



NEWS

HYDE PARK CAPITAL INDUSTRIALS NEWSLETTER

HYDE PARK CAPITAL ADVISORS, LLC · Q4 2009

NEWS & TRENDS

Although the global economy continues to be relatively weak, Q4 proved to be the most abundant in terms of M&A transaction activity during 2009. Q4 industrials deal activity increased 22% over Q3, an indication of the consolidation trend in the industry.

Strategic buyers have been the primary force supporting larger middle-market deal activity, as they take advantage of potentially undervalued opportunities. As order rates and inventory rebuilding remain relatively tepid, we expect management teams to use mergers and acquisitions as an attractive growth engine and to capitalize on readily available opportunities. Financial sponsors interest in the industry is mostly focused on turnaround opportunities.

Due to the absence of billion dollar mega deals, Q4 M&A deal value decreased from Q2 and Q3. However, Q4 increased 3% over Q1 - a quarter that yielded no transaction values above \$500 million. In addition, the Hyde Park Capital Industrials Index increased 4% during Q4, a sign the sector could be gaining momentum relative to other industries.

As the national greenhouse gas emissions policy takes shape, industrial manufacturing companies will have to pay closer attention to economic consequences. Regardless of the GhGs policy design, it will inevitably have an impact on reporting, audit requirements and capital allocation decisions. Understanding how a target's business is affected by the climate change legislation will be an integral part of an acquiror's valuation and due diligence process.

CURRENT REPRESENTATIVE CLIENT

Pending

**Construction & Engineering
Firm Serving Federal Markets**

*Sell-Side M&A /
Majority Recapitalization*

Company Overview:

The Company operates as one of the most respected and recognized commercial construction management and environmental services firms in the Southeast U.S., serving mainly to the federal government sector.

Engagement:

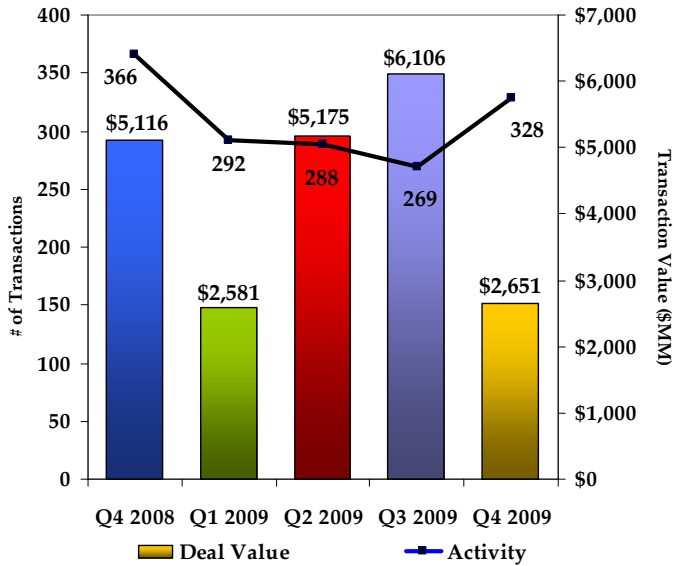
Hyde Park Capital is advising the Company in connection with the sale or recapitalization of the Company.

Solution:

Hyde Park is marketing the Company to both strategic and financial buyers to obtain Management both meaningful liquidity and operational involvement going forward.

