

Midwest M&A Quarterly Update

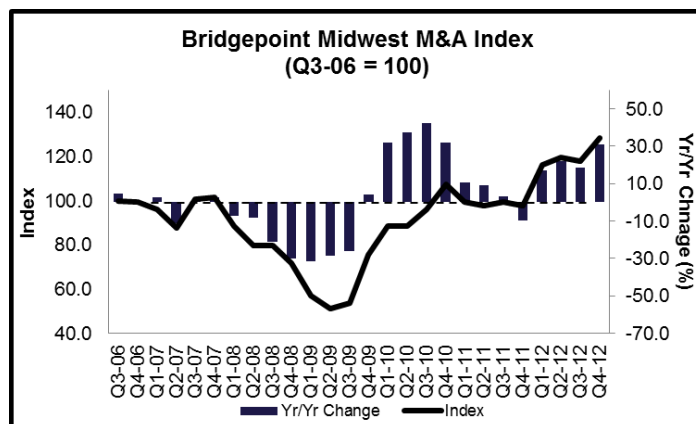
Fourth Quarter 2012

Midwest M&A Quarterly Update

Bridgepoint Midwest M&A Index

Bridgepoint Midwest M&A Index Increased to All-time High in Q4-12

- **Index Summary:** The Bridgepoint Midwest M&A Index, a measure of corporate merger and acquisition activity in the U.S. Midwest region, increased 10.6% in Q4-12 after decreasing 1.6% in Q3-12. On a year-over-year basis, the index increased 30.9% from Q4-11. The latest increase put the index at an all-time high of 128.5 (Q3-06=100), up from the previous high of 119.5 reached in Q2-12
- **Perspective:** Index reflects continued robust Midwest M&A deal volumes relative to weakness in the broader U.S. M&A market (according to Pitchbook.com, U.S. private equity deals decreased 14.2% in 2012). Q4-12 deal volume was also very strong on a seasonal basis as the year-over-year increase of 30.9% represented the highest such change since Q4-10. In addition, median Midwest M&A deal size and valuation (on a TEV/EBITDA basis) also increased from \$17.6mm and 9.7x in Q3-12 to \$29.8mm and 10.4x in Q4-12, respectively
- **Key Drivers:** The expected increase in the capital gains tax rate undoubtedly compelled some investors to close deals before 2013. Investors were also particularly keen to complete larger deals with the threat of increased taxes, with median deal size increasing 69.3% in the quarter. A stable regional economy in the Midwest and a strong financing environment also continued to drive regional M&A and private equity volumes
- **Outlook:** While the first quarter of 2013 could see a slight slowdown in deal-making due to tax and regulatory uncertainty, Bridgepoint continues to see strong deal-making activity. A sustained stable regional economy and a robust financing environment suggest the strength of the Midwest deal environment will continue in 2013



- **What the Index Means for You:** Local deal volumes are at all-time high, with continued growth in median M&A valuations and deal sizes. The current environment represents an attractive opportunity for Midwest companies and business owners to:
 - ✓ *Evaluate strategic options & your company value* – Midwest companies are receiving strong M&A interest from both sponsors and other corporates with performing companies garnering premium valuations
 - ✓ *Opportunistically explore acquiring complementary assets at potentially attractive prices* – infrequent access to capital for smaller or distressed 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 the 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

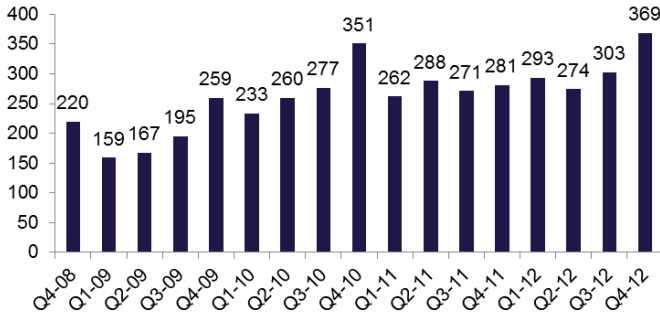
Buyer, target and/or seller must be located in the Midwest, and the Midwest participant must have purchased or sold majority control. Total Enterprise Value must be \$10mm or greater. Midwest defined as Iowa, Kansas, Missouri, Nebraska, North Dakota, Oklahoma, and South Dakota.

