

Midwest M&A Quarterly Update

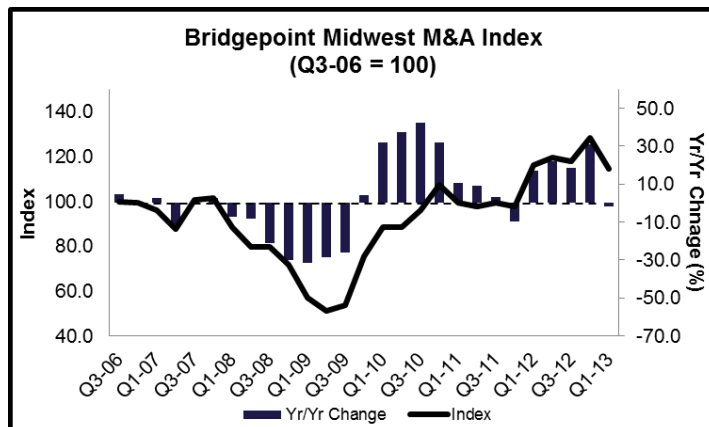
First Quarter 2013

Midwest M&A Quarterly Update

Bridgepoint Midwest M&A Index

Bridgepoint Midwest M&A Index Remained Elevated in Q1-13

- Index Summary:** The Bridgepoint Midwest M&A Index, a measure of corporate merger and acquisition activity in the U.S. Midwest region, decreased 13.8% in Q1-13 after increasing 10.6% in Q4-12. On a year-over-year basis, the index decreased 1.6% from Q1-12. The decline put the index at 114.6 (Q3-06=100), still representing an elevated level but down from the previous high of 128.5 in Q4-12
- Perspective:** Coming off the heels of a record-breaking quarter in Q4-12, the first quarter of 2013 saw some pullback in Midwest M&A activity volume. However, the index level of 114.6 still represents a very healthy local deal environment. The broader U.S. deal environment saw a much more significant decline, with Pitchbook.com reporting the lowest U.S. quarterly private equity volume since 2009. While median Midwest M&A deal size decreased sharply, from \$29.8mm in Q4-12 to \$9.7mm in Q1-13, median valuations (on a TEV/EBITDA basis) increased to a new high, from 10.4x to 13.6x
- Key Drivers:** With Q4-12 proving to be the best quarter since the inception of the Bridgepoint Midwest M&A Index, the deceleration in Q1-13 was not entirely unexpected. It is evident that some investors / companies rushed to close transactions at the end of 2012 due to potential tax considerations. In addition, corporates and sponsors turned their focus to smaller targets after completing larger deals in the previous quarter
- Outlook:** Despite the slowdown in the index, Bridgepoint continues to see very strong deal-making activity in the region. A relatively stable regional economy and a very robust current financing environment suggest a promising outlook for the rest of 2013



- What the Index Means for You:** While the index decelerated slightly in the first quarter, deal volumes remain strong and M&A valuations continued to grow to an all-time high (on a TEV/EBITDA basis). The current environment represents an attractive opportunity for Midwest companies, management teams and business owners to:
 - ✓ *Take advantage of strong capital markets environment to finance growth, acquisition, or liquidity* – substantial private equity, bank financing and junior capital interest in the Midwest and core industries provide additional optionality for companies, management teams and business owners
 - ✓ *Evaluate strategic options & your company value* – Midwest companies are increasingly garnering premium valuations and strong M&A interest from both corporates and sponsors
 - ✓ *Opportunistically explore acquiring complementary assets* – infrequent access to capital for some smaller companies provides unique buying opportunities for those companies with firepower

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

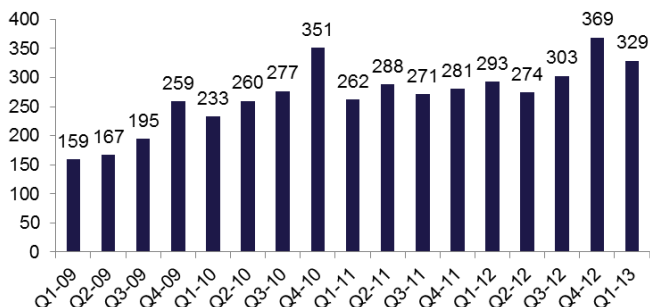
Buyer, target and/or seller must be located in the Midwest, and the Midwest participant must have purchased or sold majority control. Total Enterprise Value must be \$10mm or greater. Midwest defined as Iowa, Kansas, Missouri, Nebraska, North Dakota, Oklahoma, and South Dakota.

