

CHILDS

ADVISORY PARTNERS

Quarterly Update

4Q 2012

INSIDE THIS ISSUE

Letter from Jim	1
Market Update	2
Sector Updates	3
About CHILDS	11
Selected Transactions	12

CHILDS News and Events

5/2/13

CHILDS IT & Professional Services Summit in Chicago, IL

2/25/12 - 2/28/12

CHILDS sponsors the Staffing Industry Executive Forum in Orlando, FL

2/12/13

CHILDS attends the ACG Capital Connection in Atlanta, GA

11/8/12 - 11/10/12

CHILDS sponsors the TechServe Alliance Conference in Miami Beach, FL

10/15/12 - 10/17/12

CHILDS speaks at the SIA Healthcare Staffing Summit in Las Vegas, NV

10/9/12 - 10/11/12

CHILDS speaks at the ASA Staffing World Conference in Las Vegas, NV

10/1/12

CHILDS advises IO Consulting on its sale to Golden Gate Capital

9/28/12

CHILDS advises Nordic Consulting on its recapitalization with SV Life Sciences

9/20/12

CHILDS speaks at the Contingent Workforce Summit in San Diego, CA

7/03/2012

CHILDS advises Accretive Solutions on its acquisition of Adams Harris

7/02/2012

CHILDS moves headquarters to Phipps Tower in Buckhead, Atlanta

5/23/2012

CHILDS attends the 2012 CIETT World Employment Conference in London, UK

CHILDS Advisory Partners

3438 Peachtree Road NE
Phipps Tower, Suite 1400
Atlanta, GA 30326
Phone: 404.751.3000
Fax: 404.751.3001

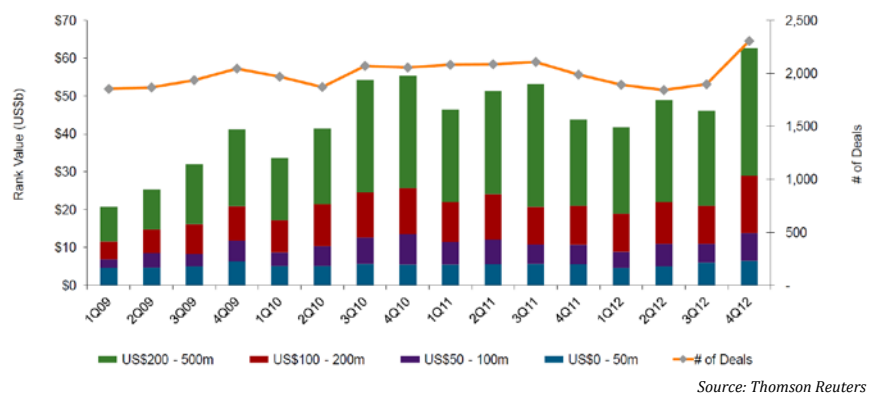
www.childsadvisorypartners.com

Letter from Jim

A Look Back at 2012 and What Lies Ahead in 2013 for Mid-Market M&A

Middle market M&A transactions (those below \$500 million) were actually down by 3% in 2012 versus 2011. Private equity deals of all kinds were actually down by 14% year-over-year. Despite the impending tax changes, which did drive some volume in December 2012, the uncertainty associated with both the economy and the election inhibited the deal market.

U.S. Mid-Market M&A (up to \$500mm) by Rank Value Range



Source: Thomson Reuters

From our perspective at CHILDS, 2012 was a tale of two half-years. The first half was busy, productive and seemed to continue the momentum from 2011. In the second half of the year, the number of sellers seemed to dramatically increase due to the impending tax changes. We were incredibly busy, but it felt like the buyers were both overwhelmed with deals and reluctant to act with the election and fiscal cliff uncertainty. The result was that we saw longer times to get deals done and increased action by some buyers to re-trade key terms. In some cases, this killed the transaction altogether or significantly extended the time required to close.

As for 2013, we are feeling increasingly bullish on the M&A market. Our initial thoughts in 2013 were that the first half would be quiet because of the late-year rush in 2012. However, we have seen higher interest from potential sellers than we expected. From a buyer perspective, we believe that buyers may be a bit more aggressive since the election is settled, tax rates are known and the fiscal cliff has been averted (or delayed). Both strategic buyers and private equity buyers are sitting on record amounts of cash and the lending markets remain strong. Finally, the "inventory" of private equity backed companies has also increased over the years to around 6,500 and these companies tend to trade more frequently given the requirements of private equity funds.

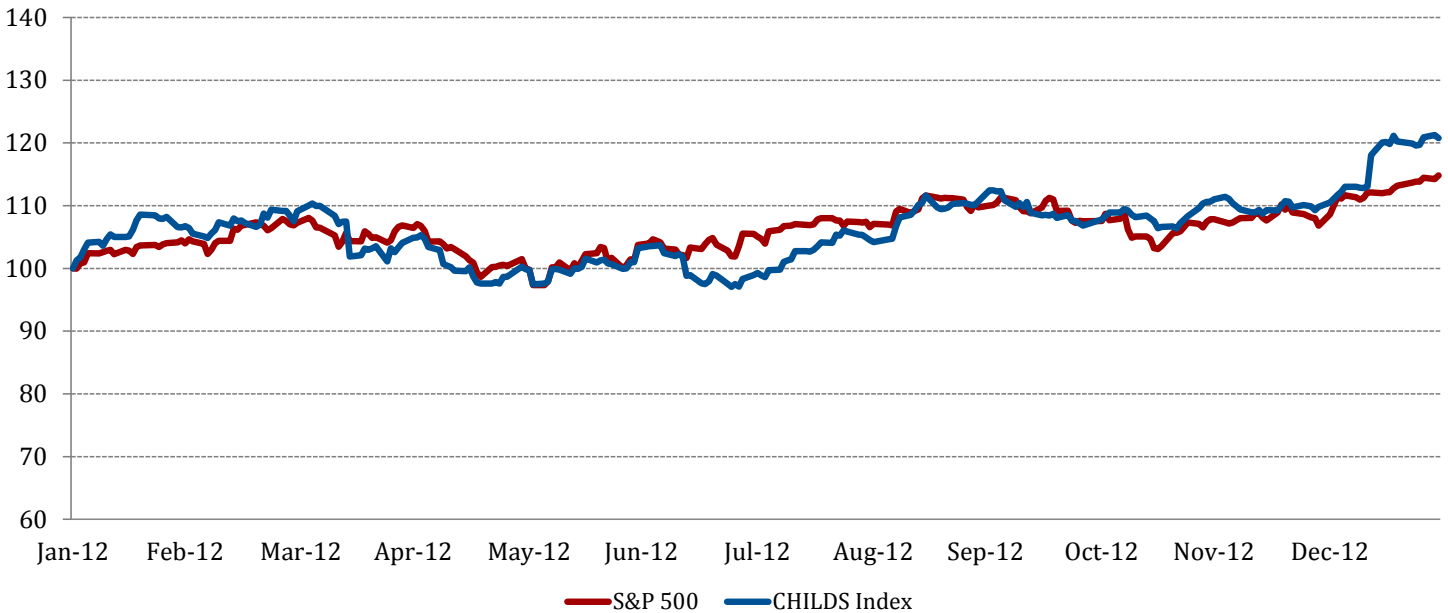
Finally, some predictions for the coming year:

- Syracuse wins the NCAA tournament and Jim Boeheim retires
- Andy Murray wins at least one Grand Slam
- Oklahoma City upsets the Miami Heat in the NBA Finals
- Manti Te'o dates a real girl in 2013

Jim Childs

Business Services & Technology Market Update

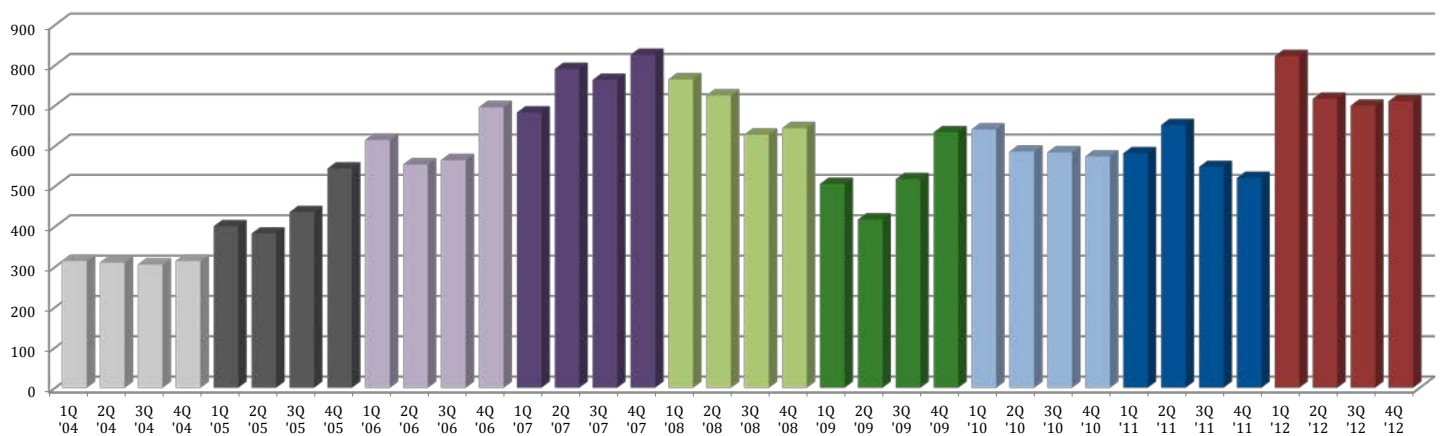
CHILDS Advisory Partners (“CHILDS”) tracks a list of publicly traded companies in our core sectors. The CHILDS Business Services & Technology Index has closely tracked the S&P 500 Index over the past year but has recently begun to outperform the Index.



Note: The CHILDS Business Services & Technology Index is made up of select public companies in the following sectors: IT/Professional Services and Business Process Outsourcing (BPO), Human Capital Management (HCM), Marketing & Information Services and Facilities Services. Index data as of January 30, 2013.

Business Services & Technology M&A Deals by Quarter (2004 – 2012)

Business Services & Technology M&A volume was up in 4Q vs. 3Q and up year-over-year. We’ve noted a total of 710 transactions in 4Q 2012 compared to 669 transactions noted in 3Q 2012 and 520 in 4Q 2011. The M&A market for Business Services & Technology continues to be healthy and we expect 1Q to continue with positive momentum.



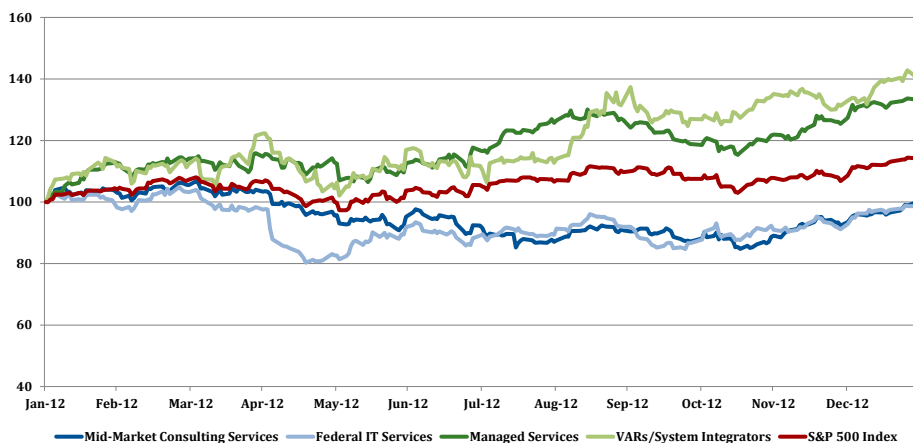
Source: CHILDS database and Capital IQ

Sector Update: IT/Professional Services and BPO

IT/Professional Services Comparable Public Company Analysis

Public Company Stock Performance

Over the last year, the Mid-Market Consulting and the Federal IT Services indices underperformed the S&P, while the Managed Services and VARs/System Integrators segments outperformed the market.



