



Quarterly M&A Update

First Quarter 2009

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IN THIS ISSUE

Financing Alternatives.....	1
Global M&A Trends.....	2
U.S. M&A Trends	3
Transaction Multiples	3
Deals of Local Interest.....	4
Deals of Regional Interest ..	4
National M&A Summary....	4

Are Your Banking Relationships Strong?

If you haven't had a difficult conversation with your banker, you're in the minority. The current economic environment has left few people unscathed no matter how savvy or financially stable they may be.

While it may seem like our economic troubles began last year, it has actually been since late 2007 that commercial credit markets have been disrupted. As a result, the following have occurred:

- Total middle market lending is down.
- Equity requirements have increased.
- The cost of debt is up as a result of increased spreads and the acceptance of LIBOR floors.
- Syndicated deals are being completed only on a best efforts basis.
- Three-year term or less is now the market norm.
- Renewals include significant rate increases, more stringent covenants and reduced credit limits.

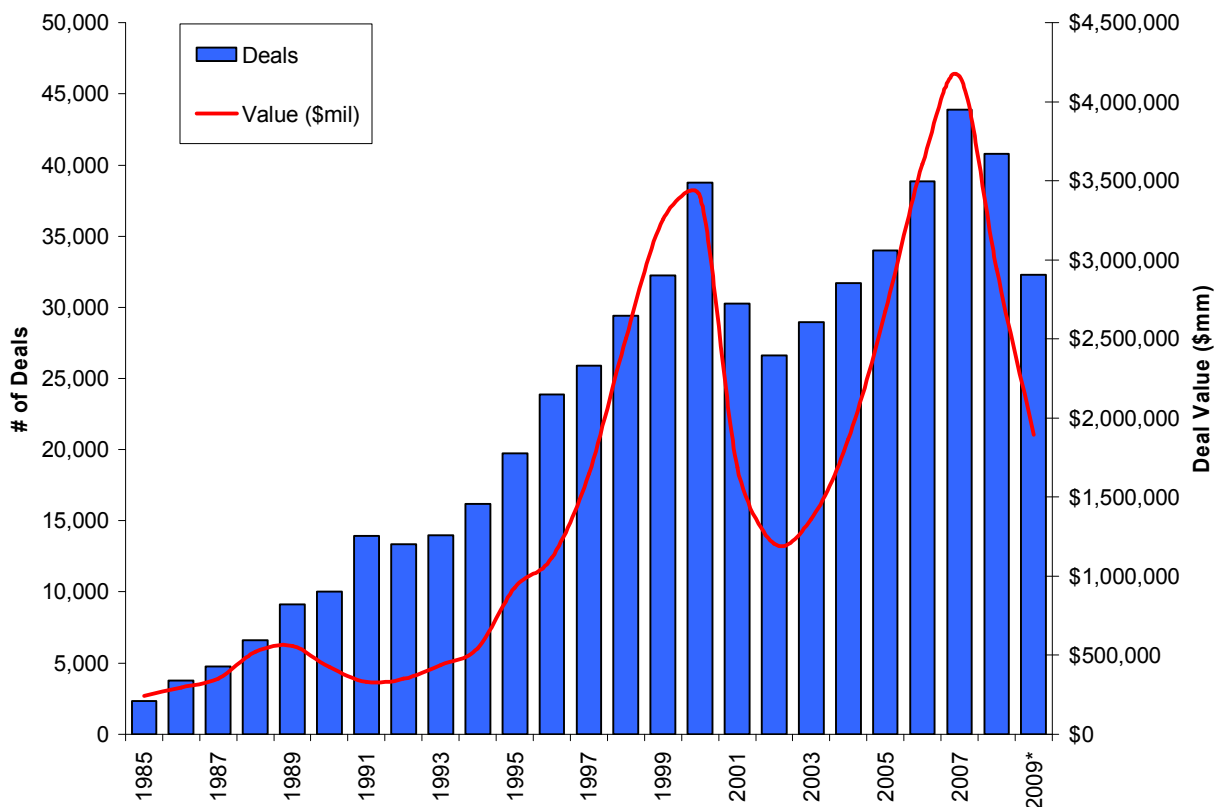
That's the bad news. The good news is that we have helped many of our clients navigate the tricky course of refinancing. Here is how we can help:

- We analyze your company's historic performance, develop defensible financial projections and review your financing options. The Malibu Group can help you explore opportunities that you may not have realized are available.
- One of the keys to a successful refinancing is a strong and compelling presentation that accurately represents your company. Our longtime experience with varied financial institutions has given us the expertise to develop such a package while we source additional capital.
- We perform the necessary market research and take the pressure off you by soliciting and responding to proposals from banks and other financial entities.
- Finally, we evaluate the proposals, negotiate the terms and conditions and manage the transaction to close. We know the right questions to ask and the pitfalls to avoid.

Even financially strong companies may no longer have easy access to financing from their usual senior lenders. For companies facing operational challenges, senior lenders may be even less of an option. In this situation, other forms of financing, from junior capital to structured equity, may be needed.