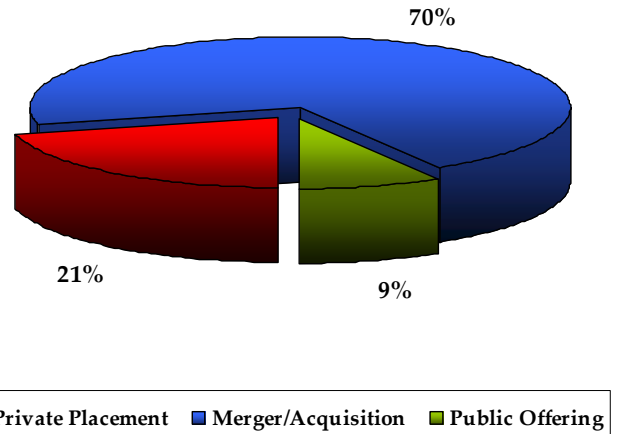
INDUSTRIALS MARKET TRENDS & STATISTICS

Industrials Quarterly Transaction Activity & Deal Value



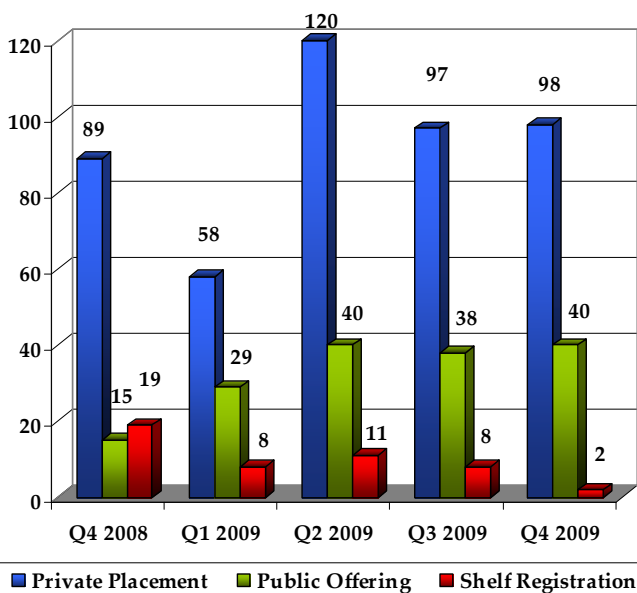
Q4 M&A transaction activity increased 22% over Q3 and was the most active quarter for 2009.

Transaction Percentage by Type
Q4 2009



All transactions comprised of 1% or less are not shown.

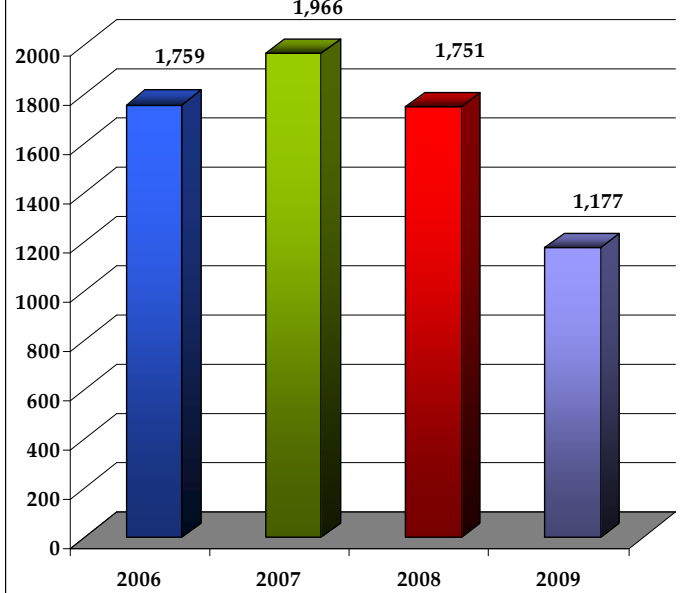
Transactions Type by Quarter



In Q4 private placement and public offering activity increased by 1% and 5%, respectively.

