

Inside this Issue

Welcome to the December 2009 issue of the Privately-Held Businesses DealReader, a newsletter focused on merger-and-acquisition trends, transactions and events of interest to owners of private companies and their advisors.

In this issue, we pose five questions to Dan Pansing of Chicago-based private equity firm Merit Capital Partners. Mr. Pansing discusses recapitalization transactions, which allow owners of privately-held

companies to achieve liquidity without going through an outright sale process.

Other topics covered in this issue include:

- Trends favoring strategic buyers in 2010
- Common characteristics that acquirers seek in food and beverage companies
- Reminder for upcoming "State of the Financing Markets" webcast

- Key M&A market and contract statistics
- Profiles of recent Lincoln International transactions, including sale of Bush Hog LLC, an Alabama-based private company sold to publicly-held Alamo Group in October 2009

We hope you find this newsletter a useful tool, and we welcome your comments and questions.

Lincoln International

Five Questions for: Dan Pansing, Merit Capital Partners



Dan Pansing
Merit Capital Partners

Chicago-based Merit Capital Partners manages over \$1 billion of capital through four institutionally sponsored limited partnerships. Merit invests subordinated

debt and equity capital in middle-market companies principally in manufacturing, distribution and services industries. Across its portfolio, Merit professionals serve as board level advisors and partners, not day-to-day operators. Since the firm's founding in 1993, Merit has completed 57 platform investments, nearly half of which have been recapitalizations, and has experience in numerous industries throughout various economic cycles.

Dan Pansing, a Managing Director at Merit, joined the firm in 1999 and had previously worked as a commercial loan officer at LaSalle Bank (now Bank of America) focused on leveraged and asset-based transactions involving middle-market companies. We asked Mr. Pansing five questions about recapitalization transactions and why this deal structure can be beneficial to private business owners.

Q: Who is Merit Capital Partners?

A: Merit Capital is a mezzanine debt and equity investor, currently investing our fourth fund. Our funds primarily are comprised of

institutional limited partners, such as state pension funds, insurance companies, and endowments. We invest across a wide variety of industries and have portfolio companies all over the United States. Finally, Merit makes both minority and majority investments, and we typically hold our investments from three to ten years.

Unlike many funds, Merit is very flexible in terms of the types of capital we can deploy. This flexibility and a willingness to make both minority and majority investments positions Merit to participate in many types of transactions that might be of less interest to traditional LBO-focused, control-oriented private equity firms. In particular, Merit's flexible investment style is well-suited for supporting recapitalizations, in which we develop a capital structure designed to fit the liquidity-related goals of the owners.

Q: What is a recapitalization, and what are its main benefits?

A: Recapitalizations involve the exchange of a portion of a company's pre-transaction equity for newly invested capital, providing liquidity to investors in privately held businesses without requiring an outright sale. Recaps can involve either a minority or a majority portion of the existing equity, depending on the needs of the particular shareholders and the particular company.

Middle-market companies frequently reach a point in their existence when their owners have differing investment objectives and

MERIT CAPITAL PARTNERS

liquidity needs. Regardless of whether a company is owned by institutional investors, other third-party outsiders, families, or operating managers, it is not unusual for some shareholders to seek liquidity for their investments prior to others. It is also not unusual for shareholders whose value has meaningfully increased to seek a significant distribution for lifestyle, estate planning, or other purposes, while continuing to own and operate the business going forward. Recaps can provide solutions in each of these areas.

By completing a recap, selling shareholders have the opportunity to cash out of some or all of their previously illiquid equity holdings, while continuing

shareholders are provided an opportunity to maintain or increase their ownership while bringing in a new partner, who often has financial and/or operating expertise. Additionally, completing a recapitalization rather than an outright sale of a company avoids subjecting management and other employees to an intrusive sale process where too much proprietary company information may find its way to competitors. Finally, the remaining shareholders will have the opportunity to benefit from additional liquidity events over time through future recapitalizations, or the eventual outright sale of the company.

(Continued on page 2)

(Merit Capital Partners, continued)

Q: In what types of situations can a company benefit from a recapitalization as opposed to an outright sale, or nothing at all?

A: The key benefit of a recap lies in its flexibility to meet a wide variety of often disparate shareholder needs. Given the nature of privately-held, individually-owned, or family-owned businesses, there are many events that can require shareholder liquidity, including estate planning, generational transitions, divorce, sibling-related difficulties, or wealth diversification. In each of these scenarios, a recap partner can help to achieve shareholder goals.

