



STRATEGIC ADVISORS

Middle Market Investment Bankers

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2012

*Fourth Quarter &
Year in Review*

PITTSBURGH REGIONAL M&A REPORT

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

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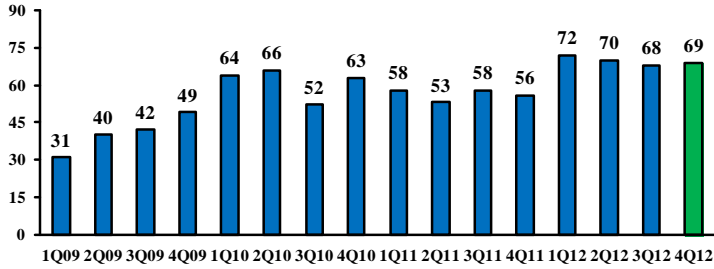
PITTSBURGH REGIONAL 4Q 2012 M&A TRANSACTIONS

Closed	Buyer / Investor (Ultimate Parent (Strategic) / Owner (PEG))	Buyer		Target (Seller)	Target		Trans Value (\$MM)
		Local	Type		Local	Sector	
10/01/2012	Westinghouse Air Brake Technologies Corporation (NYSE: WAB)	PGH	PUB	LH Group Limited		Industrials	48.0
10/01/2012	7-Eleven, Inc. (Seven & I Holdings Co., Ltd. (TSE: 3382))		PUB	Handee Marts, Inc. (Turner Dairy Farms, Inc.)	PGH	Consumer	-
10/02/2012	Pyramid Healthcare, Inc. (Clearview Capital, LLC)	ALT	PRI	American Day CD Centers, LLC		Healthcare	-
10/02/2012	Myers Industries Inc. (NYSE: MYE)	AK	PUB	Jamco Products, Inc.		Industrials	-
10/02/2012	Conflux, Inc.		PRI	evosolutions LLC	AK	Info Tech	-
10/04/2012	Tornier, Inc. (Tornier N.V. (NASDAQ: TRNX))		PUB	OrthoHelix Surgical Designs, Inc. (River Cities Capital Funds; Mutual Capital Partners LLC)	AK	Healthcare	157.3
10/04/2012	StoneRiver RegEd, Inc. (Fiserv, Inc. (NASDAQ: FISV))		PUB	BMRW & Associates, Inc.	CAN	Info Tech	-
10/05/2012	The Armed Response Team (New Mexico Community Capital, LLC)		PRI	Select Security, Inc.	OC	Industrials	-
10/09/2012	Skana Aluminum Inc.		PRI	Scott Aluminum Corporation	CLK	Materials	-
10/11/2012	Esmark Steel Group, LLC (Esmark, Inc.)		PRI	RG Steel Wheeling, LLC (RG Steel, LLC)	WLG	Materials	5.2
10/12/2012	Millwood, Inc.	YTN	PRI	Lannes Williamson Pallets, Inc		Materials	-
10/16/2012	Steris Corp. (NYSE: STE)		PUB	Spectrum Surgical Instruments Corp.	AK	Healthcare	75.5
10/17/2012	Howard Hanna Real Estate Services, Inc. (Hanna Holdings, Inc.)	PGH	PRI	Edward Surovell Realtors		Financials	-
10/22/2012	Diebold, Incorporated (NYSE: DBD)	CAN	PUB	Altus Bilisim Hizmetleri A.S.		Bus Serv	-
10/23/2012	Ametek Inc. (NYSE: AME)		PUB	Micro-Poise Measurement Systems, LLC (American Industrial Partners; Partners Group Holding AG (SWX: PGHN))	AK	Industrials	170.0
10/26/2012	Union Bank, N.A. (Mitsubishi UFJ Financial Group, Inc. (TSE: 8306))		PUB	Smartstreet (PNC Financial Services Group Inc. (NYSE PNC))	PGH	Financials	-
10/26/2012	Heartland and Daniel Caste		PRI	J&J Holdings HCC, L.P.	PGH	Consumer	-
10/31/2012	Wind Point Partners; Teachers' Private Capital; Mistral Equity Partners LLC		FIN	Shearer's Foods, Inc. (Prospect Capital Corporation; Mistral Equity Partners LLC)	CAN	Consumer	500.0
11/01/2012	Beacon Roofing Supply Inc. (NASDAQ: BECN)		PUB	McClure-Johnston Company	PGH	Consumer	-
11/01/2012	II-VI Incorporated (NASDAQ: IIVI)	NC	PUB	M Cubed Technologies, Inc. (The Argentum Group; First Analysis Corporation; Emigrant Capital Corp.)		Materials	77.1
