



# STRATEGIC ADVISORS

Middle Market Investment Bankers

*Bringing Efficiency to Inefficient Markets*

## 2010

*Second Quarter*

## PITTSBURGH REGIONAL M&A REPORT

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

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## PITTSBURGH REGIONAL 2Q 2010 M&A TRANSACTIONS

<b>Closed</b>	<b>Buyer/Investor (Ultimate Parent)</b>	<b>Target (Seller)</b>	<b>Transaction Value (\$MM)</b>	<b>Buyer Type</b>
04/01/2010	Officine Meccaniche Rezzatesi S.p.a.	Automotive Structures and Components Italia Sr.L. (Alcoa, Inc. (NYSE: AA))	N/A	Private
04/01/2010	Rosebud Mining Company	Buckeye Industrial Mining Company (Evergreen Energy, Inc. (ARCA: EEE))	N/A	Private
04/01/2010	Globe Specialty Metals, Inc. (NASDAQ: GSM)	Core Metals Group LLC (Ospraie Management, LLC)	52.0	Public
04/01/2010	Babco Publications, LLC	Motorcycle Product News (Athletic Business Publications Inc.)	N/A	Private
04/01/2010	Rosebud Mining Company	Parkwood Resources Inc.	N/A	Private
04/01/2010	Shearer's Foods, Inc.	Snack Alliance, Inc. (Trimin Capital)	N/A	Private
04/01/2010	Stella-Jones Inc. (TSX: SJ)	Tangent Rail Corporation (PNC Equity Partners)	165.0	Public
04/02/2010	Babcock & Wilcox Power Generation Group, Inc. (McDermott International Inc. (NYSE: MDR))	ESP and Emissions Monitoring Business Units (General Electric Co. (NYSE: GE))	N/A	Public
04/05/2010	Stonebridge Partners and Teachers' Private Capital	Exal Corporation	N/A	Financial
04/07/2010	Polychem Corporation	FDM Corporation	0.3	Private
04/09/2010	Matthews International Corporation (NASDAQ: MATW)	Reynoldsville Casket Co., Inc.	17.1	Public
04/12/2010	Heeter Direct	Duquesne Litho, Inc.	N/A	Private
04/14/2010	Rally Software Development Corp.	AgileZen (Enkari, Ltd.)	N/A	Private
04/14/2010	Golden Gate Capital	West Point Products, Inc.	N/A	Financial
04/16/2010	Werner Co. (Werner Holding Co. (PA), Inc.)	Abru Ltd (Vaillant GmbH)	N/A	Private
04/20/2010	The Orlean Company	Hampshire House Apartments, Ltd. (Real Estate Associates Ltd IV)	4.6	Private
04/20/2010	Marsh Bellofram Corporation (Desco Corporation)	MTI Global Inc., Milton, Florida Business (Zuni Holdings Inc. (TSX: MTI))	1.7	Private
04/22/2010	Omnicity, Corp. (OTC: OMCY)	Digital Network Solutions, Inc.	1.4	Public
04/22/2010	JWI Capital, LLC	W.H. Smith Hardware Company	N/A	Financial
04/23/2010	The Tegrat Group	Summit Retirement Plan Services, Inc.	N/A	Private
04/30/2010	BDW technologies GmbH (AluCast GmbH)	Automotive Structures and Components GmbH (Alcoa, Inc. (NYSE: AA))	N/A	Private
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	Public
04/30/2010	Wolff Group, Inc.	Edelstein-Mohan Group LLC	N/A	Private
04/30/2010	AEA Investors LP and Waud Capital Partners, L.L.C.	Hospitalists Management Group, LLC	N/A	Financial
04/30/2010	A. Schulman, Inc. (NASDAQ: SHLM)	ICO Inc.	220.6	Public
05/01/2010	Jefferson Regional Medical Center, Inc.	West Mifflin Imaging Associates LP	N/A	Private
05/03/2010	Klöckner Pentaplast of America, Inc. (Klöckner Pentaplast GmbH & Co. KG)	Rigid Card and Graphic Arts Film Business (Boltaron Performance Products, LLC)	N/A	Private
05/03/2010	Michael Baker Corporation (AMEX: BKR)	The LPA Group Incorporated	59.4	Public
05/04/2010	Prudential Preferred Realty (Prudential Financial, Inc. (NYSE: PRU))	Avalar Network, Inc.	N/A	Public
05/10/2010	Carlson Wagonlit Travel (Carlson Holdings, Inc.)	Gateway Travel Management Inc.	N/A	Private
