

## Product Design and Engineering Services: A Widening Frontier in Business Process Outsourcing

The practice of an independent engineering firm providing services on an outsourced basis is typical in the architecture, engineering and construction world (“AEC”), where construction “production” teams are generally brought together on a project basis by an owner or developer to provide services collaboratively but independently. On the other hand, in the world of mechanical or electrical engineering and industrial design, companies are highly integrated and have tended to design and manufacture their own products. These companies have viewed product design and engineering to be among their “core” competencies, and considered these capabilities too proprietary to outsource. However, the value proposition of outsourcing has become increasingly accepted and more widely applied in other parts of these companies’ businesses. At the same time, a number of market forces have prompted many consumer and industrial products companies to reappraise long-held beliefs about how they organize around the work of satisfying customer needs. These developments have created growing opportunities for a number of firms that provide project design and engineering on an outsourced basis, and one of the more dynamic growth sectors within the Business Process Outsourcing (“BPO”) industry.

According to a recent study by AMR Research, 29% of U.S. manufacturing companies are outsourcing part of their new product development process, with 41% reporting that they are evaluating outsourcing options within the next 12-24 months. In another recent study, Booz Allen Hamilton estimated that current spending on engineering by manufacturing companies is projected to increase to \$1.1 trillion by 2020 (up from \$750 billion in 2004). This total spend is spread among a number of industries including Automotive (19% of the market)

as well as Aerospace (8%) and Utilities (3%). High-Tech / Telecom is the dominant and fastest growing sector, comprising 30% of the market. Very little of this market is outsourced, and while only \$10-15 billion of engineering services is off-shored today, the market is expected to grow to \$150-\$225 billion by 2020. As a result, consolidation has already begun with providers seeking to position themselves to service clients on a global basis with an optimal portfolio of skills and technology.

### The Evolution of Business Process Outsourcing in Engineering and Design

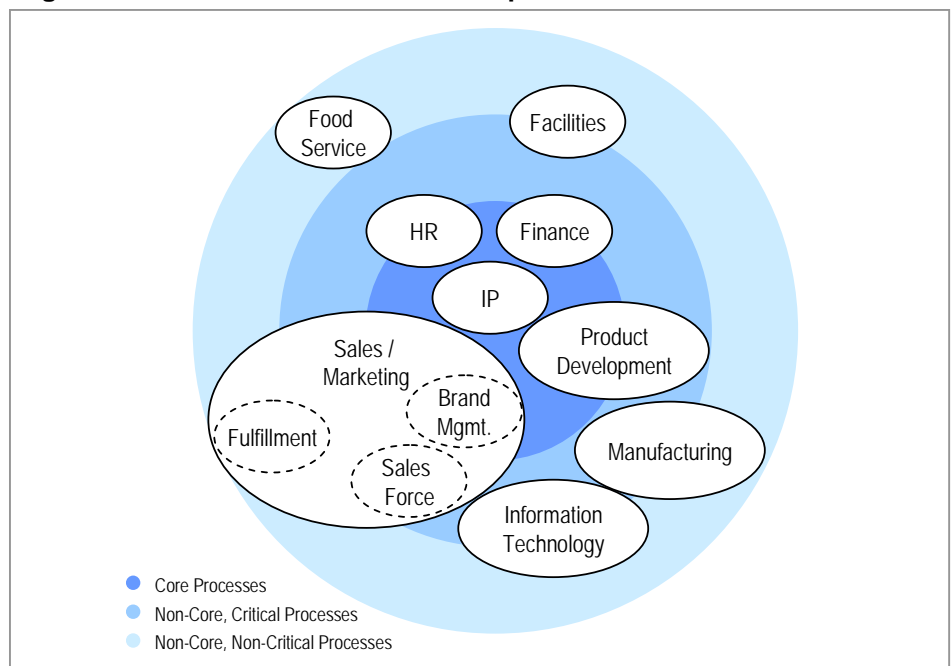
According to The Sourcing Interests Group, companies essentially have three kinds of processes: core processes (which give strategic advantage), critical, non-core processes (which are important but are not competitive differentiators), and non-core, non-critical processes (which are needed to make the environment work).

Few companies outsource truly core processes. Many do outsource critical, non-core processes to providers who specialize in those processes because they will invest in them and aim to make them world-class. And even more companies recommend outsourcing all non-core, non-critical processes. Engineering and product design have traditionally been viewed as a critical (and in many cases, core) business process for manufacturing companies. As a result these companies have been resistant to outsourcing these processes.

Over time, this view has started to change. Outsourcing companies increasingly have moved from providing purely non-core activities such as facilities management, back office processing and IT systems to more traditionally critical activities such as customer care, sales, and finance and

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**Figure 1: Core vs. Non-Core Process Spectrum**



Source: The Sourcing Interests

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(Continued from page 1)

accounting. Confidence among users has grown as large and successful and publicly traded outsourcing companies have emerged, and service level agreements have become more standardized. At the same time, advances in computing, processing and communications technology have continued to make the performance of various business processes outside the four walls of the corporation more seamless and robust.

