



**HYDE PARK CAPITAL**

Investment Banking | Mergers & Acquisitions | Capital Raising

*Quarterly*  
**M&A Report**  
*Q2 2011*



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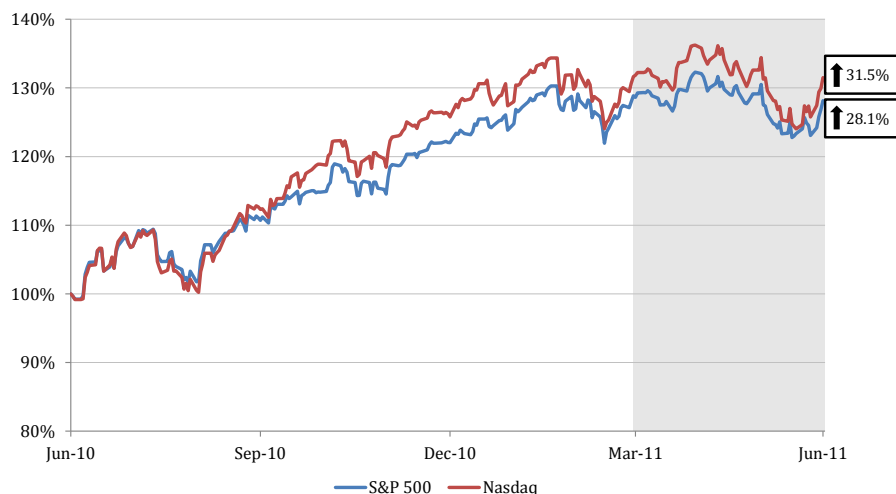
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# Capital Markets Overview

## Commentary

- As of June 30, 2011, major market indices, including the S&P 500 and Nasdaq shown below, remained approximately 30% above prior year levels although both indices were relatively flat during the recently completed 2<sup>nd</sup> quarter.
- Equity markets also displayed overall strength and investor demand given a number of strong initial public offerings (IPO's) during Q2, including the highly anticipated debut for social media company LinkedIn.
- Despite concerns over sluggish U.S. economic growth and growing government spending, the M&A markets continue to rebound and experienced a relatively active Q2 2011.

## LTM Public Market Performance



Source : Capital IQ

## Select Initial Public Offerings – Q2 2011

(\$ in millions)

Offer Date	Issuer	Industry	Transaction Value
04/18/11	Air Lease Corp.	Financial Services	\$803
05/25/11	Freescall Semiconductor	Technology	\$783
06/21/11	Vanguard Health Systems, Inc.	Healthcare	\$450
05/18/11	LinkedIn Corp.	Technology	\$353
04/07/11	CVR Partners, LP	Industrial	\$307
06/16/11	Bankrate, Inc.	Technology	\$300
06/14/11	Pandora Media, Inc.	Media	\$235
06/08/11	Fusion-io, Inc.	Technology	\$234
06/28/11	HomeAway, Inc.	Media	\$216
05/25/11	Spirit Airlines, Inc.	Industrial	\$187

## Select U.S. M&A Transactions – Q2 2011

(\$ in millions)

Announced Date	Target	Buyer	Industry	Transaction Value
04/26/11	Synthes, Inc.	Johnson & Johnson	Healthcare	\$18,983
04/28/11	Constellation Energy Group, Inc.	Exelon Corp.	Energy	\$12,702
06/15/11	Southern Union Co.	Energy Transfer Equity, LP	Energy	\$9,365
06/16/11	ING Bank	Capital One Financial Corp.	Financial Services	\$8,877
04/04/11	National Semiconductor Corp.	Texas Instruments, Inc.	Technology	\$7,927
05/01/11	Cephalon, Inc.	Teva Pharmaceuticals USA, Inc.	Healthcare	\$7,527
05/03/11	Varian Semiconductor Equipment Associates, Inc.	Applied Materials, Inc.	Technology	\$4,888
04/19/11	DPL, Inc.	The AES Corp.	Utilities	\$4,799
06/13/11	Graham Packaging Company, Inc.	Reynolds Group Holdings, Ltd.	Industrial	\$4,590
05/31/11	Diversey Holdings, Inc.	Sealed Air Corp.	Industrial	\$4,576



