

Midwest M&A Quarterly Update

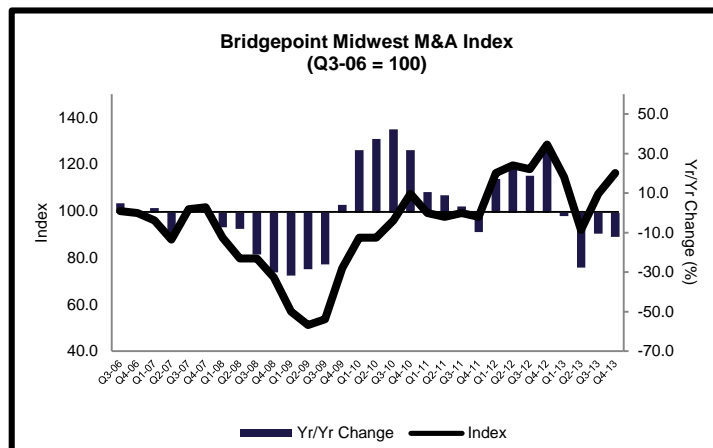
Fourth Quarter 2013

Midwest M&A Quarterly Update

Bridgepoint Midwest M&A Index

Midwest M&A Environment Remains Strong in Q4-13

- Index Summary:** The Bridgepoint Midwest M&A Index, a measure of corporate merger and acquisition activity in the U.S. Midwest region, increased an additional 8.9% in Q4-13 after having increased 15.4% in Q3-13. On a year-over-year basis, the index decreased 12.2% from Q4-12. The strong quarter-to-quarter increase maintained the index well above the baseline at 116.3 (Q3-06=100)
- Perspective:** The 2013 total volume represented the highest level of yearly activity since index inception in 2006. The index reflects a solid rebound of Midwest M&A deal volumes after declining in the first half of 2013. The broader U.S. deal environment however saw a slowdown for the quarter, with Pitchbook.com reporting a 22.3% decrease in private equity deals across the country in Q4-13 compared to the previous quarter. Median transaction size increased significantly to \$31.4mm in Q4-13 from \$17.5mm in Q3-13. Median valuations remained healthy locally
- Key Drivers:** After a tepid start to 2013 (as deals were pulled forward at year end 2012), buyers and sellers picked up the pace of closings in the latter half of the year. Appetite for acquisitions remains strong amid record cash stockpiles at companies and financial buyers. Fueled by high demand, low supply for quality deals and easy access to debt with historically aggressive terms, valuations have remained at robust levels
- Outlook:** As the sense of stability returns to both the economy and the corporate boardrooms, buyers and sellers will continue to pursue meaningful opportunities with a focus on protecting, supplementing and enhancing top-line growth. Bridgepoint expects very strong deal-making activity in the region to continue into 2014 due to a stable regional economy and a robust financing environment



- What the Index Means for You:** Deal volumes continued to be robust in the latest quarter while M&A valuations remained at strong levels (on a TEV/EBITDA basis). The current environment represents an attractive opportunity for Midwest companies, management teams and business owners to:
 - ✓ *Take advantage of the strong capital markets environment to finance growth, acquisition, liquidity or refinance* – substantial private equity, bank financing and junior capital interest in the Midwest provide additional optionality for companies, management teams and business owners, including recapitalizations
 - ✓ *Evaluate strategic options and your company value* – Midwest companies are garnering premium valuations and strong M&A interest from both strategics and sponsors

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

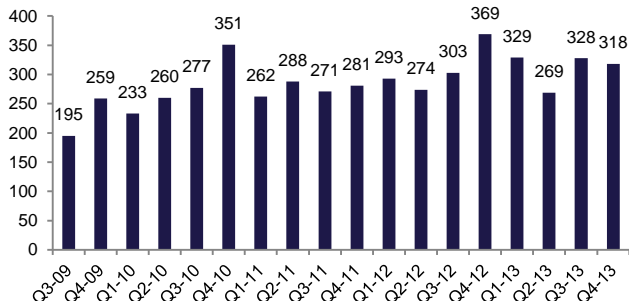
Buyer, target and/or seller must be located in the Midwest, and the Midwest participant must have purchased or sold majority control. Total Enterprise Value must be \$10mm or greater. Midwest defined as Iowa, Kansas, Missouri, Nebraska, North Dakota, Oklahoma, and South Dakota.

