



**HYDE PARK CAPITAL**

Investment Banking | Mergers & Acquisitions | Capital Raising

**John Hill**

*Senior Managing Director*  
hill@hydeparkcapital.com  
(813) 383-0205

**John McDonald**

*Senior Managing Director*  
mcdonald@hydeparkcapital.com  
(813) 383-0206

**Keith Hodgdon**

*Senior Vice President*  
hodgdon@hydeparkcapital.com  
(813) 383-0208

**Jeffrey Bridge**

*Vice President*  
bridge@hydeparkcapital.com  
(813) 383-0204

**Michael Mariani**

*Associate*  
mariani@hydeparkcapital.com  
(813) 597-2649

**Hyde Park Capital Advisors, LLC**

701 N. Franklin Street  
Tampa, FL 33602  
Tel: 813-383-0202  
www.hydeparkcapital.com

*Quarterly*  
**M&A Report**  
*Q3 2011*

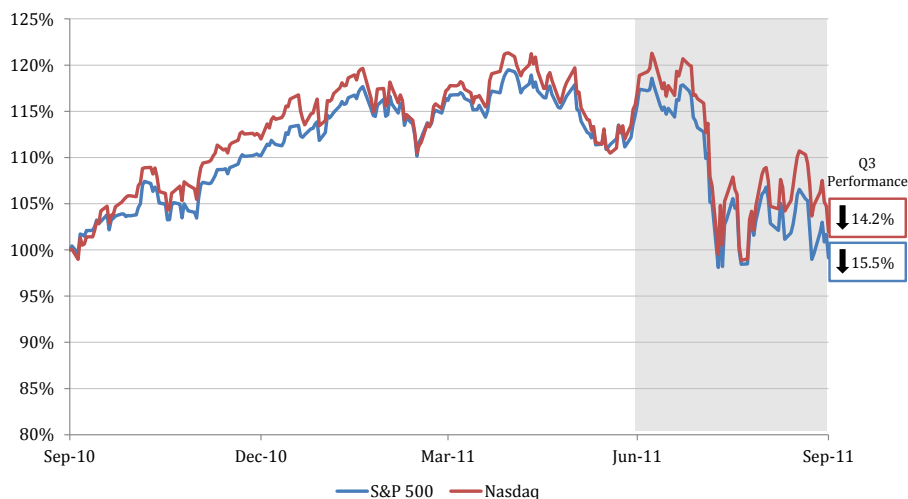


# Capital Markets Overview

## Commentary

- As illustrated in the chart below, major market indices, such as the S&P 500 and Nasdaq, fell during the recently completed 3<sup>rd</sup> quarter ending September 30, 2011. Specifically, the S&P 500 index declined 16% while the Nasdaq index dropped 14%.
- During Q3 2011, there were several noteworthy initial public offerings (IPO's) including the \$423 million offering for Dunkin' Brands Group, Inc., parent company of Dunkin' Donuts and Baskin-Robbins.
- M&A markets remained relatively active in Q3 2011, particularly among private equity buyers as several of the largest M&A transactions announced during the quarter were sponsor led transactions, including Apax Partners' \$6.3 billion offer to acquire healthcare company Kinetic Concepts, Inc.

## Public Market Performance



Source : Capital IQ

## Select Initial Public Offerings – Q3 2011

(\$ in millions)

Offer Date	Issuer	Industry	Transaction Value
07/26/11	Dunkin' Brands Group, Inc. (NasdaqGS:DNKN)	Consumer	\$423
07/27/11	Wesco Aircraft Holdings, Inc. (NYSE:WAIR)	Industrial	\$315
07/19/11	Skullcandy, Inc. (NasdaqGM:SKUL)	Consumer	\$189
07/21/11	Francesca's Collections, Inc. (NasdaqGS:FRAN)	Consumer	\$170
07/27/11	Chef Warehouse Holdings, LLC (NasdaqGM:CHEF)	Industrial	\$135
07/27/11	Teavana Holdings, Inc. (NYSE:TEA)	Consumer	\$121
07/26/11	Tangoe, Inc. (NasdaqGM:TNGO)	Technology	\$88
07/19/11	Zillow, Inc. (NasdaqGM:Z)	Technology	\$69
08/10/11	Carbonite, Inc. (NasdaqGM:CARB)	Technology	\$63

## Select U.S. M&A Transactions – Q3 2011

(\$ in millions)

