



STRATEGIC ADVISORS

Middle Market Investment Bankers

Bringing Efficiency to Inefficient Markets

2011

Third Quarter (3Q 2011)

PITTSBURGH REGIONAL M&A REPORT

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

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PITTSBURGH REGIONAL 3Q 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> |
|---------------|---|--------------------|-------------------|--|---------------------|----------------------|---------------------------|
| 07/01/2011 | Spectra Energy Partners, LP (NYSE: SEP) (Spectra Energy Corp. (NYSE: SE)) | | Public | Big Sandy Pipeline, LLC (Equitrans, LP) | PGH | Energy | 389.5 |
| 07/01/2011 | Timken Industrial Services, LLC (Timken Co. (NYSE: TKR)) | CAN | Public | Philadelphia Gear Corporation (Wind River Holdings, L.P.) | | Industrials | 200.0 |
| 07/01/2011 | Clearview Capital, LLC | | Financial | Pyramid Healthcare, Inc. | ALT | Healthcare | - |
| 07/01/2011 | Thomson Elite (Thomson Reuters Corporation (TSX: TRI)) | | Public | IGD Systems, LLC | PGH | Info Tech | - |
| 07/03/2011 | Powdr Corporation | | Private | Camp Woodward | ALT | Consumer | - |
| 07/05/2011 | II-VI Inc. (NASD: IIVD) | NC | Public | Aegis Lightwave, Inc. (3 Non Local Investment Firms) | | Industrials | 52.0 |
| 07/05/2011 | Beacon Partners Inc. | | Financial | Healthcare Innovative Solutions, Inc. | AK | Healthcare | - |
| 07/05/2011 | Wolfe.com, LLC | PGH | Private | Echelon Media, LLC | | Info Tech | - |
| 07/07/2011 | DQE Communications LLC (Duquesne Light Holdings Inc.) | PGH | Private | Met-Net Communications, Inc. | PGH | Telecom | - |
| 07/07/2011 | Civil & Environmental Consultants, Inc. | PGH | Private | Associated Consulting Engineers, Inc. | | Prof. Serv. | - |
| 07/08/2011 | United Bankshares Inc. (NASD: UBSI) | | Public | Centra Financial Holdings Inc. | CLK | Financials | 184.2 |
| 07/14/2011 | Rohrich Cadillac, Inc. (Rohrich Auto Holdings, Inc.) | PGH | Private | Castriota Chevrolet, Inc. | PGH | Consumer | 0.8 |
| 07/14/2011 | The Cypress Co., Inc. | AK | Private | Tem-Pace LLC | | Industrials | - |
| 07/19/2011 | American Harness Tracks, LLC | PGH | Private | Valley View Downs, LP (Centaur, Inc.) | | Consumer | 5.6 |
| 07/19/2011 | McLagan Partners, Inc. (Aon Corporation (NYSE: AON)) | | Public | Westfield Financial Corp. (Westfield Group) | AK | Bus. Serv. | - |
| 07/22/2011 | Google Inc. (NASD: GOOG) | | Public | Pittsburgh Pattern Recognition, Inc. | PGH | Info Tech | - |
| 07/25/2011 | Graham Partners | | Financial | Chelsea Building Products, Inc. (Tessenderlo Chemie NV (ENX: TESB)) | PGH | Industrials | - |
| 07/26/2011 | Otis Elevator Company (United Technologies Corp. (NYSE: UTX)) | | Public | Marshall Elevator Company, Inc. | PGH | Industrials | - |
| 07/26/2011 | Black Box Corp. (NASD: BBOX) | PGH | Public | PS Technologies, LLC | | Info Tech | - |
| 07/27/2011 | TA Instruments, Inc. (Waters Corp. (NYSE: WAT)) | | Public | Anter Corporation and Anter Laboratories, Inc. | PGH | Industrials | - |
| 07/27/2011 | Bacharach, Inc. | PGH | Private | Murco Limited | | Industrials | - |
| 07/28/2011 | Pitt Chemical & Sanitary Supply Co., Inc. | PGH | Private | Pitt Chemical & Sanitary Supply Co., Inc. | PGH | Industrials | 3.0 |
| 08/01/2011 | Ansys, Inc. (NASD: ANSS) | PGH | Public | Apache Design Solutions, Inc. (3 Non Local Investment Firms) | | Info Tech | - |
| 08/01/2011 | Yale Industrial Trucks-Pittsburgh, Inc. | PGH | Private | Twinsburg's Business in Ohio (M.H. Equipment Company) | | Industrials | - |
| 08/01/2011 | Unifrax Corporation (Unifrax Holding Co.) | | Private | Refractory Specialties Incorporated and Vacuform, Inc. and Specialty Ceramics, Inc. | CAN | Industrials | - |