A recap can also help to reconfigure a partnership in times of disagreement or when some or all of the shareholders seek liquidity without giving up the overall ownership and management of the business. Recaps provide an opportunity to achieve these goals without an outright sale of the business and without existing shareholders needing to contribute more of their own capital into the business.

Further, by choosing a recapitalization, business owners give themselves two key options. First, they get the opportunity to choose the type of partner they would like, tailoring the selection of a new partner to include specific strategic, financial or industry expertise. Second and most significantly, the selling shareholder(s) can achieve partial liquidity but maintain ownership and the ability to participate in a “second bite of the apple” at some point in the future. This “second bite” option is especially valuable in down M&A markets like we are currently experiencing, where an outright sale of the company might not bring the same valuation it would have 24 months ago or at some point in the future.

Examples of Privately-Held Business Recapitalization Transactions

Companies with a hypothetical value of \$50 million

	Scenario A	Scenario B
Ownership Structure	Family business; two siblings, one active as CEO and one inactive in the business, each own 50%	Family business, 100% owned by 55-year-old founder
Impetus for Transaction	Inactive sibling desires full liquidity, while the other desires to remain CEO and take a smaller cash distribution for estate purposes	Lifestyle and estate planning needs, but wants to continue with the business as an owner and as CEO
Recap Structure	<ul style="list-style-type: none"> ■ New senior and subordinated debt, plus equity investment from new partner ■ Inactive sibling is provided full liquidity for his/her \$25mm stake ■ Remaining sibling takes \$5mm to \$10mm distribution, assumes majority equity control, and remains with company as CEO 	<ul style="list-style-type: none"> ■ New senior debt and new subordinated debt ■ Equity investment from new partner as warranted by the size of the distribution ■ \$30mm to \$40mm cash distribution at close
Outcome	Full liquidity is accomplished for the selling shareholder; remaining sibling is able to increase ownership stake and take a cash distribution	Selling shareholder is able to diversify wealth, yet maintains role as CEO and meaningful ownership stake forward, allowing for additional future upside

Source: Merit Capital Partners

Q: What types of companies are good recapitalization candidates?

A: The ability to utilize a combination of senior debt, subordinated debt and equity makes recaps an option for companies of many different sizes and types. However, two characteristics that make companies especially attractive for recaps are stable/proven earnings capacity and strong management teams.

Stable earnings are important because a recapitalization involves adding leverage to the balance sheet. This increases risk, particularly in companies where leverage has never before been used aggressively. As such, a stable or increasing earnings history makes everyone – existing shareholders, new shareholders and senior lenders – comfortable that the company will be able to service its debt without damaging its long-term value.

With respect to the management team, it is important that at least part – preferably the strong part – of the group is staying with the company post-transaction. The new financial partner will not necessarily have the direct industry or operating expertise to run the business without management. Because the new partner is not buying the company outright, it is vital that the company remains in good hands so that it can operate as it has prior to the deal.

Q: What happens after a recapitalization? Is a recap just an interim step to an outright sale?

A: Like anything in business, there is no set playbook for what happens immediately post-transaction. How things go depends on who the new investor is, and the role they plan to play at the company. For Merit Capital, we generally join a company’s board of directors and contribute our expertise and experience when it comes to

About Merit Capital Partners

- Founded in 1993, Merit Capital engages in leveraged buyouts, recapitalizations, and acquisition financings
- Target industries include manufacturing, distribution, logistics, and services
- Target Company Profile: sales > \$25mm; EBITDA > \$5mm; strong cash flows; established industry; growing market share; strong management
- More information is available at www.meritcapital.com

formulating the growth or operating strategy, identifying and executing acquisitions, effecting divestitures, and managing capital allocation. We hope to provide value in these areas, while leaving the day-to-day operations to be handled by the incumbent management team, supporting the tenet that a good recap candidate has to have good management.

Following the new partner’s investment period, generally three to seven years, the recap partner will seek to exit its investment. Certainly, one option is an outright sale, in which all shareholders participate together in a marketing process likely to result in the company being sold to a strategic acquirer or to a traditional control-oriented private equity firm.

But a sale is not the only option for providing the recap partner with an exit. Management and other existing shareholders could choose to undertake another recapitalization transaction, this time raising capital to pay off the financial partner’s remaining debt and repurchase its equity. This subsequent recap is usually possible because the debt used in the initial recap has been paid down and, hopefully, the company has grown during this period, increasing its overall debt capacity. As a result, the company can remain solely in the hands of the remaining shareholders for many more years – or at least until the shareholders face another liquidity need that could again be addressed with a recap.

