

Midwest M&A Quarterly Update

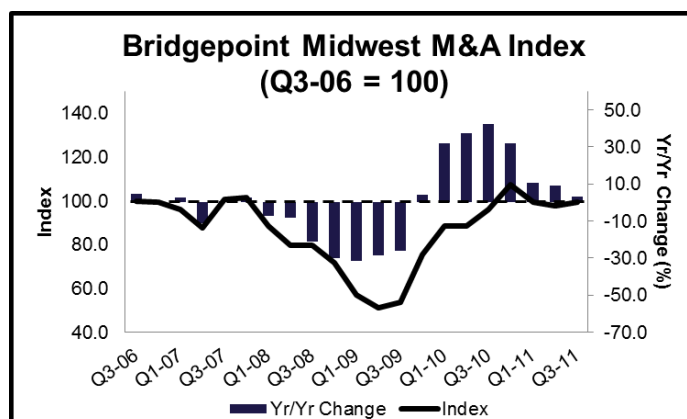
Third Quarter 2011

Midwest M&A Quarterly Update

Bridgepoint Midwest M&A Index

Bridgepoint Midwest M&A Index Edged Higher in Q3-11 on Small Deals

- Index Summary:** The Bridgepoint Midwest M&A Index, a measure of corporate merger and acquisition activity in the U.S. Midwest region, increased 1.6% in Q3-11 after falling 1.6% in Q2-11. On a year-over-year basis, the index increased 3.3% from Q3-10. The latest increase put the index at 99.2 (Q3-06 = 100), up from the Q2-11 level of 97.6
- Perspective:** Index reflects relatively resilient recent Midwest M&A deal volumes in the face of uncertain national GDP growth. Current index level of 99.2 reflects a normalized corporate deal environment in the Midwest, although volume has decelerated in recent quarters from the Q4-10 peak after recovering from the 2009 trough. Q3-11 year-over-year Bridgepoint Midwest M&A Index growth of 3.3% represented the lowest increase in eight quarters. Additionally, while the index (a measure of deal volume) increased, median Midwest M&A deal size declined to the lowest level in 9 quarters
- Key Drivers:** Corporates and sponsors have record amounts of cash and limited organic growth opportunities – increasingly looking to M&A and the Midwest in particular for deal targets (relative economic stability and less competition for assets). Infrequent access to attractive capital, particularly for smaller companies, is driving distressed asset sales, while limiting optionality for healthy but smaller companies
- Outlook:** September lull in market drove deal volume deceleration in Q3-11, but October deal activity levels and recent equity market sentiment suggest potential end of year rally



- What the Index Means for You:** Deal volumes have returned to normalized levels, but mostly smaller companies are being sold. Valuations appear to be healthy, yet palpable for both buyers and sellers – the valuation gap has closed. Current environment represents an attractive opportunity for Midwest companies and business owners to:
 - ✓ *Evaluate strategic options & your company value* – Midwest middle market companies are receiving M&A interest from both sponsors and other corporates
 - ✓ *Opportunistically explore acquiring complementary assets at potentially attractive prices* – infrequent access to capital for smaller companies provides unique buying opportunities for those companies with firepower
 - ✓ *Explore attractive financing opportunities to finance growth/acquisition* – substantial private equity and junior capital interest in Midwest and core industries provides additional optionality for healthy companies

Index Definition

Q3-06 = 100. As defined by the Bridgepoint Merchant Banking, the Bridgepoint Midwest M&A Index is assembled by summing the number of transactions (for transactions that meet the Transaction Requirements below, as sorted by announced date) announced over the latest two quarters. Year-over-year and quarter-over-quarter percent change is calculated and then applied to the index number for the previous applicable period.

