

“I made my money by selling too soon”

- Bernard Baruch

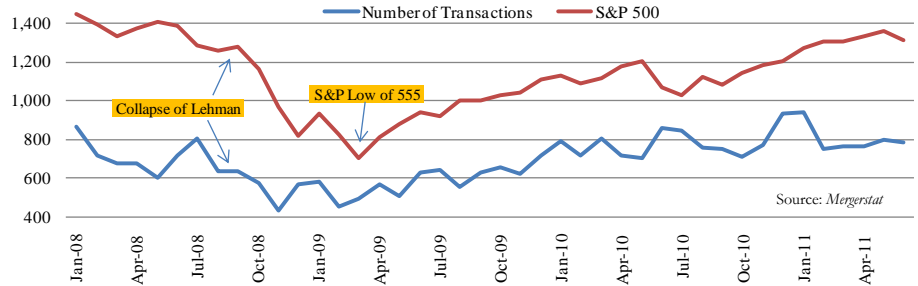
# THE MARKET

## FOR PRIVATELY HELD COMPANIES

### Topics Relevant to Middle Market Mergers & Acquisitions

#### M&A Activity – Q2 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 June 30, 2011 increased 13.1% versus the same period in 2010.



#### Transaction Volume for the Lower Middle Market

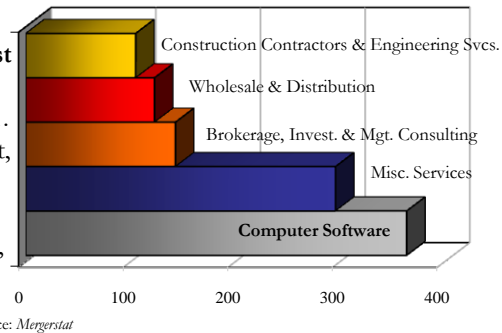
The chart below includes both public and private transactions for the lower middle market and reveals that transaction volume has improved year over year in two of three size categories. The number of reported transactions in the \$50 to \$100 million enterprise value category rose 31.5% compared to the prior year. Transactions in the \$25 to \$50 million enterprise value category increased 7.6%, and transaction volume in the smallest category (\$10 to \$25 million) fell 12.3%. The number of deals with undisclosed values (69% of all deals) increased by 19.5%. It is highly likely that most of these deals are under \$100 million in value.

Transaction Volume by Size TTM Ending June 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 June 30, 2011. In addition to the industries listed in the chart, the following industries also exhibited high transaction volume: Health Services; Leisure & Entertainment; Banking & Finance; Drugs, Medical Supplies and Equipment; and Insurance.



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