Source: CapitalIQ

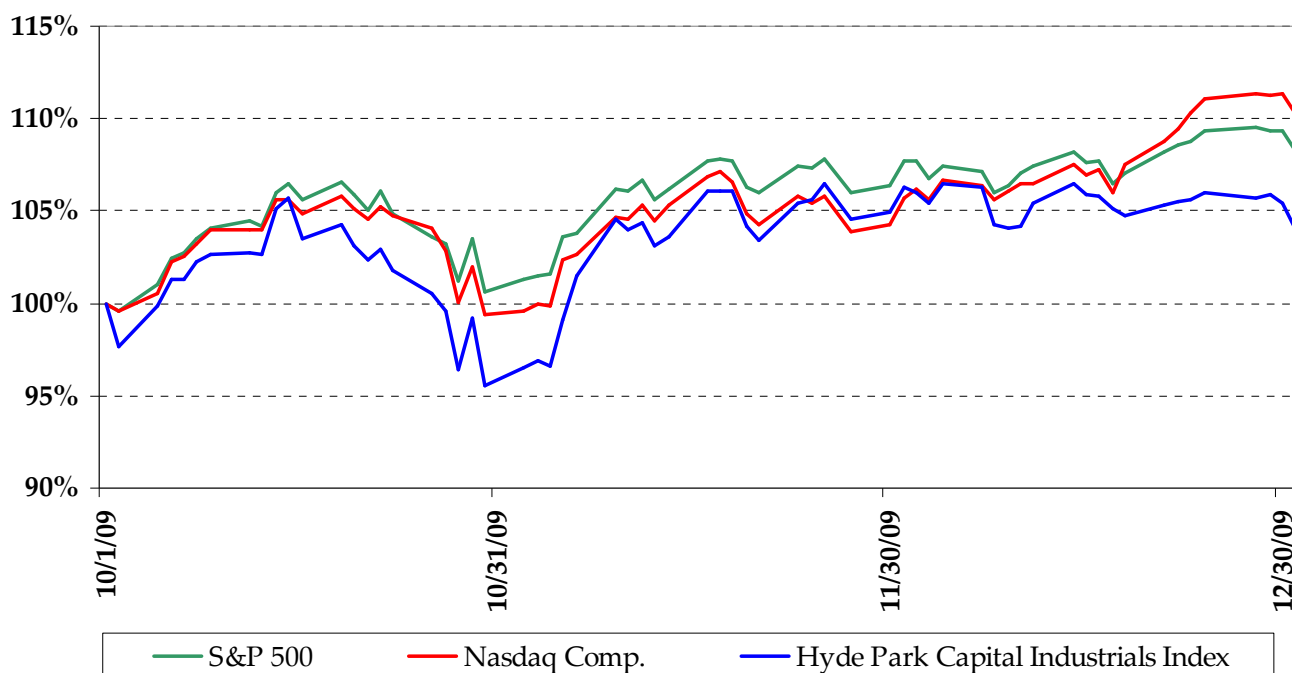
M&A Transaction Volume by Year



2009 M&A transaction volume decreased 33% from

HPC INDUSTRIALS PUBLIC COMPANY INDEX Q4 2009

Hyde Park Capital Industrials Index Q4 (Relative Price Performance %)



In Q4 the Hyde Park Capital Industrials Index increased by 4.06% from September 30, 2009.

Hyde Park Capital Industrials Public Company Index

Caterpillar, Inc. (NYSE:CAT)	Manitowoc Co., Inc. (NYSE:MTW)
Chicago Bridge & Iron Co., N.V. (NYSE:CBI)	Masco Corp. (NYSE:MAS)
Deere & Co. (NYSE:DE)	McDermott International, Inc. (NYSE:MDR)
Donaldson Co., Inc. (NYSE:DCI)	Mohawk Industries, Inc. (NYSE:MHK)
DR Horton, Inc. (NYSE:DHI)	Precision Castparts Corp. (NYSE:PCP)
Eagle Materials, Inc. (NYSE:EXP)	Quanta Services, Inc. (NYSE:PWR)
Fastenal Co. (NasdaqGS:FAST)	Republic Services, Inc. (NYSE:RSG)
Fluor Corp. (NYSE:FLR)	The Black & Decker Corp. (NYSE:BDK)
General Electric Co. (NYSE:GE)	United States Steel Corp. (NYSE:X)
Granite Construction, Inc. (NYSE:GVA)	Vulcan Materials Co. (NYSE:VMC)
Honeywell International, Inc. (NYSE:HON)	Waste Connections, Inc. (NYSE:WCN)
Illinois Tool Works, Inc. (NYSE:ITW)	Waste Management, Inc. (NYSE:WM)
Lockheed Martin Corp. (NYSE:LMT)	Watts Water Technologies, Inc. (NYSE:WTS)

