

“I made my money by selling too soon”

- Bernard Baruch

THE MARKET

FOR PRIVATELY HELD COMPANIES

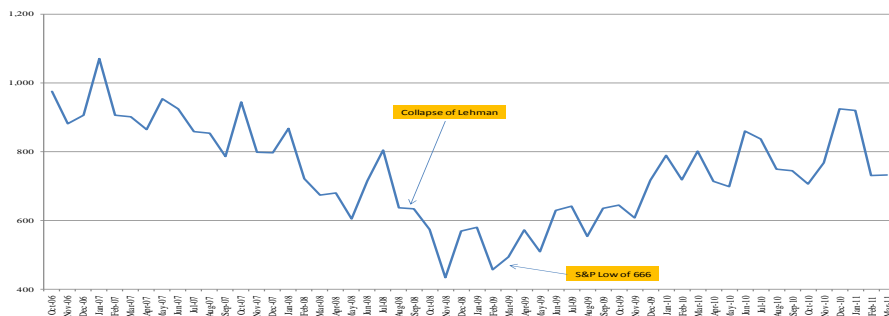
Topics Relevant to Middle Market Mergers & Acquisitions

April 2011

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M&A Activity – Q1 2011 Data

Monthly transaction volume, as evidenced by the chart below, has continued to rebound since the low was reached in November of 2008. Overall transaction volume (including public and private companies of all sizes) for the trailing 12 months ended March 31, 2011 increased 18.3% versus the same period in 2010.

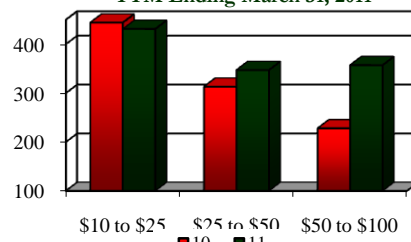


Source: Mergerstat

Transaction Volume for the Lower Middle Market

The chart below includes both public and private transactions for the lower middle market and reveals that transaction volume has improved year over year in two of three size categories. The number of reported transactions in the \$50 to \$100 million enterprise value category rose 56.6% compared to the prior year. Transactions in the \$25 to \$50 million enterprise value category increased 10.9%, and transaction volume in the smallest category (\$10 to \$25 million) fell 2.9%. The number of deals with undisclosed values (69% of all deals) increased by 22.2%. It is highly likely that most of these deals are under \$100 million in value.

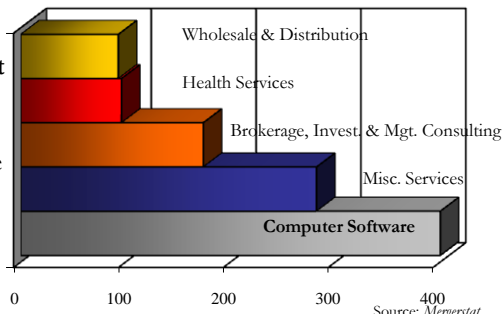
Transaction Volume by Size TTM Ending March 31, 2011



Source: Mergerstat

Which Industries are Most Active?

The chart to the right reveals the five most active industries in terms of transactions closed for the 3 months ended March 31, 2011. In addition to the industries listed in the chart, the following industries also exhibited high transaction volume: Construction Contractors & Engineering Services; Insurance; Drugs, Medical Supplies & Equipment; and Leisure & Entertainment.



Source: Mergerstat

Waterview Advisors is a Financial Advisory Services firm focused on Investment Banking and Valuation Services

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 - ◆ Sell Side Representation (marketing to both strategic and financial buyers)
 - ◆ Capital Sourcing (senior debt, mezzanine and equity)
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 - ◆ Fairness Opinions
 - ◆ Business Valuations for Gift & Estate Tax purposes
 - ◆ Valuations and Financial Analysis to Support Business & Tax Planning

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