From our perspective, a recap provides private business owners and shareholders with all of the advisory benefits of working with a private equity firm while allowing the existing shareholders to maintain significant equity ownership, if not a majority stake. Ultimately, the financial partner’s goal is to add value, which aids all of the company’s stakeholders. ■

Contact Dan Pansing at Merit Capital Partners at 1-312-254-0880 or dpansing@meritcapital.com

State of the Private Company M&A Market: Strategic Buyers are Paying Up



Patrick Goy

Over the last few months, a rising level of interest in mid-market M&A has developed, led by renewed interest by strategic acquirers. This is a welcome development for those private company owners

who missed a liquidity event in 2007 and early 2008 and are looking to achieve such an event in 2010. Lincoln International believes the trends that are developing with strategic buyers are sustainable and could offer an excellent "window" for private company owners to effect a transaction in the coming year.

We believe strategic acquirers have come back to the acquisition market and will remain active for five major reasons:

- *Visibility with Existing Business*
- *Accretive Nature of M&A Transactions*
- *Record Cash Balances*
- *Need for Growth*
- *Less Competition from Private Equity*

Visibility with Existing Business

Often an overlooked factor, confidence in the near-term future of an existing business is crucial in looking at possible acquisitions. In the last eighteen months, many business managers inside public companies have had little confidence in forecasting their business, unsure as to the depth of the current recession, where customer inventory reductions would bottom out, and when orders to replenish inventories would commence. While the future may only reflect a "new normal" at a lower level of sales, at least there is some confidence

among managers that the worst of the recession is behind us.

The recent chorus of economists extolling the end of the recession may be technically correct, but the substantial effect this has among business managers and their confidence levels should not be underestimated. As shown below, going back to the 1990-91 recession and again in the early 2000s, M&A activity often picks up as a recession ends and confidence grows inside corporate boardrooms.

Accretive Nature of M&A Deals

With common stock prices up 40%-50% since their March lows, public strategic acquirers once again have a currency that can be used for acquisitions. Public acquirers can make acquisitions that are accretive to earnings as long as the purchase price multiple is less than the purchaser's own stock price. With the S&P 500 trailing EBITDA multiple currently at approximately 15x, acquisitions at 7x to 8x trailing EBITDA are instantly accretive to the acquirer's earnings, with the potential for greater contribution from post-transaction synergies.

Public companies are typically loathe to make acquisitions that are dilutive to earnings from purchase date. With public company multiples now trading at more normal levels, private company owners are now able to attract fair offers for their businesses that are good for both sides.

Record Cash Balances

Stung by last year's credit crunch, companies are holding more cash on their books than at anytime in the past 40 years. A Lincoln update to a recent Wall Street Journal analysis (November 2, 2009) shows that the 500 largest nonfinancial U.S. firms held over \$1 trillion in cash, or

Executive Summary

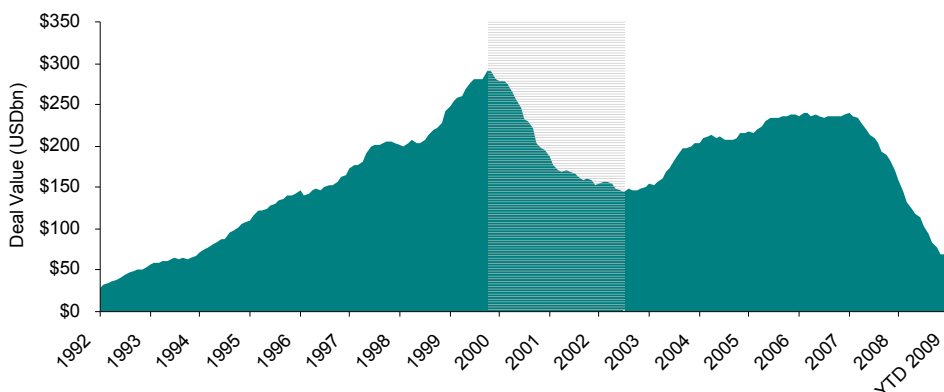
- **Strategic acquirers are poised to be active players in M&A in 2010 due to:**
 - **Visibility with Existing Business:** growing confidence in corporate boardrooms that the worst of the recession is behind us
 - **Accretive Nature of M&A Transactions:** with the current S&P EBITDA multiple at 15x, acquisitions at 7x to 8x are instantly accretive to earnings
 - **Record Cash Balances for Corporates:** cash levels are approaching 40-year highs
 - **Need for Growth:** acquisitions can offer a top-line boost that existing businesses may not yet be able to generate organically
 - **Less Competition from Private Equity:** absence of cash flow lenders, existing portfolio problems and demands by limited investors for a return of capital are likely to hamper PEGs near term

