



Quarterly M&A Update

First Quarter 2010

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IN THIS ISSUE

Deal Maker Awards	1
U.S. M&A Update	2
National M&A Summary	3
Deals of Regional Interest	3
Deals of Local Interest	4



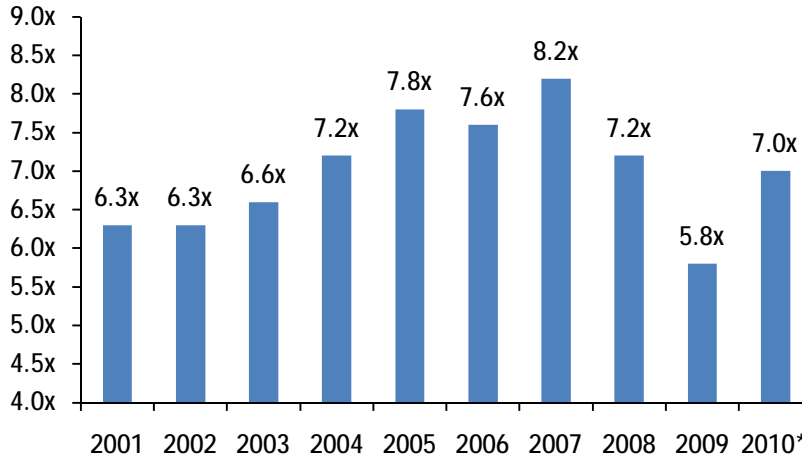
The Malibu Group has received the 2010 Deal Maker Financier/Service Provider Award from the Cincinnati chapter of the Association for Corporate Growth.

The Deal Maker Awards are presented annually by ACG Cincinnati to recognize significant achievements of local companies, entrepreneurs and financiers who participate in mergers and acquisitions activity in Greater Cincinnati. According to ACG, award winners are “Deal Makers” who have been inspirational, visionary, creative, tenacious and persistent in their efforts to complete acquisition, joint venture, financing and strategic alliance transactions.

We would like to thank those of you who nominated us for this award. We are honored by your recognition and support.

The Malibu Group will be recognized at the annual ACG Deal Maker Awards Dinner on May 12. More information can be obtained at www.acgcincinnati.org.

Middle Market Multiples



Includes transactions between \$10 and 250 million with TEV/EBITDA < 15.0x. *2010 is YTD disclosed multiples.

U.S. M&A Update

Though continuing levels of high unemployment and a lack of consumer spending has some questioning the near future of our economy, there are some signs of improvement that could bode well for M&A in 2010. In February the highest level of U.S. targeted M&A transactions were announced since July 2008. The technology, energy, financials, and healthcare sectors accounted for the majority of closed transactions in February.

An indicator of strengthening M&A activity is the rise in multiples on recent transactions. Fourth quarter 2009 transaction multiples hit 6.1x enterprise value to EBITDA, compared to 5.8x for all of 2009. If the credit markets begin to loosen, these multiples are expected to continue their upward trend.

However, credit availability remained tight in the fourth quarter. There was an increase in mezzanine financing in 2009. While senior debt multiples decreased from 3.3x to 2.5x, mezzanine debt multiples increased from 0.6x to 0.7x. The use of mezzanine financing and greater equity contributions (an average of 51% of the total capital structure) contributed to the rise in deal volume in the fourth quarter last year. As credit continued to tighten in 2009, leverage multiples dropped to 3.3x debt-to-EBITDA with none reaching 7.0x. There has also been a tendency for private equity to increase their equity contribution as they reach the deadline to invest some of their expiring commitments.

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 herein as sufficient grounds for any type of decision, investment or otherwise. Historical data is not in indication of future results



National Middle Market M&A Summary			
First Quarter 2010			
Total Number of Transactions	2,539	Total Deal Value (\$mm)	162,217.64
Percentage Change from Fourth Quarter 2009	17.98%	Percentage Change from Fourth Quarter 2009	-40.99%
Percentage Change from First Quarter 2009	74.74%	Percentage Change from First Quarter 2009	-20.15%

