

“I made my money by selling too soon”

- Bernard Baruch

THE MARKET

FOR PRIVATELY HELD COMPANIES

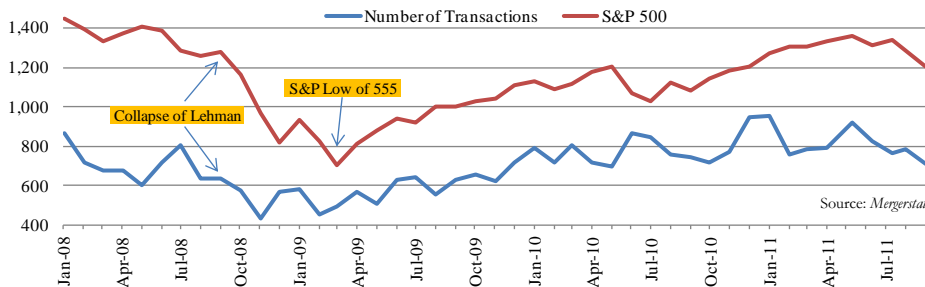
Topics Relevant to Middle Market Mergers & Acquisitions

October 2011

WATERVIEW ADVISORS
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M&A Activity – Q3 2011 Data

Monthly transaction volume, as evidenced by the chart below, has rebounded significantly 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 September 30, 2011 increased 8.4% versus the same period in 2010.



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.

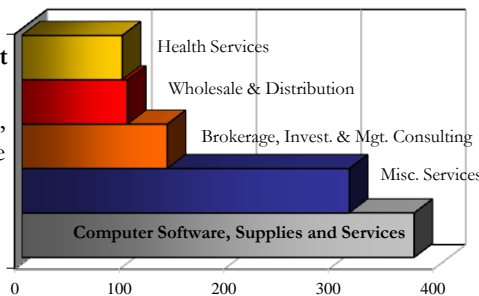
The number of reported transactions in the \$50 to \$100 million enterprise value category rose 2.8% compared to the prior year. Transactions in the \$25 to \$50 million enterprise value category increased 1.1%, while transaction volume in the smallest category (\$10 to \$25 million) fell 16.9%. **The number of deals with undisclosed values (70% of all deals) increased by 16.7%. It is highly likely that most of these deals are under \$100 million in value.**

Transaction Volume by Size TTM Ending September 30, 2011



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 September 30, 2011. In addition to the industries listed in the chart, the following industries also exhibited high transaction volume: Construction Contractors and Engineering Services; Banking & Finance; Insurance; Drugs, Medical Supplies & Equipment; and Retail.



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

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 - ◆ Business Valuations for Gift & Estate Tax purposes
 - ◆ Valuations and Financial Analysis to Support Business & Tax Planning

For further information:
 Larry S. Starks
 Senior Managing Director
 12201 Merit Drive, Suite 700
 Dallas, Texas 75251
 Office: 972.690.5400
 Fax: 972.690.5403
 larry.starks@waterviewadvisors.com

www.waterviewadvisors.com

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