## Changing Times

Even with increased penetration by outsourcing generally, design and engineering remained off limits for some time. However, a number of external catalysts led many traditional consumer and commercial product companies to modify their thinking on the practice. According to IDG, many have faced a unique set of pressures in recent years:

### General Factors:

- Global competition
- Uncertain economic conditions
- Corporate cost cutting initiatives
- Declining engineering university enrollments in U.S. and Europe

### Design/Engineering-Specific Factors:

- Need to decrease time to market
- Need to integrate fast moving technologies
- Need for revenue growth through innovation
- Geographically dispersed manufacturing

This is an imposing list of issues to tackle all at once and has increasingly tended to get CEOs to more seriously consider outsourced solutions. Many have come to the conclusion that the true fundamental assets of these companies are not processes, products or even patents, but rather brands and their knowledge and relationships with the customer. To the extent companies like Apple or Harley Davidson understand the needs of the customer, can maintain

an ongoing dialog with that customer and can translate the want of that customer into a set of product attributes, the particulars of how the physical product comes to be are less important than how accurately and quickly the Company is able to cycle through that process. Therefore, the desegregation and deeper understanding of the elements of brand identity have led companies to consider outsourcing numerous product design and engineering tasks once thought of as fundamentally core in order to more fully focus on those that truly are.

The other realization that has come about is that the product development process is a series of projects that have uneven timelines and staffing needs. In that regard, they are not unlike construction projects. As such, they create a management challenge that is inherent and recurring within vertically integrated organizations. While automation through the use of project and portfolio management software can help, the fundamental need is for a staffing model that allows for flexibility to manage for both cost and speed without the loss of any key project related knowledge.

In response, a number of existing and newer business models have emerged to meet and facilitate this evolution in the marketplace. These companies generally are industrial design firms and/or business process outsourcing companies. Increasingly, they operate across the entire spectrum of engineering and product design activities.

## Industrial design firms

Looking and feeling like high-end consulting or marketing services firms, boutique industrial design firms have been around for many years. They are growing both in influence and size, albeit not as quickly as those firms operating as pure BPO providers.

According to IBIS World, industrial design firms have begun to shift core competencies away from drawing, styling and producing to conceptualizing new business paradigms and offering clients design consultancy services. This

service segment appears to be the most likely driver of industry growth going forward. U.S. firms have begun to develop branding and consultancy services, which now account for around 35% of industry revenue. Larger industry players often concentrate resources on creating new brands, defining consumer experiences (using spatial and conceptual design consultancy), understanding customer needs of a product (from a physical and visual perspective), and changing business practices to embrace innovative design concepts.

The vast majority of design firms prefer to create prototype models of new designs and provide recommendations regarding manufacturers should the product go to market. Mechanical engineering and product manufacturing still remain small product segments, but they are an important means by which smaller companies can find a niche market and larger companies can offer clients a fully-integrated design service. Comprising just 10% of industry revenue today, many firms operate post-design and service assistance by aiding clients in the management of the physical operation of products for which they were engaged in the design process. Larger firms, in particular, perform functions such as these in order to provide a greater service offering than competitors, while promoting a broad-reaching variety of products and services.

Operating in a highly fragmented market of over \$2 billion in the U.S., many mid-sized firms in this arena have significant influence on some of the major consumer and industrial products companies in the world. Some of these firms and their clients include IDEO (Airbus, BMW, McDonald's, NASA, Palm, Samsung, VISA and Vodafone), Frog Design, Inc. (Apple, Lufthansa Dell Microsoft and SAP) and Herbst LaZar Bell (Dell, Hewlett Packard, Sunbeam, Stanley Tool, Kodak, Motorola, Whirlpool, Gillette and Electrolux). High-end furniture manufacturer, Steelcase, owns a controlling interest in IDEO, and

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contract manufacturer Flextronics bought a controlling interest in Frog Design in 2004. In the auto arena, Pininfarina provides design assistance for Ferrari, Maserati, Cadillac, Nash, Peugeot, Jaguar, Volvo, Alfa Romeo and Lancia.

