.		Consumer	-
11/05/2010	University of Pittsburgh Medical Center	PGH	Private	Transporation Solutions, Inc.	PGH	Healthcare	-
11/05/2010	Westinghouse Air Brake Technologies Corporation (NYSE: WAB)	PGH	Public	Swiger Coil Systems, LLC		Industrials	-
11/09/2010	Allegra Marketing Design-Print	PGH	Private	New Image Press	PGH	Bus. Services	-
11/15/2010	Kindred Healthcare Inc. (NYSE: KND)		Public	Signature Health Services, LLC	AK	Healthcare	-
11/16/2010	Medline Industries, Inc.		Private	Diamed USA, LLC	CAN	Healthcare	-
11/16/2010	Silgan Holdings Inc. (NASDAQ: SLGN)		Public	IPEC Global, Inc.	NC	Industrials	-
11/19/2010	Sound Technology, Inc. (Analogic Corporation (NASDAQ: ALOG))	ALT	Public	Tetrad Corporation (W.L. Gore & Associates, Inc.)		Healthcare	-
11/19/2010	PNC Bank, National Association (PNC Financial Services Group Inc. (NYSE: PNC))	PGH	Public	Thompson Publishing Group, Inc. (Avista Capital Holdings, L.P.)		Financials	42.0
11/22/2010	Silverback Network, Inc.		Private	Linkstar Corporation (Mace Security International Inc. (OTC: MACE))	PGH	Bus. Services	1.1
11/22/2010	NEP Broadcasting, LLC	PGH	Private	American Hi Definition, Inc. And SVP Inc.		Consumer	-
11/22/2010	PNC Financial Services Group Inc. (NYSE: PNC)	PGH	Public	KBC Business Capital Ltd. (KBC Group NV (ENX: KBC))		Financials	-
11/23/2010	Laird PLC (LSE: LRD)		Public	Catron Group International, Inc.	NC	Info Tech	90.0
11/29/2010	Hill Barth & King LLC	YTN	Private	Gilbert, Wallace, Stewart, Stramel & Sowers, PA		Prof. Services	-
11/29/2010	Federated Investors, Inc. (NYSE: FII)	PGH	Public	Money Market Management Business (RidgeWorth Capital Management, Inc.)		Financials	34.0
11/30/2010	Fives		Private	Bronx International, Inc.	CAN	Industrials	-
11/30/2010	Carlisle Industrial Brake & Friction (Carlisle Companies Inc. (NYSE: CSL))		Public	Hawk Corp. (The Weinberg & Bell Group)	AK	Industrials	468.7
12/01/2010	Graham Architectural Products Corporation (The Graham Group)		Private	Keystone Industries Window and Screen Systems, Inc. (Certain Assets)	NC	Industrials	-
12/01/2010	Antero Resources Corporation		Private	Bluestone Energy Partners	CLK	Energy	-
12/02/2010	Bayer MaterialScience, LLC (Bayer AG (DB: BAYN))	PGH	Public	BayOne Urethane Systems, LLC (PolyOne Corporation (NYSE: POL))		Industrials	-
12/02/2010	The Smithers Group, Inc.	AK	Private	Pira International Limited (BASF Corporation)		Bus. Services	-
12/06/2010	Wingate Partners		Financial	Preferred Compounding Corporation (Watermill Ventures)	AK	Materials	-
12/06/2010	Stantec Inc. (TSX: STN)		Public	Burt Hill Inc.	PGH	Bus. Services	-
12/07/2010	Exotic Electro-Optics, Inc. (II-VI Inc. (NASDAQ: IIVI))	NC	Public	Max Levy Autograph, Inc.		Industrials	-
12/09/2010	OMNOVA Solutions Inc. (NYSE: OMN)	AK	Public	Eliokem SAS (AXA Private Equity)		Materials	296.8
12/10/2010	SIFCO Industries Inc. (AMEX: SIF)		Public	T&W Forge, Inc. (Durrel Corporation)	CAN	Industrials	23.6
12/10/2010	Management	AK	Private	Tix Productions Inc. (Tix Corporation (OTC: TIXC))	AK	Bus. Services	3.1
12/13/2010	Just Ducky Tours	PGH	Private	Molly's Trolleys	PGH	Consumer	-
12/14/2010	University Games Corporation		Private	American Plastic Equipment, Inc.	CAN	Industrials	-
12/15/2010	International Isotopes Inc. (OTC: INIS)		Public	Technology Imaging Services, Inc. (Huntington Bancshares Inc. (NASDAQ: HBAN))	YTN	Healthcare	-
12/16/2010	WESCO Distribution, Inc. (WESCO International Inc. (NYSE: WCC))	PGH	Public	TVC Communications, L.L.C. (Palisades Associates, Inc.)		Info Tech	246.5
12/16/2010	Emerald Performance Materials LLC	AK	Private	DSM Special Products BV (Royal DSM N.V. (ENX: DSM))		Materials	-
12/20/2010	Turret Steel Industries, Inc.	PGH	Private	Wilcox Steel LLC		Industrials	-
12/21/2010	Koppers Inc. (Koppers Holdings Inc. (NYSE: KOP))	PGH	Public	Rail Joint Business Product Line and Related Manufacturing Facility (Portec Rail Products Inc.)	PGH	Industrials	10.1
12/22/2010	Foster Thomas, Inc. (LB Foster Co. (NASDAQ: FSTR))	PGH	Public	Portec Rail Products Inc.	PGH	Industrials	124.4
12/28/2010	Haddad-Wylie Industries, LLC	PGH	Private	IVT Software, Inc. (OTC: IVTW)	PGH	Info Tech	-
12/31/2010	Westinghouse Air Brake Technologies Corporation (NYSE: WAB)	PGH	Public	Adantech Industria e Comercio de Metal		Industrials	-
12/31/2010	TSB Metal Recycling LLC (Timken Co. (NYSE: TKR))	CAN	Public	City Scrap & Salvage Co.	AK	Industrials	-
12/31/2010	Erie Insurance Exchange (Erie Indemnity Co. (NASDAQ: ERIE))	ERIE	Public	Erie Insurance Co. of New York and Erie Insurance Co. and Erie Insurance Property and Casualty Co. (Erie Indemnity Co. (NASDAQ: ERIE))	ERIE	Financials	293.0