Mid-Market Consulting

The average LTM EBITDA multiple is 8.0x, which is higher than last quarter's multiple of 7.2x.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
The Advisory Board Company	\$54.17	98.4%	4.3x	28.7x *
CIBER, Inc.	\$3.28	68.9%	0.3x	7.9x
CRA International Inc.	\$18.15	65.0%	0.5x	5.3x
Edgewater Technology Inc.	\$4.30	96.0%	0.4x	6.4x
Exponent Inc.	\$54.84	93.1%	2.3x	10.3x
FTI Consulting, Inc.	\$32.33	71.8%	1.2x	7.4x
Huron Consulting Group Inc.	\$33.73	82.6%	1.5x	8.7x
Mattersight Corporation	\$4.35	45.8%	2.2x	NM
Navigant Consulting Inc.	\$11.47	78.5%	1.0x	7.2x
Perficient Inc.	\$11.88	87.7%	1.3x	11.0x
Resources Connection Inc.	\$12.13	83.7%	0.7x	7.5x
Sapient Corp.	\$12.10	87.2%	1.3x	10.4x
The Hackett Group, Inc.	\$4.28	65.0%	0.7x	7.2x
Towers Watson & Co.	\$60.79	89.2%	1.4x	7.2x
Average		79.5%	1.1x	8.0x

Federal IT Services

The average LTM EBITDA multiple is 5.4x this quarter, lower than last quarter's multiple of 5.7x.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
CACI International Inc.	\$55.27	87.6%	0.5x	5.5x
Dynamics Research Corporation	\$6.79	56.8%	0.5x	4.5x
ICF International Inc.	\$22.86	78.2%	0.6x	6.3x
ManTech International Corporation	\$25.76	69.3%	0.4x	3.6x
NCI, Inc.	\$5.28	66.0%	0.2x	4.9x
SAIC, Inc.	\$12.19	85.8%	0.4x	7.8x
Official Payments Holdings, Inc.	\$6.10	96.8%	0.5x	NM
Tyler Technologies, Inc.	\$53.88	98.5%	4.8x	24.7x *
Average		79.9%	0.4x	5.4x

Managed Services

The average LTM EBITDA multiple has increased to 15.4x from 13.6x in the third quarter of 2012.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
CenturyLink, Inc.	\$40.40	93.0%	2.5x	6.1x
Equinix, Inc.	\$214.38	94.7%	7.0x	16.5x
Internap Network Services Corp.	\$7.75	97.4%	2.0x	11.8x
Limelight Networks, Inc.	\$2.34	54.0%	0.6x	NM
Rackspace Hosting, Inc.	\$74.36	91.4%	8.1x	27.1x
Average		86.1%	4.0x	15.4x

VARs/System Integrators

The average LTM EBITDA multiple is 6.2x, higher than last quarter's multiple of 5.6x.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Atos S.A.	\$73.96	97.2%	0.5x	5.2x
Black Box Corp.	\$22.81	73.7%	0.5x	7.1x
Cap Gemini S.A.	\$48.95	97.6%	0.6x	6.2x
Datalink Corporation	\$8.76	79.6%	0.3x	6.1x
ePlus inc.	\$46.41	97.4%	0.5x	6.3x
Average		89.1%	0.5x	6.2x

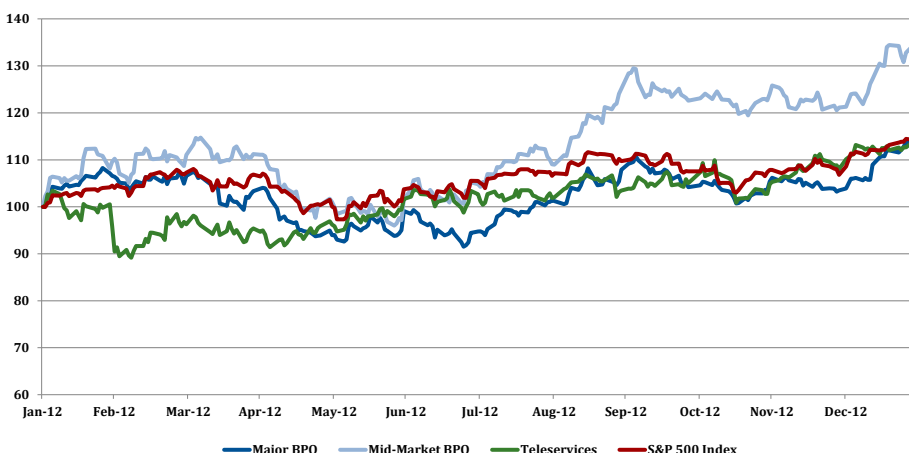
*Excluded from average calculations. LTM = Last Twelve Months. Data obtained from Capital IQ. Stock prices as of January 30, 2013 in US\$.

CHILDS Quarterly Update: 4Q 2012

BPO Comparable Public Company Analysis

Public Company Stock Performance

In the last year, the Major BPO and Teleservices segments have generally tracked the S&P 500. The Mid-Market BPO segment has significantly outperformed the market over the past six months.



Major BPO

The average LTM EBITDA multiple is 9.2x this quarter, up from last quarter's multiple of 8.5x.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Accenture plc	\$72.34	99.3%	1.5x	9.7x
CGI Group, Inc.	\$26.24	97.4%	1.8x	12.6x
Cognizant Technology Solutions Co	\$78.02	98.1%	2.9x	14.2x
Computer Sciences Corporation	\$42.23	98.7%	0.5x	5.1x
Convergys Corporation	\$16.84	96.2%	0.5x	4.0x
EPIQ Systems, Inc.	\$12.41	90.2%	2.1x	9.0x
Genpact Ltd.	\$16.74	85.8%	2.2x	12.7x
Infosys Ltd.	\$52.44	93.4%	3.5x	11.5x
Iron Mountain Inc.	\$34.42	91.3%	3.3x	10.8x
ITC Limited	\$5.70	98.9%	8.7x *	24.9x *
Pitney Bowes Inc.	\$11.98	61.0%	1.2x	5.9x
Tata Consultancy Services Limited	\$25.24	93.5%	4.3x	14.8x
Unisys Corporation	\$21.75	95.1%	0.1x	1.4x
Wipro Ltd.	\$7.79	91.6%	2.2x	11.2x
Xerox Corp.	\$8.16	95.4%	0.8x	5.5x
Average		92.4%	1.9x	9.2x

Mid-Market BPO

The average LTM EBITDA multiple is 7.0x this quarter, a decrease from last quarter's multiple of 7.1x.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Aditya Birla Nuvo Limited	\$21.82	97.6%	1.0x	4.8x
HCL Technologies Ltd.	\$12.95	95.7%	2.0x	10.2x
Hexaware Technologies Limited	\$1.50	56.2%	1.0x	4.7x
iGATE Corporation	\$17.37	87.0%	1.8x	7.6x
Mphasis Limited	\$6.94	84.2%	1.0x	4.9x
Satyam Computer Services Limited	\$2.31	98.2%	1.6x	8.1x
Syntel, Inc.	\$57.37	88.0%	2.8x	8.4x
Tech Mahindra Limited	\$18.98	96.9%	2.2x	7.6x
Average		88.0%	1.7x	7.0x

Teleservices

The average LTM EBITDA multiple has increased to 5.4x from 4.9x in the third quarter of 2012.

