



STRATEGIC ADVISORS

Middle Market Investment Bankers

Bringing Efficiency to Inefficient Markets

2012

Third Quarter (3Q 2012)

PITTSBURGH REGIONAL M&A REPORT

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

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PITTSBURGH REGIONAL 3Q 2012 M&A TRANSACTIONS

| <u>Closed</u> | <u>Buyer / Investor (Ultimate Parent (Strategic) / Owner (PEG))</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> |
|---------------|---|--------------------|-------------------|---|---------------------|----------------------|---------------------------|
| 07/02/2012 | Plaskolite, Inc. | | PRI | Vivak Polyester Sheet Business (Bayer MaterialScience, LLC) | PGH | Materials | - |
| 07/02/2012 | Universal Rubber & Polymer, Ltd. (The Cypress Companies, Inc.) | | PRI | Dybrook Products, Inc. | YTN | Industrials | - |
| 07/02/2012 | Safeguard Acquisitions, Inc. | | PRI | Consolidated Graphic Communications (Interform Solutions LLC) | PGH | Industrials | 3.5 |
| 07/03/2012 | eResearchTechnology, Inc. (Genstar Capital, LLC) | | PRI | invivodata, inc. (Multiple Non-Local Venture Capital Firms) | PGH | Healthcare | 65.0 |
| 07/05/2012 | WESCO International Inc. (NYSE: WCC) | PGH | PUB | Trydor Industries (Canada) Ltd. (StoneBridge Merchant Capital Corp.) | | Industrials | - |
| 07/08/2012 | Highmark Inc. | PGH | PRI | Blue Cross Blue Shield Delaware (CareFirst, Inc.) | | Healthcare | - |
| 07/09/2012 | Kent State University | AK | PRI | Ohio College Of Podiatric Medicine | AK | Healthcare | - |
| 07/09/2012 | Myers Industries Inc. (NYSE: MYE) | AK | PUB | Plásticos Novel do Nordeste SA | | Industrials | 27.5 |
| 07/09/2012 | Wheaton Industries, Inc. (Incline Equity Partners) | PGH | PRI | CELLine (Wilson Wolf Manufacturing Corporation) | | Healthcare | - |
| 07/10/2012 | WESCO Distribution, Inc. (WESCO International Inc. (NYSE: WCC)) | PGH | PUB | Conney Safety Products, LLC (CI Capital Partners LLC) | | Industrials | - |
| 07/10/2012 | ServiceLink, L.P. (Fidelity National Financial, Inc. (NYSE: FNF)) | PGH | PUB | DRI Management Systems, Inc. | | Info Tech | - |
| 07/11/2012 | Arthur J Gallagher & Co. (NYSE: AJG) | | PUB | Triad USA, Inc. | PGH | Financials | - |
| 07/11/2012 | Wazee Wind Company (Gemini Investors, Socius Capital) | | PRI | Wind Division (COT-PURITECH Inc.) | CAN | Energy | - |
| 07/11/2012 | AVI Foodsystems, Inc. | YTN | PRI | Serex Vending Services, Inc. | YTN | Consumer | - |
| 07/12/2012 | Fairfax Identity Laboratories (Metalmark Capital LLC) | | PRI | Mitotyping Technologies LLC | ALT | Bus Services | - |
| 07/13/2012 | Preferred Compounding Corporation (Wingate Partners) | AK | PRI | IACP Jevsamex De S.R.L. De C.V. (IACP JEVSA, S.A.) | | Materials | - |
| 07/13/2012 | Premier Exhibition Management LLC (Premier Exhibitions Inc. (NASDAQ: PRXI)) | | PUB | Exhibit Merchandising, LLC (Tix Corporation (OTC: TIXC)) | AK | Consumer | 0.1 |
| 07/13/2012 | Wabtec Corporation (Westinghouse Air Brake Technologies Corporation (NYSE: WAB)) | PGH | PUB | Tec Tran Corporation | | Industrials | 8.3 |
| 07/16/2012 | MedExpress Urgent Care, PLLC (General Atlantic LLC, Sequoia Capital) | CLK | PRI | Prompt Care Medical Clinic | | Healthcare | - |