INDUSTRIALS M&A DEALS – Q4 2009

Date	Target	Target Business Description	Buyers/Investors	Enterprise			
				Transaction Value (\$mm)	Value (\$mm)	EV / Revenue	EV / EBITDA
12/23/2009	EaglePicher Technologies, LLC	Designs, manufactures, and supplies power solutions for military and commercial customers.	OM Group, Inc. (NYSE:OMG)	\$171.9	\$171.9	1.4x	N/A
12/18/2009	Quixote Transportation Technologies	Provides highway advisory radio systems and manufactures and supplies traffic sensing and analysis systems.	Vaisala, Inc.	\$20.0	\$20.0	.9x	N/A
12/03/2009	Ralph L. Wadsworth Construction Co., Inc.	Constructs bridges, roadways/highways, mass transit, commercial buildings, and shoring/piling projects.	Sterling Construction Co., Inc. (NasdaqGS:STRL)	\$71.6	\$55.9	.4x	1.8x
12/02/2009	Pump Engineering, Inc.	Develops and manufactures advanced technology pumps.	Energy Recovery, Inc. (NasdaqGS:ERII)	\$25.6	\$25.6	2.8x	N/A
12/01/2009	The International Metals Reclamation Co., Inc.	Provides metal bearing wastes recycling services.	Horsehead Corp.	\$34.0	\$34.0	N/A	N/A
11/30/2009	Pulice Construction, Inc.	Operates as a heavy highway general engineering contracting and construction management company.	Dragados Construction USA, Inc.	\$113.9	\$113.9	.5x	N/A
11/27/2009	Genmar Holdings, Inc.	Manufactures fiberglass bass, fish and play, multi-species and saltwater fishing boats.	Platinum Equity, LLC	\$55.0	\$55.0	N/A	N/A
11/24/2009	Air Routing Group, Inc.	Engages in corporate aviation, aviation fuel management, business aviation card, and industrial meteorology businesses.	Rockwell Collins, Inc. (NYSE:COL)	\$91.0	\$91.0	N/A	N/A
11/23/2009	YRC Logistics, Inc., Dedicated Contract Carriage Division	Offers transportation services to food and grocery, consumer products and retail customers.	Greatwide Logistics Services, Inc.	\$34.0	\$34.0	N/A	N/A
11/18/2009	James Construction Group, LLC	Offers industrial, environmental, and heavy civil construction and maintenance services.	Primoris Services Corp. (NasdaqGM:PRIM)	\$135.0	\$135.0	.3x	N/A
11/17/2009	A.E. Petsche Co., Inc.	Distributes military / aerospace interconnect products and services.	Arrow Electronics, Inc. (NYSE:ARW)	\$174.1	\$170.1	.8x	N/A
11/16/2009	Atlantic Inertial Systems, Inc.	Manufactures inertial products for navigation, guidance, and control.	Goodrich Corp. (NYSE:GR)	\$375.0	\$375.0	N/A	N/A
11/12/2009	Quixote Corp.	Develops, manufactures, and markets highway and transportation safety products to protect, direct, and inform motorists and highway workers.	Trinity Industries, Inc. (NYSE:TRN)	\$104.6	\$97.0	1.0x	29.3x
11/12/2009	Spaw Maxwell Company, LP	Operates as a construction company.	Balfour Beatty Construction, LLC	\$25.0	\$25.0	.1x	N/A
11/10/2009	Archstone Consulting, LLC	Provides management consulting services to pharmaceuticals, biotechnology, retail, food and beverages, automotive, and media and entertainment industries.	The Hackett Group, Inc. (NasdaqGM:HCKT); Hackett-REL Ltd.; The Hackett Group B.V.	\$16.2	\$16.2	N/A	N/A
11/03/2009	Precision Pipeline, LLC	Operates as a pipeline contractor for the oil and gas industry.	MasTec, Inc. (NYSE:MTZ)	\$166.0	\$166.0	.3x	1.8x
11/03/2009	SPX Heat Transfer, Inc.	Engages in the design, manufacture, sale, installation, and service of heat transfer equipment and accessories for the power generation industry.	SPX Corp. (NYSE:SPW)	\$125.0	\$125.0	1.0x	N/A
10/30/2009	W.L. Hailey & Co., Inc.	Operates as an environmental construction company.	Layne Christensen Co. (NasdaqGS:LAYN)	\$15.0	\$15.0	N/A	N/A
10/29/2009	Live Earth, LLC	Provides non-hazardous solid waste rail disposal services.	WCA Waste Corp. (NasdaqGM:WCAA)	\$87.9	\$87.7	2.9x	23.3x
10/29/2009	Atlas Engineering, Inc.	Provides planning, risk assessment, engineering design, project, and construction management services for oil and natural gas production.	Foster Wheeler, AG (NasdaqGS:FWLT)	\$33.0	\$33.0	N/A	N/A
10/27/2009	Selective HR Solutions, Inc.	Operates as a professional employer organization providing strategic HR planning and implementation to business owners.	AlphaStaff Group, Inc.	\$13.0	\$13.0	N/A	N/A
10/19/2009	OmniTech Partners, Inc.	Manufactures optically fused sensor night vision systems.	FLIR Systems, Inc. (NasdaqGS:FLIR)	\$42.0	\$42.0	N/A	N/A
10/16/2009	North America Distribution Facility	Operates as a distribution center.	Brightpoint, Inc. (NasdaqGS:CELL)	\$31.0	\$31.0	N/A	N/A
10/15/2009	Southside River-Rail Terminal, Inc.	Operates as bulk liquid handling facility.	Westway Group, Inc. (NasdaqCM:WWAY)	\$20.0	\$20.0	N/A	N/A
10/10/2009	QualaWash Holding, LLC	Provides interior and exterior tank cleaning services.	KLH Capital, L.P.	\$13.0	\$13.0	N/A	N/A
10/09/2009	Bolton Conductive Systems, LLC	Designs, develops, and manufactures wire harnesses, control panels, and electrical systems.	Stoneridge, Inc. (NYSE:SRI)	\$16.4	\$22.1	N/A	N/A
10/05/2009	Carrizo Oil & Gas Inc., The Mansfield System	Comprises natural gas gathering and compression system.	Delphi Midstream Partners, LLC	\$33.5	\$33.5	N/A	N/A
10/05/2009	Republic Services, Inc.	Provides nonhazardous solid waste collection and disposal services.	Waste Services Of Florida, Inc.	\$32.0	\$32.0	N/A	N/A
10/01/2009	Applied Utility Systems, Inc.	Offers engineered solutions for the clean utilization of fossil fuels.	Johnson Matthey, plc (LSE:JMAT)	\$10.0	\$10.0	N/A	N/A