05/12/2010	NEP Broadcasting, LLC	Premiere Entertainment Network	N/A	Private
05/14/2010	Yippy, Inc. (OTC: YIPI)	Clusty.com and Velocity Platform (Visivimo, Inc.)	5.6	Public
05/14/2010	OMNOVA Solutions Inc. (NYSE: OMN)	Hollow Sphere Plastic Pigment Product Line (The Dow Chemical Company (NYSE: DOW))	N/A	Public
05/14/2010	Diagnostics Plus, Inc.	Market Insight, Inc.	N/A	Private
05/14/2010	FirstMerit Bank, National Association (FirstMerit Corporation (NASDAQ: FMER))	Midwest Bank and Trust Company (Midwest Banc Holdings Inc. (OTC: MBHI))	N/A	Public
05/17/2010	QCSA Holdings, Inc.	Salvage Direct, Inc. (SIF Ventures)	N/A	Private
05/18/2010	Thermacore International, Inc.	Pittsburgh Materials Technology, Inc.	N/A	Private
05/19/2010	EQ - The Environmental Quality Company (EQ Holding Co., Inc.)	Envirite Corporation	N/A	Private
05/19/2010	Norma Pennsylvania, Inc. (NORMA Germany GmbH)	R.GRAY Corporation	N/A	Private
05/20/2010	Discovery Support Services LLC	Duplications, Inc.	N/A	Private
05/20/2010	Rotork plc (LSE: ROR)	Ralph A. Hiller Company	7.8	Public
05/26/2010	Utility Service Company, Inc. (Suez Environnement S.A. (ENXTPA: SE))	JPI Painting, Inc.	N/A	Public
06/01/2010	Mid America Brick & Structural Clay Products LLC	A P Green Refractories, Inc. (ANH Refractories Company)	N/A	Private
06/01/2010	Loftus Engineers LLC	Branch Engineers LLC	N/A	Private
06/01/2010	Exponential Impact USA (Drake International Inc.)	DenoSys, LLC	N/A	Private
06/01/2010	Rappahannock Electric Cooperative and Shenandoah Valley Electric Cooperative	Potomac Edison Company Distribution Operations (Allegheny Energy, Inc. (NYSE: AYE))	340.0	Private
06/02/2010	Oldcastle Materials, Inc. and Resource Land Holdings, LLC	Schwab Industries, Inc.	57.8	Private
06/04/2010	Titan Tire Corporation (Titan International Inc. (NYSE: TWI))	Denman Tire Corporation (Pensler Capital Corp.)	4.4	Public
06/07/2010	PNC Equity Partners	Oracle Elevator Company (Jupiter Partners LLC)	N/A	Financial
06/08/2010	TSI Auto Solutions Inc.	AutoSoft, Inc.	N/A	Private
06/09/2010	Employers Health Coalition of Ohio, Inc.	Employer Health Care Alliance	N/A	Private
06/09/2010	Affiliate of Austin Capital Corporation	Partners in Plastic	N/A	Financial
06/10/2010	RPM Performance Coatings Group (RPM International Inc. (NYSE: RPM))	Hummervoll Industrielegg AS	N/A	Public
06/11/2010	Goldman Sachs Private Equity Group (The Goldman Sachs Group, Inc. (NYSE: GS))	The Kenan Advantage Group, Inc. (Littlejohn & Co. LLC)	N/A	Financial
06/11/2010	PNC Equity Partners	Wheaton Industries, Inc. (River Associates Investments, LLC)	N/A	Financial
06/14/2010	3 Rivers Capital	Hausted Patient Handling Systems LLC (Steris Corp. (NYSE: STE))	N/A	Financial
06/15/2010	Precise, Inc.	LitSoft LLC	N/A	Private
06/17/2010	Ski.com	Rocky Mountain Tours Inc.	N/A	Private
06/28/2010	CDI Corp. (NYSE: CDI)	L. Robert Kimball & Associates, Inc.	N/A	Public
06/28/2010	Giant Eagle, Inc.	The Medicine Shoppe on Perrysville Avenue (CL Cressler Inc.)	N/A	Private
06/29/2010	Quad-C Management, Inc.	A. Stucki Company (The Gladstone Companies)	52.3	Financial
06/30/2010	WESCO International Inc. (NYSE: WCC)	Potelcom Supply, Inc.	N/A	Public
06/30/2010	Catholic Match, LLC	TraditionalSingleCatholics.com	N/A	Private
06/30/2010	National Interstate Insurance Company (American Financial Group Inc. (NYSE: AFG))	Vanliner Insurance Company (UniGroup, Inc.)	131.0	Public