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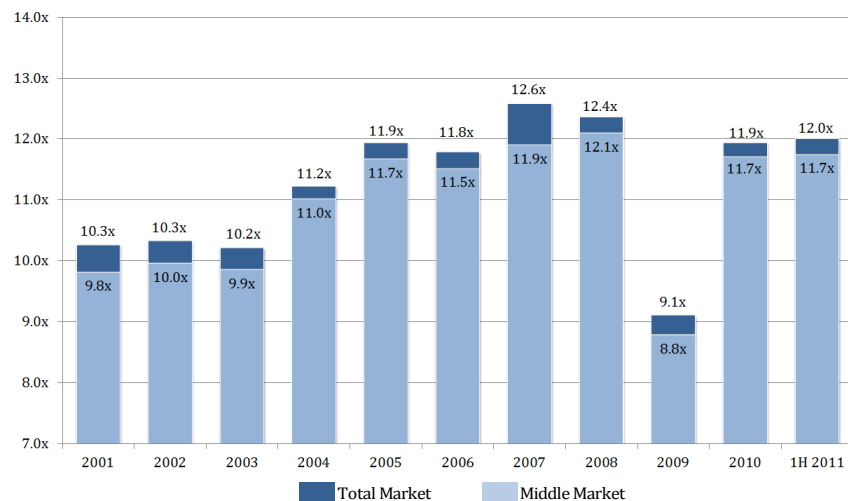
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# M&A Market Overview

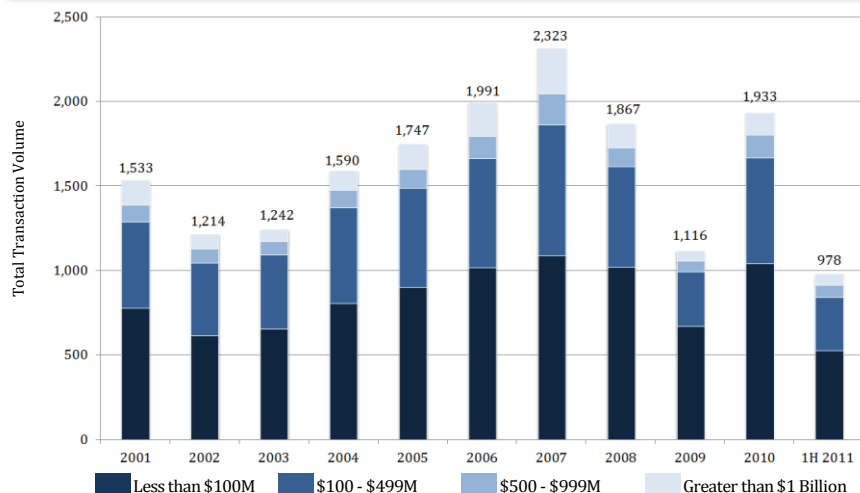
## Commentary

- As detailed in the annual charts below, overall U.S. M&A activity or deal volume remains healthy with nearly 1,000 closed transactions in the 1<sup>st</sup> half of 2011, up nearly 30% from the prior year period.
- M&A transaction pricing, defined as Enterprise Value over EBITDA, across both the middle market and the overall market remained strong from a historical perspective at 11.7x and 12.0x, respectively, in the 1<sup>st</sup> half of 2011.
- As a result of increased deal activity and stable pricing, the total value of completed M&A transactions in 1H 2011 climbed nearly 30% from the prior year period.

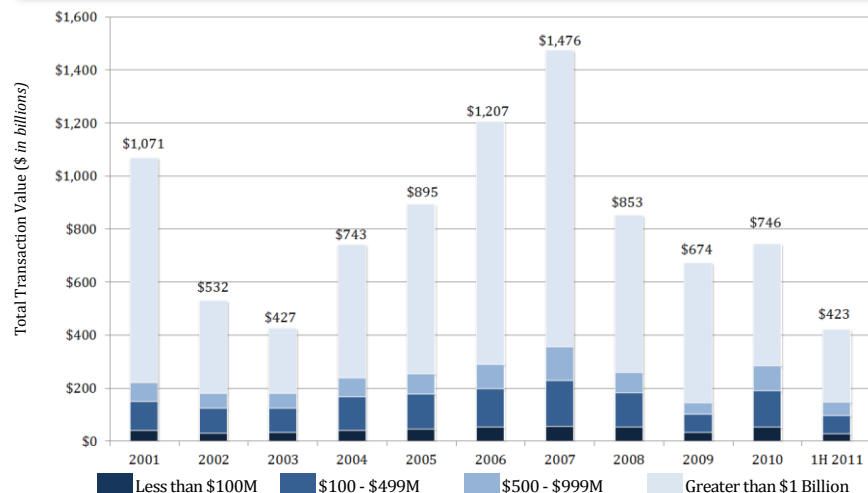
## Valuation Multiples: Enterprise Value / EBITDA