Announced Date	Target	Buyer	Industry	Transaction Value
07/21/11	Medco Health Solutions, Inc.	Express Scripts, Inc.	Healthcare	\$33,565
09/21/11	Goodrich Corp.	United Technologies Corp.	Industrial	\$18,641
07/20/11	Nalco Holding Co.	Ecolab, Inc.	Industrial	\$8,199
07/13/11	Kinetic Concepts, Inc.	Apax Partners	Healthcare	\$6,292
07/12/11	Transatlantic Holdings, Inc.	Validus Holdings, Ltd.	Financial Services	\$4,483
09/12/11	NetLogic Microsystems, Inc.	Broadcom Corp.	Technology	\$3,661
08/04/11	Emdeon, Inc.	Hellman & Friedman	Healthcare	\$3,429
07/05/11	Immucor, Inc.	TPG Capital	Healthcare	\$1,945
07/01/11	Blackboard, Inc.	Providence Equity Partners	Education	\$1,852
08/05/11	SunGard Higher Education, Inc.	Datatel, Inc.	Technology	\$1,775



**HYDE PARK CAPITAL**

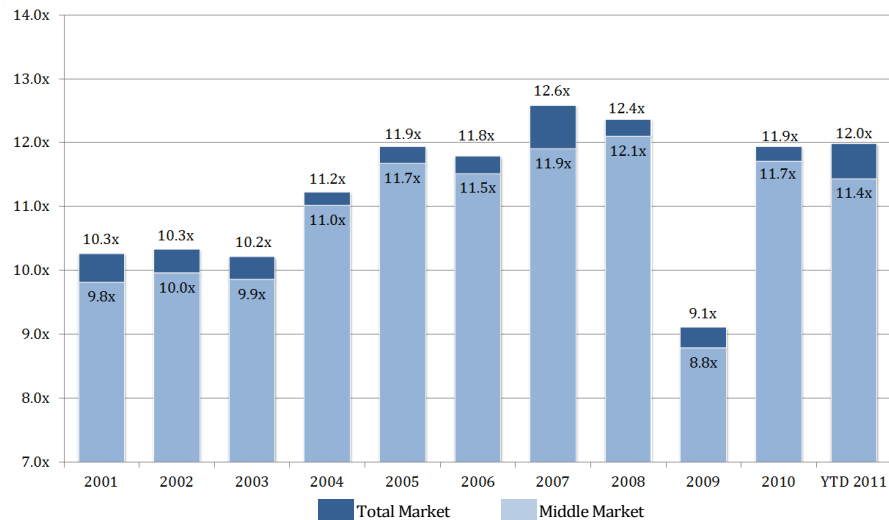
Investment Banking | Mergers & Acquisitions | Capital Raising

# M&A Market Overview

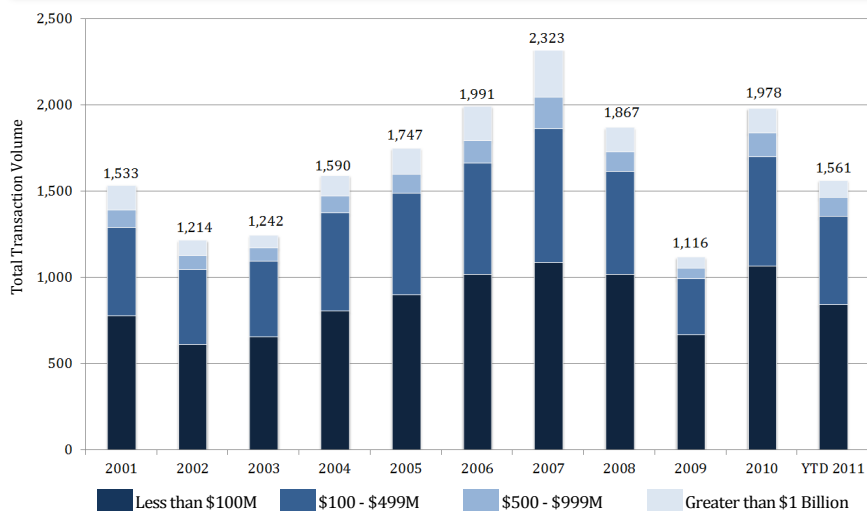
## Commentary

- As detailed in the annual charts below, overall U.S. M&A activity or deal volume was healthy with 1,561 closed transactions year-to-date as of Q3 2011, up nearly 24% from the prior year period.
- In addition to increased deal activity, the total value of completed M&A transactions year-to-date as of Q3 2011 climbed nearly 26% to \$625 billion, up from \$495 billion in 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 11.4x and 12.0x, respectively, year-to-date as of Q3 2011.
- M&A activity remains on pace to exceed last year totals with respect to both transaction volume and value.