**Notes:**

Bold companies are local

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

**M&A Transaction Requirements**

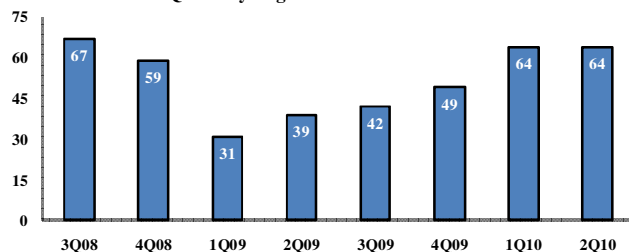
Either buyer, buyer parent, target, or seller must be local and transaction must have had a change in control

Excluded transactions which only involved selling of real estate or facilities

If only local Company in transaction was a private equity group ("PEG"), then it's only included if local PEG purchased or sold majority ownership

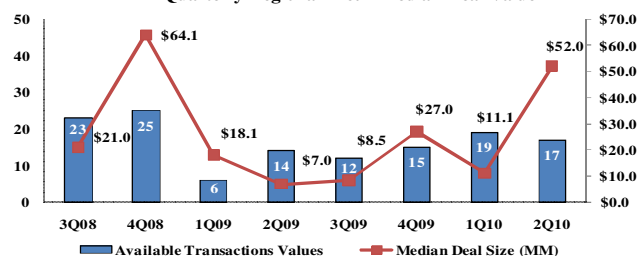
## REGIONAL 2Q 2010 M&A TRANSACTION STATISTICS

Quarterly Regional M&A Deal Volume



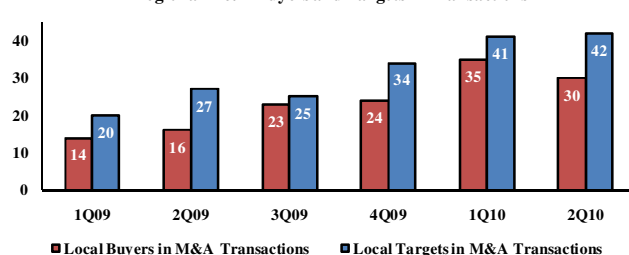
- Quarterly regional M&A volume stayed constant at 64 transactions in 1Q 2010 and 2Q 2010.
- Year-over-year quarterly regional M&A volume increased 64.1% from 39 deals in 2Q 2009 to 64 deals in 2Q 2010.

Quarterly Regional M&A Median Deal Value



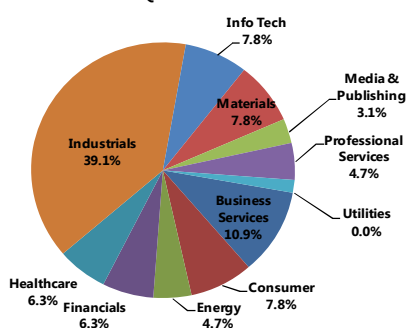
- Of the regional M&A transactions with available transaction values, quarterly median deal value increased substantially from \$11.1MM in 1Q 2010 to \$52.0MM in 2Q 2010.
- Of the regional M&A transactions with available transaction values, year-over-year quarterly median deal value increased significantly from \$7.0MM in 2Q 2009 to \$52.0MM in 2Q 2010.

Regional M&A Buyers and Targets in Transactions



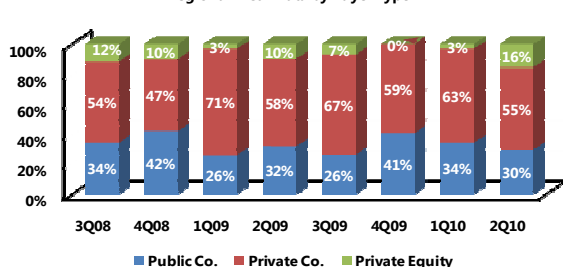
- Quarterly regional M&A transactions with local buyers decreased 14.3% from 35 deals in 1Q 2010 to 30 deals in 2Q 2010.
- Quarterly regional M&A transactions with local targets increased 2.4% from 41 deals in 1Q 2010 to 42 deals in 2Q 2010.

Regional M&A Target Business Sector 2Q 2010



- In 2Q 2010, regional M&A targets were primarily concentrated in the Industrial (39.1%) and Business Services (10.9%) Sectors.
- Targets in the Industrial and Consumer Sectors continue to be the most actively purchased over the past six (6) quarters, comprising 30.4% and 15.2% of all targets in regional M&A transactions, respectively.

Regional M&A Data by Buyer Type



- Financial buyers, or private equity groups, represented 16% of buyers in local M&A transactions in 2Q 2010, which was their highest percentage in the past eight (8) quarters.
- In addition, the private equity groups involved in local M&A transactions were sellers of eleven (11) portfolio companies in 2Q 2010, which was the highest amount in any of the past six (6) quarters and over double the level from a year ago in 2Q 2009.

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.