## U.S. M&A Activity - Annual Trends: VOLUME



## U.S. M&A Activity - Annual Trends: VALUE



Source : Capital IQ (includes all deals with disclosed deal value greater than \$25 million)



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# Quarterly M&A Activity

## Commentary

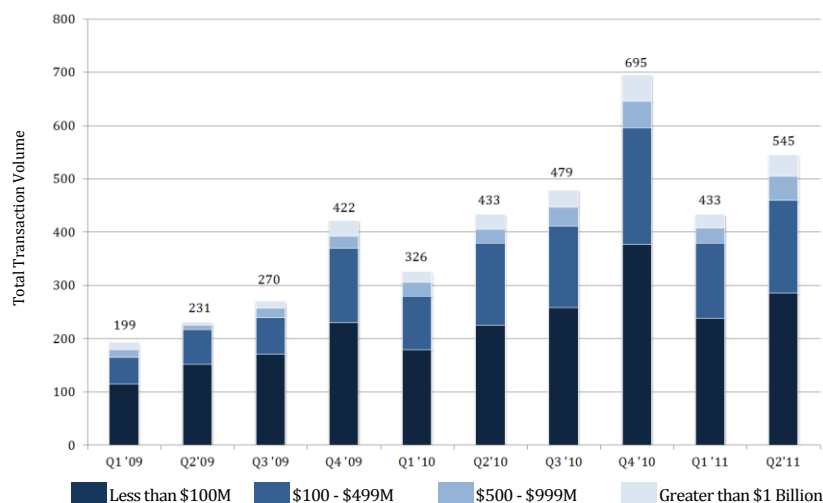
- ❑ M&A transaction volumes and values increased across all segments of the middle market (deals less than \$1 billion) and the larger deal market during the 2<sup>nd</sup> quarter of 2011.
- ❑ The number of deals in the middle market was up 25% in Q2 2011 compared to the prior year period.
- ❑ The total deal value of middle market transactions rose 34% in Q2 to \$86 billion, up from \$64 billion in Q2 2010.
- ❑ Buoyed by several large transactions, overall deal valued increased significantly (60%+) to \$257 billion in Q2 2011.

## U.S. M&A Transactions by Deal Size

(\$ in billions)

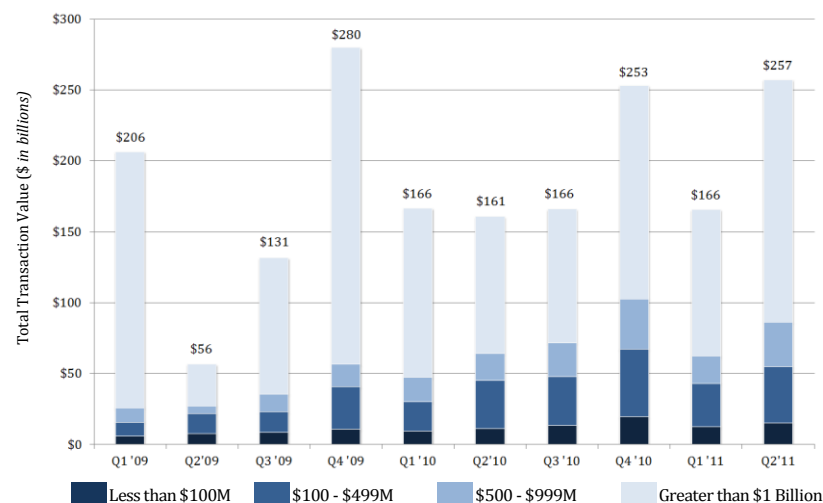
Deal Size	Q2 2010		Q2 2011		% Change	
	Volume	Value	Volume	Value	Volume	Value
Less than \$100M	225	\$11	285	\$15	27%	35%
\$100 - \$499M	154	\$34	174	\$40	13%	17%
\$500 - \$999M	26	\$19	46	\$31	77%	65%
<b>Total Middle Market</b>	<b>405</b>	<b>\$64</b>	<b>505</b>	<b>\$86</b>	<b>25%</b>	<b>34%</b>
Greater than \$1 Billion	28	\$97	40	\$171	43%	77%
<b>Total Market</b>	<b>433</b>	<b>\$161</b>	<b>545</b>	<b>\$257</b>	<b>26%</b>	<b>60%</b>
<b>% of Total Market</b>						
Less than \$100M	52%	7%	52%	6%		
\$100 - \$499M	36%	21%	32%	16%		
\$500 - \$999M	6%	12%	8%	12%		
<b>Total Middle Market</b>	<b>94%</b>	<b>40%</b>	<b>93%</b>	<b>33%</b>		
Greater than \$1 Billion	6%	60%	7%	67%		
<b>Total Market</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		