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 (YTN), Cumberland (CBD), Oil City (OC), Clarksburg (CKL), Wheeling (WLG) and Du Bois (DB)

Source: Capital IQ and Strategic Advisors

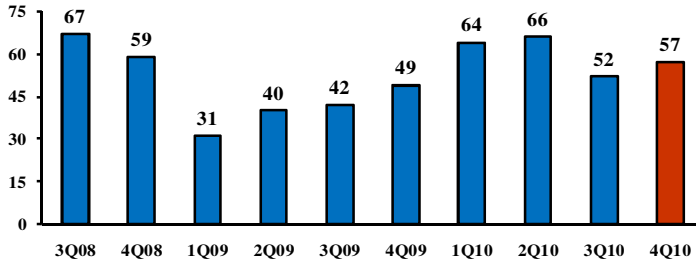
M&A Transaction Requirements:

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

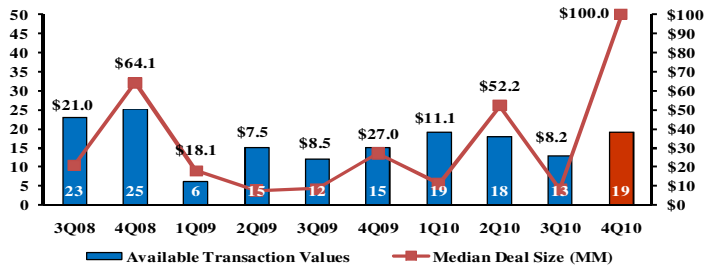
REGIONAL 4Q 2010 M&A TRANSACTION STATISTICS

Quarterly Regional M&A Deal Volume



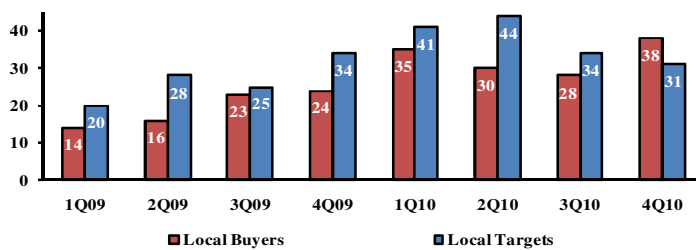
- Quarterly regional M&A volume increased 9.6% from 52 deals in 3Q 2010 to 57 deals in 4Q 2010, which remains well above quarterly levels seen in 2009.
- Year-over-year quarterly regional M&A volume increased 16.3% from 49 deals in 4Q 2009 to 57 deals in 4Q 2010.