11/01/2012	U.S. Healthworks, Inc. (Dignity Health)		PRI	Priority Care Inc.	ERIE	Healthcare	-
11/01/2012	St. Clair Health Corporation	PGH	PRI	South Hills Cardiology Associates	PGH	Healthcare	-
11/01/2012	MedCare Equipment Company, LLC	GBG	PRI	Great Lakes Home Healthcare Services (Hamot Health Foundation Inc.)	ERIE	Healthcare	-
11/02/2012	Avnet Technology Solutions, Inc. (Avnet, Inc. (NYSE: AVT))		PUB	Genilogix LLC	PGH	Info Tech	-
11/05/2012	Curtiss-Wright Flow Control Corporation (Curtiss-Wright Corp. (NYSE: CW))		PUB	A.P. Services, Inc. (Argosy Capital)	NC	Industrials	30.0
11/08/2012	StoneRiver RegEd, Inc. Fiserv, Inc. (NASDAQ: FISV)		PUB	Compliance Assurance Corporation (Robin Hood Ventures; Innovation Works ; Mid Atlantic Angel Fund; Delaware Crossing Investor Group)	PGH	Info Tech	-
11/08/2012	Dynamic Healthcare Services, Inc. (Lakewood Capital, LLC; GMH Ventures)		PRI	Hometown Oxygen Pittsburgh, L.L.C.	PGH	Healthcare	-
11/09/2012	The Washington Post Company (NYSE: WPO)		PUB	Celtic Healthcare, Inc.	NC	Healthcare	-
11/12/2012	Duvinage LLC (Key Bridge Partners, LLC)		PRI	Worthington Metal Fabricators, LLC (Worthington Integrated Building Systems, LLC)	AK	Materials	-
11/13/2012	Tyler Broadcasting Corporation		PRI	Four Station Cluster in Oklahoma City Market (Renda Broadcasting Corporation)	PGH	Media & Publish	40.0
11/15/2012	Common Plea Catering, Inc.	PGH	PRI	La Creme Inc.	PGH	Consumer	-
11/16/2012	Woodcraft Supply, LLC (Fortune Brands Home & Security, Inc. (NYSE: FBHS))	CLK	PUB	Japan Woodworker		Consumer	-
11/19/2012	Horsehead Corp. (Horsehead Holding Corp. (NASDAQ: ZINC))	PGH	PUB	Mitsui Zinc Powders LLC	PGH	Materials	-
11/26/2012	Mathews International Corporation (NASDAQ: MATW)	PGH	PUB	Wetzel Holding AG		Industrials	58.4
11/28/2012	Financial Transaction Services, LLC (FTV Capital)		PRI	Dependable Payment Processing, Inc. and Discount Payment Processing, Inc.	NC	Bus Serv	-
11/28/2012	Minafin S.A. (Cathay Capital Private Equity; Matignon Investissement & Gestion)		PRI	Pressure Chemical Company	PGH	Materials	-
11/30/2012	Westfield Bank, FSB	AK	PRI	Western Reserve Bancorp Inc.	AK	Financials	18.2
11/30/2012	WesBanco Inc. (NASDAQ: WSBC)	WLG	PUB	Fidelity Bancorp Inc.	PGH	Financials	72.6
11/30/2012	Heckmann Corporation (NYSE: HEK)	PGH	PUB	Badlands Energy, LLC		Industrials	530.6
11/30/2012	W.N. Tuscano Agency, Inc.	GBG	PRI	Special Risk Solutions, Inc. (Utica Mutual Insurance Company, Inc.)		Financials	-
11/30/2012	Saint-Gobain Performance Plastics Corporation (Compagnie de Saint-Gobain (ENXTPA: SGO))	AK	PUB	Twin Bay Medical, Inc.		Healthcare	-
12/03/2012	PetroChoice (Greenbriar Equity Group LLC)	ALT	PRI	Craft Oil Corp.		Consumer	-
12/03/2012	University of Pittsburgh Medical Center	PGH	PRI	Metropolitan ENT Associates Inc.	PGH	Healthcare	-