## U.S. M&A Activity - Quarterly Trends: VOLUME



Source : Capital IQ (includes all deals with disclosed deal value greater than \$25 million)

## U.S. M&A Activity - Quarterly Trends: VALUE

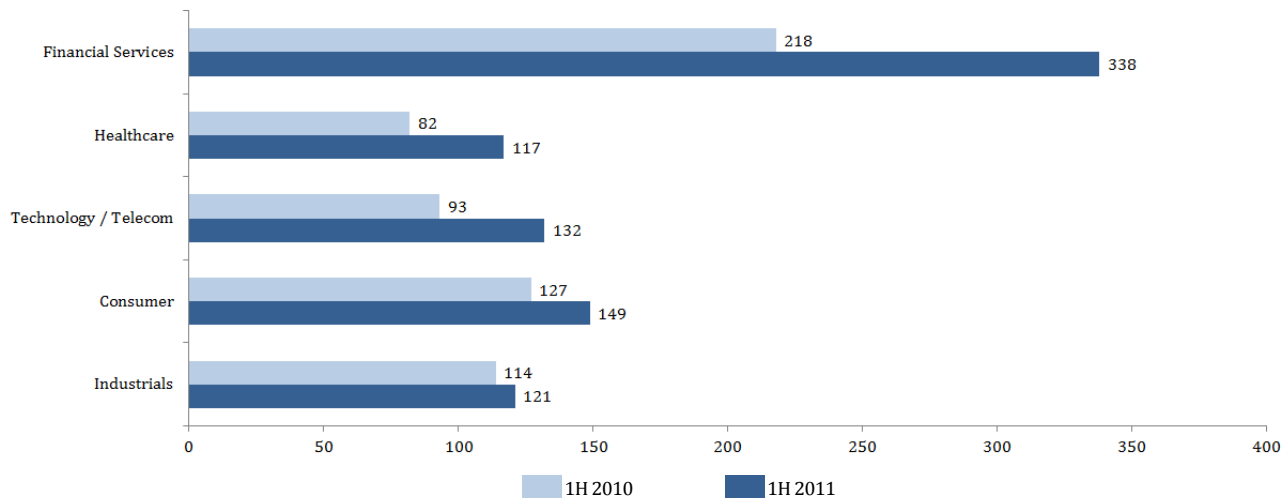


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# Recent M&A Activity by Industry