Quarterly Regional M&A Median Deal Size



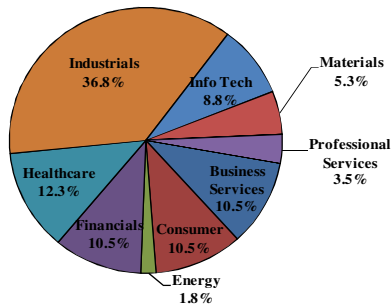
- Of the regional M&A transactions with available transaction values, quarterly median deal value increased substantially from \$8.2MM in 3Q 2010 to \$100.0MM in 4Q 2010.
- 10 of 19 available transaction values were \$100.0MM or greater in 4Q 2010. In addition, 8 of those 10 transactions involved public buyers. Public buyers comprised 54% of all buyers in regional transactions in 4Q 2010, which was their highest level since 2008.

Regional M&A Buyers and Targets



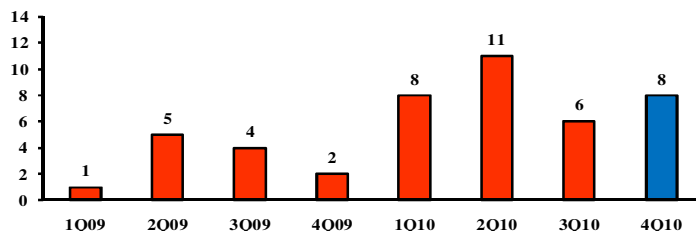
- Quarterly regional M&A transactions with local buyers increased 35.7% from 28 deals in 3Q 2010 to 38 deals in 4Q 2010.
- Quarterly regional M&A transactions with local targets decreased for the second quarter in a row. Local targets decreased 8.8% from 34 deals in 3Q 2010 to 31 deals in 4Q 2010.

4Q 2010 Regional M&A Target Business Sector



- In 4Q 2010, regional M&A targets were primarily concentrated in the Industrials (36.8%) and Healthcare (12.3%) Sectors.
- 13 targets were either in the Healthcare (7) or Financials (6) sectors, both of which saw some of their highest quarterly M&A activity in the past year.

**Regional M&A Transactions with Sponsored Targets
(aka Private Equity Group Portfolio Co. Exits)**



- There were 8 regional transactions that had private equity groups selling their portfolio companies during 4Q 2010. This level remained consistent with prior quarters in 2010 and well above 2009 quarterly levels.

2010 PITTSBURGH REGIONAL M&A YEAR IN REVIEW

2010 Ten Largest Regional M&A Transactions

Closed	Buyer (Ultimate Parent)	Target (Seller)	Transaction Value (\$MM)
05/28/2010	Royal Dutch Shell plc (LSE: RDSA)	East Resources, Inc. (Kohlberg Kravis Roberts & Co.)	4,700.0
04/30/2010	CONSOL Energy Inc. (NYSE: CNX)	Dominion Exploration & Production, Inc. and Dominion Reserves, Inc. and Dominion Transmission, Inc. (Dominion Resources, Inc. (NYSE: D))	3,475.0
10/13/2010	Hellman & Friedman LLC	AMH Holdings II, Inc. (Harvest Partners, LLC; Weston Presidio; Investcorp Bank BSC, Private Equity)	1,300.0
09/08/2010	Nabors Industries Ltd. (NYSE: NBR)	Superior Well Services Inc.	824.1
02/01/2010	SteelRiver Infrastructure Partners LP	The Peoples Natural Gas Company (Dominion Resources, Inc. (NYSE: D))	780.0
09/07/2010	Mylan, Inc. (NASD: MYL)	Bioniche Pharma USA LLC	550.0
10/22/2010	Genco Holdings I, Inc. (Genco Of Lebanon, Inc.)	ATC Technology Corporation (NASD: ATAC)	512.3
11/30/2010	Carlisle Industrial Brake & Friction (Carlisle Companies Inc. (NYSE: CSL))	Haw k Corp. (The Weinberg & Bell Group)	468.7
06/01/2010	Pappahannock Electric Cooperative and Shenandoah Valley Electric Cooperative	Potomac Edison Company Distribution Operations (Allegheny Energy, Inc. (NYSE: AYE))	340.0
03/30/2010	EnerVest Management Partners, Ltd.; EV Energy Partners LP (NASD: EVEP); CGAS Properties, L.P.	Range Resources-Appalachia, LLC (Range Resources Corp. (NYSE: RRC))	316.1
12/09/2010	OMNOVA Solutions Inc. (NYSE: OMN)	Eliokem SAS (AXA Private Equity)	296.8