Source: Bridgepoint Merchant Banking, Capital IQ (12/31/13)

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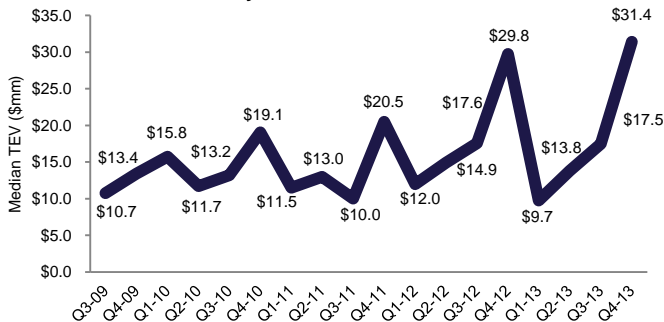
Selected Midwest Q4-13 M&A Transaction Statistics^(a)

Quarterly Midwest M&A Transaction Volume



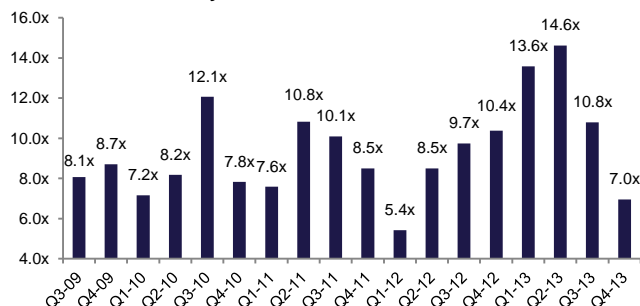
- Quarterly Midwest M&A volume remained relative unchanged decreasing by 3.0% from 328 transactions in Q3-13 to 318 transactions in Q4-13. On a year-over-year basis, quarterly Midwest M&A volume decreased 13.8% from Q4-12
- From a long-term perspective, Midwest deal flow continues to reflect an upward trend; 2013 total volume represented the highest level of yearly activity since index inception in 2006

Quarterly Midwest M&A Median Deal Size



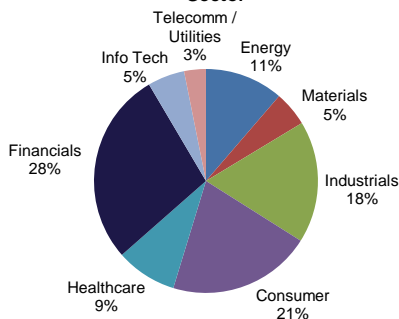
- Of the Midwest M&A transactions with available transaction values, quarterly median deal size increased from \$17.5mm in Q3-13 to \$31.4mm in Q4-13
- After recording one of the lowest median deal sizes in Q1-13, Q4-13 recorded the highest median deal size since 2009. Midwest median deal size continues to increase to an above average level over the past 4 years. Corporates and sponsors are refocusing their attention on larger targets with strong capital markets support

Quarterly Midwest M&A Median Valuation



- On a TEV/EBITDA basis, median Midwest M&A valuations decreased from 10.8x in Q3-13 to 7.0x in Q4-13. On a TEV/sales basis, median Midwest M&A valuations increased from 1.3x to 1.5x
- While the EBITDA multiple decreased, all multiples remain at historically strong levels as median valuations increased significantly, indicating that corporates and private equity firms, supported by record cash stockpiles and easy access to debt, are still very hungry to put substantial firepower to work

Q4-13 Midwest M&A Transaction Volume by Sector

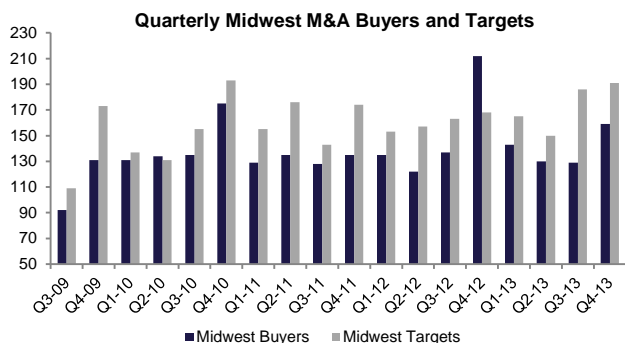


- Core industries (including Industrials, Materials and Consumer) accounted for 43% of total Midwest M&A transaction volume in Q4-13, a slight 3% decrease from Q3-13
- The share of transactions by sector remained relatively constant for Q4-13 compared to Q3-13. The Materials and Financials sectors both had the biggest increase in Q4-13; up 3% from Q3-13. The Consumer sector deal share saw the biggest decrease in Q4-13, down 3% from Q3-13