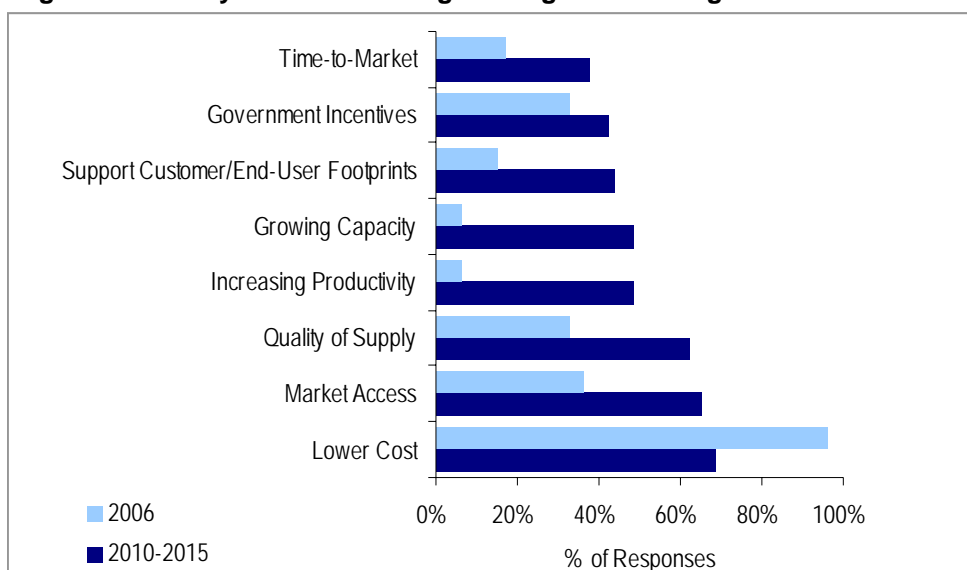
### Engineering BPO Companies

A more recently emerging segment is BPO providers of product engineering services. This has initially emerged as an off-shoring and near-shoring phenomenon driven primarily by labor rate arbitrage and an overall shortage of engineering talent in the U.S. and Europe. Initially, firms provided primarily computer-aided design (CAD) drafting services on an outsourced basis. However, as the BPO firms and their clients have become more sophisticated about the use of outsourcing, the range of tasks continues to increase, and the reasons for utilizing these services has broadened.

As these business models develop, it is expected that the companies will employ a mix of on-shore, near-shore and off-shore resources to get to the proper blend of cost benefit, integration with customers, as well as access and exposure to end customers which is a critical input in an effective product design process.

Many of the traditional players in this space have been from European nations including France (Alten SA, Assytem, Akka Technologies and CADWare/Segula Systems), Germany (EDAG AG and Ruecker AG) and Sweden (Semcon AB) among others. In the U.S., several companies have recently committed to the space through acquisition such as

**Figure 2: Primary Reasons for Engineering Outsourcing**



Source: Booz Allen Hamilton / NASSCO

Perot Systems (eServ), ITT Corporation (EDO Corp), and SAIC (Scicom Technologies Pvt. Ltd.). U.S. private equity firms have also begun to pay attention to this space, with recent control investments made by Trident (Neilsoft Systems) and Churchill Equity (Orchid Orthopedic Solutions). With the trend toward off-shoring, a number of Indian outsourcing and industrial giants have created product engineering units and/or grown via acquisition. These include Satyam Computer Services, Mahindra & Mahindra Ltd., Tata, Wipro, and HCL Technologies among others.

These companies often operate in different end market verticals and each deploys a slightly different value proposition with varying mixes of consulting, staff augmentation, project management and technology services and systems. As clients seek to turn customer information into product

information, we expect to also see traditional marketing services companies involved themselves more fundamentally in this value chain in order to move their relevance “upstream” and combine their traditional customer data management and brand expertise with design and engineering support capability

What is already known is that this is a highly dynamic, rapidly developing and truly global market which should provide substantial opportunities for strategic and financial buyers buy and grow companies that fulfill significant client needs and offer the potential for significant revenue and earnings growth in the future.

Selected M&A Transactions in the Product Engineering Services Sector (Dollars in millions)

Closed Target	Acquirer	Enterprise Value	EV / LTM	
			Revenue	EBITDA
Pending Engines Engineering S.p.A.	Mahindra Systems & Automotive Technologies	n/a	n/a	n/a
Pending Caterpillar Inc. <sup>1</sup>	Satyam Computer Services Ltd.	60	n/a	n/a
Jun-08 Tenix Defence Pty. Ltd.	BAE Systems Australia Limited	681	1.1x	13.8x
Jun-08 Segula Systems	CadWare S.A.	n/a	n/a	n/a
Jun-08 WMNetServ (UK) Limited	Wipro Technologies Ltd.	n/a	n/a	n/a
Jun-08 AICAT CA Technologies Consulting	IndustrieHansa Consulting & Engineering	n/a	n/a	n/a
Jun-08 M2 Systems LLC	Kelyniam Global, Inc.	n/a	n/a	n/a
Mar-08 Mahindra Grafica Ricerca Design	Mahindra & Mahindra Ltd.	n/a	n/a	n/a
Feb-08 Le groupe Mapsys	Groupe Segula Technologies SA	n/a	n/a	n/a
Feb-08 RLE International AB	RLE International, Inc.	n/a	n/a	n/a
Jan-08 EDAG France S.A.R.L.	Groupe Segula Technologies SA	n/a	n/a	n/a

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Selected M&A Transactions in the Product Engineering Services Sector (Dollars in millions)