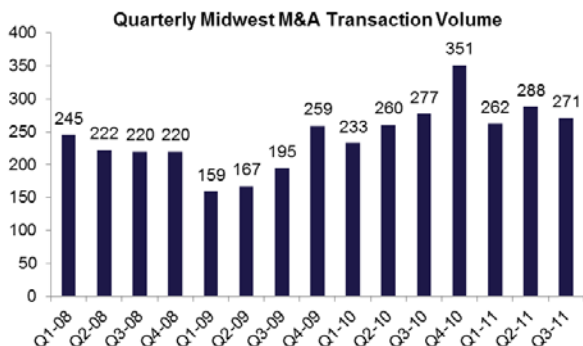
Transaction Requirements

Buyer, target and/or seller must be located in the Midwest, and the Midwest participant must have purchased or sold majority control. Total Enterprise Value must be \$10mm or greater. Midwest defined as Iowa, Kansas, Missouri, Nebraska, North Dakota, Oklahoma, and South Dakota.

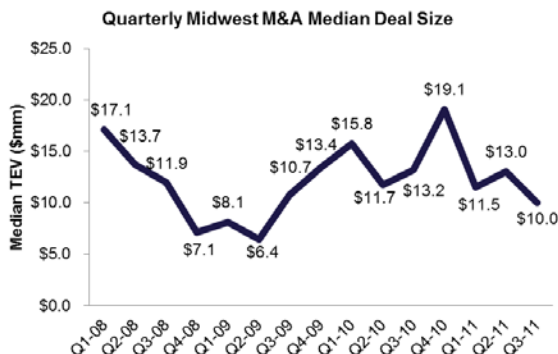
Source: Bridgepoint Merchant Banking, Capital IQ (09/30/11)

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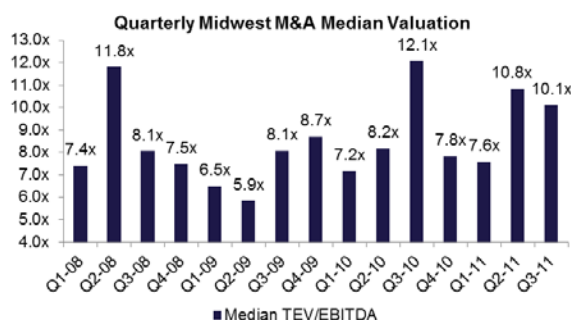
Selected Midwest Q3-11 M&A Transaction Statistics^(a)



- Quarterly Midwest M&A volume decreased 5.9% from 288 transactions in Q2-11 to 271 transactions in Q3-11, and year-over-year quarterly Midwest M&A volume decreased 2.2% from 277 deals in Q3-10 to 271 deals in Q3-11
- Recent deal flow, while still healthy, has shown signs of deceleration from the latest deal volume peak in Q4-10 amid recent macro uncertainty and infrequent access to attractive capital, especially for smaller companies

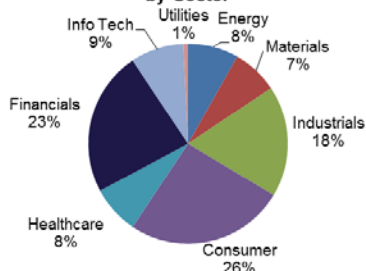


- Of the Midwest M&A transactions with available transaction values, quarterly median deal size decreased from \$13.0mm in Q2-11 to just \$10.0mm in Q3-11. Q3-11 represented the lowest quarterly median deal value in the past 9 quarters
- Smaller and often distressed assets continue to be brought to market, while larger and healthier middle market companies with access to capital increasingly are choosing to wait out recent uncertainty



- Median Midwest M&A valuations (on a TEV/EBITDA basis) declined from 10.8x in Q2-11 to 10.1x in Q3-11. Healthy multiples indicative of substantial corporate and sponsor dry powder, but also of decreased recent earnings/cash flow of distressed/non-core corporate assets being sold
- Median Midwest M&A valuations (on a TEV/sales basis) declined substantially from 2.36x in Q2-11 to just 1.05x in Q3-11

Q3-11 Midwest M&A Transaction Volume by Sector

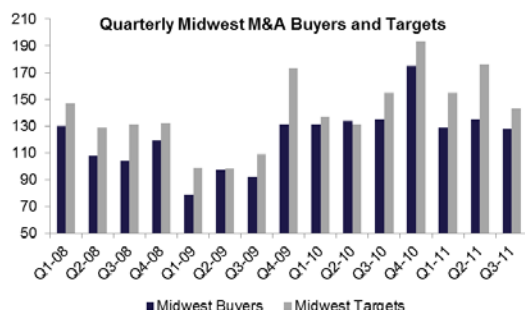


- Core industries (including Industrials, Materials and Consumer) accounted for more than half (51%) of total Midwest M&A transaction volume in Q3-11
- Industrials and Consumer sector deal shares increased 3% and 6%, respectively, from Q2-11 levels. Energy sector deal share decreased 5% in Q3-11, from 13% share in Q2-11



