

CLAIRFIELD'S 2011 YEAR IN REVIEW

In a year of confusion about whether the global economy was crawling out of a recession or about to double-dip, 2011 was an eventful year for Clairfield International. The year kicked off with a successful name change and brand launch, and ended with an M&A symposium in New Delhi. In between, Clairfield professionals closed a record number of deals, won several prestigious industry awards, and expanded further in Eastern Europe. With strong partners in 16 countries, Clairfield looks forward to a busy 2012 in spite of continuing lurches in the global economy.

2011 TRANSACTIONS

Clairfield International closed 105 transactions in 2011 with a total value over USD 4.6 billion. These transactions ranged in sectors and sizes, from poultry operations to internet payment; and serving clients from entrepreneurial enterprises to international corporations.

Crossborder deals in 2011 included the sale of Burkhardt + Weber, a German machine tools company, to the Brazilian listed company Romi. Brazil was also involved in two sales advised by Clairfield to French companies in the healthcare and rail sectors. Rodrigo Pasin, partner at Clairfield Brazil sees this crossborder interest as a trend that will continue. "M&A activity in Brazil is still strong and we don't expect a decrease in 2012," says Mr. Pasin. "Brazil is expected to have around 800-1000 transactions in 2012, a similar number to that of 2011."

NEW NAME AND LOGO

In 2011 Clairfield changed its name from Clairfield Partners to Clairfield International. The change grew out of the unity of Clairfield professionals and the desire to emphasize the global nature of the firm. A new logo, publication design, and website were also rolled out last year.

EXPANSION IN EASTERN EUROPE

In March, Patria Corporate Finance officially joined Clairfield International as a partner for the Czech and Slovak Republics. The CEE is a key region and Clairfield's addition of Patria, long recognized as the top firm in the country, was a further milestone in Clairfield's growth strategy in the local markets of interest.



Clairfield International professionals at their quarterly meeting in New Delhi.

LAUNCH OF CLEANTECH SECTOR GROUP

Natural resources, energy, and cleantech will be the name of the sector group replacing renewable energy. The expanded focus reflects Clairfield's strength in areas such as metals & mining and the increasing importance of resource-rich nations. Headed by Darius Kianzad, a partner at Clairfield Germany, the group includes experts from 13 countries.

AWARDS

Clairfield International placed among the top firms worldwide in the Thomson Reuters league tables, which rank financial advisors on the volume and value of deals advised. Clairfield International is among the only mid-market boutiques to achieve top results, ranking as one of the top three independent M&A advisors both in the worldwide and European tables.

Thomson Reuters' *Small Cap M&A Review* places Clairfield International 13th in worldwide transactions and 11th in Europe, one of the only independent firms to garner such a high rank. Clairfield also ranked high in both small cap and mid-market league tables in the UK, France, Germany, Italy, Australia, India, Benelux, and Eastern Europe. Clairfield International ranked in the top 5 in Benelux and Eastern Europe.

Brian O'Hare, director of Clairfield International, says, "We are extremely

pleased with Clairfield's placements on the league tables. These rankings demonstrate our ability to deliver value to our clients and how the dedication of our strong local partners is producing results."

Clairfield International firms also won several other awards in 2011. See page 2 for details.

OUTLOOK FOR 2012

"General sentiment is that 2012 will be a very challenging year. We see high interest for a limited number of highly attractive assets, and limited to no interest for more difficult equity stories as well as decreasing willingness from buyers to step into competitive sale processes," says Petr Studnicka, director at Clairfield International in Prague (Patria). "Debt acquisition financing continues to be restricted and quite expensive, thereby lowering valuations and widening valuation gaps. Therefore, momentum in M&A is somewhat levelling off, despite high cash reserves both at industrial companies and financial investors."

Every region tells a different story and these difficult times show the need for a professional advisor who understands your region when planning a business strategy.

CLAIRFIELD INTERNATIONAL AWARDS



In addition to top placement on the Thomson Reuters financial advisory league tables, Clairfield International firms won several prestigious industry awards in the course of 2011.