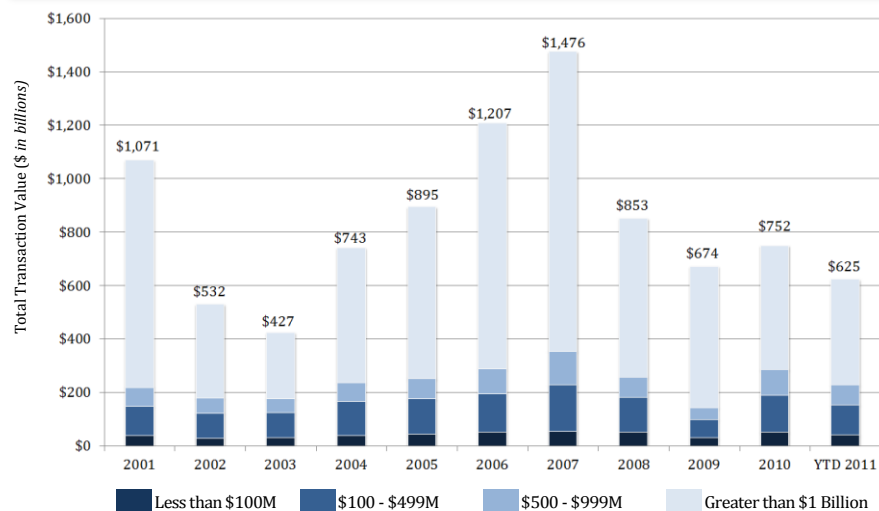
## Valuation Multiples: Enterprise Value / EBITDA



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



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



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



**HYDE PARK CAPITAL**

Investment Banking | Mergers & Acquisitions | Capital Raising

# Quarterly M&A Activity

## Commentary

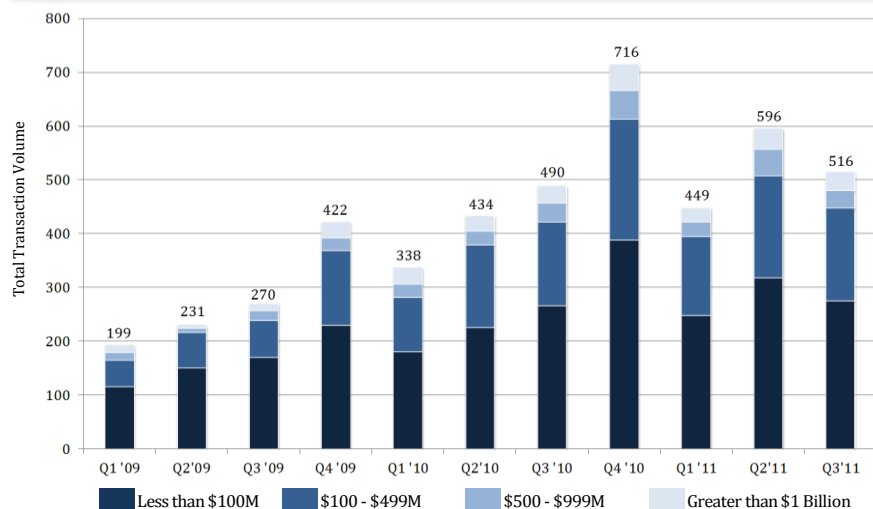
- In Q3 2011, total M&A market transaction volume increased 5% compared to the prior year period, while overall deal value rose 17% to more than \$195 billion, boosted by several large transactions completed during the 3<sup>rd</sup> quarter.
- The number of completed middle market deals, defined as transactions valued at less than \$1 billion, reached 481 transactions in Q3 2011, up 5% compared to the prior year period.
- The total deal value of middle market transactions rose approximately 4% in Q3 2011 to \$75 billion, up from \$72 billion in Q3 2010.
- Lower middle market transactions, deals valued at less than \$100 million, represented approximately 53% of the total number of closed deals in Q3 2011, consistent with the prior year period.