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Selected Midwest Q4-13 M&A Transaction Statistics (Continued)^(a)



- Quarterly M&A transactions with Midwest buyers increased to 159 in Q4-13 from 129 in Q3-13. Transactions with Midwest targets increased to 191 from 186
- The 191 transactions with Midwest targets (2nd highest since index inception) reiterates the strong buyer appetite for Midwest companies

Selected Midwest Q4-13 M&A Transactions (a)

Announced	Target	Target Location	Buyer	Buyer Location	Target Sector	TEV (\$mm)
12/30/2013	Dunn's Food Centers, Inc.	OK	Spencer Gifts, LLC	NJ	Consumer	-
12/30/2013	Phillips Specialty Products Inc.	TX	Berkshire Hathaway Inc.	NE	Materials	\$1,420.3
12/28/2013	Norwichtown Commons LLC	CT	The Kroenke Group	MO	Financials	39.3
12/26/2013	Beechcraft Corporation	KS	Textron Inc.	RI	Industrials	1,400.0
12/24/2013	M&K Hotshot & Trucking, Inc. and M&K Rig Service, Inc.	ND	Rodan Transport (U.S.A.) Ltd.	TX	Industrials	51.0
12/23/2013	Television Stations in Phoenix and in St. Louis	AZ	Meredith Corporation	IA	Consumer	407.5
12/20/2013	Magnolia Hotel St. Louis	MO	Denver Magnolia Hotel	CO	Consumer	4.0
12/19/2013	Renaissance St. Louis Suites Hotel	MO	Lennox Suites LLC	CA	Consumer	3.2
12/18/2013	KEVN, Inc.	SD	Gray Television Inc.	GA	Consumer	7.8
12/16/2013	ARC Physical Therapy Plus, LP	KS	U.S. Physical Therapy, Ltd.	TX	Healthcare	36.0
12/12/2013	U.S. Medical Management, LLC	MI	Centene Corp.	MO	Industrials	200.0
12/11/2013	Roberts Broadcasting Company	MO	ION Media Networks, Inc.	FL	Consumer	7.8
12/09/2013	Equal Energy Ltd.	Canada	Petroflow Energy Corporation	OK	Energy	243.3
12/09/2013	Golden Boy Foods Ltd.	Canada	Post Holdings, Inc.	MO	Consumer	300.6
12/09/2013	Media Convergence Group Inc.	MO	The E. W. Scripps Company	OH	Info Tech	35.0
12/09/2013	Dymatize Enterprises LLC	TX	Post Holdings, Inc.	MO	Consumer	397.5
12/06/2013	East Blackwell Unit	OK	Northcote Energy Limited	UK	Energy	0.1
12/04/2013	Winchester II In Oklahoma	OK	New Western Energy Corporation	CA	Energy	0.1
12/02/2013	Energy Systems Company	NE	NRG Yield, Inc.	NJ	Telecomm / Utilities	120.0
11/27/2013	Sioux City Hotel & Conference Center	IA	Conor Acquisitions	FL	Consumer	4.0
11/20/2013	GeoSouthern Energy Corporation, Eagle Ford Assets	TX	Devon Energy Corporation	OK	Energy	6,000.0
11/13/2013	Babar Enterprises, LLC	MO	Agility Health, Inc.	Canada	Healthcare	3.1
11/11/2013	Gordon Trucking, Inc.	WA	Heartland Express, Inc.	IA	Industrials	340.8
11/08/2013	SPF Energy, Inc.	ND	Parkland Fuel Corporation	Canada	Consumer	104.8
11/07/2013	Safeway Inc., Joplin Plant	MO	Annie's, Inc.	CA	Consumer	6.0
11/06/2013	Gavilon, LLC	NE	NGL Energy Partners LP	OK	Industrials	690.0
11/05/2013	Performance Energy Resources, LLC	OK	Clear Mountain Resources Corp.	Canada	Energy	117.0
11/05/2013	Air Filtration Business	KS	CLARCOR Inc.	TN	Industrials	265.0
11/04/2013	Bachman Group Companies	OK	Innospec Inc.	CO	Materials	59.6
11/04/2013	Findex.com Inc.	NE	EcoSmart Surface and Coating Technologies Inc.	FL	Info Tech	-
10/17/2013	Boulevard Brewing Associates Limited Partnership	MO	Duvel Moortgat USA Ltd.	NY	Consumer	-

(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 (12/31/13), 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 throughout the corporate lifecycle by providing merger and acquisition and corporate finance advisory services.