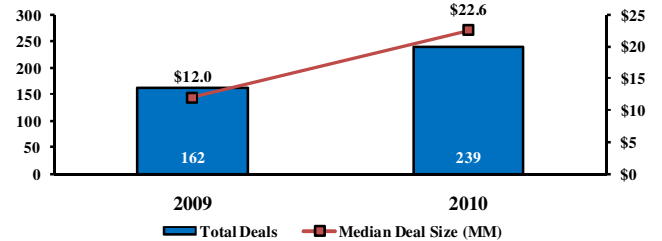
2010 M&A Transaction Summary Data

In summary, 2010 had far greater M&A activity than in 2009. Total regional transactions increased 48% from 162 deals in 2009 to 239 deals in 2010. Median transaction value increased 88% from \$12.0MM in 2009 to \$22.6MM in 2010. In addition, Private Equity Groups sold 33 portfolio companies in regional transactions in 2010 compared to only 12 in 2009.

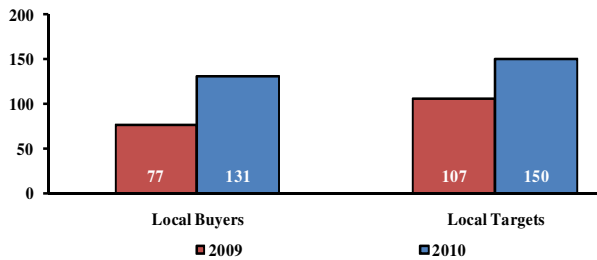
2010 Most Active Regional Buyers

Buyer	Transactions
Westinghouse Air Brake Technologies Corp. (NYSE: WAB)	5
RPM International Inc. (NYSE: RPM)	4
PNC Equity Partners	3
Rosebud Mining Company	3
15 Other Local Buyers with 2 Acquisitions in 2010	

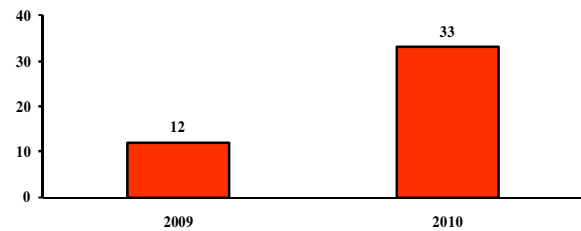
Annual Regional M&A Deal Volume and Median Value



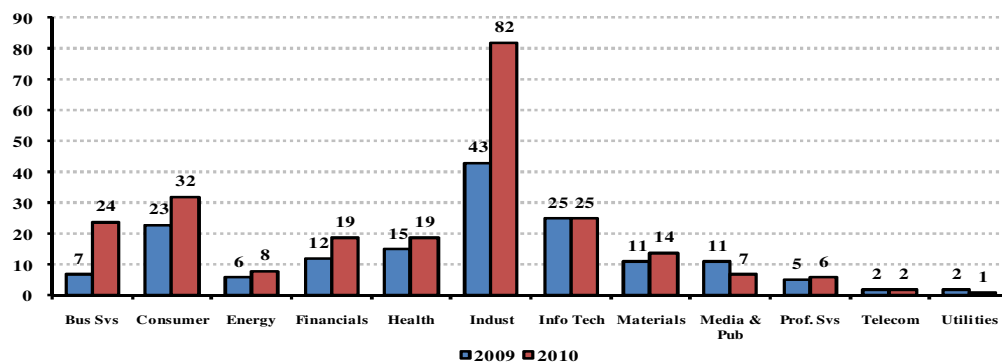
Annual Regional M&A Buyers and Targets



Regional M&A Transactions with Sponsored Targets (aka Private Equity Group Portfolio Co. Exits)



Regional M&A Target Business Sector



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