12/03/2012	Paychex, Inc. (NASDAQ: PAYX)		PUB	Expenseware, LLC (Rearden Commerce, Inc.)	CAN	Info Tech	-
12/03/2012	Watson Standard Adhesives Company	PGH	PRI	Certain assets of Delta Coatings Corporation		Materials	-
12/06/2012	West Virginia Radio Corporation	CLK	PRI	WJLS AM-FM Beckley (First Media Radio LLC)	ALT	Media & Publish	4.5
12/06/2012	Pinnacle Treatment Centers, Inc. (Celerity Partners)	PGH	PRI	NKY Med, LLC		Healthcare	-
12/10/2012	Neofill LLC	CAN	PRI	Pete's Deals		Bus Serv	-
12/14/2012	Northern States Metals Company	YTN	PRI	Most of Solar Assets (OPEL Technologies Inc. (TSXV: OPL))		Info Tech	1.0
12/14/2012	Zillow, Inc. (NASDAQ: Z)		PUB	HotPads, Inc. (Investment Group of Santa Barbara; Meakem Becker Venture Capital, LLC)	PGH	Info Tech	16.0
12/14/2012	WDCC Enterprises, Inc. (WESCO International Inc. (NYSE: WCC))	PGH	PUB	EECOL Electric Corp.		Industrials	1,162.4
12/14/2012	Stantec Inc. (TSX: STN)		PUB	Landmark Survey & Mapping, Inc.	PGH	Energy	-
12/17/2012	Zayo Group, LLC (Zayo Group Holdings, Inc.)		PRI	First Telecom Services, LLC (First Communications, Inc.)	AK	Telecom	110.0
12/17/2012	Heartland Campus Solutions (Heartland Payment Systems, Inc. (NYSE: HPY))		PUB	Educational Computer Systems, Inc.	PGH	Bus Serv	-
12/17/2012	Mathews International Corporation (NASDAQ: MATW)	PGH	PUB	Pyramid Control Systems, Inc.		Info Tech	24.5
12/18/2012	PPG Industries Inc. (NYSE: PPG)	PGH	PUB	Spraylat Corporation		Materials	-
12/19/2012	PNC RiverArch Capital (PNC Financial Services Group Inc. (NYSE: PNC))	PGH	FIN	Precision Aviation Group, Inc. (Florida Capital Partners, Inc.)		Industrials	-
12/20/2012	RoadSafe Traffic Systems, Inc. (RoadSafe Holdings Inc.)		PRI	LyndCo, Inc.	SBV	Industrials	-
12/21/2012	EPT Ski Properties, Inc.		PRI	Recreational Industries, Inc., d/b/a Wisp Resort (DC Development LLC)	CBD	Consumer	23.5
12/21/2012	MVB Bank, Inc. (MVB Financial Corp. (OTC: MVBFI))	CLK	PUB	Potomac Mortgage Group, LLC		Financials	19.0
12/21/2012	Samuel, Son & Co., Limited		PRI	Frontier Steel Company, Inc.	PGH	Materials	-
12/21/2012	Wheaton Industries, Inc. (Incline Equity Partners)	PGH	PRI	MicroLiter Analytical Supplies, Inc.		Healthcare	-
12/21/2012	Exotic Electro-Optics, Inc. (II-VI Inc. (NASDAQ: IIVI))	PGH	PUB	Lightworks Optics, Inc.		Industrials	35.0
12/27/2012	Weaver Express (JWI Capital, LLC)		PRI	M&J Erosion, Inc.	PGH	Industrials	-
12/27/2012	Crestview Partners, L.P.		FIN	NEP Broadcasting, LLC (American Securities)	PGH	Consumer	-
12/28/2012	Irving Place Capital		FIN	Chromalox, Inc. (Sentinel Capital Partners, L.L.C.)	PGH	Industrials	-
12/31/2012	Elk Lake Capital, LLC		FIN	Environmental Services Laboratories, Inc.	JTN	Industrials	-
12/31/2012	Elk Lake Capital, LLC		FIN	Environmental Land Surveying and Solutions, Inc.	JTN	Industrials	-
12/31/2012	NVR Inc. (NYSE: NVR)		PUB	Heartland Homes, Inc.	PGH	Consumer	-

