

Midwest M&A Quarterly Update

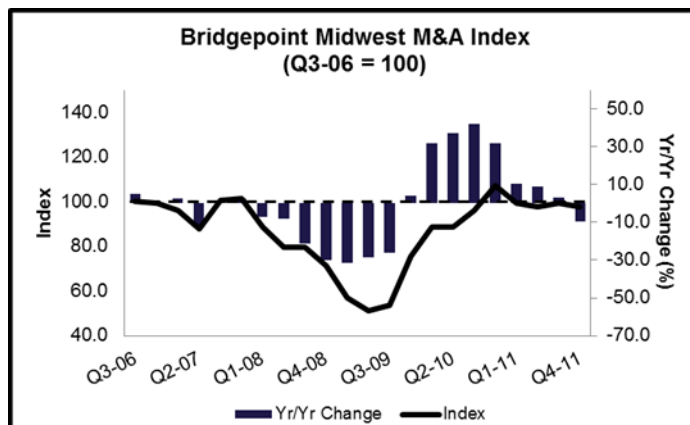
Fourth Quarter 2011

Midwest M&A Quarterly Update

Bridgepoint Midwest M&A Index

Bridgepoint Midwest M&A Index Declined in Q4-11 Despite Larger Deals

- Index Summary:** The Bridgepoint Midwest M&A Index, a measure of corporate merger and acquisition activity in the U.S. Midwest region, decreased 1.6% in Q4-11 after increasing 1.6% in Q3-11. On a year-over-year basis, the index decreased 9.8% from Q4-10. The latest decrease put the index at 97.6 (Q3-06 = 100), down from the Q3-11 level of 99.2
- Perspective:** Index reflects decelerating Midwest M&A deal volumes in the face of a fitful – but recovering – economy. Current index level of 97.6 reflects a fairly normalized corporate deal volume environment in the Midwest, although volume has decelerated substantially in recent quarters (5 straight quarters of year-over-year index deceleration). Q4-11 deal volume was particularly weak on a seasonal basis – Q4-11 year-over-year index decrease of 9.8% represented the worst year-over-year change and first decrease in nine quarters (since Q3-09). Midwest volumes continue to demonstrate stability relative to broader U.S. M&A volumes, which were down 20.4% on a quarter-over-quarter basis in Q4-11. Despite deal volume deceleration, median Midwest M&A deal size more than doubled from Q3-11 to \$20.5mm
- Key Drivers:** A choppy economic recovery, a weak consumer, and a limited financing environment, combined with macro and political uncertainty, tempered volumes in the second half of 2011
- Outlook:** A continued measured economic recovery, recent equity market momentum and record corporate and sponsor cash war chests suggest the M&A market may regain its footing in 2012



- What the Index Means for You:** Deal volumes have decelerated, but larger companies are being sold. Business owners are again receiving valuations they're comfortable with and expected a few years ago. The current environment represents an attractive opportunity for Midwest companies and business owners to:
 - ✓ *Evaluate strategic options & your company value* – Midwest companies are receiving M&A interest and deals are getting done at reasonable terms
 - ✓ *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, or liquidity* – substantial private equity and junior capital interest in Midwest and core industries provides additional optionality for healthy companies and business owners

Index Definition

Q3-06 = 100. As defined by 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.

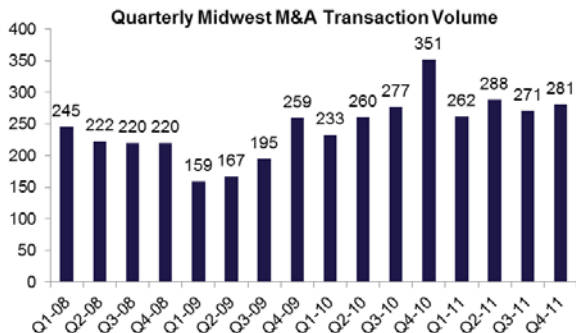
Transaction Requirements

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.

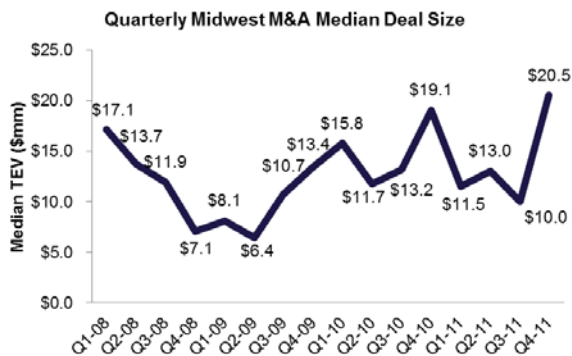
Source: Bridgepoint Merchant Banking, Capital IQ (12/31/11)