Midwest M&A Quarterly Update

Selected Midwest Q3-11 M&A Transaction Statistics (Continued)^(a)



- Quarterly M&A transactions with Midwest buyers decreased 5.2% from 135 deals in Q2-11 to 128 deals in Q3-11, while quarterly transactions with Midwest targets decreased 18.8% from 176 deals in Q2-11 to 143 deals in Q3-11
- Midwest targets continue to account for more private equity deal flow than any other U.S. region, accounting for 19% of U.S. PE deal flow (by count) in Q3-11 (according to Pitchbook.com)

Selected Midwest Q3-11 M&A Transactions ^(a)

Announced	Target	Target		Buyer	Buyer		TEV (\$mm)
		Local	Buyer		Local	Target Sector	
09/28/2011	Beelogsics, LLC			Monsanto Co. (NYSE:MON)	MO	Healthcare	-
09/21/2011	Jewell Implement Co., Inc.			Titan Machinery, Inc. (NasdaqGS:TITN)	ND	Industrials	-
09/21/2011	Class.com, Inc.	NE		Cambium Learning Group, Inc. (NasdaqGS:ABCD)		Consumer	4.5
09/07/2011	Bustin Industrial Products, Inc.			R-O-M Corporation	MO	Industrials	-
09/02/2011	Zave Networks, Inc.	KS		Google Inc. (NasdaqGS:GOOG)		Info Tech	-
09/01/2011	SBS Industries, Inc.	OK		Gladstone Investment Corporation (NasdaqGS:GAIN)		Industrials	-
09/01/2011	Paris Packaging, Inc.			Huhtamaki Americas, Inc.	KS	Materials	32.5
09/01/2011	Seals Unlimited, Inc.			Apache Hose & Belting Company, Inc.	IA	Materials	-
08/31/2011	Hussey Copper, Ltd.			KHC Acquisition LLC (Kataman Metals LLC affiliate)	MO	Materials	84.7
08/31/2011	Night Optics USA, Inc.			Bushnell Outdoor Products	KS	Industrials	-
08/31/2011	SemStream, L.P.	OK		NGL Energy Partners LP (NYSE:NGL)		Energy	157.2
08/31/2011	Stephens Media Iowa LLC, Algona Upper Des Moines and Reminder Community Newspapers	IA		Hallmark Integrated Media Inc.	IA	Consumer	-
08/30/2011	Gallium Compounds LLC	OK		Neo Material Technologies Inc (TSX:NEM)		Materials	6.5
08/26/2011	YORK Label, Inc.	NE		Multi-Color Corp. (NasdaqGS:LABL)		Industrials	356.0
08/25/2011	Casa de Oro Foods, LLC	NE		Gruma Corporation		Consumer	20.0
08/24/2011	Navvis & Company	MO		Healthways Inc. (NasdaqGS:HWAY)		Healthcare	28.6
08/24/2011	Confluence Solar, Inc.	MO		GT Advanced Technologies Inc. (NasdaqGS:GTAT)		Info Tech	80.0
08/24/2011	LLL Transport Inc.	MO		Great Range Capital	KS	Industrials	-
08/16/2011	Securities America Financial Corporation	NE		Ladenburg Thalmann Financial Services Inc. (AMEX:LTS)		Financials	220.0
08/16/2011	Mountain View Bank of Commerce			NBC Bancshares	NE	Financials	-
08/10/2011	United Fleet Inc.			Reliant Transportation, Inc. (MV Transportation)	NE	Industrials	10.0
08/10/2011	Virg Implement Inc. and Victors Inc.	NE		Titan Machinery, Inc. (NasdaqGS:TITN)	ND	Industrials	13.2
08/06/2011	Hussmann International, Inc.	MO		Clayton, Dubilier & Rice, Inc.		Industrials	195.0
08/04/2011	Steco, Inc. and GEFCO, Inc.	OK		Astec Industries, Inc. (NasdaqGS:ASTE)		Industrials	30.8
08/03/2011	English River Pellets, Inc.			Archer Daniels Midland Company (NYSE:ADM)	IA	Consumer	-
08/02/2011	DataVision Resources, LLC	IA		TALX Corp. (Equifax Inc. (NYSE:EFX) subsidiary)	MO	Info Tech	-
08/02/2011	Crystal Group Inc.	IA		Dexter Apache Holdings, Inc.	IA	Info Tech	-
08/01/2011	Gateway Insurance Services, Inc.	IA		Bankers Insurance LLC		Financials	6.0
08/01/2011	Great White Energy Services, LLC	OK		Archer Limited (OSE:ARCHER)		Energy	630.0
07/30/2011	Shapiro Brothers, Inc.	MO		PSC Metals, Inc.		Materials	22.0
07/29/2011	The Mutual Fund Store, LLC	KS		Warburg Pincus LLC		Industrials	-
07/28/2011	Martek Power, Inc.			Cooper Bussmann, Inc. (Cooper Industries plc (NYSE:CBE) subsidiary)	MO	Info Tech	186.1
07/26/2011	Fyfe Company, LLC, North American Business			Insituform Technologies Inc. (NasdaqGS:INSU)	MO	Materials	115.8
07/25/2011	Stone & Youngberg LLC			Stifel Financial Corp. (NYSE:SF)	MO	Financials	-
07/20/2011	Informed Logistics Technologies, LLC			My Freightworld Technologies, Inc. (OTCPK:MYFT)	KS	Info Tech	6.0
07/20/2011	Medco Health Solutions, Inc. (NYSE:MHS)			Express Scripts Inc. (NasdaqGS:ESRX)	MO	Healthcare	33,564.7
07/19/2011	ALPS Funds Services, Inc.			DST Systems Inc. (NYSE:DST)	MO	Financials	250.0
07/18/2011	PayFlex Systems USA, Inc.	NE		Aetna Inc. (NYSE:AET)		Industrials	202.0
07/14/2011	Duck Creek Technologies, Inc.	MO		Accenture plc (NYSE:ACN)		Info Tech	-
07/11/2011	Digital Sports Video, Inc.			Agile Sports Technologies, Inc. (Hudl)	NE	Info Tech	-
07/07/2011	Origin Asset Management LLP			Principal Global Investors, LLC	IA	Financials	66.0