M&A Detail Notes on Page 5

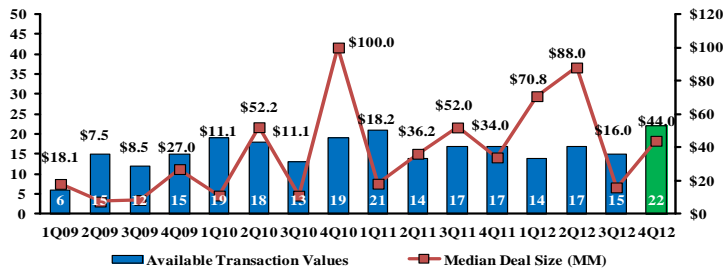
REGIONAL 4Q 2012 M&A TRANSACTION STATISTICS

Quarterly Regional M&A Deal Volume



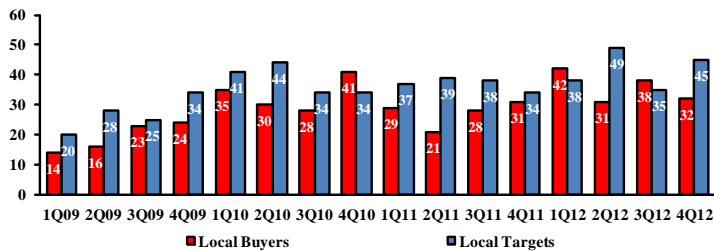
- Quarterly regional M&A volume increased 1.5% from 68 deals in the third quarter of 2012 (3Q 2012) to 69 deals in the fourth quarter of 2012 (4Q 2012). 2012 averaged 70 deals per quarter which was much higher than the 56 deals per quarter averaged in 2011.
- Strategic Advisors represented M&J Erosion, Inc. in its sale to Weaver Express in 4Q 2012. M&J is a Waynesburg, PA-based Erosion & Sediment control service provider for Marcellus Shale oil & gas exploration and production (O&G) companies.

Quarterly Regional M&A Median Deal Size



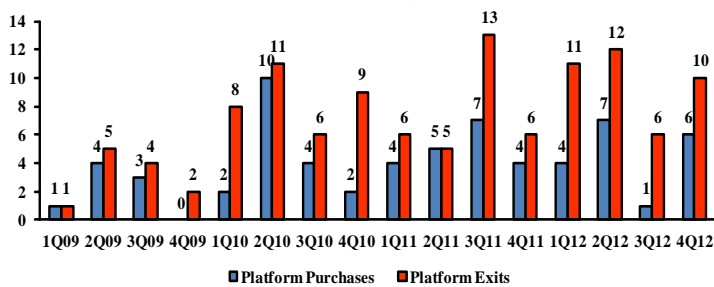
- Of the regional M&A transactions with available transaction values, quarterly median deal value increased significantly from \$16.0MM in 3Q 2012 to \$44.0MM in 4Q 2012.
- 4Q 2011 had six regional transactions valued over \$100MM, with the largest valued at \$1.2 billion.

Regional M&A Buyers and Targets



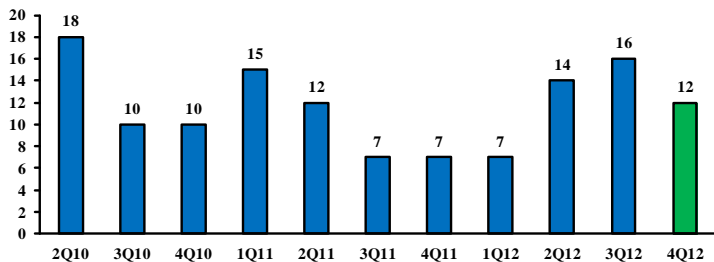
- In 4Q 2012, the number of local buyers in regional M&A deals was around the average quarterly level seen since 1Q 2009 (29). Quarterly regional M&A transactions with local buyers decreased 15.8% from 38 in 3Q 2012 to 32 in 4Q 2012.
- Quarterly transactions with local targets increased 28.6% from 35 in 3Q 2012 to 45 in 4Q 2012. The 45 local targets in 4Q 2012 was the second highest quarterly total since data collection began in 1Q 2009.