Clairfield's Dutch partner, Boer & Croon, won two important honors at the M&A Awards 2011, an annual event organized by Dutch entrepreneur Alex van Groningen. **The Best Deal of 2011** was awarded for the acquisition by 3i of the discount retail store Action. Boer & Croon advised 3i on the buy side. **The Best M&A Advisor Mid Market** was won by Boer & Croon partner Rob van der Laan.

Clairfield's office in Charlotte, McColl Partners, received three awards for its accomplishments in

2011. The minority recapitalization of The SCOOTER Store with Sun Capital Partners was named **Healthcare/Life Sciences 2011 Deal of the Year** by *The M&A Advisor* magazine. *DealMakers Monthly* magazine recognized McColl Partners as a **Global Leading Firm** in its Top Tier Rankings. In addition, *InterContinental Finance* magazine named McColl Partners **Best Middle-Market Investment Bank** in the United States.

Clairfield Germany (SynCap) also received a 2011 country award from *DealMakers Monthly* as **Corporate Finance Advisory Firm of the Year Germany**. Clairfield Germany also won a Continent Excellence Award as **Investment Bank of the Year** from *Intercontinental Finance*.

NEW OFFICE IN LOS ANGELES



Tracy Albert of the new Los Angeles office.

McColl Partners, Clairfield International's partner in Charlotte, Atlanta, and Dallas, has opened a new office in Los Angeles, California. The office will be headed by partner and managing director Tracy Albert.

Mr. Albert brings over 20 years of investment banking experience in midmarket M&A and financing transactions. He was previously managing director at Houlihan Lokey and is also a founder of Business Forums International, a network of business professionals worldwide.

Mr. Albert and his team will be focused on capturing the growing middle-market opportunities in the western United States. McColl Partners will leverage its combined expertise with Clairfield International industry groups to build relationships with local clients. "I have been observing the robust opportunity for M&A and capital transactions for over two decades. Our firm is well-positioned to execute on the growing needs of clients in western US markets. I am excited and honored to lead this effort for McColl Partners and the members of Clairfield International," says Mr. Albert.

THE VIEW FROM BRITAIN















Chris Gregory is founder and partner of Clairfield UK.

The UK economy continues to struggle under the deficit reduction plan instigated by the Coalition government. Many commentators predict a slide into technical recession in the first half of 2012. With over 50% of UK exports going to continental Europe, the tightening of credit conditions in Europe will clearly have an impact. Sterling has been strengthening against the euro, which will also affect export competitiveness to Eurozone countries. Increased attention to the US economy in an election year may put pressure on the dollar, which may again affect UK exports in due course.

M&A activity in the UK in 2011 was at its lowest level in many years. The reduction in bank credit was a significant factor in this although pressures on profitability and an uncertain trading landscape in many sectors also contributed. Consumer confidence has put the retail market in a difficult place with more retail administrations continuing early in 2012.

As ever there will always be opportunities for M&A activity particularly as many UK corporates have been building cash reserves partly as a defence against the reduction in bank credit. These larger UK corporates will potentially be looking for acquisitions in 2012 but may be more interested in non UK territories. UK private equity houses have funds to invest and the UK taxation structure remains attractive for sales of owner managed businesses.

Our best assessment of 2012 is a flat UK economy but with opportunities for growth in particular sectors. The sectors we see as outperforming the market are in global industries such as oil & gas, aerospace, and specialist automotive. Other more locally focused UK sectors where we see growth potential would be healthcare and environmental services. These are sectors where we will continue to be active in 2012.