| 07/17/2012 | Professional Diversity Network LLC | | PRI | Careerimp, Inc. (Ben Franklin Technology Development Authority) | PGH | Info Tech | - |
| 07/25/2012 | Atlas Resource Partners, L.P. (NYSE: ARP) (Atlas Energy, L.P (NYSE: ATLS)) | PGH | PUB | Titan Operating LLC (Riverstone Holdings LLC) | | Energy | 278.6 |
| 07/26/2012 | Lexington Precision Corporation (OTC: LEXP.Q) | CAN | PUB | Quality Synthetic Rubber, Inc. (Blue Point Capital Partners) | | Materials | - |
| 07/26/2012 | JAKKS Pacific, Inc. (NASDAQ: JAKK) | | PUB | Maui Toys, Inc. | YTN | Consumer | 65.0 |
| 07/30/2012 | International Association of IT Asset Managers, Inc. | AK | PRI | JDMR Solutions LLC | | Info Tech | - |
| 07/31/2012 | Planned Parenthood of Greater Ohio | AK | PRI | Planned Parenthood Affiliates of Ohio | | Healthcare | - |
| 07/31/2012 | Planned Parenthood of Greater Ohio | AK | PRI | Planned Parenthood of Central Ohio, Inc. | | Healthcare | - |
| 07/31/2012 | PartsSource, Inc. (Polaris Ventures Partners, Inc., Primus) | AK | PRI | Topline Medical, Inc. (DMS Health Technologies, Inc.) | | Healthcare | - |
| 08/01/2012 | GE- Transportation (General Electric Company (NYSE: GE)) | ERIE | PUB | Fairchild International Inc. | | Industrials | - |
| 08/01/2012 | Marlin Equity Partners, LLC | | FIN | ATC Drivetrain, Inc. (GENCO ATC) | PGH | Industrials | - |
| 08/02/2012 | Prolamina Corporation (Wellspring Capital Management LLC) | | PRI | Certain Assets of Poly-Extrusion Coating and Laminating Business (International Converter, Inc.) | ZAN | Industrials | - |
| 08/02/2012 | Avnet Technology Solutions, Inc. (Avnet, Inc. (NYSE: AVT)) | | PUB | Pepperweed Consulting, LLC | PGH | Prof Services | - |
| 08/03/2012 | Evitts Resort, LLC (Lakes Entertainment Inc. (NASDAQ: LACO)) | | PUB | Rocky Gap Lodge Inc. (Maryland Economic Development Corp) | CBD | Consumer | 6.8 |
| 08/03/2012 | Boltech Mannings, Inc. (Grey Mountain Partners) | PGH | PRI | Bone Frontier Company Inc. | | Industrials | - |
| 08/03/2012 | Ezrani 2 Corp. | | PRI | 77kids Business (American Eagle Outfitters, Inc. (NYSE: AEO)) | PGH | Consumer | - |
| 08/05/2012 | Acusis, LLC | PGH | PRI | Medical Transcription Assets (SPi Technologies, Inc.) | | Healthcare | - |
| 08/06/2012 | Elwood Group, Inc. | NC | PRI | Leistriz Advanced Turbine Components, Inc. (Leistriz AG) | | Industrials | - |
| 08/06/2012 | Wabtec Corporation (Westinghouse Air Brake Technologies Corporation (NYSE: WAB)) | PGH | PUB | Winco Equipamentos Ferroviarios Ltda. | | Industrials | - |
| 08/10/2012 | RG Industries, Inc. | | PRI | Allegheny Fluid Power, Inc. | PGH | Industrials | - |
| 08/13/2012 | S&TBancorp Inc. (NASDAQ: STBA) | JTN | PUB | Gateway Bank of Pennsylvania | PGH | Financials | 21.3 |
| 08/14/2012 | Ravago Holdings America, Inc. (Ravago Holding S.A.) | | PRI | Goldsmith & Eggleton Inc. | AK | Materials | - |
| 08/17/2012 | Business Records Management LLC (Goldman Sachs Group, Merchant Banking Division) | PGH | PRI | The Paper Exchange, Inc. | PGH | Bus Services | - |
| 08/22/2012 | Gasser Chair Company, Inc. | YTN | PRI | The Taylor Companies | | Industrials | - |