Investment Firm Platform Regional M&A Activity*



- Regionally, 4Q 2012 showed a bounce back from 3Q 2012 in investment firms purchasing and exiting platform investments.
- With the help of Strategic Advisors, investment firm Elk Lake Capital purchased two local companies headquartered in Indiana, PA that focus on environmental testing and land surveying services for large O&G companies operating in the Marcellus Shale region.

Investment Firm Add-On Regional M&A Activity*



- Add-on activity remained at relatively strong levels in 4Q 2012 with 12 investment firms completing add-on acquisitions in regional transactions.
- Pittsburgh-based Incline Equity Partners was the sole local investment firm making an add-on investment in 4Q 2012.

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.

2012 PITTSBURGH REGIONAL M&A YEAR IN REVIEW

2012 Ten Largest Regional M&A Transactions

Buyer / Investor (Ultimate Parent (Strategic) / Owner (PEG))	Target (Seller)	Transaction Value (\$MM)
03/02/2012 PNC Bank, National Association (PNC Financial Services Group Inc. (NYSE: PNC))	RBC Bank (USA), Inc. (RBC USA Holdco Corporation)	3,450.0
12/14/2012 WDC Enterprises, Inc. (WESCO International Inc. (NYSE: WCC))	EECOL Electric Corp.	1,162.4
02/29/2012 Carpenter Technology Corp. (NYSE: CRS)	Latrobe Specialty Metals, Inc. (The Watermill Group; Hicks Holdings LLC)	557.8
11/30/2012 Heckmann Corporation (NYSE: HEK)	Badlands Energy, LLC	530.6
05/29/2012 MarkWest Liberty Midstream & Resources, L.L.C. (MarkWest Energy Partners, L.P. (NYSE: MWE))	Keystone Midstream Services, LLC (R.E. Gas Development, LLC & 2 other non local sellers)	512.0
10/31/2012 Wind Point Partners; Teachers' Private Capital; Mistral Equity Partners LLC	Shearer's Foods, Inc. (Prospect Capital Corporation; Mistral Equity Partners LLC)	500.0
03/01/2012 Kennametal Inc. (NYSE: KMT)	Deloro Stellite Group Limited (Duke Street)	353.0
05/21/2012 Ametek Technical & Industrial Products, Inc. (Ametek Inc. (NYSE: AME))	Dunkermotoren GmbH (Triton)	331.0
04/02/2012 Pioneer Natural Resources Co. (NYSE: PXD)	Carmeuse Industrial Sands, Inc. (Carmeuse Lime & Stone, Inc.)	297.0
07/25/2012 Atlas Resource Partners, L.P. (NYSE: ARP) (Atlas Energy, L.P (NYSE: ATLS))	Titan Operating LLC (Riverstone Holdings LLC)	278.6

2012 M&A Transaction Summary Data

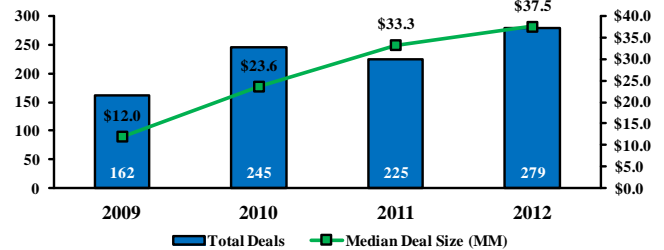
Regional M&A activity increased 24% from 225 deals in 2011 to 279 deals in 2012. The activity in 2012 was the highest level in the past four years and quarterly M&A levels remained strong throughout the year. Incline Equity Partners and WESCO International, Inc. were the two most active regional buyers in 2012, with both participating in five acquisitions. Investment firm platform acquisitions in 2012 remained at levels similar to those seen over the past three years. However, investment firm platform exits increased 30% from 30 in 2011 to 39 exits in 2012. This was most likely the result of anticipated and ultimately realized increases in tax rates on carried interest and capital gains in 2013. In 2012, regional M&A targets were primarily focused in the Industrial business sector (33%), with Consumer (15%), Healthcare (11%) and Information Technology (11%) following behind. A final note showed private companies being the majority of buyers in regional M&A transactions (58%) in 2012.