Source: Bridgepoint Merchant Banking, Capital IQ (3/31/13)

Midwest M&A Quarterly Update

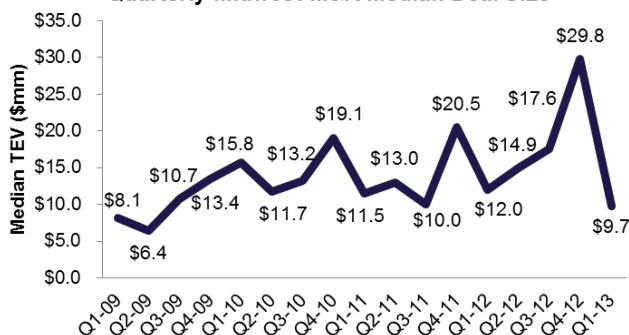
Selected Midwest Q1-13 M&A Transaction Statistics^(a)

Quarterly Midwest M&A Transaction Volume



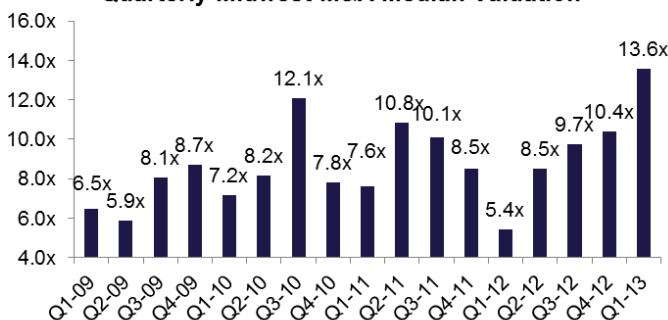
- Quarterly Midwest M&A volume decreased 10.8% from 369 transactions in Q4-12 to 329 transactions in Q1-13. On a year-over-year basis, quarterly Midwest M&A volume increased 12.3% from Q1-12
- From a long-term perspective, Midwest deal flow continues to reflect an upward trending deal environment. Q1 represented the third highest quarterly M&A deal volume on record

Quarterly Midwest M&A Median Deal Size



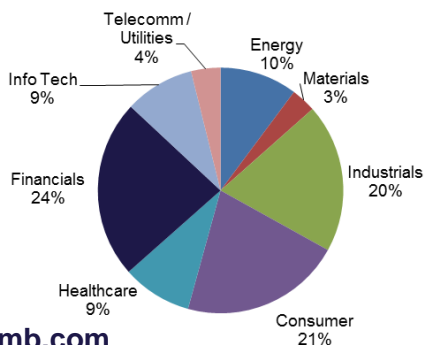
- Of the Midwest M&A transactions with available transaction values, quarterly median deal size decreased from \$29.8mm in Q4-12 to \$9.7mm in Q1-13
- The median deal size recorded for the quarter represents the lowest since Q2-09. The focus to complete larger deals at the end of 2012 played a part in the sharp decline in Q1-13
- Decline in median also impacted by the limited amount of regional transactions with reported deal sizes

Quarterly Midwest M&A Median Valuation



- On a TEV/EBITDA basis, median Midwest M&A valuations increased from 10.4x in Q4-12 to 13.6x in Q1-13. On a TEV/sales basis, median Midwest M&A valuations also increased from 1.0x to 1.8x
- The strong multiples indicate that corporates and private equity firms are hungry to put substantial firepower to work
- Capital markets are also supporting additional leverage for M&A transactions and LBOs

Q1-13 Midwest M&A Transaction Volume by Sector



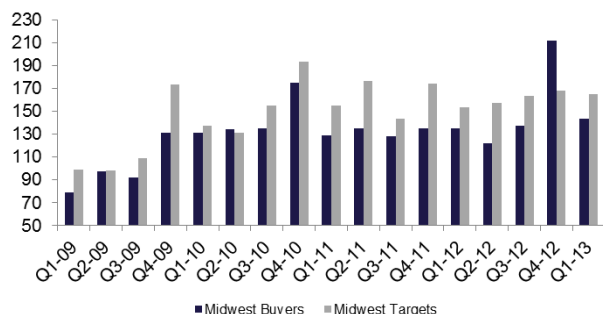
- Core industries (including Industrials, Materials and Consumer) accounted for 44% of total Midwest M&A transaction volume in Q1-13, a 2% decrease from Q4-12
- Healthcare and Info Tech sector deal shares saw the biggest increase in Q1-13, both up 2% from Q4-12 levels. On the other hand, the Energy sector saw a share drop of 3%



Midwest M&A Quarterly Update

Selected Midwest Q1-13 M&A Transaction Statistics (Continued)^(a)

Quarterly Midwest M&A Buyers and Targets



- Transactions with Midwest buyers decreased from 212 in Q4-12 to 143 in Q1-13, while quarterly transactions with Midwest targets remained relatively constant at 165 in Q1-13 (down slightly from 168 in Q4-12)
- According to Pitchbook.com, every region across the country experienced a similar decline in private equity investment in Q1-13