At The Malibu Group, we have a front-row seat to the rapidly changing and increasingly challenging world of finance. Having an expert on your side and taking a proactive approach to evaluating, securing and strengthening your banking relationships will help ensure that you not only survive but also thrive in the current economic environment.

Global M&A Trends



*2009 figures have been annualized based off of first quarter data.

The total number of global M&A transactions was down 7% in 2008, while global M&A deal value dropped 29%. The substantially larger drop in deal value is an indication that large “mega-deals” are occurring less frequently. Frozen credit markets, uncertainty in the economy, and investor risk aversion have all contributed to the recent M&A slide.

Without confidence to support revenue and earnings projections, more buyers are sitting on

the sidelines until more clarity is seen in the markets.

Global M&A peaked in 2007, with 43,891 transactions totaling \$4.2 trillion in deal value. Annualizing first quarter data, 2009 would be 32,276 global transactions totaling \$1.9 trillion in deal value. Compared to the 2007 peak, this represents a drop of 26% in transactions and 55% in deal value.

The Malibu Group provides mergers and acquisitions services that help business owners prepare their companies for sale, position their companies for growth, and plan for the future.

We are comprised of the largest group of M&A and strategic finance experts in our region, possessing experience in divestitures, acquisitions, due diligence, valuations and financing. We identify solutions for complex strategic and financial issues, helping our clients realize greater value.

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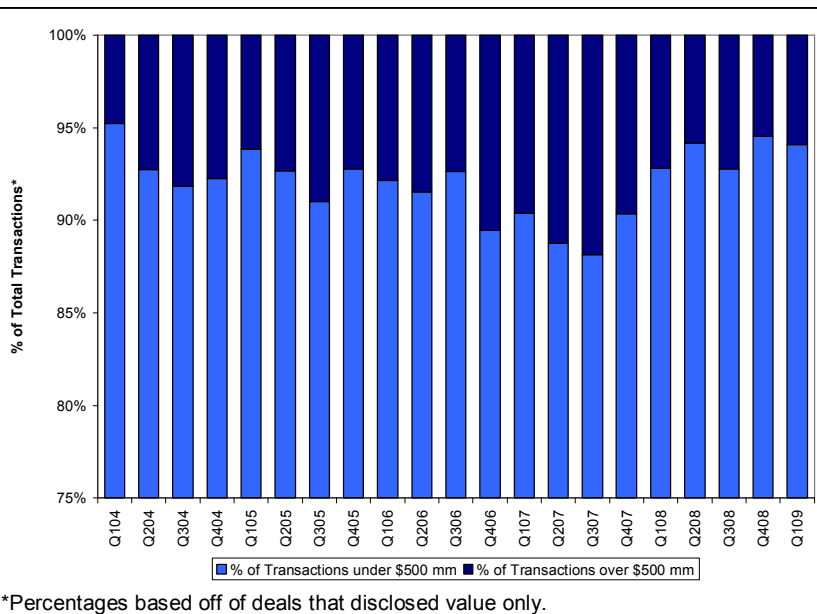


U.S. Middle Market M&A Trends

Middle Market Remains Strong

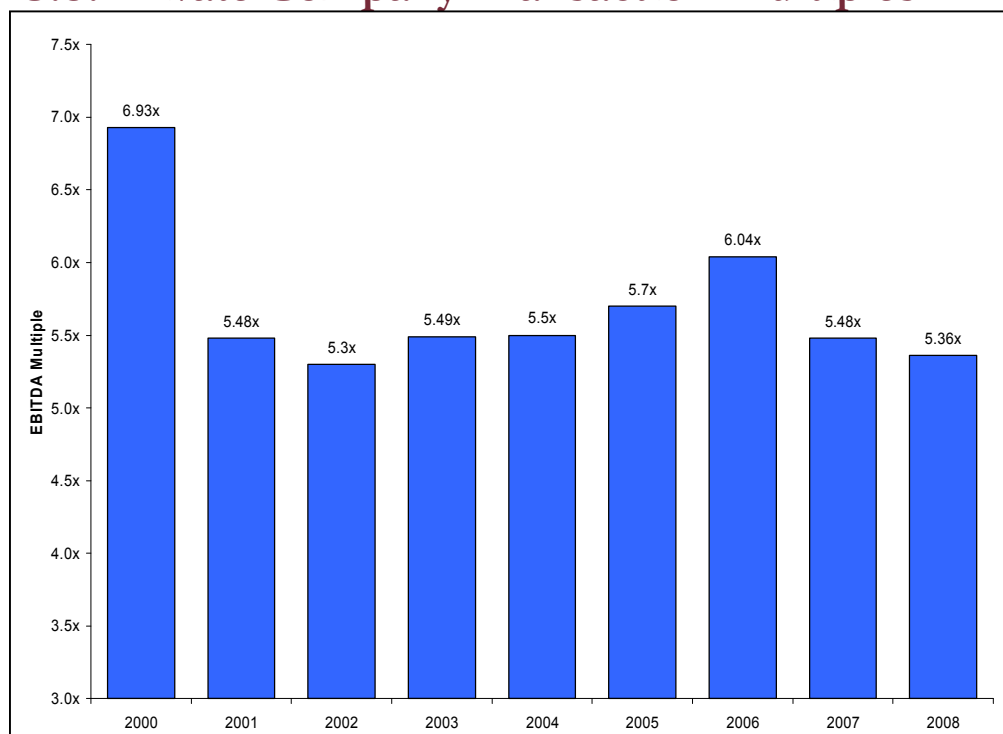
While overall M&A is down, U.S. middle market M&A transactions (defined as enterprise value below \$500 million) have remained relatively stable, with 3,599 deals completed in 2008 vs. 3,775 deals completed in 2007. This is a drop-off of only 4.7%. Additionally, middle market M&A is increasing as a percentage of total U.S. transactions. Transactions under \$500 million (as a percentage of total deals in the U.S.) bottomed in Q3 2007, representing 88% of all transactions. This bottom came directly before the current recession began in December 2007. Since then, transactions under \$500 have increased as a percentage of total deals, representing 94% of all transactions in Q1 2009.