Client	Situation overview	Counterparty
	Founded in 1888 and controlled by the Italian company Mandelli S.p.A., B+W is an important German manufacturer of machine tools. With industrial operations in Germany, it sells its products directly and through sales representatives in Germany and several other countries, including a Chinese subsidiary, where B+W holds a stake of 30% of the share capital. Clairfield International in Italy, Germany, and Brazil advised the listed Brazilian company Industrias Romi on its acquisition of B+W.	
	E-plast s.r.o. , founded in 2000, is a manufacturer and a distributor of plastic products specializing in conveyor belts, machined plastic components, semi-finished products and other components for conveyor construction. Esbelt S.A. figures as a supplier of e-plast s.r.o. Moreover, Esbelt S.A. owned 80% in the Company. Clairfield International in Spain and the Czech Republic advised e-plast s.r.o. on ownership restructuring, i.e. a management buyout of 80% owned by Esbelt S.A.	
	Interparking Group is a recognized expert in the design, development, and operation of public car parks for off-street and on-street parking. The acquisition of Poland Car Parking represents Interparking's second important entry into the growing Eastern European market. Interparking's long experience in the car parking sector will make a significant contribution to improve transportation in Polish cities and traffic zones. Interparking was advised by Clairfield International in Poland and Belgium.	
	Trinoxia , an Italian company controlled by Andrea Gatti, and Outokumpu signed a joint venture agreement for Outokumpu's tubular unit (OSTP) through a newco named Tubinoxia. Tubinoxia will become a minority owner of OSTP with an option to become a majority owner in three years. Clairfield Italy advised Mr. Gatti. Outokumpu's tubular unit (OSTP) manufactures welded stainless steel process pipes and tubes as well as threaded and butt-weld fittings.	
	Energy suppliers Argos Oil and North Sea Group have announced a merger, which will create the largest independent player in the northwestern European market, with more than 850 employees, a combined tank storage capacity of over 1.5 million cubic meters and annual turnover of approximately EUR 10 billion. Clairfield International in the Netherlands advised Argos Oil.	
	QMASTOR Limited specializes in bulk commodity supply chain and quality management solutions that are designed to integrate easily with a client's mining, process control, transportation and other business systems. QMASTOR was initially approached by Triple Point Technology (TPT) , a US-based commodity management software provider. Clairfield Australia helped to secure a 34% premium to TPT's initial offer and a 94% premium to QMASTOR's last close price.	
	Bostwick Laboratories is one of the largest full-service, privately owned anatomic pathology labs in the United States. The Company currently provides testing services to over 8,000 physicians in all 50 states. Clairfield International in Charlotte (McColl Partners) acted as financial advisor to Bostwick Laboratories in its majority recapitalization with Metalmark Capital Holdings , a private equity investment firm established by the principals of Morgan Stanley Capital Partners.	
	Arla Foods is the world's eighth largest dairy company with global turnover equal to approximately EUR 6.5 billion in 2010. A co-op owned by approximately 7,700 Swedish, Danish and German milk producers, Arla Foods has production facilities in 13 countries and sales offices in additional 20 countries. The Polish production subsidiary was sold to Polmlek group, one of the leading players in the Polish dairy market. Clairfield International in Poland (Central Europe Trust) advised Arla Foods.	
	Accent Jobs for People is a fast-growing Belgian human-resources company with a presence in several European countries. The company is focusing on Eastern Europe where growth prospects in human resources are more attractive over the mid-term. As such, the Spanish operation was deemed non-core and Accent hired Clairfield to look for a strategic partner. At the end of the process, the management team offered the most compelling value proposal.	management
	Siagri Sistemas de Gestão is specialized in the development of management systems for the agribusiness industry. The company develops management systems for agricultural input dealers, agribusiness specialized stores and agricultural machinery dealers. V2Finance, Clairfield International's partner in Brazil, in partnership with Markestrat, a strategic advisory firm focusing on agribusiness, advised Siagri in its acquisition of IT Provider , which develops management software for cattle farmers.	
	Milexia Group , an electronic equipment distribution and services company, was founded from the merger of Elexience (France), and MicroElit (Italy). Through this secondary LBO backed by Naxicap Partners, and advised by Clairfield France (the previous Elexience LBO completed in 2004 was also advised by Clairfield France), the managers hold 75% of the share capital. EUR 17 million senior debt was raised from Société Générale, BNP Paribas, Caisse d'Épargne, Banque Populaire Rives de Paris, and Oseo.	
	Clairfield Italy was appointed by Aretè Capital to buy OCEM from a bankruptcy procedure. OCEM S.p.A. is an Italian company that engineers and manufactures power electronics systems for industrial and scientific applications, airfield lighting, the railway sector and public lighting. OCEM assets include two subsidiaries based in France and US.	
	With about 180 of its own shops and more than 1,000 employees, Druni is one of the major retailers in Spain of perfume, cosmetics, and personal care products. The company was founded in Valencia in 1987 and is owned and managed by the founding family. Clairfield International in Spain acted as financial advisor to Druni in the acquisition of the assets of Atalaya , the retail business of the Alper group.	
	Lagardere Services Travel Retail has extensive operations in the Czech Republic, where it operates a portfolio of over 250 stores. Following the acquisition of the Duty Free activities of CSA in 2010, LS Travel Retail operates 3 shops at Prague airport, as well as 2 stores at Ostrava Airport and a single shop in Karlovy Vary Airport. Clairfield International in the Czech Republic advised Lagardere Services on the acquisition of the duty-free shops belonging to the Unimex Group at Prague Airport.	