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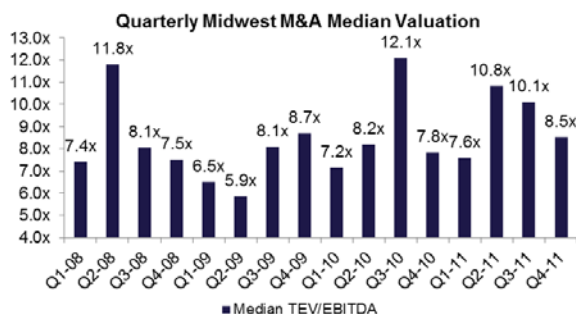
Selected Midwest Q4-11 M&A Transaction Statistics^(a)



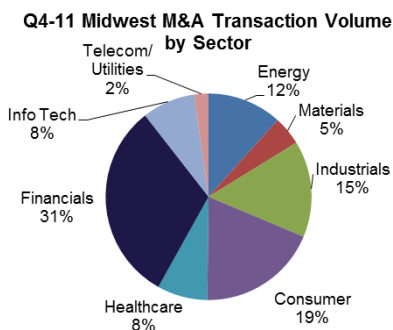
- Quarterly Midwest M&A volume increased 3.7% from 271 transactions in Q3-11 to 281 transactions in Q4-11, but year-over-year quarterly Midwest M&A volume decreased 19.9% from 351 deals in Q4-10 to 281 deals in Q4-11
- Recent deal flow, while steady on a quarter-over-quarter basis, continues to show signs of deceleration amid recent macro and equity market uncertainty – Q4-11 year-over-year decline represents worst comp since Q2-09 market trough



- Of the Midwest M&A transactions with available transaction values, quarterly median deal size more than doubled from \$10.0mm in Q3-11 to \$20.5mm in Q4-11. Q4-11 represented the highest quarterly median deal value since Q3-07
- Sponsors continue to look to put approximately \$425mm of dry powder to work and corporates are also increasingly looking to M&A as a growth lever amid measured organic growth expectations and record corporate cash balances (\$2 trillion + of cash on corporate balance sheets)



- Median Midwest M&A valuations (on a TEV/EBITDA basis) declined from 10.1x in Q3-11 to 8.5x in Q4-11. Despite decline, normalized multiples indicative of demand for healthy assets from both sponsors and corporates
- Median Midwest M&A valuations (on a TEV/sales basis) declined slightly from 1.05x in Q3-11 to 0.95x in Q4-11

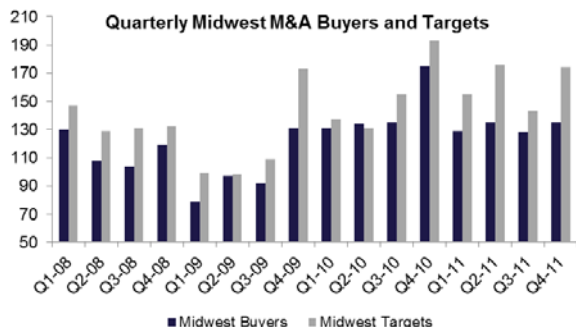


- Core industries (including Industrials, Materials and Consumer) accounted for only 38% of total Midwest M&A transaction volume in Q4-11, down from 51% in Q3-11
- Financials and Energy sector deal shares saw the biggest increases in Q4-11, up 8% and 4%, respectively, from Q3-11 levels. Consumer sector deal share decreased 7% in Q4-11, from 26% share in Q3-11, amid continued U.S. consumer weakness



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Selected Midwest Q4-11 M&A Transaction Statistics (Continued)^(a)



- Quarterly M&A transactions with Midwest buyers increased 5.5% from 128 deals in Q3-11 to 135 deals in Q4-11, while quarterly transactions with Midwest targets increased 21.7% from 143 deals in Q3-11 to 174 deals in Q4-11
- Midwest targets continue to account for more private equity deal flow than any other U.S. region, accounting for 21% of U.S. PE deal flow (by count) in 2011 (according to Pitchbook.com)

Selected Midwest Q4-11 M&A Transactions ^(a)