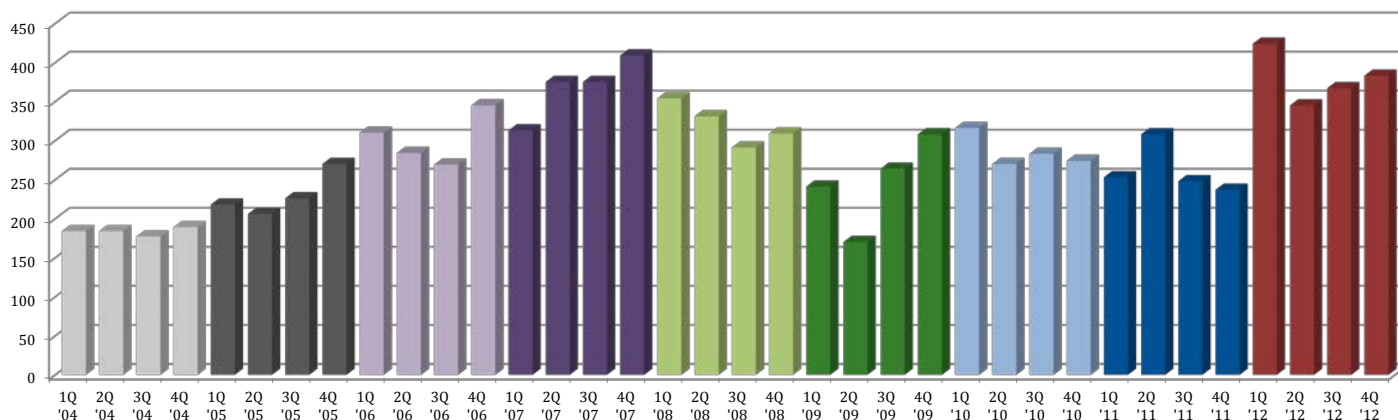
Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Convergys Corporation	\$16.84	96.2%	0.5x	4.0x
StarTek, Inc.	\$4.15	97.4%	0.3x	49.9x *
Sykes Enterprises, Incorporated	\$15.46	83.1%	0.5x	5.6x
TeleTech Holdings Inc.	\$18.22	97.9%	0.8x	6.5x
Average		93.6%	0.5x	5.4x

*Excluded from average calculations. LTM = Last Twelve Months. Data obtained from Capital IQ. Stock prices as of January 30, 2013 in US\$.

CHILDS Quarterly Update: 4Q 2012

IT/Professional Services and BPO M&A Deals by Quarter (2004 -2012)

M&A activity in the IT/Professional Services and BPO sector remained busy in the fourth quarter, with 383 deals, compared to 367 in 3Q 2012. Volume is up significantly when compared to 4Q of 2011 (237 deals) and certain pockets remain hot, such as data analytics, ITSM and SaaS/Cloud.



Source: CHILDS database and Capital IQ

Notable Transactions

Date Closed	Buyer	Target	Enterprise Value (\$mm)	EV/Revenue	EV/EBITDA	Target Description/Comment
1/17/2013	BT Group	Tikit Group	86.6	2.1x	11.5x	Technology services and solutions to legal and accounting firms
12/28/2012	NTT Data Europe	itelligence AG	509.3	1.0x	11.2x	NTT Data acquired an additional 10.5% stake in itelligence, a full-service SAP IT consulting firm
12/20/2012	Cloud Sherpas	CloudTrigger	ND	ND	ND	Cloud computing services and consulting
12/13/2012	Audax Group	Data Intensity	ND	ND	ND	IT consulting firm providing enterprise hosting and application management solutions
12/5/2012	Spn Liq Private Limited	Firstsource Solutions	118.0	0.2x	2.7x	Customer lifecycle BPO services
12/3/2012	Mphasis	Digital Risk	202.0	ND	ND	Digital mortgage risk management solutions
12/3/2012	Dycom Industries	Quanta Services (Domestic Telecom Infrastructure Ops.)	275.0	0.5x	ND	Data processing and outsourced services
11/30/2012	RLH Equity	Siteworx	ND	ND	ND	Web content management solutions and consulting
10/19/2012	Tata Consultancy Services Limited	e-Serve Limited	823.0	2.2x	5.3x	BPO services to finance, hospitality, energy and utilities industries
10/1/2012	Golden Gate Capital	IO Consulting	ND	ND	ND	PeopleSoft IT consulting services

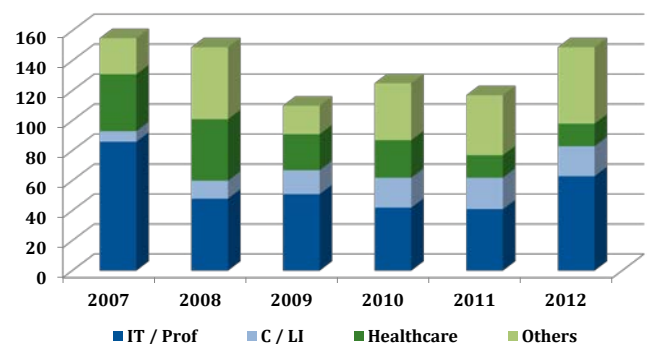
Sector Update: Human Capital Management (HCM)

Mergers and Acquisitions by Segment

CHILDS has recorded 149 HCM transactions for 2012, with 48 transactions in the fourth quarter. The IT/Professional Services segment has been the most active in 4Q 2012 with 18 deals.