"EV" = Enterprise Value. "EBITDA" = Earnings Before Interest, Taxes, Depreciation and Amortization. Source: Capital IQ.

INDUSTRIALS Q4 M&A STATISTICS

Most Active Buyers/Investors by Number of Transactions

Company Name	# Of Transactions
Advanced Disposal Services, Inc.	2
AECOM Technology Corp. (NYSE:ACM)	2
Alta Lift Truck Services, Inc.	2
APAC, Inc.	2
Bradco Supply Corp.	2
First Aviation Services, Inc. (OTCPK:FAVS)	2
Markel Ventures	2
Primoris Services Corp. (NasdaqGM:PRIM)	2
Sikich, LLP	2
Technology Services Industry Association	2

Q4 M&A Statistics

Valuation Summary	
Total Deal Value (\$mm):	\$2,651.4
Average Deal Value:	\$37.3
Average TEV/Revenue:	.9x
Average TEV/EBITDA:	12.9x

Most Active Buyers/Investors by Total Transaction Size

Company Name	Transaction Size (\$mm)
Goodrich Corp. (NYSE:GR)	\$375.0
Arrow Electronics, Inc. (NYSE:ARW)	\$174.1
OM Group, Inc. (NYSE:OMG)	\$171.9
MasTec, Inc. (NYSE:MTZ)	\$166.0
Primoris Services Corp. (NasdaqGM:PRIM)	\$135.0
SPX Corp. (NYSE:SPW)	\$125.0
Dragados Construction USA, Inc.	\$113.9
Trinity Industries, Inc. (NYSE:TRN)	\$104.6
Rockwell Collins, Inc. (NYSE:COL)	\$91.0

Number of Deals by Transaction Ranges

Transaction Range	# of Deals
Greater than \$1 billion	0
\$500 - \$999.9mm	0
\$100 - \$499.9mm	8
Less than \$100mm	62
Undisclosed	257