10% of their total assets, entering Q4 2009. (Please see "Facts and Figures" on page 5.) These cash hoards mean more companies can re-invest in their businesses, rehire employees and acquire companies; all good news for the economy. Some large companies, like Baxter International and Pepsi, have taken advantage of low interest rates by borrowing in the long term debt market at fixed rates, adding to their cash hoard without a clear use for the proceeds. Other companies will be extremely cautious with their cash, but shareholder expectations will eventually pressure managers to reinvest the cash or return it to shareholders in the form of dividends or stock buybacks.

Need for Growth

There has been a litany of recent third quarter financial results announcing improved earnings on flat top-line sales. Employee layoffs, reducing overhead, outsourcing products and other cost improvement initiatives have made companies more profitable at lower sales levels. But to keep a stock price moving upward, a company needs to grow. In a slow-growth economy, acquisitions offer the top-line boost that existing businesses may be unable to generate. The company top-line grows, more accretive earnings are generated, the stock price continues to move up and the CEO sees his stock based compensation go in the money.

Historical U.S. Mid-Market M&A Activity (Rolling TTM): 1992 - YTD 2009



Mid-market M&A transaction volumes have generally rebounded sharply as the U.S. economy has exited recent recessions in the early 1990s and early 2000s

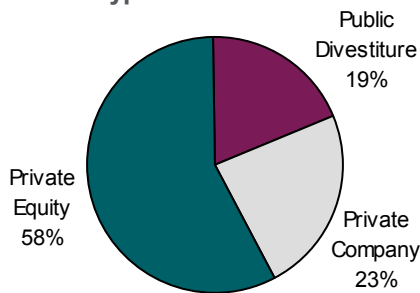
Source: Factset Mergerstat; Note: Mid-market defined as transactions with disclosed transaction values under \$500mm

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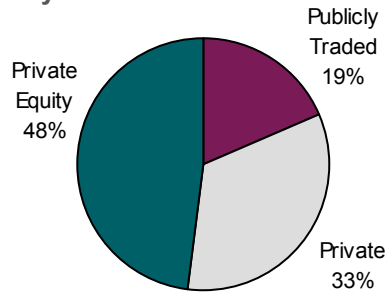
The Market Pulse: Data That Affects The Mid-Market M&A Landscape

Lincoln Completed Transaction Data - Last 15 months ended September 30, 2009

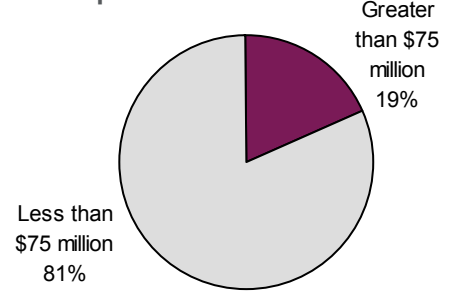
Seller Type



Buyer Profile



Enterprise Value



Valuation Statistics: Average Enterprise Value Multiples Compared to last 12 months ended June 30, 2008

	EV / LTM EBITDA		EV / LTM Revenue	
	Adj. Mean	Median	Adj. Mean	Median
Less than \$75 million	4.91x	4.81x	0.60x	0.61x
Greater than \$75 million	8.04x	8.56x	1.22x	1.18x

Note: Arrows denote comparison with transactions completed during the 12 months ended June 30, 2008; Adjusted mean excludes high and low values prior to mean average calculation

Observations

- Valuation multiples have declined amid softening of lending and business environments
- Enterprise values for larger companies, as measured by EBITDA and Revenue multiples, remain at relatively healthy levels

Key Purchase Agreement Terms - Lincoln's U.S. Transactions

Last 15 months ended September 30, 2009 compared to last 12 months ended June 30, 2008