Selected Midwest Q1-13 M&A Transactions ^(a)

Announced	Target	Target Location	Buyer	Buyer Location	Target Sector	TEV (\$mm)
03/27/2013	Lafarge North America Inc., Wichita Aggregates, Concrete and Asphalt/Paving Operations	KS	Summit Materials, LLC	DC	Materials	-
03/22/2013	TV Guide Entertainment Group, LLC	OK	CBS Corporation	NY	Consumer	\$100.0
03/17/2013	BNK Petroleum (US) Inc., Woodford Assets	OK	XTO Energy Inc.	TX	Energy	147.5
03/12/2013	Lubrication Services, L.L.C.	OK	Brenntag AG	North Rhine-Westphalia	Consumer	42.0
03/10/2013	Cyte Technologies, Inc.	OK	Sequoyah Technologies LLC	OK	Info Tech	-
03/06/2013	Sedgwick And Chanute And Council Grove And Larned And Haysville HealthCares	KS	Diversicare Healthcare Services Inc.	TN	Healthcare	15.5
03/05/2013	ConAgra Foods Food Ingredients Company, Inc.	NE	Horizon Milling G.P.	Ontario	Consumer	-
03/04/2013	Adobe CE, LLC	NM	Titan Machinery, Inc.	ND	Industrials	-
03/01/2013	JACAM Chemicals, LLC	KS	Canadian Energy Services & Technology Corp.	Alberta	Industrials	238.2
02/26/2013	Metlcast Products, Inc.	KS	Metlcast Industries LLC	NE; KS	Industrials	-
02/18/2013	Ergologistics, LLC	ND	South orth International Group, Inc.	ME	Industrials	-
02/14/2013	H. J. Heinz Company	PA	Berkshire Hathaway Inc.; 3G Capital Management, LLC; 3G Special Situations Fund III LP	NE; NY	Consumer	28,748.9
02/14/2013	Community National Bancorporation	IA	QCR Holdings Inc.	IL	Financials	20.1
02/14/2013	OA Nurse Travel, LLC	OH	Medical Solutions L.L.C.	NE	Healthcare	31.0
02/07/2013	Bresnan Broadband Holdings, LLC	NY	Charter Communications Operating, LLC	MO	Consumer	2,619.1
02/05/2013	Cylex, Inc.	MD	ViraCor Laboratories, L.L.C.	MO	Healthcare	13.5
02/04/2013	Larkin Group	MO	Lamp, Rynearson & Associates, Inc.	NE	Industrials	-
02/03/2013	Rosetta Green Ltd., Substantially All Assets	Israel	Monsanto Company	MO	Healthcare	37.0
01/29/2013	Providence Medical Center, Inc. and Saint John Hospital Inc.	KS	Prime Healthcare Services, Inc.	CA	Healthcare	54.3
01/28/2013	MGPI Processing, Inc.	KS	Green Dot Holdings, LLC	KS	Consumer	2.8
01/24/2013	Mentor Engineering, Inc.	Alberta	Trapeze Software, Inc.	IA	Info Tech	-
01/24/2013	Continental Industries, Inc.	OK	Hubbell Inc.	CT	Materials	37.0
01/18/2013	Eggspress Transport LLP	IA	PTA Holdings, Inc.	GA	Industrials	-
01/15/2013	Intersystems Inc.	NE	The Pritzker Group	IL	Industrials	-
01/15/2013	EDF Renewable Energy, Inc., Spearville 3 Wind Project	KS	Blackrock Financial Management Inc.; Eurus Energy	NY; CA	Utilities	-
01/14/2013	AcariaHealth, Inc.	FL	Centene Corp.	MO	Consumer	152.0
01/11/2013	Whaley's Turftreat	IA	Hedge Above LLC	IA	Industrials	-
01/11/2013	Arrow Forklift Parts, Inc.	MO	Capital For Business, Inc.; Kansas Venture Capital, Inc.; Diamond State Ventures; MidStates Capital L.P.; B12 Capital Partners	MO; MO; AK; KS; KS	Industrials	-
01/09/2013	All-State Belting, LLC	IA	Marubeni Corporation	Tokyo	Industrials	-
01/08/2013	Walling Water Management, Inc.	SD	H-O-H Water Technology, Inc.	IL	Industrials	-
01/05/2013	First Iowa State Bank	IA	Van Buren Bancorporation	IA	Financials	-
01/04/2013	Hematech, Inc.	SD	Sanford Health of Northern Minnesota	SD	Healthcare	-
01/02/2013	Group Benefits Design Corporation	IA	PDCM Insurance Inc.	IA	Financials	-
01/02/2013	Taylor Crane Service Inc.	ND	ENTREC Corporation	Alberta	Industrials	5.9
01/02/2013	Emineo Group, Inc.	NE	Alliance Technologies, Inc.	IA	Info Tech	-
01/02/2013	St. Croix Solutions, Inc.	MN	Pinnacle Business Systems, Inc.	OK	Info Tech	-
01/01/2013	The Loxcreen Company, Inc.	SC	M-D Building Products, Inc.	OK	Materials	-