## U.S. M&A Activity by Industry Sector: VOLUME



% Change

} ↑ 55%

} ↑ 43%

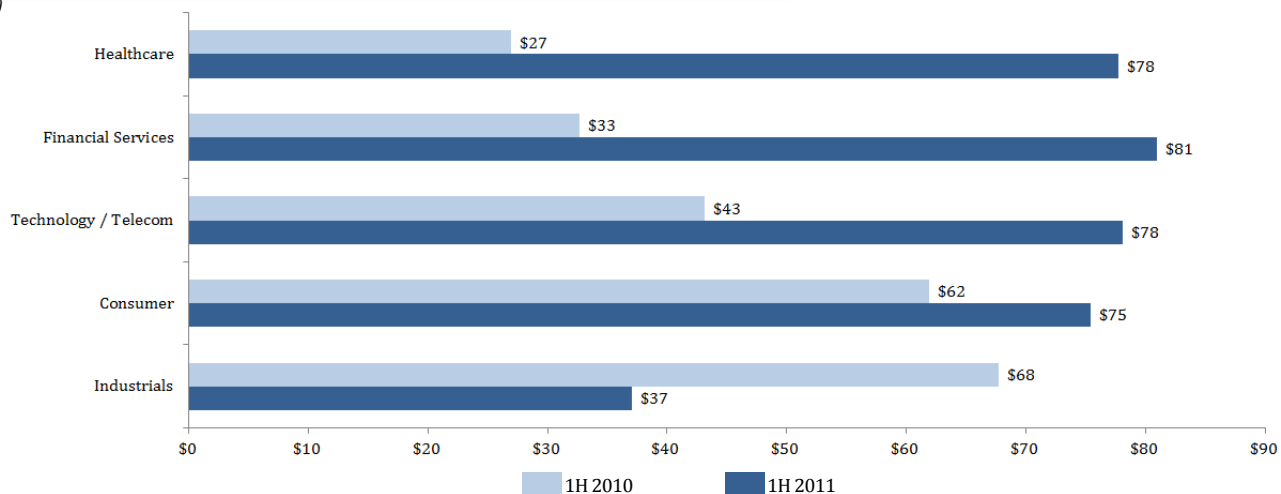
} ↑ 42%

} ↑ 17%

} ↑ 6%

## U.S. M&A Activity by Industry Sector: VALUE

(\$ in billions)



% Change

} ↑ 189%

} ↑ 145%

} ↑ 81%

} ↑ 21%

} ↓ 46%

Source : Capital IQ (includes all deals with disclosed deal value greater than \$25 million)  
 \*Excludes Energy, Utilities and "Other" transactions, as defined by Capital IQ.



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# Recent Private Equity Activity

## Commentary

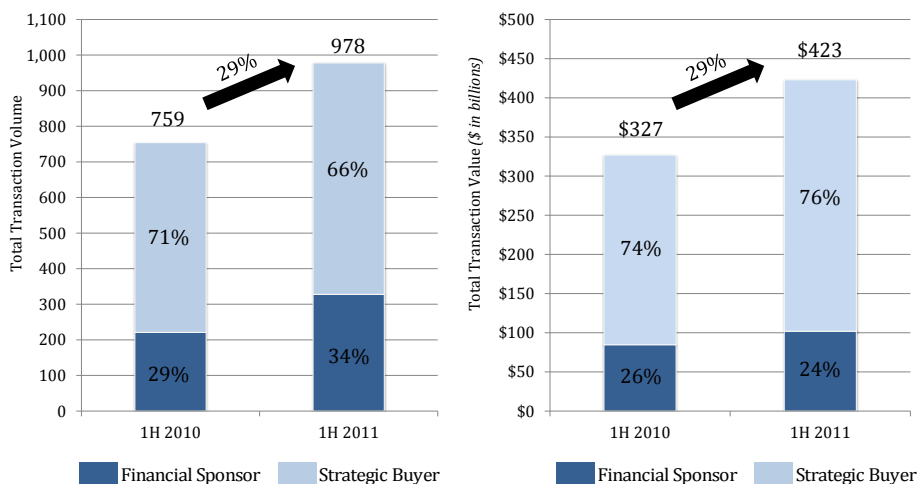
- With financing markets cooperating, financial sponsors remained active in the 2<sup>nd</sup> quarter of 2011, announcing a number of significant middle market buyouts and equity investments, as shown in the table on the right.
- Year-to-date through the 1<sup>st</sup> half of 2011, financial sponsors represented the buyer in approximately 1 of 3 completed deals.
- In addition, approximately \$50 billion in new private equity funds were raised during the first 2 quarters of 2011 despite the significant overhang of committed but not yet invested capital raised in recent prior years.

## Select Private Equity Transactions - Q2 2011

(\$ in millions)