| 08/04/2011 | Doreen Valentine | PGH | Private | Dozen Bakeshop | PGH | Consumer | - |
| 08/05/2011 | Intergraph Corporation (Hexagon AB (OM: HEXA B)) | | Public | Augusta Systems, Inc. (Non Local Investment Firm) | CLK | Info Tech | - |
| 08/09/2011 | The Davey Tree Expert Company | AK | Private | Marshall's Tree Service And Complete Tree Service And JTO, Inc. | | Industrials | - |
| 08/10/2011 | Pittsburgh Granulated Slag Co. | PGH | Private | Neville Island Cement Plant (GMI Land Co.) | PGH | Materials | - |
| 08/12/2011 | Structural Integrity Associates, Inc. | | Private | Inspection Services Group, Inc. (FBS, Incorporated) | ALT | Bus. Serv. | - |
| 08/15/2011 | Industrial Growth Partners | | Financial | Rubber Components Manufacturing Business (Lexington Precision Corporation (OTC: LEXP.Q)) | CAN | Industrials | 98.0 |
| 08/18/2011 | MedQuist Holdings Inc. (NASD: MEDH) | | Public | Multimodal Technologies, Inc. | PGH | Healthcare | 132.7 |
| 08/18/2011 | Management | | Private | Metal Group (Lexington Precision Corporation (OTC: LEXP.Q)) | CAN | Industrials | 12.0 |
| 08/19/2011 | Universal Stainless & Alloy Products Inc. (NASD: USAP) | PGH | Public | Patriot Special Metals, Inc. and RSM Real Estate Holding, Inc. (Patriot Forge Co.) | | Industrials | 111.2 |
| 08/25/2011 | Michael Sanders | PGH | Private | Club Café | PGH | Consumer | - |
| 08/31/2011 | TransDigm Group Incorporated (NYSE: TDG) | | Public | Schneller, LLC (Graham Partners) | AK | Industrials | 288.5 |
| 08/31/2011 | Berry Plastics Corporation (Berry Plastics Group, Inc.) | | Private | LINPAC Packaging Filmco, Inc. (LINPAC Group Limited) | AK | Industrials | 19.4 |
| 08/31/2011 | The Kenan Advantage Group, Inc. | CAN | Private | Jack B. Kelley, Inc. | | Industrials | - |
| 08/31/2011 | Brockway Moran & Partners, Inc. | | Financial | The Country Vintner, Inc. (Incline Equity Partners) | PGH | Consumer | - |
| 08/31/2011 | EFO Holdings, L.P. | | Financial | Jacob Ash/Schuessler, Inc. (Bridge Street Capital Partners, LLC) | PGH | Consumer | - |
| 09/01/2011 | MEDRAD, Inc. (Bayer AG (DB: BAYN)) | PGH | Public | Pathway Medical Technologies, Inc. (6 Non Local Investment Firms) | | Healthcare | - |
| 09/07/2011 | Wellspring Capital Management LLC | | Financial | Resco Products, Inc. (Hancock Park Associates) | PGH | Materials | - |
| 09/08/2011 | Unique Ventures Group Inc. | OC | Private | King's Country Shoppes, Inc. | PGH | Consumer | - |
| 09/12/2011 | Apollo Group Inc. (NASD: APOL) | | Public | Carnegie Learning, Inc. (Draper Triangle Ventures, Carnegie Mellon University and Non Local Investment Firm) | PGH | Info Tech | 75.0 |
| 09/13/2011 | WorldEnergy Solutions, Inc. (NASD: XWES) | | Public | Co-eXprise, Inc. Energy Procurement Business (Draper Triangle Ventures) | PGH | Info Tech | 4.0 |
| 09/13/2011 | RedZone Robotics, Inc. | PGH | Private | CleanFlow Systems Ltd. | | Industrials | - |
| 09/13/2011 | Howard Hanna Real Estate Services, Inc. (Hanna Holdings, Inc.) | PGH | Private | 1st Choice Realty Group LLC | YTN | Financials | - |
| 09/14/2011 | Headwaters MB, LLC | | Private | Source Companies, LLC | PGH | Financials | - |
| 09/19/2011 | USI Services Corporation (USI Holdings Corp.) | | Private | First Place Insurance Agency, Ltd. (First Place Financial Corp. (NASD: FPFC)) | YTN | Financials | - |
| 09/19/2011 | EMSSystems, LLC (Intermedix Corporation) | | Private | Collaborative Fusion, Inc. | PGH | Info Tech | - |
| 09/23/2011 | DLA+ Architecture & Interior Design, Dennis Astorino | PGH | Private | Haupt Group LLC | | Prof. Serv. | - |