Middle market transactions tend to fluctuate less than their larger counterparts because they generally have a larger universe of buyers and have greater flexibility in deal structure.



*Percentages based off of deals that disclosed value only.

U.S. Private Company Transaction Multiples



Deals of Local Interest

<u>Target</u>	<u>Buyers/Investors</u>	<u>Deal Value (\$mm)</u>
Johnson Products Co., Inc.	St. Cloud Capital/Rustic Canyon/Fontis Partners	undisclosed
Procter & Gamble Co., Global Infusium 23 Hair Care	Helen of Troy Limited (NasdaqGS:HELE)	undisclosed
Blendco Systems, LLC	DuBois Chemicals, Inc.	undisclosed
Cogent Search, Inc.	Ascendum Solutions, LLC	undisclosed
Aktenmühle GmbH	Cintas Corp. (NasdaqGS:CTAS)	undisclosed
Flintfox International Ltd.	Triplefin LLC	undisclosed
Smart Papers LLC, Uncoated Paper Brands	Mohawk Fine Papers, Inc.	undisclosed
Self Storage Facilities	Strategic Storage Trust, Inc.	9.9
Flintfox USA	Triplefin LLC	undisclosed
NS Group Inc.	OAQ TMK (RTS:TRMK)	508.0
Radius Software Inc.	Access Corp.	undisclosed
Virtual Blocks Inc	Cincinnati Bell Technology Solutions Inc.	undisclosed
Digital & Analog Design Corporation	PRO OnCall Technologies LLC	undisclosed
Forethought Life Insurance Company	Unity Life of Canada	undisclosed
DirecTECH	Multiband Corporation (NasdaqCM:MBND)	41.2

Deals of Regional Interest

<u>Target</u>	<u>Buyers/Investors</u>	<u>Deal Value (\$mm)</u>
Cogent Search, Inc.	Ascendum Solutions, LLC	undisclosed
Diversified eCommerce Associates, LLC	eImagine Technology Group, Inc.	undisclosed
ePayment Consultants, Merchant Portfolio	ProfitPoint, LLC	undisclosed
NDWave LLC	Omnicity, Corp. (OTCBB:OMCY)	undisclosed
One Source Insurance, Inc.	Brown & Brown of Indiana, Inc.	undisclosed
Roll-Crafters Inc.	Finzer Roller, L.L.C.	undisclosed
Integrity Capital Corporation	Citizens Inc. (NYSE:CIA)	10.7
UK HealthCare-Good Samaritan Hospital	UK Healthcare	35.0
Senior Resource Network, Inc., Majority of Client Base	Puritan Financial Group, Inc. (OTCPK:PTNG)	undisclosed
Pet Planet RX Limited	undisclosed	undisclosed
IMAGE Worldwide, Inc., Club Oasis	undisclosed	undisclosed
Yum! Brands, Inc., 40 Pizza Hut Restaurants	JEM Restaurant Group, Inc.	undisclosed
The Chocolate Moose LLC	undisclosed	undisclosed
Global Metering Systems, LLC	Sensus Metering Systems (Bermuda 2) Ltd.	undisclosed
Powerway, Inc.	LMI Aerospace Inc. (NasdaqGS:LMIA)	undisclosed
R.M.D. Corp.	Australian Enterprises L.P.	undisclosed
Symphony Bank	Greensfork Township State Bank	3.9
Nationwide Financial Services, Inc.	Nationwide	2,863.0

National M&A Summary

<u>First Quarter 2009</u>			
Total Number of Transactions	1,453	Total Deal Value (\$mm)	203,153.2
Percentage Change from Fourth Quarter 2008	-18.3%	Percentage Change from Fourth Quarter 2008	-15.6%
Percentage Change from First Quarter 2008	-28.6%	Percentage Change from First Quarter 2008	16.8%

Sources of data include CapitalIQ, BVMarketData, Thomson Reuters, and other news organizations. The factual statements herein have been taken from sources believed to be reliable, but we do not guarantee such statements as accurate or complete. This report was prepared by The Malibu Group for informational purposes only; this is not a solicitation or offer to purchase or sell securities. Recipients of this report should not interpret the information