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Source: Capital IQ (09/30/11), Bridgepoint Merchant Banking

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About Bridgepoint Merchant Banking

Bridgepoint Merchant Banking, a Division of Bridgepoint Holdings, LLC, is a lower and middle market investment banking and private equity firm that serves clients over their corporate lifecycles by providing merger and acquisition and corporate finance advisory services.

Bridgepoint Merchant Banking professionals have completed more than \$41 billion of merger and acquisition and capital raising transactions across a wide range of industries over their 20+ years of cumulative investment banking industry experience. Bridgepoint Merchant Banking also invests and manages capital directly into operating companies through its private equity and venture capital funds.

When considering a sale of your business, the acquisition of a business, and/or raising capital for a business or transaction, Bridgepoint Merchant Banking can help you to achieve your expectations by structuring and executing a well-run, highly organized process. Our specialized expertise helps our clients achieve better value, identify better transaction partners, reach smarter decisions, and negotiate more favorable outcomes. Please reach out to us at the contact information above to discuss how we can help you to achieve your personal and business goals.

Selected Bridgepoint Merchant Banking Transactions

Cloud Computing Company

\$10,000,000+
Not Disclosed

Lead Bookrunner
Lead Placement Agent
Sole Financial Advisor

Pending

Healthcare Company

\$20,000,000+
Not Disclosed

Sell-Side Advisor

March 2012

Business Services Company

\$50,000,000+
Not Disclosed

Sell-Side Advisor

August 2011



\$4,000,000
Bridgepoint Monroe Capital
Investors, LLLP

Lead Bookrunner
Sole Financial Advisor

February 2011

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