| 08/24/2012 | Wire Mesh Corp. | | PRI | Nucor Wire Products of Pennsylvania, Inc. (Nucor Corporation (NYSE: NUE)) | PGH | Industrials | - |
| 08/27/2012 | Pinnacle Treatment Centers, Inc. (Celerity Partners, Gemini Investors) | PGH | PRI | Recovery Works Drug And Alcohol Rehabilitation Center LLC | | Healthcare | - |
| 08/28/2012 | Enduring Hydro, LLC | | PRI | Mahoning Creek Hydropower Project (Advanced Hydro Solutions, LLC) | AK | Utilities | 16.0 |
| 08/28/2012 | LD Images LLC | AK | PRI | Advent LLC | | Industrials | - |
| 08/29/2012 | New Werner Holding Co., Inc. | NC | PRI | Knaack L.L.C. (Emerson Electric Co. (NYSE: EMR)) | | Industrials | 115.0 |
| 08/31/2012 | Investor | | PRI | Olde Stonewall Golf Club and Shakespeare's Restaurant & Pub | NC | Consumer | 15.0 |
| 09/04/2012 | Net Health Systems, Inc. (Spectrum Equity Investors) | PGH | PRI | Wound Care Strategies, Inc. | | Healthcare | - |
| 09/04/2012 | Swagelok Company | | PRI | Innovative Pressure Technologies, LLC (Axia Capital) | ERIE | Industrials | - |
| 09/04/2012 | Cianbro Fabrication And Coating Corporation (The Cianbro Companies) | | PRI | L.B. Foster Company Precise Structural Products (LB Foster Co. (NASDAQ: FSTR)) | PGH | Industrials | - |
| 09/05/2012 | RPM International Inc. (NYSE: RPM) | AK | PUB | Kirker Enterprises, Inc. | | Consumer | - |
| 09/05/2012 | Procomp Industria Electronica LTDA (Diebold, Incorporated (NYSE: DBD)) | AK | PUB | GAS Tecnologia, Ltda. | | Info Tech | - |
| 09/10/2012 | Heckmann Corporation (NYSE: HEK) | PGH | PUB | Appalachian Water Services, LLC | PGH | Utilities | - |
| 09/10/2012 | Revolution, Inc. (Incline Equity Partners) | PGH | PRI | Dancing & Co Limited | | Consumer | - |
| 09/12/2012 | dck worldwide, LLC | PGH | PRI | Jeffrey C. Stone, Inc. | | Industrials | - |
| 09/12/2012 | Stella Environmental Services (Aperion Management, LLC) | | PRI | Dallas/Fort Worth Waste Transfer Station (Kephart Trucking Company) | ALT | Industrials | - |
| 09/14/2012 | Peoples Bancorp Inc. (NASDAQ: PEBO) | | PUB | Sistersville Bancorp Inc. | CLK | Financials | 10.0 |
| 09/14/2012 | ESCO Corporation | | PRI | Advanced Cutting Systems Corp. | JTN | Industrials | - |
| 09/17/2012 | The Davey Tree Expert Company | AK | PRI | LandKeepers, LLC | | Industrials | - |
| 09/18/2012 | University of Pittsburgh Medical Center | PGH | PRI | Infectious Disease Associates of Western Pennsylvania, Inc. | PGH | Healthcare | - |
| 09/18/2012 | Daniels Family Cutlery Corporation | | PRI | Queen Cutlery Company (Servotronics Inc. (AMEX: SVT)) | OC | Consumer | 0.5 |
| 09/24/2012 | Brain Host LLC. | AK | PRI | My Creative Site Designs, LLC | | Info Tech | - |
| 09/24/2012 | Rust-Oleum Corporation (RPM International Inc. (NYSE: RPM)) | PGH | PUB | Synta Inc. | | Industrials | - |
| 09/25/2012 | Timbren Industries Inc. | | PRI | Suspension Technology, Inc. | CAN | Industrials | - |
| 09/26/2012 | Wizzard Software Corporation (AMEX: WZE) | PGH | PUB | Digital Entertainment International Ltd. | | Media & Pub | 53.4 |
| 09/27/2012 | Creative Edge Nutrition, Inc. (OTC: FITX) | | PUB | Sci-Fit and Nature's Science Brands (ATF Fitness Products, Inc.) | PGH | Consumer | - |