Closed Target	Acquirer	Enterprise Value	EV / LTM	
			Revenue	EBITDA
Dec-07 EDO Corporation	ITT Corporation	1,552	1.6x	19.8x
Dec-07 Integrated Combat Systems, Inc.	Orbit International Corp.	n/a	n/a	n/a
Nov-07 Christian Michelsen Research AS	CGG Veritas	n/a	n/a	n/a
Oct-07 Aerospace International Service	Groupe Segula Technologies SA	n/a	n/a	n/a
Sep-07 Neilsoft Limited	Trident Capital, Inc.	n/a	n/a	n/a
Sep-07 Scicom Technologies Pvt. Ltd.	SAIC, Inc.	n/a	n/a	n/a
Sep-07 Coframi	Akka Technologies	105	0.4x	6.4x
Sep-07 Kenersys GmbH	The Kalyani Group	n/a	n/a	n/a
Aug-07 Caran AB	Semcon AB	48	n/a	n/a
Aug-07 Infocrossing	Wipro Technologies	553	2.3x	12.5x
Jul-07 Lipsion Alport Glass & Associates	Desgrippes Gobe Associates	n/a	n/a	n/a
Jul-07 Orion Technology Inc.	Rolta India Ltd.	n/a	n/a	n/a
Jul-07 Information Science Consultants Ltd.	IFS Defense Ltd.	8	2.2x	n/a
Jun-07 Comau Group <sup>2</sup>	Akka Technologies	n/a	n/a	n/a
May-07 Gloenco-Newport, Inc.	Ameri-Forge Group, Inc.	n/a	n/a	n/a
Mar-07 IVM Automotive Holding	Semcon	47	0.2x	3.6x
Mar-07 Hua-Chuang Automobile	Yulon Motor Co. Ltd.	97	n/a	n/a
Jan-07 Oxford Global Resources, Inc.	On Assignment Inc.	200	1.2x	13.3x
Jan-07 QSS Group, Inc.	Perot Systems Government Services	250	n/a	n/a
Jan-07 Albert Muehlenberg Apparatebau	EDAG	n/a	n/a	n/a
Dec-06 Hua-Chuang Automobile	Yulon Motor Co. Ltd.	99	n/a	n/a
Nov-06 Hydrauto Group AB	Wipro Infrastructure Engineering	31	0.3x	n/a
Oct-06 Tata Consultancy Services Switzerland	Tata Consultancy Services	108	1.9x	n/a
Oct-06 Embedit A/S	Data Respons ASA	n/a	n/a	n/a
Sep-06 FuE-Future Engineering GmbH	Transiciel SA	n/a	n/a	n/a
Sep-06 Impact Science & Technology, Inc.	EDO Corporation	102	1.4x	5.7x
Sep-06 CAS, Inc.	EDO Corporation	161	1.0x	17.0x
Jul-06 Idestyle	Alten SA	n/a	n/a	n/a
Jul-06 POP Displays USA, LLC	Sun Capital Partners, Inc.	n/a	n/a	n/a
Jul-06 Quantech Global Services, LLC	Wipro Technologies Ltd.	3	0.5x	n/a
Jun-06 Kongsberg Devotek A.S.	Semcon AB	9	1.0x	n/a
May-06 Matrixone, Inc.	Dassault Systemes	310	2.6x	nmf
Apr-06 Silogic SA	Akka Technologies	n/a	n/a	n/a
Mar-06 eServ, LLC	Perot Systems Corp.	21	1.1x	n/a
Jan-06 Cliff Design & Development AB	Design Continuum AB	n/a	n/a	n/a
Jan-06 CEDIS Mechanical Engineering GmbH	Tata Motors	n/a	n/a	n/a
Jan-06 Aero Systems Engineering Inc	Tonka Bay Equity Partners	19	0.5x	n/a
Dec-05 NexGen Communications, LLC	EDO Corporation	n/a	n/a	n/a
Dec-05 Plexion Technologies (India)	Mahindra & Mahindra Ltd.	11	n/a	n/a
Nov-05 Teltech International Corp.	KENDA Systems, Inc.	n/a	n/a	n/a
Oct-05 Surface Finishes Co., Inc.	Cabot Microelectronics Corp.	n/a	n/a	n/a
Sep-05 Quaternove	Alten SA	19	n/a	n/a
Jul-05 Agence Commerciale Européenne, SA	Akka Technologies	n/a	n/a	n/a
May-05 Atena	Assytem	10	0.2x	6.4x
May-05 Assystem	Caisse des Dépôts et Consignations	67	0.2x	2.6x
May-05 Silver Aerospace (80%)	Ruecker AG	n/a	n/a	n/a
Apr-05 INBIS	AssystemeBrime	n/a	n/a	n/a
Apr-05 Inbis Group PLC	Assystem	n/a	n/a	n/a
Mar-05 Cosworth Technology	Mahle Group	n/a	n/a	n/a
Mar-05 Product Development Technologies, Inc.	TZ Ltd.	6	n/a	n/a
Feb-05 Orchid Design Orthopedic Solutions	Churchill Equity, Inc.	n/a	n/a	n/a
Jan-05 PCL Group (82%)	ARRK Development Group	64	n/a	n/a

Notes: (1) Market research and customer analytics operations  
(2) French engineering division