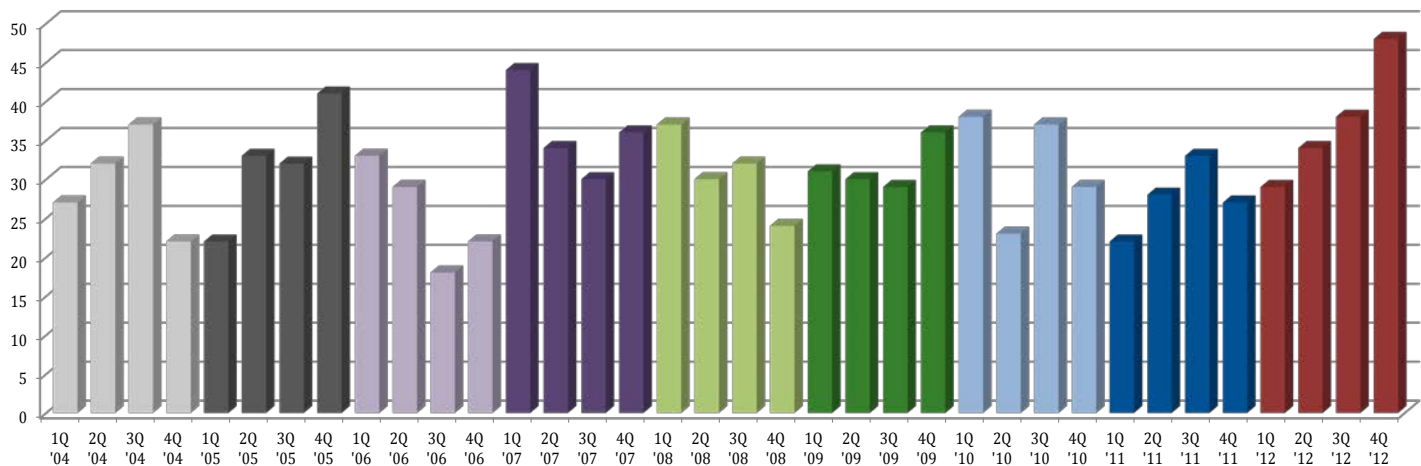
The Commercial/Light Industrial segment had a slow quarter in terms of M&A, with only 8 transactions occurring in 4Q.

Staffing M&A Deal Volume by Segment



HCM M&A Deals by Quarter (2004 -2012)

M&A activity increased with 48 transactions in 4Q 2012. International companies were active in the M&A market this quarter with ten (or 21%) of the M&A deals involving international targets and nearly 21% involving international buyers.



Source: CHILDS database and Capital IQ

Notable Transactions

Date Closed	Buyer	Target	Enterprise Value (\$mm)	EV/ Revenue	EV/ EBITDA	Target Description/Comment
1/2/2013	Korn/Ferry International	Personnel Decisions International	95.0	ND	ND	Leadership solutions, including assessment, development and coaching
12/31/2012	Heidrick & Struggles	Senn-Delaney Leadership Consulting	75.0	ND	ND	Leadership consulting to Fortune 1000 and Global 1000 companies
12/31/2012	Landrum Professional Employer Services	Synergetic; Employer Administrative Svcs.	ND	ND	ND	PEO organizations in North and South Carolina
12/31/2012	MidOcean Partners	System One Holdings	70.0	ND	ND	Technical outsourcing solutions and consulting
12/12/2012 (Announced)	Adcorp	Paxus Australia	63.0	ND	ND	IT consulting and recruiting services
11/28/2012	Bullhorn	MaxHire Solutions; Sendouts	ND	ND	ND	SaaS for staffing firms

CHILDS Quarterly Update: 4Q 2012

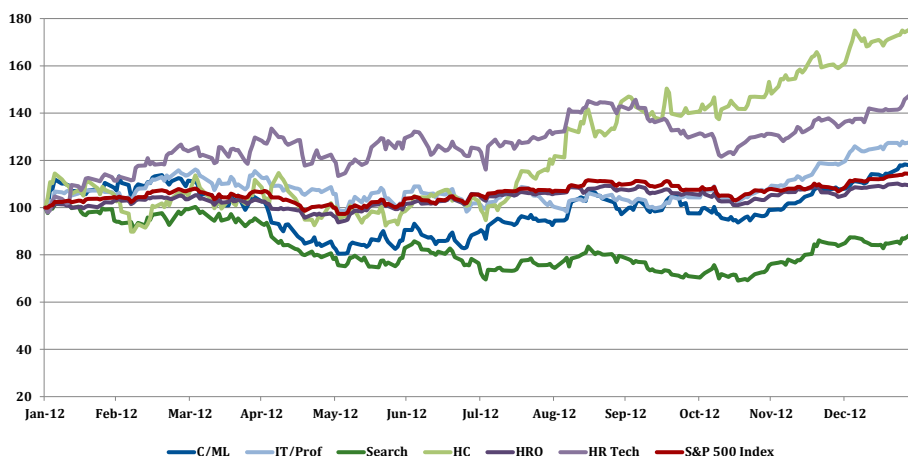
HCM Comparable Public Company Analysis

Public Company Stock Performance

Of the HCM segments we track, search has consistently performed the weakest.

Healthcare has made significant gains against the market since August while HR Tech has outperformed the S&P 500 for most of 2012.

Over the past twelve months, Commercial/Multi-line and HRO segments have traded in line with the S&P.



Commercial & Multi-Line Staffing

The average LTM EBITDA multiple this quarter has increased to 9.0x from 7.2x in 3Q of 2012.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Adecco S.A.	\$58.25	99.7%	0.5x	10.3x
Kelly Services, Inc.	\$17.34	95.9%	0.1x	6.7x
ManpowerGroup	\$51.78	106.2%	0.2x	8.2x
Randstad Holding NV	\$41.58	99.9%	0.4x	12.3x
TrueBlue, Inc.	\$17.21	94.5%	0.4x	7.6x
Average		99.2%	0.3x	9.0x

IT & Professional Staffing

The average LTM EBITDA multiple has increased to 10.2x this quarter from 8.7x in the third quarter of 2012.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Analysts International Corp.	\$3.71	50.8%	0.1x	6.6x
CDI Corp.	\$17.03	91.5%	0.3x	7.6x
Computer Task Group Inc.	\$19.16	98.2%	0.8x	13.1x
Kforce Inc.	\$13.70	89.0%	0.4x	14.2x
Mastech Holdings, Inc.	\$7.40	87.1%	0.3x	6.9x
On Assignment Inc.	\$23.55	95.8%	1.7x	16.2x
RCM Technologies Inc.	\$5.58	83.0%	0.3x	5.1x
Robert Half International Inc.	\$35.74	104.4%	1.2x	12.1x
Average		87.5%	0.6x	10.2x

Executive Search

The average LTM EBITDA multiple increased to 5.2x this quarter from 3.4x in the third quarter of 2012.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
CTPartners Executive Search Inc.	\$4.30	60.6%	0.2x	NM
Heidrick & Struggles International Inc.	\$15.58	65.1%	0.3x	3.5x
Korn/Ferry International	\$16.87	97.7%	0.8x	6.9x
Average		74.4%	0.4x	5.2x