Escrow as a Percentage of Purchase Price

	EV < \$75 mm		EV > \$75 mm	
	Mean	Median	Mean	Median
All Sellers	6.72%	6.54%	6.25%	6.25%
Public Buyers	8.47%	9.00%	n/a	n/a
Private Equity Buyers	6.93%	5.71%	7.50%	7.50%
Private Buyers	5.10%	5.40%	5.00%	5.00%
Private Sellers	6.80%	7.20%	6.25%	6.25%
Public Buyers	7.96%	8.00%	n/a	n/a
Private Equity Buyers	n/a	n/a	7.50%	7.50%
Private Buyers	5.05%	5.05%	5.00%	5.00%

Indemnity Cap as a Percentage of Purchase Price

	EV < \$75 mm		EV > \$75 mm	
	Mean	Median	Mean	Median
All Sellers	15.68%	11.55%	7.50%	7.50%
Public Buyers	13.91%	13.82%	n/a	n/a
Private Equity Buyers	10.19%	10.65%	10.00%	10.00%
Private Buyers	25.68%	20.00%	5.00%	5.00%
Private Sellers	24.59%	18.82%	7.50%	7.50%
Public Buyers	15.22%	17.65%	n/a	n/a
Private Equity Buyers	n/a	n/a	10.00%	10.00%
Private Buyers	52.70%	52.70%	5.00%	5.00%

Basket as a Percentage of Purchase Price

	EV < \$75 mm		EV > \$75 mm	
	Mean	Median	Mean	Median
All Sellers	0.81%	0.82%	0.63%	0.63%
Public Buyers	0.75%	0.75%	n/a	n/a
Private Equity Buyers	0.87%	1.00%	0.75%	0.75%
Private Buyers	0.78%	0.72%	0.50%	0.50%
Private Sellers	0.62%	0.69%	0.63%	0.63%
Public Buyers	0.76%	0.80%	n/a	n/a
Private Equity Buyers	n/a	n/a	0.75%	0.75%
Private Buyers	0.20%	0.20%	0.50%	0.50%

Indemnity Term (in months)

	EV < \$75 mm		EV > \$75 mm	
	Mean	Median	Mean	Median
All Sellers	19.41	18.00	20.50	20.50
Public Buyers	26.40	15.00	n/a	n/a
Private Equity Buyers	16.00	16.50	24.00	24.00
Private Buyers	17.00	18.00	17.00	17.00
Private Sellers	18.00	18.00	20.50	20.50
Public Buyers	16.00	15.00	n/a	n/a
Private Equity Buyers	n/a	n/a	24.00	24.00
Private Buyers	21.00	21.00	17.00	17.00

Basket - Back to First Dollar (% of Transactions)

	EV < \$75 mm	EV > \$75 mm
All Sellers	9.52%	25.00%
Public Buyers	0.00%	0.00%
Private Equity Buyers	9.52%	25.00%
Private Buyers	0.00%	0.00%
Private Sellers	0.00%	25.00%
Public Buyers	0.00%	0.00%
Private Equity Buyers	0.00%	25.00%
Private Buyers	0.00%	0.00%

Note: Arrows denote comparison with transactions completed during the 12 months ended June 30, 2008

Source: Lincoln International

Observations

- In general, terms have become more buyer-friendly when compared to the 12 months ended June 2008, with indemnity caps and length of indemnity term rising to reflect greater negotiating leverage for buyers.

Legend	
▲	Increase vs. prior period
▼	Decrease vs. prior period
▶	No change

Mid-Market M&A Activity and Outlook

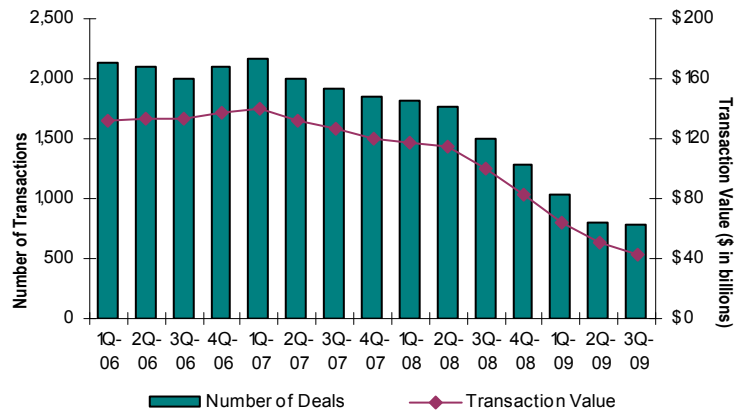
- Mid-market M&A activity has continued to decline through Q3 2009
- Leverage multiples have come down from their 2007 peak and continue to decline
- As leverage levels have come down, buyers' percentage equity contributions increased substantially through 2008 and into 2009

