

“I made my money by selling too soon”

- Bernard Baruch

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WATERVIEW ADVISORS
 M&A ADVISORY • VALUATIONS • CAPITAL SOURCING

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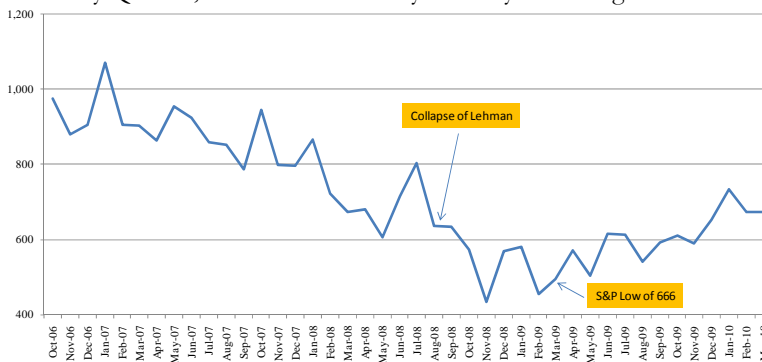
THE MARKET

FOR PRIVATELY HELD COMPANIES

Topics Relevant to Middle Market Mergers & Acquisitions

M&A Activity – Q1 2010 Data

Transaction volume for the three months comprising Q1 2010 increased 12% relative to Q4 2009. Overall transaction volume (including public and private companies of all sizes) for the trailing twelve months ended March 31, 2010 increased 1.3% versus the same period in 2009. As evidenced by Q1 data, overall M&A activity is slowly increasing.



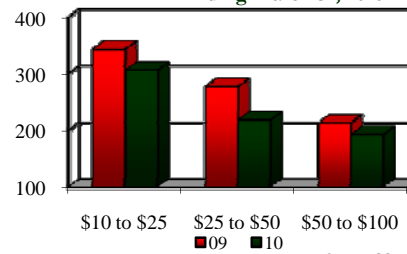
Source: Mergerstat

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 softened year over year in all three size categories.

The number of reported transactions in the \$50 to \$100 million enterprise value category fell 9.4% compared to the prior year. Transactions in the \$25 to \$50 million enterprise value category decreased 20.9%, and transaction volume in the smallest category (\$10 to \$25 million) slowed 10.8%. The number of deals with undisclosed values (75% of all deals) increased by 4.9%. It is highly likely that most of these deals are under \$100 million in value.

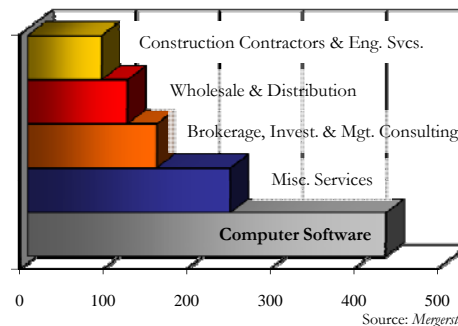
Transaction Volume by Size TTM Ending March 31, 2010



Source: Mergerstat

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 March 31, 2010. In addition to the industries listed in the chart, the following industries also exhibited high transaction volume: Banking & Finance; Insurance; Leisure & Entertainment; and Drugs, Medical Supplies & Equipment.



Source: Mergerstat

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

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 - ◆ Sell Side Representation (marketing to both strategic and financial buyers)
 - ◆ Capital Sourcing (senior debt, mezzanine and equity)
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 - ◆ Fairness Opinions
 - ◆ Business Valuations for Gift & Estate Tax purposes
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