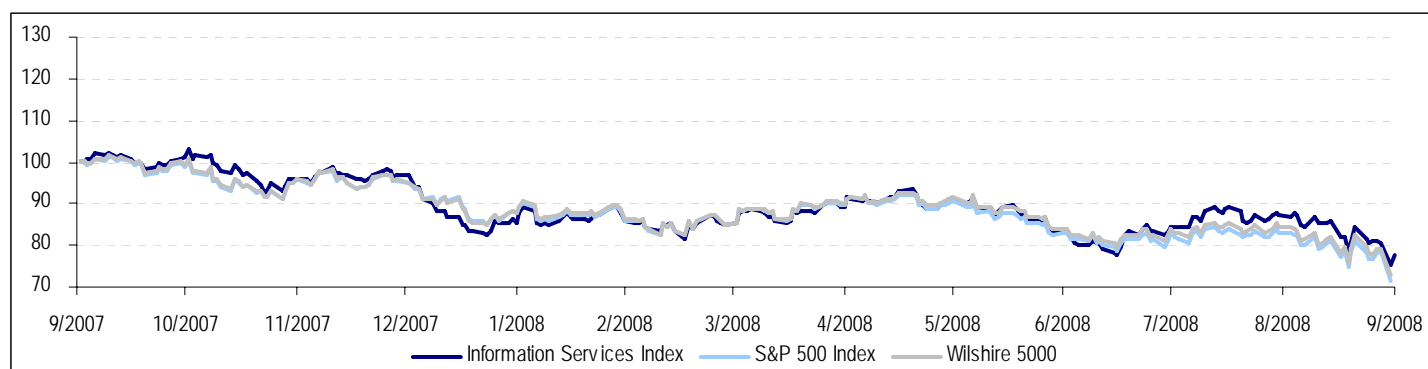


# Valuation Update: Information Services

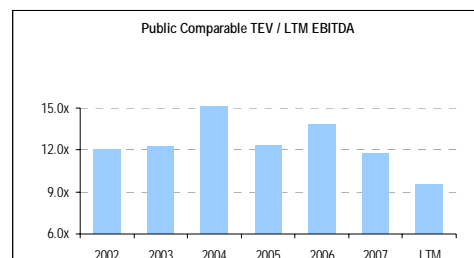
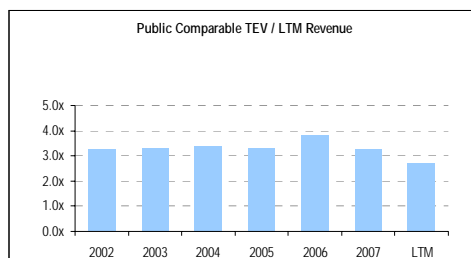
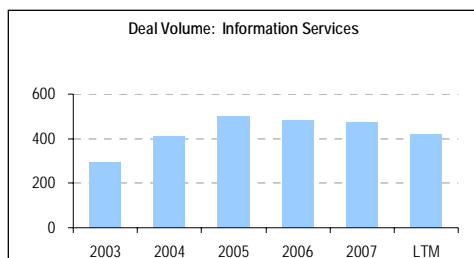
## Select Public Comparables (Dollars in millions except per share data)

Company	Stock Price		Enterprise Value	EV / LTM		NTM Est. P/E	1 Year Est. Earn. Growth
	9/30/2008	52-Wk High		Revenue	EBITDA		
Affiliated Computer Services, Inc.	\$ 50.63	\$ 57.40	\$ 6,866	1.1x	6.5x	13.1x	9.7%
Alliance Data Systems Corporation	63.38	80.79	5,495	3.4x	9.4x	13.3x	16.6%
APN News & Media Ltd.	3.21	5.85	2,686	2.0x	7.8x	NA	NMF
Automatic Data Processing, Inc.	42.75	49.81	19,953	2.5x	9.8x	17.6x	11.9%
Bowne & Co. Inc.	11.55	18.59	386	0.5x	6.6x	15.6x	NMF
CoStar Group Inc.	45.39	62.88	719	3.5x	17.3x	35.8x	NMF
DST Systems Inc.	55.99	88.72	4,043	2.4x	8.6x	14.0x	8.4%
Dun & Bradstreet Corp.	94.36	102.03	5,690	3.4x	10.7x	16.4x	16.3%
Equifax Inc.	34.45	40.21	5,530	2.8x	8.4x	13.8x	13.1%
FactSet Research Systems Inc.	52.25	73.99	2,307	4.0x	10.8x	19.2x	8.7%
Fair Isaac Corp.	23.05	40.63	1,518	1.9x	8.6x	14.2x	NMF
Fidelity National Information Services Inc.	18.46	48.49	7,590	1.5x	6.1x	11.0x	NMF
First American Corp.	29.50	66.00	3,572	0.5x	6.5x	17.7x	NMF
Fiserv Inc.	47.32	56.80	11,856	2.6x	10.2x	13.1x	25.5%
Heartland Payment Systems Inc.	25.56	33.00	1,048	0.7x	13.7x	19.8x	20.3%
Interactive Data Corporation	25.22	33.68	1,984	2.7x	8.1x	18.4x	4.6%
Iron Mountain Inc.	24.41	38.85	8,193	2.8x	11.0x	29.8x	1.4%
Moody's Corp.	34.00	55.99	8,683	4.5x	8.7x	17.2x	NMF
Morningstar Inc.	55.47	85.50	2,514	5.2x	15.2x	24.9x	37.1%
Paychex Inc.	33.03	43.00	11,312	5.7x	12.3x	19.8x	4.7%
Reed Elsevier plc	5.55	7.93	6,232	0.7x	2.8x	13.3x	31.0%
Taylor Nelson Sofres plc	2.43	2.81	1,488	1.3x	10.5x	NA	NMF
Thomson Reuters PLC	12.41	17.12	14,239	1.0x	7.1x	11.8x	0.0%
Total System Services, Inc.	16.40	30.99	3,159	2.2x	6.0x	11.9x	NMF
Western Union Co.	24.67	28.62	18,191	3.5x	12.0x	17.3x	19.5%
<b>Mean</b>			<b>\$ 6,210</b>	<b>2.5x</b>	<b>9.4x</b>	<b>17.3x</b>	<b>14.3%</b>
<b>Adjusted Mean (excludes highest and lowest values)</b>			<b>5,866</b>	<b>2.4x</b>	<b>9.3x</b>	<b>16.8x</b>	<b>13.7%</b>
<b>Median</b>			<b>5,495</b>	<b>2.5x</b>	<b>8.7x</b>	<b>16.4x</b>	<b>12.5%</b>