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

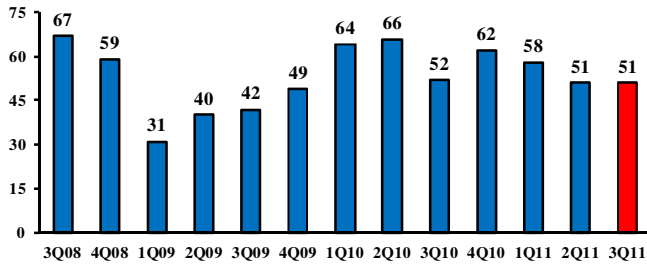
M&A Transaction Requirements:

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

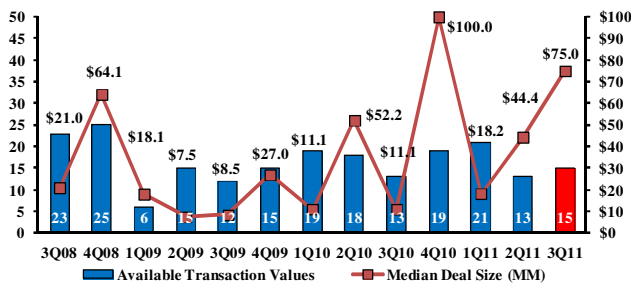
REGIONAL 3Q 2011 M&A TRANSACTION STATISTICS

Quarterly Regional M&A Deal Volume



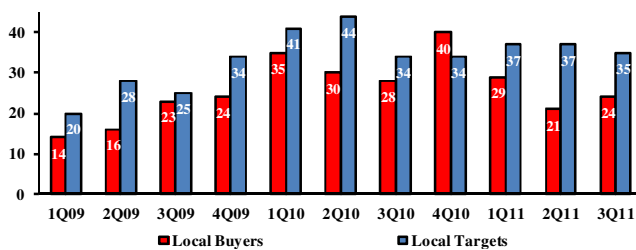
- Quarterly regional M&A volume remained unchanged from the previous quarter with 51 deals in the third quarter of 2011 (3Q 2011), and year-over-year quarterly regional M&A volume was down slightly from 52 deals in the third quarter of 2010 (3Q 2010).
- Four of the past five quarters have had deal flow between 51 and 58 deals. Although the 51 deals in 3Q 2011 remain off recent quarterly highs from early 2010, it still is around the 53 deal average over the past 13 quarters.

Quarterly Regional M&A Median Deal Size



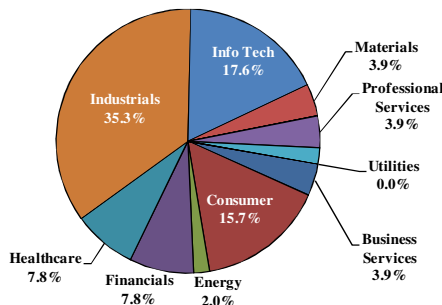
- Of the regional M&A transactions with available transaction values, quarterly median deal value nearly doubled from \$44.4MM in 2Q 2011 to \$75.0MM in 3Q 2011. This was the second highest quarterly median deal size in the past 13 quarters.
- 3Q 2011 had six regional transactions valued over \$100MM, and the largest was valued at \$390MM.

Regional M&A Buyers and Targets



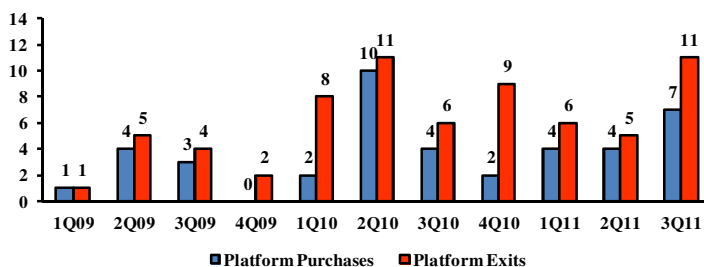
- Quarterly regional M&A transactions with local buyers increased 14.3% from 21 deals in 2Q 2011 to 24 deals in 3Q 2011, while quarterly transactions with local targets decreased slightly from 37 in 2Q 2011 to 35 in 3Q 2011. Also, year-over-year local buyers and targets remained at similar levels.
- The number of 3Q 2011 local buyers and targets were comparable to the average levels seen during the past 11 quarters.

3Q 2011 Regional M&A Target Business Sector



- In 3Q 2011, regional M&A targets were primarily concentrated in the Industrials (35.3%), Information Technology (17.6%) and Consumer (15.7%) Sectors.
- Staying with the theme from the previous two quarters, the largest deal of the quarter was an energy deal involving Spectra Energy Partners, LP's acquisition of Big Sandy Pipeline, LLC (subsidiary of Equitrans, LP) for \$390MM.

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



- Regionally, 3Q 2011 showed a relatively strong level of private equity activity for buying and selling platform companies.
- 3Q 2011 had 11 platform exits which matched the highest quarterly total over the last 11 quarters, while the 7 platform purchases exhibited were the second highest level seen in the past 11 quarters.

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.