Deals of Regional Interest			
Target	Buyers/Investors	Deal Value	Geographic Location
Koch Filter Corporation	Tomkins plc	\$35,500,000	Louisville Area
Eli Lilly & Co.-Series of Preclinical Compounds	Transition Therapeutics Inc.	\$1,000,000	Indianapolis Area
Cancer Center of Indiana, LLC	Floyd Memorial Hospital and Health Services	\$700,000	Louisville Area
Bright Choice, Inc.	Omnicity, Corp.	\$236,000	Columbus Area
Dow AgroSciences-Tebufenozide Insecticide Bus.	Nippon Soda Co. Ltd.	Undisclosed	Indianapolis Area
Litchfield Landscape Co Inc.	Engledow, Inc.	Undisclosed	Indianapolis Area
Biddle Precision Components Inc.	Elyria Manufacturing Corp.	Undisclosed	Indianapolis Area
Gates McDonald & Company	Sheakley UniComp, Inc.	Undisclosed	Columbus Area
LEDCO, Inc.	Masonite Worldwide Holdings Inc.	Undisclosed	Louisville Area
Joint Replacement Surgeons of Indiana LLP	St. Francis Hospital & Health Centers	Undisclosed	Indianapolis Area
Lee Middleton Original Dolls, Inc.	The Alexander Doll Company, Inc.	Undisclosed	Columbus Area
Twin Horizons Travel, Inc.	Travel Solutions, Inc.	Undisclosed	Columbus Area
huber+co.interactive	Paul Werth Associates Inc.	Undisclosed	Columbus Area
Benesch/Dann Pecar	Benesch, Friedlander, Coplan & Aronoff LLP	Undisclosed	Indianapolis Area
Relay Gear LTD.	HALO Branded Solutions, Inc.	Undisclosed	Columbus Area
Specialized Technical Services, Inc.	Navigation Capital Partners, LLC	Undisclosed	Lexington Area
Moongate Technologies	Dewpoint, Inc.	Undisclosed	Indianapolis Area
Halcore Group, Inc.	American Industrial Partners	Undisclosed	Columbus Area
Disma Distribution Services, LLC	The Jet Container Company	Undisclosed	Columbus Area
HarmonyOnline.com Music	Moppet Management, Inc.	Undisclosed	Louisville Area
de Ferran Motorsports	Luczo Dragon Racing, LLC	Undisclosed	Indianapolis Area
Menard Engine Group	-	Undisclosed	Indianapolis Area
Redwood Investment Advisors Ltd.	StanCorp Investment Advisers, Inc.	Undisclosed	Indianapolis Area
Triax Media Group LLC	P.S.K.W. Inc.	Undisclosed	Louisville Area
Hinkle Contracting Corporation	Summit Materials, LLC	Undisclosed	Lexington Area
Laynes Kitchen and Carryout, Inc.	-	Undisclosed	Columbus Area
Medical Account Services, Inc.	Advantedge Healthcare Solutions, Inc.	Undisclosed	Dayton Area
Crash Avenue LLC	Bisig Impact Group Inc.	Undisclosed	Louisville Area
K-Enterprises, Inc.	The Grocers Supply Co., Inc.	Undisclosed	Indianapolis Area
Dow AgroSciences-Thifluzamide Fungicide Business	Nissan Chemical Industries, Ltd.	Undisclosed	Indianapolis Area
Acclaim Hospice and Palliative Care, LLC	People First HomeCare & Hospice of Indiana, LLC	Undisclosed	Columbus Area
Bloomington Hospital, Inc.	Clarian Health Partners Inc.	Undisclosed	Indianapolis Area
Geneva Insurance Company Inc.	Trillium Management Services Inc.	Undisclosed	Indianapolis Area
PEQ Consulting, Inc.	Buchanan Associates	Undisclosed	Dayton Area

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Deals of Local Interest (Cincinnati-based Buyers or Sellers)		
Target	Buyers/Investors	Deal Value
Jewish Hospital of Cincinnati, Inc.	Mercy Health Partners	\$180,000,000
Brown County State Bank, Marine Bank and Trust	United Community Bancorp	\$27,890,000
Blaine Company, Inc., Mag-Ox Line	Hi Tech Pharmacal Co. Inc.	\$4,100,000
TeamStaff Rx, Inc.	Advantage RN, LLC	\$425,000
Marcole Enterprises	Wilcas Wire Company	Undisclosed
U.S. Bank, Three Texas Retail Bank Branches	Prosperity Bank	Undisclosed
Gates McDonald & Company	Sheakley UniComp, Inc.	Undisclosed
American National Bank (Parma, OH)	The National Bank And Trust Company	Undisclosed
apartmentfrog, LLC	Rent Marketer, Inc.	Undisclosed
General Cable Automotive Europe	General Cable Corp.	Undisclosed
Ocala Recycling, Inc.	The David J. Joseph Company	Undisclosed
Domin-8 Enterprise Solutions, LLC	RealPage, Inc.	Undisclosed
The Little Clinic Of Tennessee, LLC	Kroger Co.	Undisclosed
MDVIP, Inc.	Procter & Gamble Co.	Undisclosed
MEDHOST, Inc.	HealthTech Holdings, Inc.	Undisclosed
Sales Konnect	Accelerated Business Results	Undisclosed
Preferred Medical Care Inc	Trustaff, Inc.	Undisclosed
The W Group of Ohio, LLC	Hylant Group, Inc.	Undisclosed
Defcon FORCE LLC	The Selinsky FORCE, LLC	Undisclosed
General Cable Phoenix South Africa	General Cable Corp.	Undisclosed
Medical Consulting Dr. Schlichtiger GmbH	Medpace, Inc.	Undisclosed
BB & T Corp., 22 Colonial Branches In Nevada	U.S. Bank National Association (Cincinnati, OH)	Undisclosed
USGreentech, L.L.C. and All Sports Surfaces LLC	The Motz Group Inc.	Undisclosed
Sunbelt General Agency, Inc.	Johnson & Johnson Inc.	Undisclosed
BMB Fuel Consulting Services, Inc.	GE Aviation	Undisclosed
General Cable Corp.	OppenheimerFunds, Inc.	Undisclosed
Family Care Inc.	Home Care by Black Stone	Undisclosed

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The Malibu Group is comprised of the most experienced group of M&A and strategic finance experts in our region. We have extensive experience in divestitures, acquisitions, due diligence, valuations and financing.

Our specialized expertise helps our clients achieve better value, identify better transaction partners, reach smarter decisions, and negotiate more favorable outcomes.

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