## LTM Relative Stock Price Performance



## M&A Public and Private Transaction Data



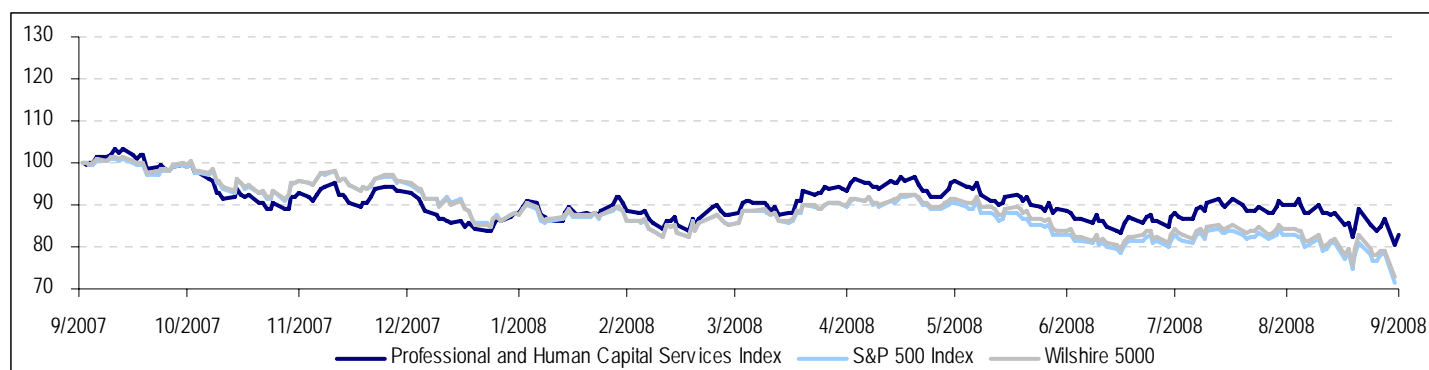
Source: Capital IQ and Factset MergerStat  
Note: All LTM figures as of 9/30/2008

# Valuation Update: Professional and Human Capital Services

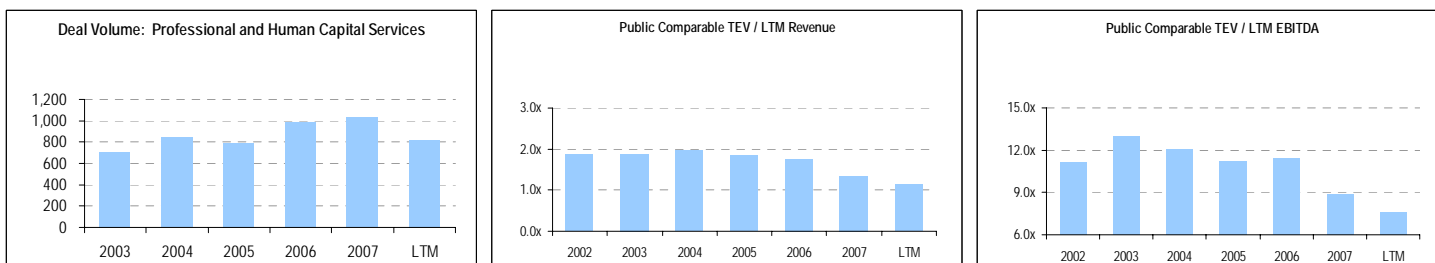
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Company	Stock Price		Enterprise Value	EV / LTM		NTM Est. P/E	1 Year Est. Earn. Growth
	9/30/2008	52-Wk High		Revenue	EBITDA		
Accenture Ltd.	\$ 38.00	\$ 43.04	\$ 19,755	0.8x	5.6x	13.1x	9.2%
Acxiom Corp.	12.54	16.00	1,542	1.1x	4.4x	17.4x	15.3%
CACI International Inc.	50.10	55.01	2,050	0.8x	9.7x	16.3x	13.2%
CB Richard Ellis Group, Inc.	13.37	29.36	5,863	1.0x	8.8x	11.4x	NMF
Convergys Corporation	14.78	19.18	2,049	0.7x	5.7x	12.8x	NMF
Corporate Executive Board Co.	31.25	76.99	1,010	1.8x	7.4x	13.9x	NMF
CRA International Inc.	27.48	53.99	310	0.8x	6.4x	0.0x	NMF
Forrester Research Inc.	29.31	36.27	430	1.9x	11.8x	20.6x	13.4%
FTI Consulting, Inc.	72.24	80.00	4,014	3.4x	15.0x	25.6x	30.1%
Gartner Inc.	22.68	28.39	2,310	1.8x	11.9x	22.0x	28.4%
Harte-Hanks Inc.	10.37	20.52	930	0.8x	5.1x	8.9x	NMF
Heidrick & Struggles International Inc.	30.15	45.57	342	0.5x	3.8x	12.3x	NMF
Hewitt Associates Inc.	36.44	43.00	3,605	1.2x	7.6x	16.3x	30.8%
Interpublic Group of Companies Inc.	7.75	10.76	4,475	0.7x	6.5x	16.7x	NMF
Manpower Inc.	43.16	77.48	3,810	0.2x	4.2x	8.5x	14.0%
Marsh & McLennan Companies, Inc.	31.76	36.82	18,773	1.6x	12.6x	18.1x	32.6%
Navigant Consulting Inc.	19.89	22.78	1,297	1.8x	10.2x	20.0x	17.0%
Omnicom Group Inc.	38.56	53.07	14,378	1.1x	7.3x	11.3x	12.8%
Robert Half International Inc.	24.75	32.95	3,362	0.7x	6.0x	15.3x	NMF
R.R. Donnelley & Sons Company	24.53	40.98	8,939	0.7x	4.9x	7.7x	5.9%
Valassis Communications Inc.	8.66	16.80	1,496	0.6x	5.8x	6.4x	(8.7%)
WPP Group plc	4.48	7.16	7,356	1.1x	6.7x	8.5x	14.7%
<b>Mean</b>			<b>\$ 4,913</b>	<b>1.1x</b>	<b>7.6x</b>	<b>13.8x</b>	<b>16.3%</b>
<b>Adjusted Mean</b> (excludes highest and lowest values)			<b>4,401</b>	<b>1.1x</b>	<b>7.4x</b>	<b>13.9x</b>	<b>17.1%</b>
<b>Median</b>			<b>2,836</b>	<b>0.9x</b>	<b>6.6x</b>	<b>13.5x</b>	<b>14.4%</b>

