
FACILITIES MANAGEMENT COMPANIES: EXPLORING CORPORATE STRATEGIC ALTERNATIVES

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Introduction

Facilities management companies are facing a very bright future. The business logic of outsourcing, the need to remain highly competitive and cost conscious, the increasing importance of leveraging core competencies, and the general trend toward focusing businesses on particular areas of specialization have all accelerated the growth of facilities management companies. Remaining competitive in a global economy demands an unrelenting focus on controlling costs solely to survive. Companies that provide facilities management services allow their customers to concentrate on their primary business, and outsource those functions that can be performed with higher quality, at a lower cost, by outside vendors.

The facilities management industry is a very large and growing portion of the U.S. economy, and that of most advanced nations. In the United States, domestic manufacturing continues decreasing as a percentage of GDP, with services companies increasingly filling the void. This trend has accelerated tremendously over the past decade as countries such as China and India have become more important participants in the global economy. Since remaining competitive in difficult financial times is vital, and outsourcing can help companies to become more profitable, experts predict that the

facilities management segment of the U.S. economy will continue to grow at higher rates than the rate of growth of GDP.

Facilities management services fall into a wide variety of categories, including:

- *Janitorial and cleaning services*
- *Contract food and vending services*
- *Security guard, protection and monitoring services*
- *Landscaping and grounds maintenance*
- *Copy facility and document management*
- *Building and equipment maintenance services*

Local, regional, national and global firms have emerged in these categories to service the needs of businesses in virtually every industry. Some larger companies such as ARAMARK and Sodexo offer a range of facilities management services, while others focus on one particular function. Outsourcing facilities management services functions allows companies to become more efficient and cost competitive, and focus management resources on core business operational functions.

In this article, Scott-Macon discusses the facilities management services industry from the standpoint of the corporate finance market place. We examine the characteristics of facilities management services companies across sectors

that are most valuable to prospective investors. Finally, we consider the strategic alternatives available to facilities management firms looking to meet the demands of the dynamic global economy.

Benefits of the Process

In summary, the corporate strategic alternatives available in the facilities management services field today are very broad. Choosing which parties to negotiate with will depend upon the needs and objectives of both seller and buyer. Often the best method for deciding upon the most appropriate transaction structure will entail a systematic, professional exploration of corporate alternatives. Such an approach has a number of important benefits:

- (1) It identifies which options are realistic in light of the current capital markets and the interests of potential partners;
- (2) It potentially eliminates some options due to structural or valuation hurdles;
- (3) It allows sellers to simultaneously compare a range of offers and therefore make highly informed business decisions;
- (4) It fulfills any fiduciary obligations which members of the Board of Directors may have to shareholders of the company who are not represented on the Board;
- (5) It identifies and qualifies the interest of a very broad range of potential partners, rather than just those which have voluntarily approached the company to initiate negotiations;

- (6) It creates a sense of urgency and immediacy by imposing a specific process and timeframe on the strategic review;
- (7) It gives sellers the negotiating leverage to force buyers to offer their best possible price and terms;
- (8) It minimizes the potentially harmful competitive ramifications associated with being “on the market” by imposing a short, discrete time frame on the shopping process;
- (9) It takes a large portion of the negotiating burden off day-to-day operations, allowing management to focus on running the business during a very critical time; and
- (10) It puts the company in control of the timing of the process, rather than allowing an outside party to dictate its own timing needs on the company.

In short, any decision to enter into a corporate affiliation can be made with the benefit of extensive information regarding the range of potential options available at any given time. Importantly, shareholders will ensure the maximization of the value of their company by creating an efficient and organized process designed to evaluate both the quantitative and qualitative merits of all potential corporate affiliations. Casting a wide net in the solicitation process not only increases the probability of enhancing competition among different interested parties, but it also gives you the comfort of knowing that whatever choice you