Healthcare Staffing

The average LTM EBITDA multiple has increased to 15.3x from 12.7x in the third quarter.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
AMN Healthcare Services Inc.	\$11.98	94.2%	0.8x	11.4x
Cross Country Healthcare, Inc.	\$5.50	81.7%	0.4x	19.1x
Average		88.0%	0.6x	15.3x

HR Outsourcing

The average LTM EBITDA multiple is 8.9x for the fourth quarter, down from 9.9x in the third quarter of 2012.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Automatic Data Processing, Inc.	\$59.47	98.6%	2.6x	11.9x
Barrett Business Services Inc.	\$40.03	95.3%	0.7x	26.3x *
Capita PLC	\$12.40	97.6%	2.1x	12.0x
Insperty, Inc.	\$33.22	99.3%	0.3x	7.0x
Paychex, Inc.	\$32.28	93.0%	5.0x	11.8x
Towers Watson & Co.	\$60.79	89.2%	1.4x	7.2x
Xchanging PLC	\$1.93	94.8%	0.4x	3.6x
Average		95.4%	1.8x	8.9x

HR Technology

The average LTM EBITDA multiple is 14.7x this quarter, up from 13.9x last quarter.

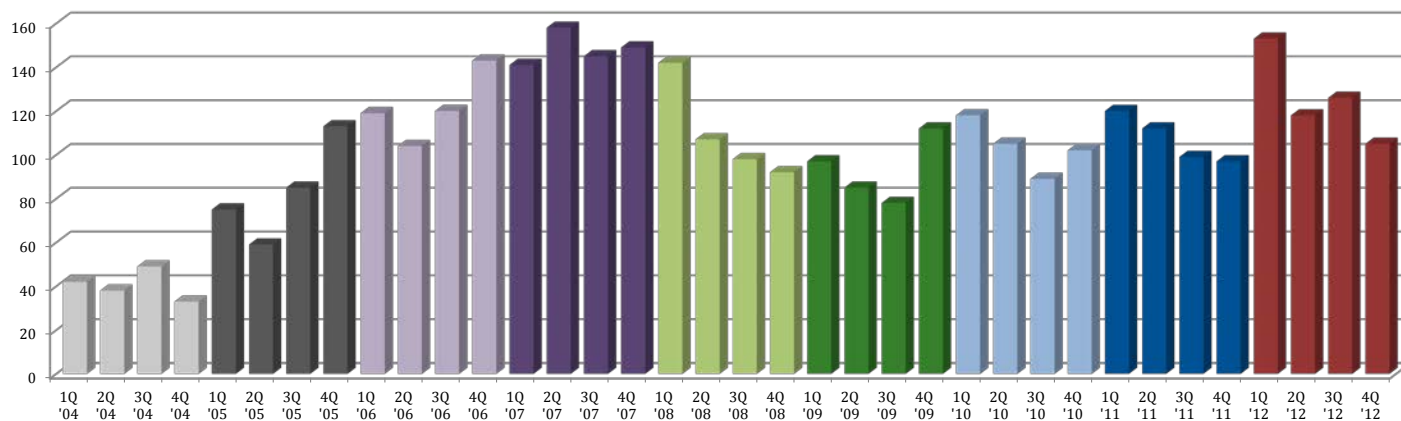
Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
51job Inc.	\$54.31	84.9%	5.3x	14.9x
Asure Software, Inc.	\$6.87	85.9%	3.0x	36.4x
Bond International Software plc	\$0.81	79.7%	0.6x	8.6x
Callidus Software Inc.	\$4.21	51.1%	2.0x	NM
Concur Technologies, Inc.	\$72.55	95.3%	8.2x	90.0x *
Cornerstone OnDemand, Inc.	\$32.61	99.8%	15.3x	NM
Dice Holdings, Inc.	\$9.60	87.4%	2.9x	8.1x
LinkedIn Corporation	\$123.46	96.9%	15.1x	120.9x *
Monster Worldwide, Inc.	\$5.67	54.5%	0.7x	5.6x
Saba Software, Inc.	\$9.51	72.5%	2.2x	NM
The Ultimate Software Group, Inc.	\$101.68	95.6%	8.6x	75.0x *
Workday, Inc.	\$53.24	93.1%	34.3x	NM
Average		83.0%	5.8x	14.7x

*Excluded from average calculations. LTM = Last Twelve Months. Data obtained from Capital IQ. Stock price as of January 30, 2013 in US\$.

Sector Update – Marketing & Information Services

Marketing & Information Services M&A Deals by Quarter (2004 – 2012)

We noted a total of 105 transactions in the fourth quarter of 2012, compared to 126 transactions in 3Q 2012 and 97 transactions in the fourth quarter of last year.



Source: CHILDS database and Capital IQ

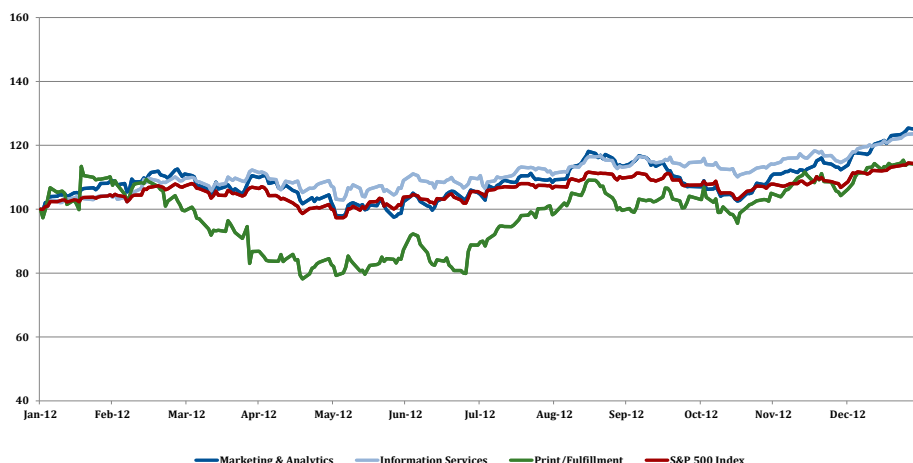
Notable Transactions

Date Closed	Buyer	Target	Enterprise Value (\$mm)	EV/Revenue	EV/EBITDA	Target Description/Comment
12/21/2012	Advanstar	ENK International	155.0	ND	ND	Produces and manages conferences and trade shows
12/11/2012	HIG Growth Partners; Moorgate Partners	Telescope	ND	ND	ND	Television and mobile marketing solutions
12/3/2012	Epsilon Data Management	Hyper Marketing	460.0	ND	9.0x	Performance marketing solutions and media services
11/23/2012	Grey Global Group	ArtM Communications Group	46.4	6.4x	ND	Communications and marketing services
11/13/2012	Audio Visuals Services Group	Swank Audio Visuals	270.0	ND	ND	Technology services for event, meeting & conference industry

Marketing and Information Services Comparable Public Company Analysis

Public Company Stock Performance

The Marketing and Analytics and Information Services sectors have outperformed the S&P over the past year, extending their gains in the last two months of the year. Print/Fulfillment has made recent gains to equal the market over the past twelve months after lagging the market for much of the year.