## LTM Relative Stock Price Performance



## M&A Public and Private Transaction Data



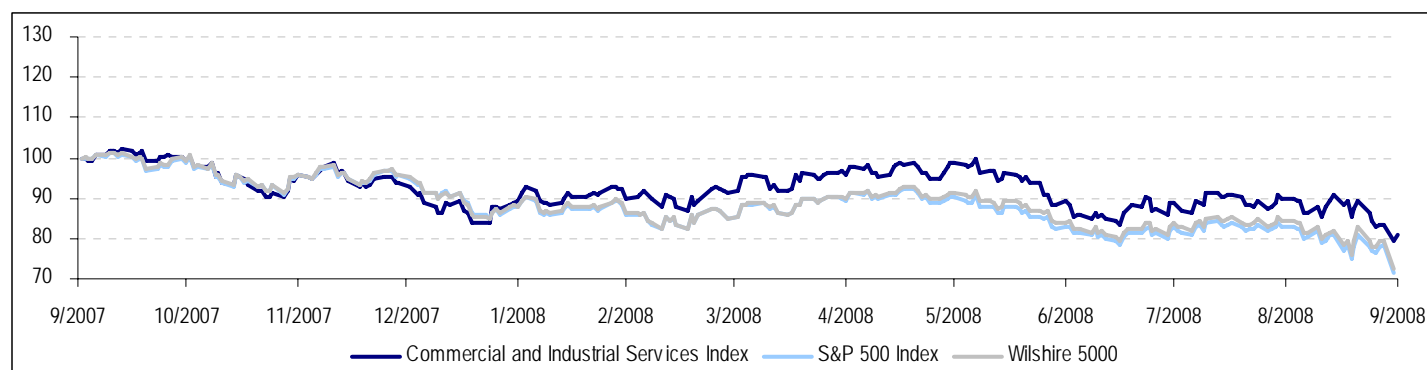
Source: Capital IQ and Factset MergerStat  
Note: All LTM figures as of 9/30/2008