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

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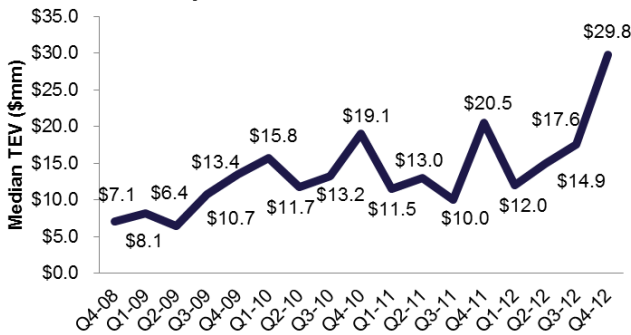
Selected Midwest Q4-12 M&A Transaction Statistics^(a)

Quarterly Midwest M&A Transaction Volume



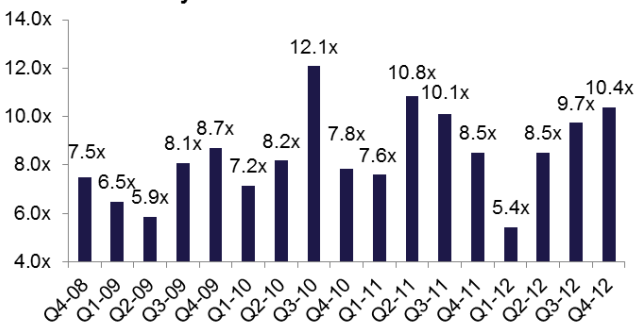
- Quarterly Midwest M&A volume increased 21.8% from 303 transactions in Q3-12 to 369 transactions in Q4-12. Year-over-year quarterly Midwest M&A volume also increased 31.3% from Q4-11
- The increase in deal flow for the quarter continues to reflect an upward trending deal volume in the Midwest since Q1-09. 369 deals recorded for the quarter represents the highest volume since inception of the index in Q1-06

Quarterly Midwest M&A Median Deal Size



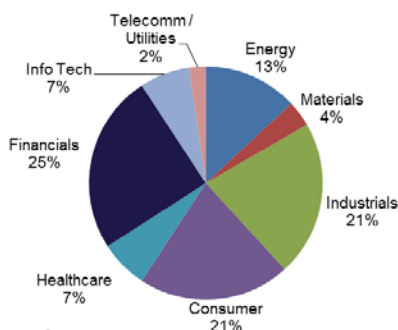
- Of the Midwest M&A transactions with available transaction values, quarterly median deal size increased 69.3% from \$17.6mm in Q3-12 to \$29.8mm in Q4-12
- The median deal size recorded for the quarter represents the highest since Q2-07. While the expected increase in tax rates likely played a part, corporates and sponsors also continued to focus their M&A interests on larger companies in the Midwest as growth engines

Quarterly Midwest M&A Median Valuation



- On a TEV/EBITDA basis, median Midwest M&A valuations increased from 9.7x in Q3-12 to 10.4x in Q4-12. On a TEV/sales basis, median Midwest M&A valuations stayed relatively constant at 1.0x in Q4-12
- The strong multiples indicate that healthy companies are garnering premium valuations from corporates and private equity firms with firepower
- Middle market lenders are also providing additional leverage for M&A transactions

Q4-12 Midwest M&A Transaction Volume by Sector



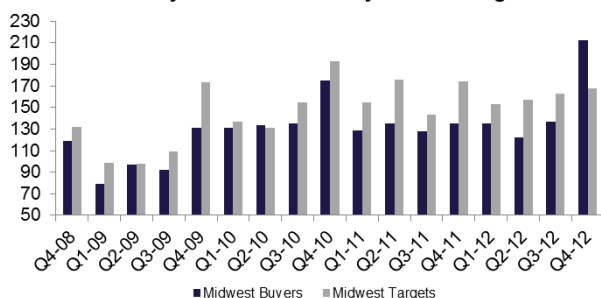
- Core industries (including Industrials, Materials and Consumer) accounted for 46% of total Midwest M&A transaction volume in Q4-12, flat from Q3-12
- Energy and Financials sector deal shares saw the biggest increase in Q4-12, up 4% and 3%, respectively, from Q3-12 level. On the other hand, both Info Tech and Healthcare sectors saw drops of 4%