Marketing & Analytics

The average LTM EBITDA multiple remained at 6.8x in the fourth quarter of 2012.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Acxiom Corporation	\$17.59	92.6%	1.2x	6.0x
Harte-Hanks Inc.	\$5.29	51.7%	0.5x	4.7x
Havas	\$5.31	91.3%	1.2x	7.8x
The Interpublic Group of Companies, Inc.	\$10.32	84.8%	0.8x	6.6x
MDC Holdings Inc.	\$34.79	82.4%	1.7x	96.0x *
Omnicom Group Inc.	\$47.46	86.7%	1.1x	7.3x
Publicis Groupe SA	\$56.52	97.1%	1.5x	8.3x
Average		83.8%	1.1x	6.8x

Information Services

The average LTM EBITDA multiple is 9.0x this quarter, which is up from 8.4x in the third quarter of 2012.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Alliance Data Systems Corporation	\$140.83	96.7%	4.0x	13.2x
Digital River Inc.	\$13.62	71.3%	0.4x	3.1x
Dun & Bradstreet Corp.	\$78.06	90.2%	2.6x	8.3x
Equifax Inc.	\$51.03	98.4%	3.2x	10.0x
Intersections Inc.	\$8.75	52.7%	0.4x	2.4x
National Research Corp.	\$53.38	91.7%	4.4x	13.4x
FactSet Research Systems Inc.	\$91.39	83.7%	4.8x	12.5x
HomeAway, Inc.	\$20.94	74.8%	5.6x	30.9x *
CoStar Group Inc.	\$84.84	98.9%	7.7x	38.9x *
Average		84.3%	2.8x	9.0x

Print/Fulfillment

The average LTM EBITDA multiple held steady at 5.5x in the fourth quarter of 2012.

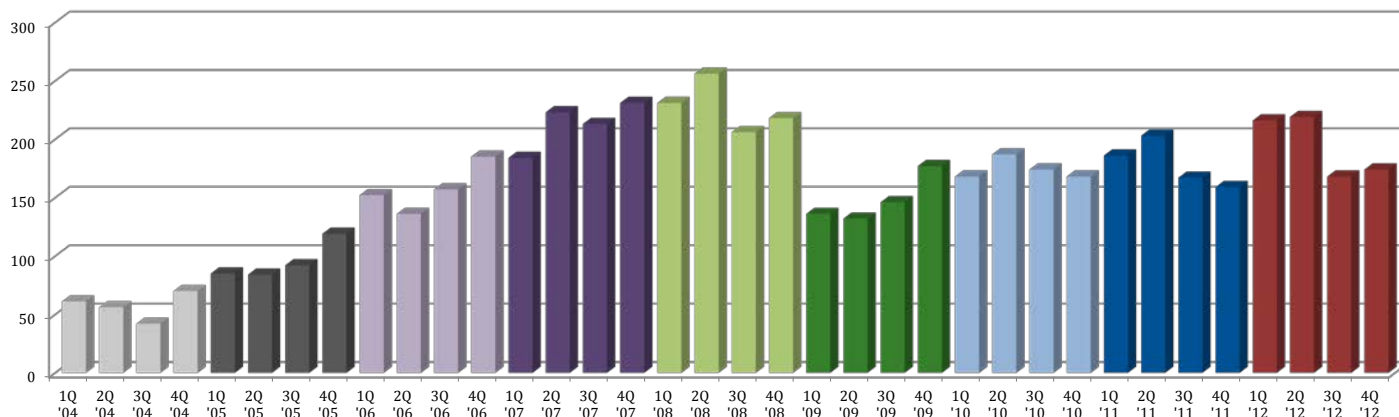
Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
Cenveo Inc.	\$2.00	38.1%	0.7x	6.4x
Innotrac Corp.	\$3.00	83.3%	0.4x	6.7x
PFSweb Inc.	\$2.35	53.4%	0.1x	3.7x
Valassis Communications Inc.	\$25.84	93.4%	0.7x	5.3x
Average		67.0%	0.5x	5.5x

*Excluded from average calculations. LTM = Last Twelve Months. Data obtained from Capital IQ. Stock price as of January 30, 2013 in US\$.

Sector Update – Facility Services

Facility Services M&A Deals by Quarter (2004 – 2012)

We noted a total of 174 transactions this quarter, up from 168 transactions in 3Q 2012 and from 159 in 4Q 2011.



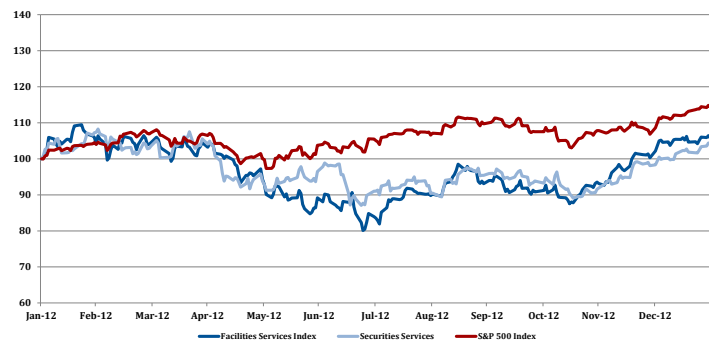
Source: CHILDS database and Capital IQ

Notable Transactions

Date Closed	Buyer	Target	Enterprise Value (\$mm)	EV/Revenue	EV/EBITDA	Target Description/Comment
12/28/2012	Clean Harbors	Safety-Kleen	1,478.2	1.1x	10.0x	Environmental and facilities services
11/20/2012	Highstar Capital	Veolia ES Solid State	1,909.0	2.3x	ND	Solid waste services
11/15/2012	Waste Services of Florida	Choice Environmental Services	125.0	1.7x	ND	Solid waste collection and disposal services
11/14/2012	The Carlyle Group	Diversey G.K.	377.0	1.2x	ND	Janitorial sanitary products for commercial applications

Facilities Services Stock Index

The Facilities and Securities Services stock indices have underperformed the S&P 500 over the past twelve months.