NEW COLLEAGUES

Fernando Malo is a new partner at Clairfield International's Madrid office. Mr. Malo has 10 years of experience in M&A advisory and most recently worked at Triodos Investment Management where he focused on the acquisition of renewable energy assets for private equity funds under management. Mr. Malo is an economist and holds a master's degree in investment banking from the Instituto de Estudios Bursátiles (IEB). Also in Spain, **Miguel Angel Roda** was appointed senior advisor. Mr. Roda is an expert in the services sector, and founded the temporary employment company Activa ETT, which was later sold to a Belgian company.

Clairfield International in Charlotte (McColl Partners) announced the hire of **Trey Echols** as its new director of business development. The role includes the firm's market research unit. Mr. Echols brings over 18 years of experience in commercial, consumer, private and investment banking, including advising and executing strategic financing solutions for middle-market companies. Before joining McColl Partners, Mr. Echols was a director at Bank of America Merrill Lynch where he oversaw the firm's structured credit business in the Midwest and Texas.

Clairfield India (Equirus Capital) made three new appointments. **Nimesh Shah** joins Equirus as a director. Mr. Shah completed his chartered accountancy studies at ICAI – India and is a CFA. He was previously a director at Cipher Capital Advisors. He has worked across many sectors and been involved in 17

transactions aggregating USD 370 million in both PE and M&A. **Namrata Chotrani** joins Equirus as an associate on the Mumbai team. Ms. Chotrani was previously an associate at KPMG and recently received her MBA from Insead. **Harsh Bhuta** also joins Equirus as an associate. Mr. Bhuta is a chartered accountant.

Eric Urff joined Clairfield's Dutch partner (Boer & Croon) as a partner. Previously Mr. Urff was managing director at NIBC Bank N.V., initially co-heading mergers & acquisitions and strategic advisory and later as head of the technology, media and services sector. **Barry van't Hull** joined Boer & Croon as a senior consultant. Previously Mr. van't Hull worked in San Francisco as an independent consultant and VP of finance and operations for Renewable Ventures, a cleantech company. Before this, he worked for Nuon/Vattenfall, responsible for investment management and corporate finance.

Sunil Chaddha joined Clairfield New York as a managing director. Mr. Chaddha previously worked for Business Development Asia, an M&A advisory boutique focused on the lower- to mid-market Asian corridor. His clients include Life Technologies, SRG Global, Sun Chemical, Interstate Bakeries, Solutia, MCI WorldCom, QH Talbros and Sundaram Brake. He holds a BS in Commerce & Engineering from Drexel University, and an MBA from Boston University. Mr. Chaddha is a certified insolvency and restructuring Advisor (CIRA).

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