Regional M&A 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 DuBois (DB).

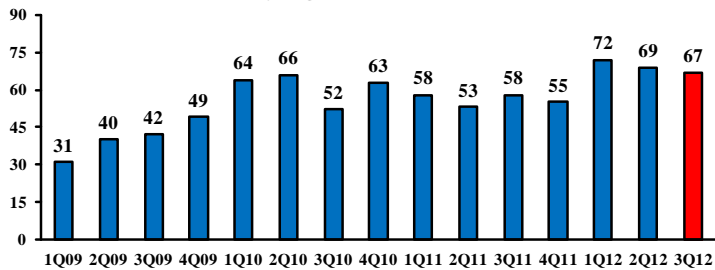
M&A Transaction Requirements:

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.

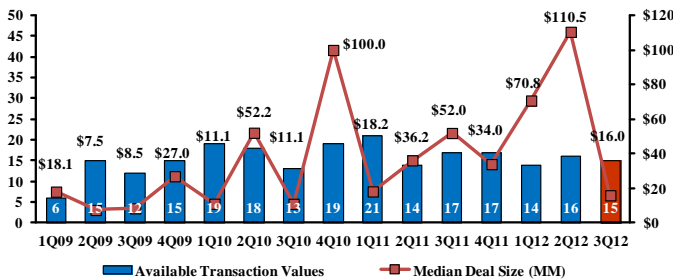
REGIONAL 3Q 2012 M&A TRANSACTION STATISTICS

Quarterly Regional M&A Deal Volume



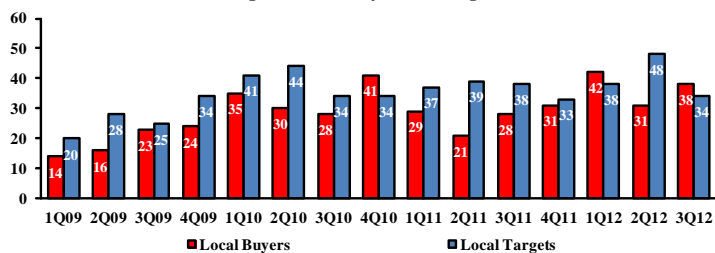
- Quarterly regional M&A volume decreased slightly from 69 deals in the second quarter of 2012 (2Q 2012) to 67 deals in 3Q 2012. However, quarterly deal volume increased 15.5% year-over-year from 58 deals in 3Q 2011 to 67 deals in 3Q 2012.
- Although there has been a declining quarterly trend in 2012, rolling four quarters ending 3Q 2012 had 263 deals completed. This was the highest rolling four quarters total since data collection began in 1Q 2009.

Quarterly Regional M&A Median Deal Size



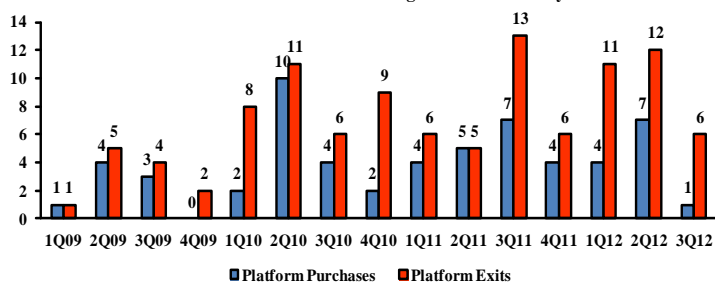
- Of the regional M&A transactions with available transaction values, quarterly median deal value decreased significantly from \$110.5MM in 2Q 2012 to \$16.0MM in 3Q 2012. The decrease primarily reflects eight deals having transaction values ≤ \$10MM and only two having values > \$100MM.
- The largest transaction with available data in 3Q 2012 was an energy deal that had Atlas Resource Partners, L.P. acquiring Titan Operating LLC for \$279MM.

Regional M&A Buyers and Targets



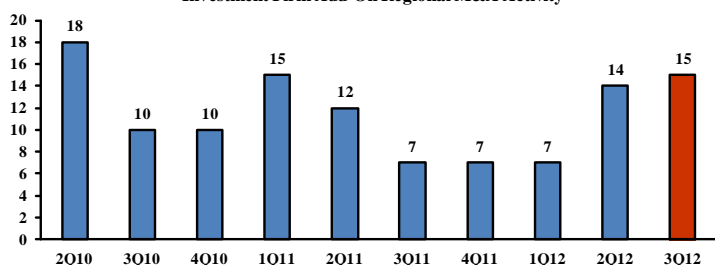
- Quarterly regional M&A transactions with local buyers increased 22.6% from 31 deals in 2Q 2012 to 38 deals in 3Q 2012. Of the 67 buyers in 3Q 2012 regional transactions, 66% were private companies. This was the second highest percentage since data collection began in 1Q 2009.
- Quarterly regional M&A transactions with local targets decreased 29.2% from 48 deals in 2Q 2012 to 34 deals in 3Q 2012. The 3Q 2012 number of regional targets remained close to average levels over the past twelve quarters.

Investment Firm Platform Regional M&A Activity*



- Regionally, 3Q 2012 showed a relatively low level of investment firms purchasing and exiting platform investments (1 purchase and 6 exits). The prior four quarters of platform activity averaged 16 transactions compared to only 7 in 3Q 2012.
- In 3Q 2012, all platform activity was completed by non-local investment firms.

Investment Firm Add-On Regional M&A Activity*



- Add-on activity remained at relatively strong levels in 3Q 2012 with 15 investment firms completing add-on acquisitions in regional transactions.
- Two of the add-on acquisitions were completed by local private equity group Incline Equity Partners.

Investment Firms are classified as either Private Equity Groups or Venture Capital Firms

*Platform Acquisition - The initial acquisition made by an investment firm in a specific industry or investment type. It will serve as a base for add-on acquisitions.

*Add-On Acquisition - Companies acquired as part of a consolidation investment strategy added-on to a platform investment.

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.

Author: Matt Steve, Senior Associate

Transaction data taken from S&P Capital IQ

Please be advised that the accuracy and completeness of this information are not guaranteed. The opinions expressed are those of the author(s) and are not necessarily those of Strategic Advisors.

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