SELECTED FACILITIES MANAGEMENT MERGERS AND ACQUISITIONS, 1998-PRESENT

Date	Buyer Name	Seller Name	Price (\$mm)	Seller Annual Revenue (\$mm)	Seller EBITDA (\$mm)	Business Description
Mar-00	ABM Industries Inc. New York, New York	Allied Maintenance Services, Inc. Honolulu, Hawaii	N/A	N/A	N/A	Provides janitorial, engineering and landscaping services.
Feb-01	ABM Industries Inc. New York, New York	Arcade Building Services New York, New York	N/A	N/A	N/A	Offers janitorial services in office buildings.
Nov-05	ABM Industries Inc. New York, New York	Brandywine Building Services, Inc. Wilmington, Delaware	\$ 6.0	\$ 8.6	N/A	A facility services company in the United States
Apr-03	ABM Industries Inc. New York, New York	Building One Commercial, Inc. N/A, Missouri	N/A	N/A	N/A	Building Services
Apr-01	ABM Industries Inc. New York, New York	CarpetMaster Cleaning Cohoes, New York	N/A	N/A	N/A	A facility services contractor, which offers interior and exterior facility services
Dec-04	ABM Industries Inc. New York, New York	Colin Service Systems, Inc. White Plains, New York	\$ 18.8	N/A	N/A	Operates as a facilities service and outsourcing company in the United States.
May-09	ABM Industries Inc. New York, New York	Control Group Limited., Facility Cleaning & Engineering Services Assets Secaucus, New Jersey	N/A	N/A	N/A	Facility Cleaning & Engineering Services Assets
Apr-07	ABM Industries Inc. New York, New York	Healthcare Parking Systems of America, Inc. Tampa, Florida	\$ 11.8	\$ 23.6	N/A	Provides valet and parking related management services to hospitals, health centers, and medical office buildings in the United States.
Aug-03	ABM Industries Inc. New York, New York	HGO, Inc. King of Prussia, Pennsylvania	\$ 12.8	N/A	N/A	Provides janitorial services.
Jan-03	ABM Industries Inc. New York, New York	Horizon National Commercial Services, LLC, Commercial Self- Performed Janitorial Cleaning Operations Red Bank, New Jersey	\$ 14.7	\$ 73.4	N/A	Provides contract management and self-perform cleaning services for facility clients in the United States.
Aug-05	ABM Industries Inc. New York, New York	Initial Contract Services, Inc., Commercial Janitorial Cleaning Operations Norcross, Georgia	\$ 0.4	N/A	N/A	Offer janitorial cleaning services.
Apr-04	ABM Industries Inc. New York, New York	Initial Contract Services, Inc., Northeast United States Division Danbury, Connecticut	N/A	N/A	N/A	Offers janitorial services
Mar-98	ABM Industries Inc. New York, New York	Maintenance Center Building Services N/A, N/A	N/A	N/A	N/A	Building Services
Nov-99	ABM Industries Inc. New York, New York	NPS Building Maintenance Anchorage, Alaska	N/A	N/A	N/A	Provides janitorial and building maintenance services.
Nov-07	ABM Industries Inc. New York, New York	OneSource Services Inc. Atlanta, Georgia	\$ 344.6	\$ 858.6	\$ 6.5	Provides outsourced building services for property management firms, facility managers, and building owners in commercial, institutional, and industrial markets in the United States.
Jan-08	ABM Industries Inc. New York, New York	Southern Management Company Chattanooga, Tennessee	\$ 26.9	\$ 72.7	N/A	Provides janitorial and building maintenance services in the southeastern United States.
Mar-04	ABM Industries Inc. New York, New York	SSA Security, Inc. Morehead City, North Carolina	\$ 40.7	\$ 81.4	N/A	Operates as a security and investigative company