(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 (3/31/13), Bridgepoint Merchant Banking

Midwest M&A Quarterly Update

Bridgepoint Merchant Banking Contact Information

Matt Plooster
 Managing Principal
 mplooster@bridgepointmb.com
 402.817.7900

Adam Claypool
 Managing Principal
 aclaypool@bridgepointmb.com
 515.325.7615

Joe Liss
 Transaction Principal
 jliss@bridgepointmb.com
 515.325.7616

Nebraska Office
 816 P Street, Suite 200
 Lincoln, NE 68508



Iowa Office
 601 E Locust Street, Suite 104
 Des Moines, IA 50309

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, the Managing Principals of Bridgepoint Merchant Banking, through our broker dealer relationship, 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

<p>potential acquisition of publicly traded technology services company and related acquisition financing</p> <p>Sole Financial Advisor</p>	<p>acquisition financing</p> <p>Sole Financial Advisor</p>	<p>Arranger for new revolving credit facility, and senior note offering</p> <p>Senior Co-Managing Director</p>	<p>notes offering</p> <p>Joint Bookrunner</p>	<p>notes offering</p> <p>Joint Lead Bookrunner</p>	<p>notes offering</p> <p>Lead Bookrunner & Sole Financial Advisor</p>
<p>GOODYEAR</p> <p>USD1.9 billion Senior secured credit facilities</p> <p>Joint Bookrunner</p>	<p>THE EXPRESS STORES</p> <p>USD1.17 billion Buy-side Advisory to private equity consortium on the acquisition of Cooper-Standard Automotive</p> <p>Sole Financial Advisor</p>	<p>INTEGRITY BOLLINGER</p> <p>Not Disclosed Buy-side advisory and acquisition financing for management buyout</p> <p>Sole Financial Advisor</p>	<p>VALUE PLACE</p> <p>USD6.1 million Secured Promissory offering</p> <p>Lead Bookrunner</p>	<p>QCommerce</p> <p>USD10 million+ Preferred stock offering</p> <p>Joint Bookrunner</p>	<p>KOCH INDUSTRIES INC</p> <p>USD20 billion Joint Lead Arranger for the financing supporting Koch's acquisition of Georgia-Pacific</p> <p>Joint Lead Arranger</p>
<p>SAHJ TEC</p> <p>USD1.2 billion Acquire Hoston to Asahi Tec (Chinese automotive supplier) in its acquisition of N.A. automotive supplier</p> <p>Financial Advisor</p>	<p>METLCAST PRODUCTS, INC.</p> <p>Not Disclosed Buy-side advisory and financing on acquisition of metal foundry</p> <p>Sole Financial Advisor & Sole Financing Arranger</p>	<p>LKQ</p> <p>USD765 million Senior secured credit facilities (financing for LKQ's acquisition of top competitor)</p> <p>Joint Bookrunner</p>	<p>bridgepoint PARTNERS I, L.L.P.</p> <p>USD10.2 million Bridgepoint Investment Partners I, L.L.P.</p> <p>Lead Bookrunner & Sole Financial Advisor</p>	<p>T-STONE</p> <p>USD10 million Senior on senior</p> <p>Joint Bookrunner</p>	<p>HEXCEL</p> <p>USD575 million Bain and high-yield bond comprehensive debt refinancing transaction</p> <p>Joint Bookrunner</p>
<p>FleetPride</p> <p>USD375 million Senior secured credit facilities/senior notes</p> <p>Joint Bookrunner</p>	<p>DOW</p> <p>USD1.63 billion Set-aside Advisor to Dow Chemical on the sale of its Styron division to Bain Capital</p> <p>Lead Financial Advisor</p>	<p>REDBO</p> <p>USD200 million Convertible notes offering</p> <p>Joint Bookrunner</p>	<p>February 2013</p> <p>Sole M&A Advisor & Sole Financing Arranger</p>	<p>COINSTAR</p> <p>USD200 million Convertible notes offering</p> <p>Joint Bookrunner</p>	<p>REDBO</p> <p>USD200 million Convertible notes offering</p> <p>Joint Bookrunner</p>

This update is for informational use only. Information contained in this update is based on data obtained from sources believed to be reliable. Nothing in this publication is intended as investment advice. Use of any of the included proprietary information for any purpose without the written permission of Bridgepoint Merchant Banking is prohibited. The list contained herein represents selected transactions completed by Bridgepoint Merchant Principals while associated with Bridgepoint Merchant Banking, as well as securities transactions on which they advised in their capacity as investment bankers registered with various broker-dealers.