INDUSTRIALS Q4 PUBLIC OFFERINGS

Date	Target	Business Description [Target/Issuer]	Security Types	Transaction Value (\$mm)
12/08/2009	Goodrich Corp. (NYSE:GR)	Engages in the supply of aerospace components, systems, and services.	Corporate Debt (Non-Convertible)	\$299.3
11/25/2009	Associated Materials, Inc.	Manufactures and distributes exterior residential building products including vinyl windows, vinyl siding, aluminum trim coil and flatstock, and aluminum and steel siding and accessories.	Corporate Debt (Non-Convertible)	\$197.5
11/17/2009	Boeing Co. (NYSE:BA)	Designs, develops, manufactures, sells, and supports commercial jetliners, military aircraft, satellites, missile defense, human space flight, and launch systems and services.	Corporate Debt (Non-Convertible)	\$695.8
11/16/2009	Thomas & Betts Corp. (NYSE:TNB)	Designs, manufactures, and markets electrical components for industrial, construction, retail, utility, and communications markets.	Corporate Debt (Non-Convertible)	\$248.0
11/13/2009	Lockheed Martin Corp. (NYSE:LMT)	Engages in the research, design, development, manufacture, integration, and sustainment of advanced technology systems, products, and services.	Corporate Debt (Non-Convertible)	\$891.8
11/12/2009	Waste Management, Inc. (NYSE:WM)	Provides integrated waste management services offering collection, transfer, recycling, disposal, and waste-to-energy services.	Corporate Debt (Non-Convertible)	\$596.8
11/12/2009	Raytheon Co. (NYSE:RTN)	Designs, develops, manufactures, integrates, and supports technological products, services, and solutions for governmental and commercial customers.	Corporate Debt (Non-Convertible)	\$498.8
11/10/2009	Emerson Electric Co. (NYSE:EMR)	Engages in designing and supplying product technology, as well as delivering engineering services and solutions to various industrial, commercial and consumer markets.	Corporate Debt (Non-Convertible)	\$298.4
11/09/2009	United Rentals (North America), Inc.	Operates as an equipment rental including general construction and industrial equipment.	Corporate Debt (Non-Convertible)	\$491.9
10/27/2009	General Cable Corp. (NYSE:BGC)	Provides copper, aluminum, and fiber optic wire and cable products.	Convertible Corporate Debt	\$439.4
10/20/2009	Navistar International Corp. (NYSE:NAV)	Manufactures and markets commercial trucks, buses, diesel engines, military vehicles, and chassis.	Corporate Debt (Non-Convertible)	\$963.3
10/19/2009	RailAmerica, Inc. (NYSE:RA)	Engages in the ownership and operation of short line and regional freight railroads.	Corporate Debt (Non-Convertible)	\$740.0
10/13/2009	Deere & Co. (NYSE:DE)	Provides products and services primarily for agriculture and forestry worldwide.	Corporate Debt (Non-Convertible)	\$745.9
10/06/2009	Clean Harbors, Inc. (NYSE:CLH)	Provides environmental, energy, and industrial services.	Corporate Debt (Non-Convertible)	\$300.0
10/02/2009	Commercial Barge Line Co.	Provides marine transportation and barges and vessels manufacturing services.	Corporate Debt (Non-Convertible)	\$200.0

Source: Capital IQ.

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HYDE PARK CAPITAL RECENT INDUSTRIALS TRANSACTIONS

Marketing

**Construction &
Engineering Firm**

*Sell-Side M&A /
Majority Recapitalization*

IOI

**Electronics Recycling
Company**

Sell-Side M&A



Lawn & Pest Control
Company

*Deerfield Beach, FL
Sale to Massey Services
Fairness Opinion*



Producer of Coal Tar
Pitch Emulsions

*Tampa, FL
Sale to Oldcastle, Inc.*




Hardwood Flooring
Company

*Franklin, NC
Sale to Shaw Industries*



Supplier of Quality As-
phalts & Emulsions

*Tampa, FL
Sale to Associated
Asphalt, Inc.*



Waste Management
Company Specializing
in Construction Debris

*Ft. Lauderdale, FL
Sale to
Waste Management Inc.*

HYDE PARK CAPITAL ADVISORS, LLC is an institutionally focused investment banking firm serving the corporate finance needs of companies typically operating in the industrials, consumer, healthcare and business services industries, and most often located in Florida and the South-eastern United States. Our principals have extensive investment banking experience executing merger & acquisition engagements, including purchase and sale of company assignments, recapitalizations, financial advisory, fairness opinions and raising growth capital and acquisition financing for companies, including equity, mezzanine and senior debt. We pride ourselves on our professional representation of both middle market public companies and family owned and entrepreneurial driven large private companies. As one of the most active investment banking firms in the Southeast, our professionals have advised on more than 300 corporate investment banking transactions totaling more than \$10 billion in transaction value. We are headquartered in Tampa, Florida and are a member of FINRA and SIPC.

Contact Jennifer Paul at paul@hydeparkcapital.com to receive our complementary Hyde Park Capital Quarterly Business Services Newsletters via email.

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