# Valuation Update: Commercial and Industrial Services

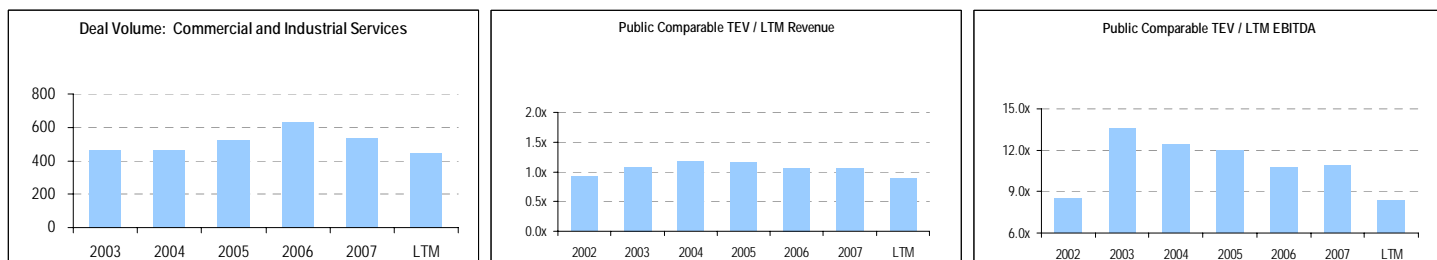
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Company	Stock Price		Enterprise Value	EV / LTM		NTM Est. P/E	1 Year Est. Earn. Growth
	9/30/2008	52-Wk High		Revenue	EBITDA		
Allied Waste Industries Inc.	\$ 11.11	\$ 15.46	\$ 11,412	1.9x	6.6x	10.6x	21.6%
Brinks Co.	61.02	74.61	2,847	0.8x	5.5x	15.4x	27.2%
CH Robinson Worldwide Inc.	50.96	67.36	8,306	1.0x	14.4x	23.2x	12.2%
Cintas Corp.	28.71	38.28	5,086	1.3x	7.0x	13.3x	3.9%
Clean Harbors Inc.	67.55	82.99	1,407	1.4x	9.9x	23.7x	18.4%
Dycom Industries Inc.	13.02	34.13	643	0.5x	5.0x	15.3x	10.6%
EMCOR Group Inc.	26.32	36.05	1,629	0.2x	5.2x	9.8x	38.7%
FedEx Corporation	79.04	108.14	25,565	0.7x	5.4x	14.4x	NMF
FirstService Corp.	15.45	36.30	1,000	0.6x	8.7x	15.5x	NMF
Fluor Corporation	55.70	101.37	7,314	0.4x	7.6x	14.3x	NMF
Forward Air Corp.	27.23	39.09	841	2.0x	9.6x	15.0x	12.4%
Hub Group Inc.	37.65	44.44	1,321	0.7x	12.9x	20.9x	12.1%
Jacobs Engineering Group, Inc.	54.31	103.29	5,634	0.5x	8.5x	13.8x	NMF
Landstar System Inc.	44.06	59.21	2,369	0.9x	11.2x	19.1x	9.9%
MasTec Inc.	13.29	16.00	1,027	0.9x	12.4x	12.8x	35.8%
Quanta Services Inc.	27.01	35.39	4,463	1.3x	13.4x	22.0x	32.8%
Ryder System, Inc.	62.00	76.64	6,184	0.9x	4.5x	12.6x	11.5%
Securitas AB	76.75	94.50	40,693	0.6x	8.6x	9.8x	NMF
Shaw Group Inc.	30.73	77.30	3,018	0.4x	9.2x	10.0x	NMF
United Parcel Service, Inc.	62.89	78.60	73,493	1.4x	8.8x	17.3x	NMF
URS Corp.	36.67	64.19	3,887	0.5x	9.5x	13.4x	NMF
UTI Worldwide, Inc.	17.02	25.91	1,833	0.4x	8.5x	15.1x	5.2%
Waste Management, Inc.	31.49	39.44	23,709	1.8x	6.8x	13.3x	9.2%
YRC Worldwide Inc.	11.96	28.83	1,785	0.2x	4.5x	59.5x	0.0%
<b>Mean</b>			<b>\$ 9,811</b>	<b>0.9x</b>	<b>8.5x</b>	<b>17.1x</b>	<b>16.3%</b>
<b>Adjusted Mean</b> (excludes highest and lowest values)			<b>7,333</b>	<b>0.9x</b>	<b>8.4x</b>	<b>15.5x</b>	<b>15.9%</b>
<b>Median</b>			<b>3,453</b>	<b>0.8x</b>	<b>8.5x</b>	<b>14.7x</b>	<b>12.1%</b>

## LTM Relative Stock Price Performance













## M&A Public and Private Transaction Data



Source: Capital IQ and Factset MergerStat  
Note: All LTM figures as of 9/30/2008

## Recent Lincoln International Business Services Transactions

 <p>Sovereign Capital has invested in WCLS Group</p> 	<ul style="list-style-type: none"> <li>• Buy-side advisory (April 2008)</li> <li>• World Class Learning Schools and Systems Group is an international private schools business with a growing portfolio of complementary products and services</li> <li>• Lincoln International - London</li> </ul>	 <p>American Asphalt &amp; Grading has sold its mining services division of to ClearLight Partners</p> 	<ul style="list-style-type: none"> <li>• Sell-side advisory (June 2008)</li> <li>• Mining Services is a leading provider of specialized mine site services to the gold and copper mining industries including site development, site reclamation, and contract mining</li> <li>• Lincoln International - Chicago</li> </ul>
 <p>Safety-Kleen Systems has sold its Ohio operations to Clean Harbors</p> 	<ul style="list-style-type: none"> <li>• Sell-side advisory (March 2007)</li> <li>• Safety-Kleen Systems is the largest collector and re-refiner of used oil and provider of parts cleaning services and other environmental services in North America</li> <li>• Lincoln International - Chicago</li> </ul>	 <p>National Mobile Television has sold select assets to NEP, Inc.</p> 	<ul style="list-style-type: none"> <li>• Sell-side advisory (September 2008)</li> <li>• National Mobile Television is one of America's leading mobile television facilities providers and a leader in outsource staffing services for the industry at large</li> <li>• Lincoln International - Chicago</li> </ul>
 <p>Recommended cash offer by Deutsche Post Beteiligungen</p> 	<ul style="list-style-type: none"> <li>• Recommended Cash Offer (April 2008)</li> <li>• Williams Lea Holdings enhances the integrity, value, and power of corporate information and internal and external communications</li> <li>• Lincoln International - London</li> </ul>		

### About Lincoln International

Lincoln International specializes in merger and acquisition services, private capital raising, UK pension advisory services and providing fairness opinions and valuations for leading organizations involved in mid-market transactions. With offices in Chicago, Frankfurt, London, Los Angeles, Madrid, New York, Paris, Tokyo and Vienna, and strategic partnerships with China Everbright in China and ICICI Securities, Inc. in India, Lincoln International has strong local knowledge and contacts in the key global economies. The organization provides clients with senior-level attention, in-depth industry expertise and integrated resources. By being focused and independent, Lincoln International serves its clients without conflicts of interest. More information about Lincoln International can be obtained at [www.lincolninternational.com](http://www.lincolninternational.com)

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