Midwest M&A Quarterly Update

Selected Midwest Q4-12 M&A Transaction Statistics (Continued)^(a)

Quarterly Midwest M&A Buyers and Targets



- Midwest companies were increasingly active acquirors in Q4-12. Transactions with Midwest buyers increased from 137 in Q3-12 to 212 in Q4-12 (all-time high), while quarterly transactions with Midwest targets increased from 163 deals in Q3-12 to 168 deals in Q4-12
- The Midwest continued to outpace other regions for private equity investment, being the only region to see an uptick in deal activity (by count) in 2012 (according to Pitchbook.com)

Selected Midwest Q4-12 M&A Transactions ^(a)

Announced	Target	Target Location	Buyer	Buyer Location	Target Sector	TEV (\$mm)
12/21/2012	Aviva USA Corporation	IA	Athene Annuity & Life Assurance Company	SC	Financials	\$1,800.0
12/20/2012	Saltwater Disposal of North Dakota, LLC	ND	Basic Energy Services, Inc.	TX	Industrials	43.0
12/18/2012	Visiont	IA	Peoplelink Staffing Solutions, LLC	IN	Info Tech	-
12/18/2012	Clements Investment Group, LLC	CO	Securities America, Inc.	NE	Financials	-
12/18/2012	Westlake Hardware, Inc.	KS	Ace Hardware Corporation	IL	Consumer	88.0
12/17/2012	Multi Service Corporation	KS	World Fuel Services Corp.	FL	Financials	137.0
12/14/2012	Farmers Plant Food, Inc.	SD	Koch Fertilizer, LLC	KS	Materials	-
12/13/2012	Codington Clark Equipment Company	SD	Schuneman Equipment Co.	SD	Industrials	-
12/11/2012	State Central Financial Services Inc.	IA	The English Insurance Agency Inc.	IA	Financials	-
12/11/2012	Bochner Chocolates Inc.	IA	Karl Bissinger, Inc.	MO	Consumer	-
12/10/2012	Coppermark Bancshares, Inc.	OK	Prosperity Bancshares Inc.	TX	Financials	194.4
12/07/2012	Stevenson, Inc.	IA	John Wiley & Sons Inc.	NJ	Industrials	-
12/06/2012	Valent Aerostructures, LLC	MO	LMI Aerospace Inc.	MO	Industrials	246.7
12/05/2012	Crescent Printing & Office Products	ND	Brown & Saenger, Inc.	SD	Industrials	-
12/04/2012	Brendis & Brendis Inc.	NE	Arthur J Gallagher & Co.	IL	Industrials	-
12/04/2012	Gateway Vending Company	IA	Hasty Tasty Food Service Inc.	IA	Industrials	-
12/04/2012	Young Innovations Inc.	MO	Linden LLC	IL	Healthcare	320.5
11/27/2012	Ralcorp Holdings Inc.	MO	ConAgra Foods, Inc.	NE	Consumer	7,086.2
11/14/2012	OKCity Brewing Co. LLC	OK	Mustang Brewing Company, LLC	OK	Consumer	-
11/06/2012	Onyx EMS, LLC	SD	Sparton Corp.	IL	Info Tech	43.3
11/05/2012	KBW Inc.	NY	Stifel Financial Corp.	MO	Financials	575.0
11/05/2012	Mortech Inc.	NE	Zillow, Inc.	WA	Info Tech	17.4
11/02/2012	Oriental Trading Company, Inc.	NE	Berkshire Hathaway Inc.	NE	Consumer	500.0
10/30/2012	McKlveen Lumber Co., Inc.	IA	Spahn & Rose Lumber Co.	IA	Materials	-
10/24/2012	Spartech Corp.	MO	PolyOne Corporation	OH	Materials	246.3
10/24/2012	Hilton Garden Inn Manhattan	KS	Hersha Hospitality Trust	PA	Consumer	74.0
10/19/2012	Keen Energy Services, LLC	OK	Latshaw Drilling and Exploration Company	OK	Energy	140.0
10/17/2012	Kansas City Board of Trade	MO	CME Group Inc.	IL	Financials	126.0
10/16/2012	Toner's, Inc.	NE	Titan Machinery, Inc.	ND	Industrials	-
10/16/2012	ABE Fairmont, LLC	NE	Flint Hills Resources LLC	KS	Energy	160.0
10/13/2012	Titan Fighting Championships	KS	Resurrection Fighting Alliance	NE	Consumer	-
10/11/2012	Heritage Bank, National Association	AZ	Heartland Financial USA Inc.	IA	Financials	15.6
10/10/2012	Swank Audio Visuals LLC	MO	Audio Visual Services Group, Inc.	CA	Consumer	270.0
10/08/2012	AFP Cuprum S.A.	Santiago	Principal Financial Group Inc.	IA	Financials	1,538.9
10/05/2012	Basin Transload LLC	ND	Global Partners LP	MA	Industrials	80.0
10/01/2012	Thomas Russell, L.L.C.	OK	UOP LLC	IL	Energy	525.0