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

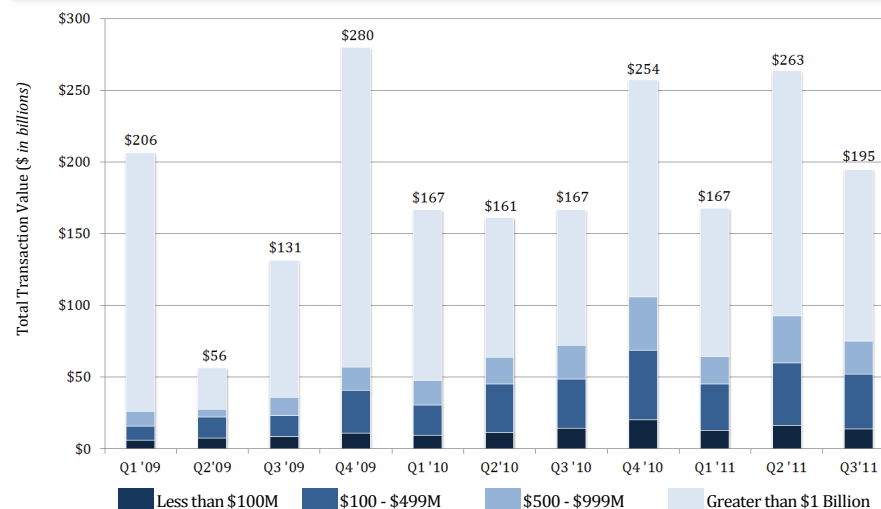
(\$ in billions)

Deal Size	Q3 2010		Q3 2011		% Change	
	Volume	Value	Volume	Value	Volume	Value
Less than \$100M	267	\$14	275	\$14	3%	0%
\$100 - \$499M	155	\$34	173	\$38	12%	10%
\$500 - \$999M	35	\$24	33	\$23	(6%)	(3%)
<b>Total Middle Market</b>	<b>457</b>	<b>\$72</b>	<b>481</b>	<b>\$75</b>	<b>5%</b>	<b>4%</b>
Greater than \$1 Billion	33	\$94	35	\$120	6%	27%
<b>Total Market</b>	<b>490</b>	<b>\$167</b>	<b>516</b>	<b>\$195</b>	<b>5%</b>	<b>17%</b>
<b>% of Total Market</b>						
Less than \$100M	54%	8%	53%	7%		
\$100 - \$499M	32%	21%	34%	20%		
\$500 - \$999M	7%	14%	6%	12%		
<b>Total Middle Market</b>	<b>93%</b>	<b>43%</b>	<b>93%</b>	<b>39%</b>		
Greater than \$1 Billion	7%	57%	7%	61%		
<b>Total Market</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		