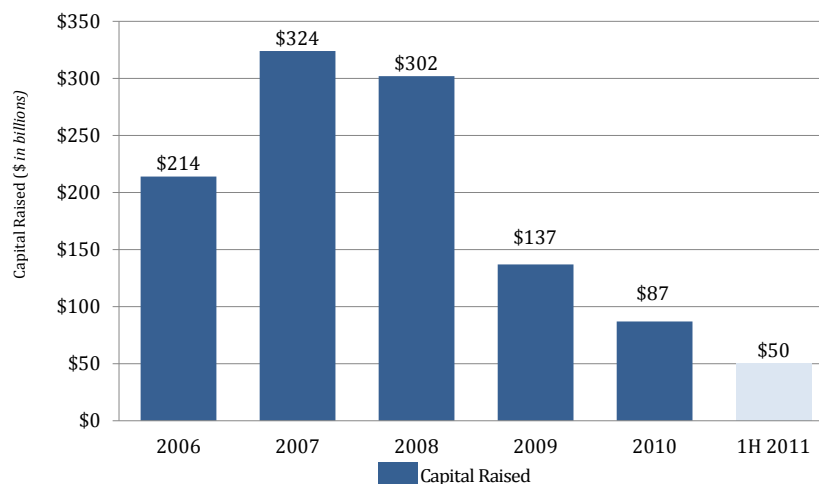
Announced Date	Target	Buyer	Industry	Transaction Value
04/26/11	SMART Modular Technologies	Silver Lake Partners	Industrial	\$706
05/10/11	CKX, Inc.	Apollo Global Management	Consumer	\$638
05/02/11	SOURCECORP, Inc.	Credit Suisse Private Equity	Business Services	\$625
04/04/11	Living Social	Institutional Venture Partners	Technology	\$565
06/02/11	Packers Holdings, LLC	Harvest Partners	Business Services	\$540
05/16/11	PRIMEDIA, Inc.	TPG Capital	Media	\$532
05/26/11	First Bancorp	Oaktree Capital Management	Financial Services	\$525
04/25/11	Oxford Finance Corp.	Welsh, Carson, Anderson & Stowe	Financial Services	\$460
06/13/11	Arby's Restaurant Group, Inc.	Roark Capital Group	Consumer	\$320
06/13/11	Gerber Scientific, Inc.	Vector Capital	Technology	\$298

## Financial Sponsors vs. Strategic Buyers



Source: Capital IQ (includes all deals with disclosed deal value greater than \$25 million), PitchBook

## U.S. Private Equity Fund Raising by Year



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### Hyde Park Capital advises Technology Research Corporation on its sale to Coleman Cable



#### Overview of Transaction

- ❑ On May 13, 2011, Technology Research Corp. (Nasdaq:TRCI) announced its sale to Coleman Cable (Nasdaq:CCIX) for approximately \$52,000,000
- ❑ Technology Research Corp. is a manufacturer of power management and control, intelligent battery systems, and electrical safety products to the military, consumer, commercial and industrial markets
- ❑ Coleman Cable, Inc., is a leading manufacturer and innovator of electrical and electronic wire and cable products for the security, sound, telecommunications, electrical, commercial, industrial, and automotive industries

#### Hyde Park Capital's Role

- ❑ TRCI received an unsolicited offer to purchase the Company from CCIX, which it initially deemed to be insufficient and hostile
- ❑ Hyde Park Capital was engaged by TRCI as the exclusive investment banker and financial advisor to Technology Research Corp. in connection with evaluating strategic alternatives, including a potential sale of the Company
- ❑ Hyde Park Capital helped Technology Research Corp. achieve a final sale price of \$7.20 per share, an 85% premium to the trading price prior to Coleman Cable's initial unsolicited offer to acquire the Company
- ❑ Highlights Hyde Park Capital's strong experience in the middle market advising private and public company management teams and boards of directors on successfully negotiating and closing M&A transactions to maximize value and achieve favorable outcomes for all stakeholders





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## Recent Transactions

 <p>Technology Research Corporation</p> <p>has been acquired by</p>  <p>Coleman Cable, Inc.</p>	 <p>has been recapitalized by</p> <p>LLM   Capital Partners LLC</p>  <p>Harbert Mezzanine Partners</p>	 <p>has been acquired by</p> <p>ADG Acquisition Holdings, LLC</p>	 <p>has been acquired by</p> 	 <p>Technology Research Corporation</p> <p>has acquired</p> 
 <p>ADVANTICA EYECARE<sup>®</sup> Your Vision Care Partner</p> <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>The Independent Eye Care Professional's Lens Company</p> <p>has been recapitalized by</p> 	 <p>has merged with</p> 
 <p>empower<sup>™</sup> WE WORK FOR YOU<sup>™</sup></p> <p>has been recapitalized by</p> 	 <p>empower<sup>™</sup> WE WORK FOR YOU<sup>™</sup></p> <p>has acquired</p> <p>Sage Compliance Services, Inc.</p>	 <p>has been recapitalized by</p> 	 <p>has been acquired by</p>  <p>an Oldcastle<sup>®</sup> company</p>	 <p>has been acquired by</p>  <p>Where Great Floors Begin<sup>®</sup></p>