U.S. M&A Activity—Closed Transactions

Deal Size	Number of Deals		
	12 Months Ended		
	10/31/2009	10/31/2008	Change
\$1 Billion +	54	106	(49.1%)
\$500M to \$999.9M	48	96	(50.0%)
\$250M to \$499.9M	84	147	(42.9%)
\$100M to \$249.9M	142	280	(49.3%)
\$50M to \$99.9M	127	312	(59.3%)
\$25M to \$49.9M	191	328	(41.8%)
\$10M to \$24.9M	223	411	(45.7%)
Under \$10M	545	777	(29.9%)
Undisclosed	4,825	5,931	(18.6%)
Total	6,239	8,388	(25.6%)

Source: Factset Mergerstat

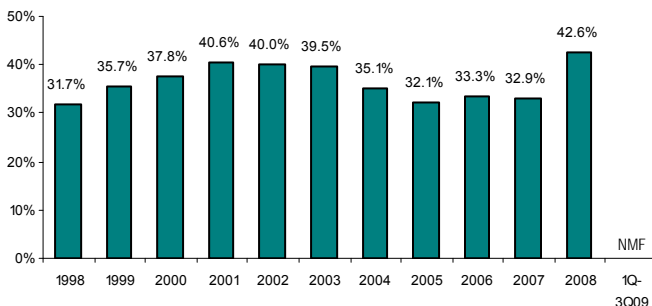
Middle Market M&A Transaction Volume (Rolling TTM)



Source: Factset Mergerstat

Current Financing Market Statistics

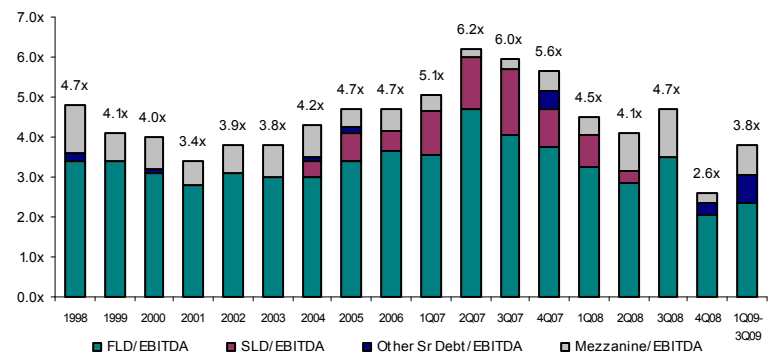
Equity as a Percentage of Total LBO Capitalization



Source: Standard & Poor's Leveraged Commentary and Data; too few data points were available to form meaningful samples for 1Q-3Q09

Note: Transactions for companies <\$50mm EBITDA

Average Debt Multiples of Mid-Market LBO Loans



Source: Standard & Poor's Leveraged Commentary and Data

Note: (*) Based on LI deal flow and market observations

They Said It

"The engine which drives enterprise is not thrift, but profit."

- John Maynard Keynes
Noted Economist

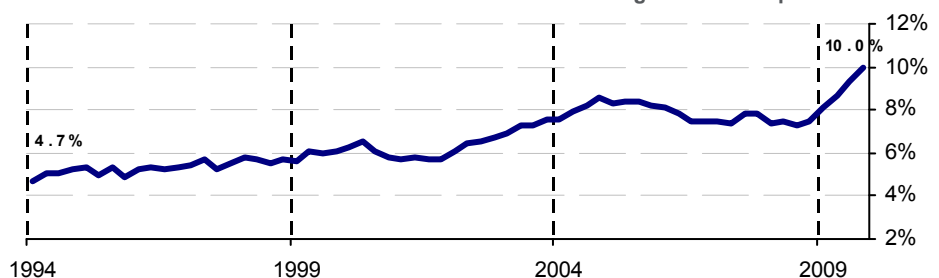
"We simply attempt to be fearful when others are greedy and to be greedy only when others are fearful."

- Warren E. Buffett
Noted Investor and CEO, Berkshire Hathaway, Inc.

Facts & Figures: Current Corporate Cash Balances

Entering Q4 2009, the 500 largest nonfinancial U.S. companies by total assets held just over \$1 trillion in cash and short-term investments, or 10% of total assets. That is up from just 4.7% entering Q1 1994. While these balances may indicate current conservatism in the boardroom, they may also portend strong M&A "warchests" for 2010.