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



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



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



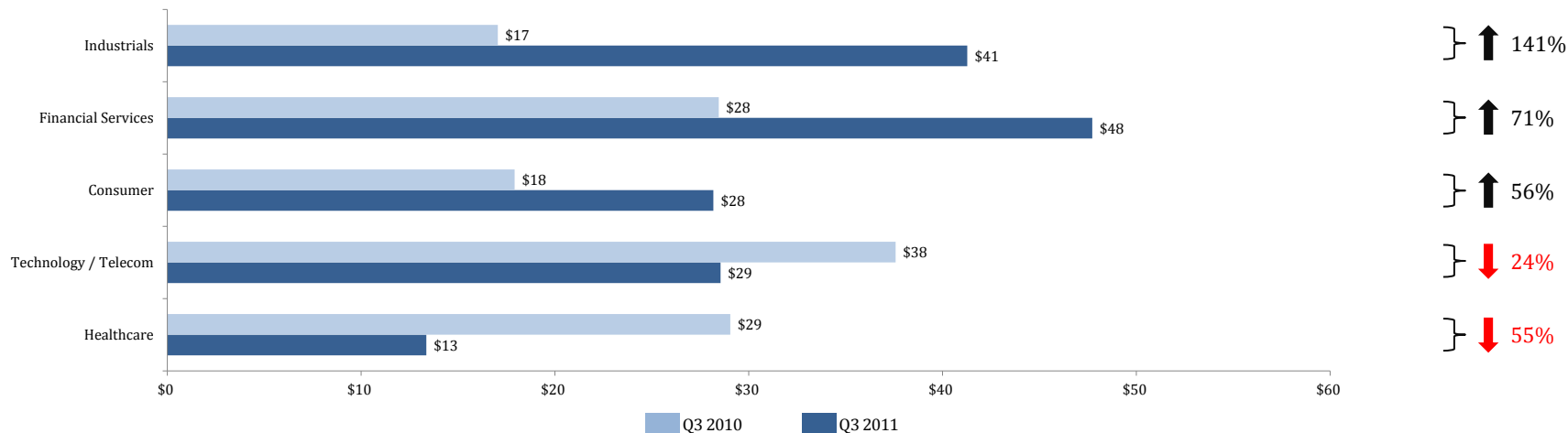
**HYDE PARK CAPITAL**

Investment Banking | Mergers & Acquisitions | Capital Raising

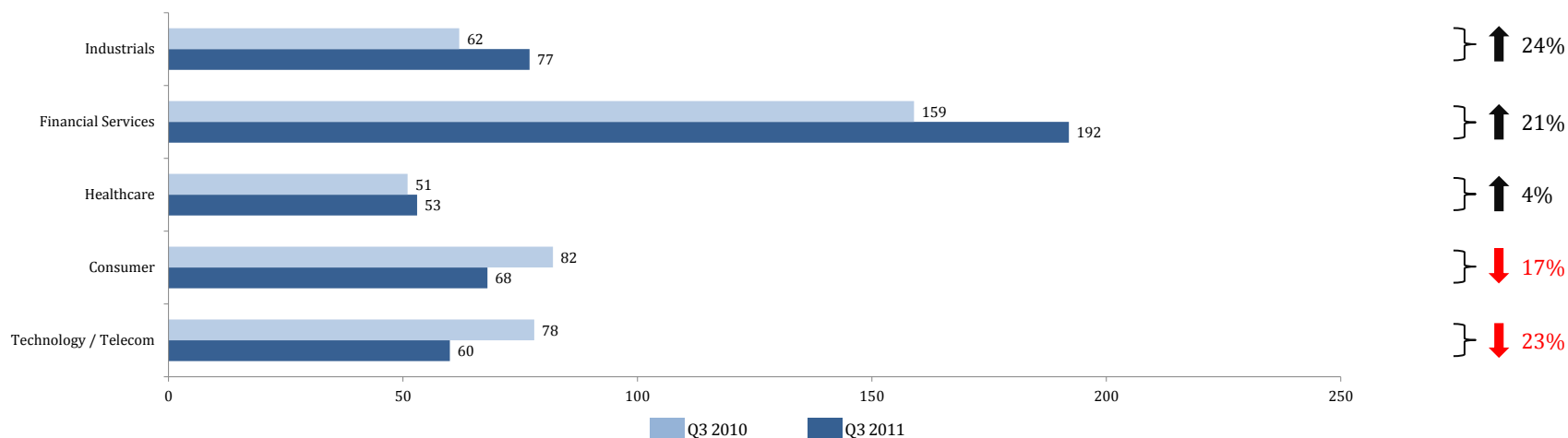
# Recent M&A Activity by Industry

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

(\$ in billions)



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



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



**HYDE PARK CAPITAL**

Investment Banking | Mergers & Acquisitions | Capital Raising

# Recent Private Equity Activity

## Commentary

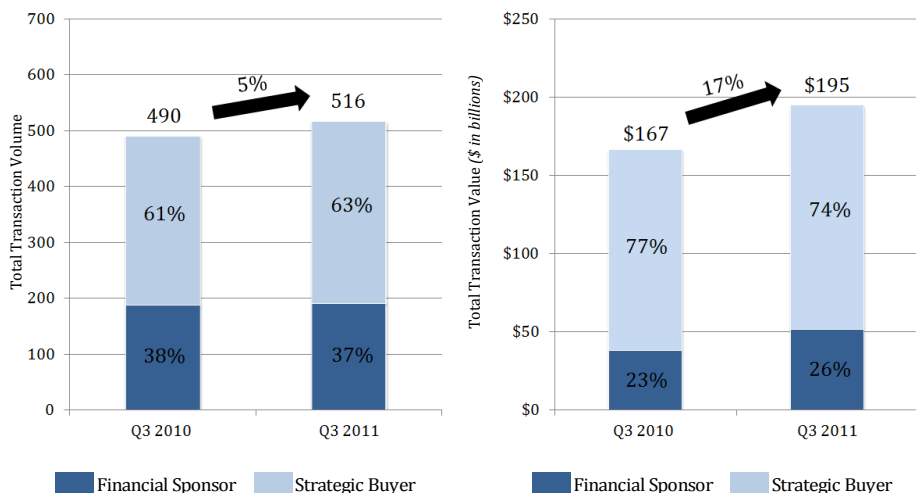
- With financing markets cooperating, financial sponsors remained active in the 3<sup>rd</sup> quarter of 2011, announcing a number of significant middle market buyouts, as shown in the table on the right.
- The three largest announced private equity transactions in Q3 2011 were all in the healthcare industry, representing over \$10 billion in combined transaction value.
- In total, financial sponsors represented the buyer in approximately 1 of 3 completed deals during Q3 2011.
- Despite a slower pace of private equity fund raising in Q3, the total capital raised in the first three quarters of 2011 reached \$80 billion, which suggests the total capital raised for the full year is likely to exceed the total of \$87 billion from 2010.