Announced	Target	Target		Buyer	Target	TEV (\$mm)
		Local	Buyer			
12/30/2011	Premium Beers of Oklahoma, L.L.C.	OK	Anheuser-Busch InBev (ENXTBR:ABI)	MO	Consumer	\$182.0
12/30/2011	Kuehl and Payer, Ltd.	IA	I & S Group, Inc.		Industrials	-
12/30/2011	Vista Research, Inc.		Aerostar International, Inc.	SD	Info Tech	48.5
12/29/2011	Engineered Cabs	SD	Worthington Steel Of Michigan, Inc.		Industrials	180.0
12/29/2011	E. W. Wylie Corporation	ND	Smokey Point Distributing, Inc.		Industrials	25.0
12/27/2011	Midwest AG Partners LLC	NE	United Farmers Cooperative	NE	Industrials	-
12/21/2011	Wimmer's Meat Products Inc.	NE	Land O' Frost, Inc.		Consumer	-
12/20/2011	Mid-Con Energy I & II, LLC	OK	Mid-Con Energy Properties, LLC		Energy	315.3
12/20/2011	Overland Products Company, Inc.	NE	Lupus Capital plc (AIM:LUP)		Materials	15.0
12/20/2011	Western Pneumatic Tube Company		Leggett & Platt, Incorporated (NYSE:LEG)	MO	Materials	188.0
12/19/2011	KW Carter Company (dba JW Grain)	NE	Green Plains Grain Company LLC	IA	Industrials	-
12/19/2011	Nex-Tech Aerospace, Inc.	KS	H.M. Dunn Company LP		Industrials	-
12/16/2011	E. A. Pedersen Company	NE	Eaton Corporation (NYSE:ETN)		Industrials	-
12/08/2011	Rogue Pressure Services, LLC	SD	Steel Excel Inc. (OTCPK: SXCL)		Energy	29.0
12/06/2011	FURminator, Inc.	MO	United Pet Group, Inc.		Consumer	140.0
12/05/2011	IdeaOne Telecom Group, LLC	ND	Hickory Tech Corp. (NasdaqGS:HTCO)		Telecom	28.0
12/05/2011	National Beef Packing Co. LLC	MO	Leucadia National Corp. (NYSE:LUK)		Consumer	1,314.8
12/01/2011	The Coleman Company, Inc., Propane Cylinder Business	KS	Worthington Industries, Inc. (NYSE:WOR)		Industrials	23.4
11/30/2011	Omaha World-Herald Company	NE	Berkshire Hathaway Inc. (NYSE:BRKA)	NE	Consumer	200.0
11/29/2011	Raydan Manufacturing Inc.		Link Manufacturing, Ltd.	IA	Consumer	6.3
11/24/2011	HyperCube, LLC		West Corporation	NE	Telecom	-
11/18/2011	Polk County Bancorporation, Inc.	IA	Grinnell State Bank	IA	Financials	-
11/17/2011	AgroExpert, S.R.L.		Titan Machinery, Inc. (NasdaqGS:TITN)	ND	Industrials	-
11/16/2011	Seaway Crude Pipeline Company	OK	Enbridge Inc. (TSX:ENB)		Energy	1,150.0
11/11/2011	Arrindell Aviation Services N.V.		Executive Beechcraft, Inc.	MO	Industrials	7.8
11/11/2011	National Pretzel Company, Inc.		ConAgra Foods, Inc. (NYSE:CAG)	NE	Consumer	296.0
11/11/2011	Network Data Corp. & Eden Business Tech.	MO	Blade Technologies, Inc.	MO	Info Tech	-
11/09/2011	Submittal Exchange, LLC	IA	Textura Corporation		Info Tech	-
11/07/2011	NPC Acquisition Holdings, LLC	KS	Olympus Partners		Consumer	755.0
11/03/2011	BNL Financial Corp.		Ameritas Life Insurance Corp.	NE	Financials	36.2
11/02/2011	Creston Bean Processing, L.L.C.	IA	CHS, Inc.		Consumer	32.3
10/27/2011	Great Plains Coca-Cola Bottling Company	OK	Coca-Cola Refreshments USA, Inc.		Consumer	360.0
10/21/2011	Community Banks Of Colorado		Bank Midwest, National Association	MO	Financials	-
10/20/2011	Law renceburg Distillers Indiana, LLC, Beverage Distillery Business		MGPI of Indiana, LLC	KS	Consumer	15.0
10/20/2011	BEF Foods, Inc., Springfield Distribution Center		Millard Refrigerated Services, Inc.	NE	Industrials	13.0
10/18/2011	Pallas Athena B.V.		Perceptive Software, Inc.	KS	Info Tech	40.9
10/17/2011	Family Benefit Life Insurance Company	MO	Trinity Life Insurance Company	OK	Financials	9.9
10/12/2011	The Reader's Digest Association, Every Day with Rachael Ray Magazine/Digital Media Assets	IA	Meredith Corp. (NYSE:MDP)	IA	Consumer	4.3
10/06/2011	Southw all Technologies Inc.		Solutia Inc. (NYSE:SOA)	MO	Materials	99.9
10/06/2011	Equitrust Life Insurance Company, Inc.	IA	Guggenheim Partners, LLC		Financials	440.0
10/03/2011	Airlanco Inc.	NE	Ag Grow th International Inc. (TSX:AFN)		Industrials	11.0
10/03/2011	PayDQ	IA	CDS Global, Inc.	IA	Info Tech	-
10/03/2011	Byco Inc.	NE	Bosselman Pump & Pantry Inc.	NE	Consumer	-
10/01/2011	The Union Savings Bank (Sedalia, MO)	MO	Third National Bank Of Sedalia, Inc.	MO	Financials	-

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Source: Capital IQ (12/31/11), 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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