With more than 35+ years of cumulative experience, Bridgepoint Merchant Banking professionals have completed over \$104 billion of merger and acquisition and capital raising transactions across a wide range of industries. Bridgepoint also manages capital and invests 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 Principals of Bridgepoint Merchant Banking, through our broker dealer relationship, can help you to achieve your personal and business goals. 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.

Selected Bridgepoint Merchant Banking Transactions

<p>USD1.9 million convertible Debt and Preferred Equity Placement</p> <p>Sole Financial Advisor</p>	<p>NOT DISCLOSED Buy-side advisory on its potential acquisition of publicly traded technology services company and related acquisition financing</p> <p>Sole Financial Advisor</p>	<p>NOT DISCLOSED Sell-side Advisor and Buy-side acquisition financing</p> <p>Sole Financial Advisor</p>	<p>USD1.0 million Follow-on equity offering</p> <p>Senior Co-Manager</p>	<p>USD300 million Joint Bookrunner and Joint Arranger for new revolving credit facility and senior note offering</p> <p>Bookrunner</p>	<p>USD266 million Exit financing facilities</p> <p>Bookrunner</p>	<p>USD3.0 billion Joint Bookrunner on senior notes offering</p> <p>Joint Bookrunner</p>	<p>USD300 million Secondary equity offering</p> <p>Joint Lead Bookrunner</p>	<p>USD100 million Bridgepoint Monsee Capital Investors, LLLP</p> <p>Lead Bookrunner & Sole Financial Advisor</p>
<p>GOOD YEAR</p> <p>SD1.9 billion senior secured credit facilities</p> <p>Joint Bookrunner</p>	<p>THE EXPRESS GROUP</p> <p>USD1.17 billion Buy-side Advisor to private equity consortium on ES acquisition Cooper Standard Automotive</p> <p>Sole Financial Advisor</p>	<p>INTEGRITY SOLUTIONS</p> <p>Not Disclosed Buy-side advisory and acquisition financing for management buyout</p> <p>Sole Financial Advisor</p>	<p>VALUE PLACE</p> <p>USD5.1 million Secured Promissory offering</p> <p>Lead Bookrunner</p>	<p>Not Disclosed Buy-side advisory</p> <p>Sole Financial Advisor</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>Comstar redbox</p> <p>USD200 million Convertible notes offering</p> <p>Joint Bookrunner</p>	
<p>SAHI TEC</p> <p>SD1.2 billion Buy-side Advisor to Asahi Tec (business automotive supplier) in its acquisition of N.A. automotive supplier</p> <p>Financial Advisor</p>	<p>ScanMed</p> <p>Not Disclosed Buy-side advisory</p> <p>Sole Financial Advisor</p>	<p>LKO</p> <p>USD765 million Senior secured credit facilities (financing for LKO's acquisition of top competitor)</p> <p>Joint Bookrunner</p>	<p>bridgepoint</p> <p>USD10.2 million Bridgepoint Investor Partners L.L.P. offering</p> <p>Lead Bookrunner & Sole Financial Advisor</p>	<p>Not Disclosed Buy-side advisory</p> <p>Sole Financial Advisor</p>	<p>T-STONE</p> <p>15 million offering on senior</p> <p>Joint Bookrunner</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>Powderhook</p> <p>Not Disclosed Unsecured Promissory Note</p> <p>Financial Advisor</p>	<p>FleetPride</p> <p>USD375 million Senior secured credit facilities/senior notes</p> <p>Joint Bookrunner</p>
<p>WCC</p>	<p>YORK LABEL</p>	<p>Hertz</p>	<p>Manitowoc</p>	<p>WVCO DIRECT</p>	<p>SOHO DEVELOPMENT</p>	<p>ACCURIDE</p>	<p>Wynn Resorts</p>	<p>NAVTEQ</p>

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