Facilities Services Comparable Company Analysis

The average LTM EBITDA multiple was 7.8x this quarter, an increase from 7.2x in 3Q 2012.

Company Name	Stock Price	% of 52 Wk High	Enterprise Value /	
			LTM Revenue	LTM EBITDA
ABM Industries Inc.	\$21.75	88.4%	0.3x	8.8x
EMCOR Group Inc.	\$36.67	98.7%	0.3x	7.2x
Fluor Corporation	\$65.01	97.5%	0.3x	7.2x
G4S plc	\$4.38	94.6%	0.7x	8.6x
Garda World Security Corp.	\$11.96	99.9%	0.8x	7.0x
Johnson Controls Inc.	\$31.05	87.5%	0.7x	9.6x
Mitie Group plc	\$4.42	92.3%	0.6x	8.6x
National Security Group Inc.	\$8.50	77.9%	0.7x	43.0x *
Pike Electric Corporation	\$10.08	91.7%	0.7x	7.5x
Rentokil Initial plc	\$1.41	90.5%	1.0x	6.0x
Securitas AB	\$9.43	88.9%	0.5x	7.9x
Average		91.6%	0.6x	7.8x

*Excluded from average calculations. LTM = Last Twelve Months. Data obtained from Capital IQ. Stock price as of January 30, 2013 in US\$.

About CHILDS Advisory Partners

CHILDS Advisory Partners provides exceptional investment banking services to high-performing business services and technology companies. Our unique combination of sector focus, process excellence and strength of team allow us to maximize value—and achieve successful outcomes for our deals. Collectively, our senior bankers have executed over 350 M&A and financing transactions. CHILDS is a member of FINRA and SIPC and is a registered broker-dealer.

Our Services

Sell-side Advisory: When you desire to sell or merge your business, we help you prepare, position and execute the process with confidentiality and speed to obtain maximum results.

Buyouts & Recapitalizations: We know the private equity groups interested in the sector and can help you prepare for due diligence and transaction success.

Buy-side Advisory: CHILDS can help you source deals, qualify them and negotiate them. Our sourcing “engine”, market knowledge and experience in creative deal structures will ensure that you see as many deals as possible and have the ability to get them done.

Debt/Equity Capital Raises: We advise companies seeking equity or debt capital for growth, recapitalization or restructuring. CHILDS can help you negotiate with your existing lenders to renew or restructure debt facilities. If needed, we can tap into our many banking relationships to solicit and negotiate term sheets with other potential lenders as well.

Financial & Strategic Advisory: We provide an objective and disciplined methodology to help your team develop a winning plan for short-term performance and long-term value creation. Whether it’s a Value Creation Road Map, Strategic Alternatives Assessment, Employee Stock Ownership Plan, or Fairness Opinion, we provide insight to the options available for company owners to maximize value and liquidity.

Sector Focus – Business Services & Technology

IT/Professional Services	Business Process Outsourcing	Human Capital Management	Facilities Services	Marketing & Info Services
<ul style="list-style-type: none"> ▪ Consulting ▪ Managed Services ▪ Federal ▪ Tech-enabled business services ▪ Software 	<ul style="list-style-type: none"> ▪ Collections/receivables ▪ Legal process outsourcing ▪ Teleservices ▪ Knowledge process outsourcing ▪ Revenue cycle management 	<ul style="list-style-type: none"> ▪ Staffing ▪ Human resource outsourcing ▪ Vendor management services/ managed services provider ▪ Recruitment process outsourcing ▪ Professional employment organization ▪ HCM Technology 	<ul style="list-style-type: none"> ▪ Facilities management ▪ Security ▪ Building & janitorial ▪ Engineering & maintenance ▪ Equipment rental ▪ Logistics ▪ Aviation 	<ul style="list-style-type: none"> ▪ Advertising & media ▪ Digital agencies ▪ Data analytics ▪ Direct marketing ▪ Print/ fulfillment

Contact Information

Jim Childs
Managing Director
 Phone: (404) 751-3002
 Email: jchilds@childsap.com

Cooper Mills
Managing Director
 Business Services
 Phone: (404) 751-3003
 Email: cmills@childsap.com

Tom Donahue
Managing Director
 Software & Technology
 Phone: (617) 290-5433
 Email: tdonahue@childsap.com

Don Holbrook
 Director
 Technology & Professional Services
 Phone: (949) 276-8715
 Email: dholbrook@childsap.com

Dave Phillips
Director
 Business Services
 Phone: (904) 292-9305
 Email: dphillips@childsap.com

Jimmy Secretarski
Director
 Technology & Professional Services
 Phone: (404) 751-3005
 Email: jsecretarski@childsap.com

Alan Bugler
Vice President
 Business Services
 Private Equity Coordinator
 Phone: (404) 751-3004
 Email: abugler@childsap.com

Selected CHILDS Transactions

 <p><i>has been acquired by</i></p>  <p>October 2012</p>	 <p><i>has been recapitalized by an investor group led by</i></p>  <p>September 2012</p>	 <p><i>has received a growth equity investment from</i></p>  <p>April 2012</p>	 <p><i>has been acquired by</i></p>  <p>April 2012</p>
 <p><i>has been acquired by</i></p>  <p>January 2012</p>	 <p><i>has been recapitalized by</i></p>  <p>December 2011</p>	 <p><i>has been acquired by</i></p>  <p>December 2011</p>	 <p><i>has been recapitalized by</i></p> <p>Morgan Stanley Capital Partners</p> <p>May 2011</p>
 <p><i>has been recapitalized by</i></p>  <p>May 2011</p>	 <p><i>has been acquired by</i></p>  <p><i>A Riverside Partners Company</i></p> <p>April 2011</p>	 <p><i>has been acquired by</i></p>  <p>December 2010</p>	 <p><i>has been acquired by</i></p>  <p>November 2010</p>
 <p><i>has been acquired by</i></p>  <p>July 2010</p>	 <p><i>has been acquired by</i></p>  <p>July 2010</p>	 <p><i>has been acquired by</i></p>  <p>May 2010</p>	 <p><i>has been acquired by</i></p>  <p>October 2009</p>
 <p><i>has been acquired by</i></p>  <p>September 2009</p>	 <p><i>has been recapitalized by</i></p>  <p>January 2009</p>	 <p><i>has been acquired by</i></p>  <p>December 2008</p>	 <p><i>has been acquired by</i></p>  <p>July 2008</p>