Cash & ST Investments as % of Total Assets for 500 Largest U.S. Companies



Source: Capital IQ

(Strategic Buyers, continued)

Less Competition from PEGs

Readers of the Privately-Held Businesses DealReader are well aware of the problems facing many private equity groups in competitive auctions. The absence of cash flow lenders, existing portfolio problems and demands by limited investors for a return of capital will bedevil private equity groups for some time to come.

We can already see how much more competitive strategic buyers have become

compared to private equity groups by looking at Figure 1, which shows the growing influence of strategic acquirers in mid-market transactions. Through October 2009, strategic acquirers accounted for 325 of the 392 reported mid-market transactions, or 83% of the total. Equally important is the premium that strategic buyers are willing to pay for the "right" business. For 112 total reported transactions between \$50 and \$100 million in value, strategic buyers paid 29x reported earnings, 1.5x the average multiple financial buyers paid. While each situation

is different, it appears strategic buyers are once again presenting substantially higher prices for mid-market businesses, a trend we see continuing in 2010.

What Does This Mean for Owners of Private Companies?

In summary, the window of opportunity is open for owners of quality private companies to achieve a liquidity event at a fair price from a strategic buyer. Absent a material market event, 2010 should provide private company owners an opportunity to maximize the value of their business in a transaction. ■

Patrick Goy, Managing Director, Head of Lincoln International's Privately-Held Business Group, Co-Head of the Restructuring & Special Situations Group, and a member of the firm's Global Industrial Group, has over 30 years' mid-market transaction experience.

Contact Patrick Goy at 1-312-580-8320 or pgoy@lincolninternational.com

Figure 1: Recent Comparative M&A Activity: Strategics vs. PEGs

Deal Size (\$ mm)	Strategic Acquirers # transactions 12 mos. ended			Financial Acquirers # transactions 12 mos. ended			Average 2009 P/E Multiple (by acquirer type)	
	10/31/09	10/31/08	% Chg	10/31/09	10/31/08	% Chg	Strategic	Financial
\$100 to \$250	95	202	-53%	25	39	-36%	28x	20x
\$50 to \$100	94	198	-52%	18	49	-63%	29x	18x
\$25 to \$50	136	234	-42%	24	35	-31%	22x	26x
Total	325	634	-49%	67	123	-46%		

Source: Factset Mergerstat

Industry Spotlight: Food & Beverage

Lincoln International has observed several characteristics of successful food and beverage companies that often result in premium valuations from prospective buyers:

1. Clear Brand Strategy

Food and beverage companies should have a defined strategy regarding brands. A company-owned brand is most valuable when evidence shows a strong customer affiliation, clear pricing power and wide distribution. Private label (or store branded) companies also can have strong financial results, but generally compete more on favorable cost, retailer service and product quality.

While it is tempting for companies to execute a dual strategy in order to fully utilize manufacturing facilities, this strategy carries with it the potential pitfalls of an organization trying to be both an innovative, high consumer touch organization, while also being cost focused and heavily influenced by the private label retailers. Generally, companies that choose an "either or" strategy prove most effective.

2. Clear Product and Sourcing Strategy

Food and beverage companies must have a clear product and sourcing strategy in place to be attractive to potential acquirers. For product strategy, the company must decide where on the price versus quality spectrum it wants to compete. The company must also develop a clear sourcing strategy and develop good controls over that sourcing function,

	Lower	Valuation	Higher
Brand Strategy	Undefined	Less Defined	Clearly Defined
Product and Sourcing Strategy	Undefined	Less Defined	Clearly Defined
Commodity Hedging	Uncontrolled	Nonexistent	Controlled
Customer Concentration	Higher	Medium	Lower
Other Business Model Attributes			
— Innovative, functional food products	Low	Medium	High
— Capacity to scale products / services			
— Growth opportunities			
— Strength of management team			

The presence or absence of certain business model characteristics can be a key determinant of the value of a food and beverage company to potential acquirers or investors

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especially when sourcing internationally vs. locally.

3. Commodity Hedging

Food and beverage companies that have agriculture risk and are exposed to large fluctuations in commodity prices can be perceived as riskier by potential acquirers. However, companies that have good controls in place and are effective in their hedging activities are perceived as more sophisticated and often sell at a premium.