(a) Bold companies are located in the Midwest. Midwest defined as Iowa, Kansas, Missouri, Nebraska, North Dakota, Oklahoma and South Dakota. Either buyer, target, or seller must be located in the Midwest, and the Midwest participant must have purchased or sold majority control.

Source: Capital IQ (12/31/12), 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 \$103 billion of merger and acquisition and capital raising transactions across a wide range of industries over their 32+ 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 goals 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

 11.9 million Senior Debt and Preferred Equity Placement Financial Advisor	 Not Disclosed Buy-side Advisory on its potential acquisition of publicly traded technology services company and related acquisition financing Sole Financial Advisor	 Not Disclosed Sell-side Advisor and Buy-side acquisition financing Sole Financial Advisor	 USD1.0 billion Follow-on equity offering Senior Co-Mana	 USD300 million Joint Bookrunner and Joint Arranger for new revolving credit facility and senior note offering	 USD266 million Exit financing facilities Joint Bookrunner	 USD3.0 billion Joint Bookrunner on senior notes offering Joint Bookrunner	 USD300 million Secondary equity offering Joint Lead Bookrunner	 USD4 million Bridgepoint Monroe Capital Investors, LLLP Lead Bookrunner & Sole Financial Advisor
 11.9 billion Secured credit facilities Bookrunner	 USD1.17 billion Buy-side Advisory to private equity consortium on its acquisition Cooper-Standard Automotive Sole Financial Advisor	 Not Disclosed Sell-side advisory and acquisition financing for management buyout Sole Financial Advisor	 USD5.1 million Secured Priority offering Lead Bookrunner	 USD10 million+ Preferred Stock Offering Joint Bookrunner	 Not Disclosed Buy-side advisory and financing on acquisition of metal foundry Sole Financial Advisor & Sole Financing Arranger	 USD20 billion Joint Lead Arranger for the financing supporting Koch's acquisition of Georgia-Pacific Joint Lead Arranger	 USD200 million Convertible notes offering Joint Bookrunner	 USD1.63 billion Preferred stock offering Joint Bookrunner
 31.2 billion Senior secured credit facilities (Auto/Tech (aka automotive supplier) (acquisition of T.A. active supplier) Financial Advisor	 USD10 million+ Preferred stock offering Joint Bookrunner	 USD765 million Senior secured credit facilities (financing for LKQ's acquisition of its competitor) Joint Bookrunner	 USD10.2 million Investment Partners I, LLLP Lead Bookrunner & Sole Financial Advisor	 USD575 million Bank and high-yield bond comprehensive debt refinancing transaction Joint Bookrunner	 USD1.63 billion Sell-side Advisory to Dow Chemical on the sale of its Styron division to B&H Capital Lead Financial Advisor	 USD375 million Senior secured credit facilities/senior notes Joint Bookrunner		

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