## Select Private Equity Transactions - Q3 2011

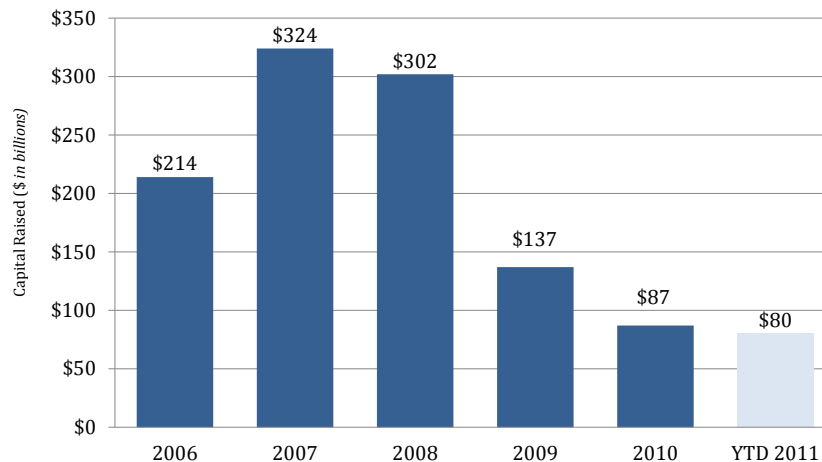
(\$ in millions)

Announced Date	Target	Buyer / Investor	Industry	Transaction Value
07/13/11	Kinetic Concepts, Inc.	Apax Partners	Healthcare	\$6,292
08/04/11	Emdeon, Inc.	Hellman & Friedman	Healthcare	\$3,429
07/05/11	Immucor, Inc.	TPG Capital	Healthcare	\$1,945
07/01/11	Blackboard, Inc.	Providence Equity Partners	Education	\$1,852
09/01/11	Garden Ridge Corp.	AEA Investors	Consumer	\$715
09/28/11	Triple Point Technology, Inc.	Welsh, Carson, Anderson & Stowe	Technology	\$500
08/16/11	Renaissance Learning, Inc.	Permira Advisers, Ltd.	Education	\$485
09/22/11	Sage Software Healthcare, Inc.	Vista Equity Partners	Technology	\$205
09/01/11	Industrial Container Services, LLC	Aurora Capital Group	Industrial	\$300
07/20/11	C.H.I. Overhead Doors, Inc.	Friedman Fleischer & Lowe	Industrial	\$290

## Financial Sponsors vs. Strategic Buyers



## U.S. Private Equity Fund Raising



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



**HYDE PARK CAPITAL**

Investment Banking | Mergers & Acquisitions | Capital Raising



# HYDE PARK CAPITAL

Investment Banking | Mergers & Acquisitions | Capital Raising

**John Hill**  
Senior Managing Director  
hill@hydeparkcapital.com  
(813) 383-0205

**John McDonald**  
Senior Managing Director  
mcdonald@hydeparkcapital.com  
(813) 383-0206

**Keith Hodgdon**  
Senior Vice President  
hodgdon@hydeparkcapital.com  
(813) 383-0208

**Jeffrey Bridge**  
Vice President  
bridge@hydeparkcapital.com  
(813) 383-0204

**Michael Mariani**  
Associate  
mariani@hydeparkcapital.com  
(813) 597-2649

**Hyde Park Capital Advisors, LLC**  
701 N. Franklin Street  
Tampa, FL 33602  
Tel: 813-383-0202  
www.hydeparkcapital.com

## Recent Transactions

 <p>has been acquired by</p> 	 <p>has been recapitalized by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has acquired</p> 
 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been recapitalized by</p> 	 <p>has merged with</p> 
 <p>has been recapitalized by</p> 	 <p>has acquired</p> 	 <p>has been recapitalized by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 