4. Customer Concentration

In the food and beverage sector, a certain amount of customer concentration is normal due to consolidation in the industry. However, companies with few large customers that supply a large majority of a company's sales are perceived as riskier by potential acquirers. Limited dependence on a small number of large customers

provides security to an acquirer (and its lenders) by ensuring that the business will continue to operate profitably in the event of a major customer loss.

5. Other Business Model Attributes

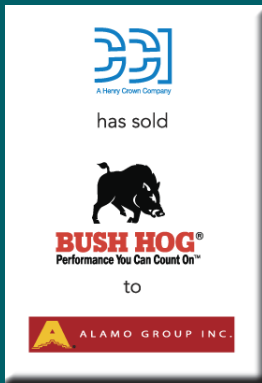
Finally, a company that 1) provides innovative, on-trend products (e.g., healthy, functional), 2) has excess capacity to handle additional scale, 3) has unique growth opportunities, and 4) has a strong, experienced management team with the expertise necessary to capture those opportunities are extremely attractive to investors and will command higher valuations. ■

For more information on Lincoln International's Food & Beverage practice, contact Brad Akason (312) 580-8329 or bakason@lincolninternational.com, or David Houser at (312) 580-5805 or dhouser@lincolninternational.com

Selected Recent Lincoln International Transactions



- Buy-side transaction (September 2009)
- Axygen BioScience, Inc. is a leading manufacturer and distributor of high-quality life sciences plastic consumable labware, liquid handling products, and bench-top laboratory equipment with operations in the United States, France, Poland, and China
- Acquired by Corning Incorporated (NYSE: GLW), a manufacturer and processor of specialty glass and ceramics products worldwide, as an add-on to its Life Sciences segment, which provides microplate products, coated slides, filter plates for genomics sample preparation, plastic cell culture dishes, flasks, cryogenic vials, roller bottles, mass cell culture products, liquid handling instruments, glass beakers, pipettors, serological pipettes, centrifuge tubes, and laboratory filtration products



- Sell-side transaction (October 2009)
- Bush Hog, L.L.C. provides rotary cutters, loaders and backhoes, and turf and landscape tools for agriculture, country lifestyle, commercial turf, and outdoor life markets. Bush Hog sells its products through a network of dealers. The company was founded in 1951 and is headquartered in Selma, Alabama.
- Headquartered in Chicago, CC Industries (CCI) is the holding and management company for the Crown family's privately-held operating companies, which include Great Dane Limited Partnership, Gillig LLC, and Provisur Technologies, Inc.
- Acquired by Alamo Group Inc. (NYSE: ALG), which engages in the design, manufacture, distribution, and service of equipment for right-of-way maintenance and agriculture in North America, Europe, and Australia. Alamo was founded in 1955 and is based in Seguin, Texas.



- Buy-side transaction (November 2009)
- Megatran Electric Ltd. designs and manufactures transformers for electrical utilities in Canada. It offers station-service, substation, generator, and zigzag grounding transformers. The company also serves industrial customers, including aluminum smelting, and pulp and paper. Megatran Electric Ltd. was founded in 1989 and is based in St. Jean-sur-Richelieu, Canada.
- Acquired by AREVA T&D SA, which designs, manufactures, and installs high- and medium-voltage products to transmit and distribute electricity from generation to the end user in Africa, the Middle East, the Asia-Pacific, the Americas, and Europe. Formerly known as ALSTOM T&D prior to 2004, AREVA T&D SA was founded in 1878 and is based in Paris, France.

Save the Date: Upcoming Lincoln International Events in 2010



State of the Financing Markets Webcast

Date: Tuesday, January 19, 2010
Time: 11:00 am - 11:30 am Eastern Time
Hosted by: Ron Kahn & Bob Horak, Lincoln International
More information: www.FinancingMarketsWebcast.com



2010 Business Services Conference

Date: Thursday, March 4, 2010
Location: New York Athletic Club
 180 Central Park South (57th & 7th Ave)
 New York, NY 10019
More information: businessservices@lincolninternational.com

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More than 60 professionals plus a 24-person advisory board in Europe

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- ★ Indicates Lincoln International office
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Lincoln International specializes in merger and acquisition services, debt advisory services, UK pensions advisory and providing fairness opinions and valuations for leading organizations involved in mid-market transactions. With offices in Chicago, Frankfurt, London, Los Angeles, New York, Madrid, 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.

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- Chemicals
- Consumer
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- Industrials
- Packaging
- Renewable Energy
- Technology

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