2012 Most Active Regional Public Buyers (Min of 3)*

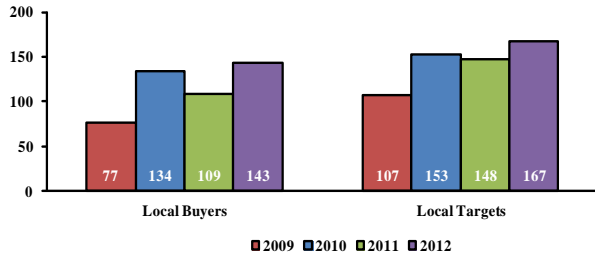
Buyer	Transactions
Incline Equity Partners	5
WESCO International, Inc. (NYSE: WCC)	5
GAI Consultants, Inc.	4
Westinghouse Air Brake Technologies Corporation (NYSE: WAB)	4
Heckmann Corporation (NYSE: HEK)	3
Matthews International Corporation (NASDAQ: MATW)	3
PPG Industries (NYSE: PPG)	3

*Ultimate parent shown but includes any acquisitions by subsidiaries or platforms

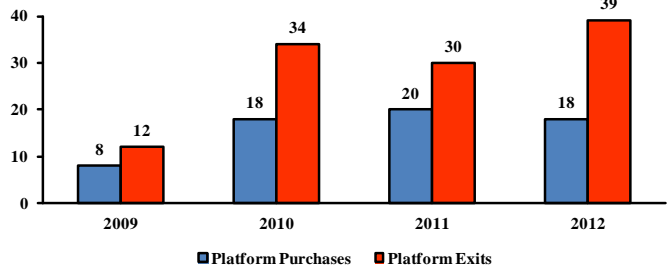
Annual Regional M&A Deal Volume and Median Value



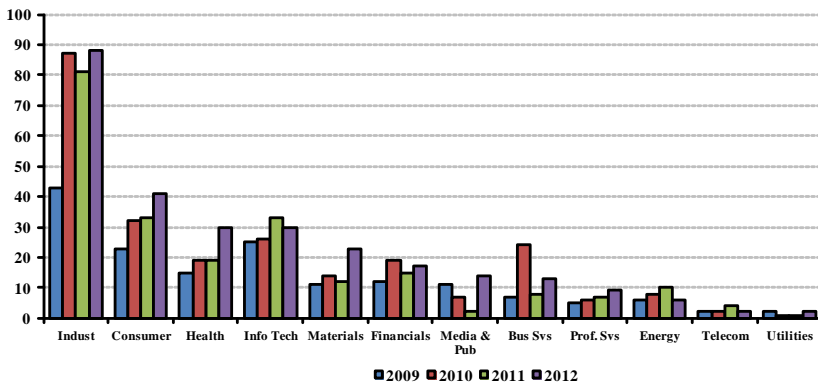
Annual Regional M&A Buyers and Targets



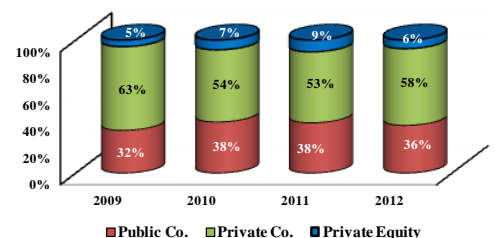
Investment Firm Platform Regional M&A Activity*



Regional M&A Target Business Sector



Regional M&A Buyer Composition



2012 COMPLETED ENGAGEMENTS



DELL FASTENER CORPORATION

has completed a recapitalization

The undersigned acted as financial advisor and placement agent to the shareholders of Dell Fastener Corporation



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September 2012

M&J Erosion, INC

was acquired by



a portfolio company of



The undersigned acted as financial advisor to the shareholders of M&J Erosion, Inc.



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December 2012



has acquired



and



The undersigned acted as financial advisor, placement agent and structured the transaction on behalf of Elk Lake Capital.



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December 2012

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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.

M&A Detail Notes

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)
Buyer Type: Public (PUB), Private (PRI) and Financial (FIN)
Source: Capital IQ and other local news publications

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

Author: Matt Steve, Senior Associate

Transaction data taken from S&P Capital IQ

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