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Nov-04	ABM Industries Inc. New York, New York	Tracerton Enterprises, Inc. Los Angeles, California	\$ 3.4	\$ 11.3	N/A	Doing business as Sentinel Guard Systems, provides unarmed, uniformed security officer services for the property management, industrial, and retail sectors.
Dec-06	Aladdin Food Management Services, LLC Wheeling, West Virginia	Ameriserve Food Service Management Columbia, Missouri	N/A	N/A	N/A	Provides food service for colleges and secondary schools.
Jan-04	Aladdin Food Management Services, LLC Wheeling, West Virginia	Collegiate Catering, Inc. Springfield, Missouri	N/A	N/A	N/A	Provides food and catering services. It serves clients in market various segments, including colleges and universities, and business and industry.
Dec-04	Aladdin Food Management Services, LLC Wheeling, West Virginia	Dowling Food Service Management Inc. Stanhope, New Jersey	\$ 6.2	N/A	N/A	Provides food services to public and private schools in New Jersey and other mid-Atlantic states.
Jan-08	Allegiance Security Group Fort Myers, Florida	Alexander National Security, Inc. Holly Springs, North Carolina	N/A	N/A	N/A	Provides security guard services primarily in the Raleigh-Durham area of North Carolina.
Feb-08	Allegiance Security Group Fort Myers, Florida	Fox Protective Services, Inc. Tampa, Florida	N/A	N/A	N/A	Provides security guard services.
Jul-09	Allegiance Security Group Fort Myers, Florida	Regional Protective Services, LLC Brunswick, Georgia	N/A	N/A	N/A	Provides private security services to business owners.
Jul-06	Allied Capital Corporation Washington, District of Columbia	Coverall North America, Inc. Boca Raton, Florida	N/A	N/A	N/A	Operates as a cleaning franchise company.
Jun-07	American Capital, Ltd. Bethesda, Maryland	SMG Philadelphia, Pennsylvania	\$ 631.0	N/A	N/A	Provides venue management, marketing and development, and facility services.
Mar-06	Andrews International, Inc. Valencia, California	Copstat Security LLC Bronx, New York	\$ 50.0	N/A	N/A	Provides contract security services to clients in the United States.
Jul-08	Andrews International, Inc. Valencia, California	Seventrees Corporation Benton Harbor, Michigan	N/A	N/A	N/A	Provides special security, and corporate intelligence and investigation services in the central United States.
Jun-09	Andrews International, Inc. Valencia, California	Vance International, Inc., U.S. and Mexico Guarding Operations N/A, N/A	\$ 44.3	\$ 147.5	N/A	Comprises operations that provide security services.
Mar-06	Apollo Management, L.P. New York, New York	SOURCECORP, Incorporated Dallas, Texas	\$ 447.1	\$ 404.3	\$ 58.5	Provides business process outsourcing solutions and consulting services in the United States. The company focuses on basic document management services, such as electronic imaging, document conversion, data capture, and document storage.
Nov-08	ARAMARK Philadelphia, Pennsylvania	Brand Coffee Service, Inc. Houston, Texas	N/A	N/A	N/A	Offers hot and cold drinks. The company also provides foods, break room supplies, and utensils and first aid products.
May-07	ARAMARK Philadelphia, Pennsylvania	Caffe Pazzesco, Seattle Office Coffee Service Business Seattle, Washington	N/A	N/A	N/A	Provides coffee, tea, hot chocolate, and other snacks and beverages.

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Aug-06	ARAMARK Philadelphia, Pennsylvania	Coffee One Service, Inc. Hialeah, Florida	N/A	N/A	N/A	Provides office refreshments to businesses in the South Florida region.
Mar-06	ARAMARK Philadelphia, Pennsylvania	Country Club Coffee, Office Coffee Services Davenport, Iowa	N/A	N/A	N/A	Provide coffee to corporations in eastern Iowa and western Illinois regions.
Dec-98	ARAMARK Philadelphia, Pennsylvania	Facilities Resource Management Company N/A, N/A	\$ 20.0	N/A	N/A	A consulting firm that offers facility management services.
Dec-02	ARAMARK Philadelphia, Pennsylvania	Fine Host Corporation Greenwich, Connecticut	\$ 100.0	N/A	N/A	Provides food and beverage concession, catering, and other ancillary services in the U.S.
Jun-00	ARAMARK Philadelphia, Pennsylvania	Ogden Corp., Food & Beverage Concessions / Venue Management Businesses New York, New York	\$ 235.0	N/A	N/A	Manages venues such as power plants, theme parks, and airport services.
Jun-00	ARAMARK Philadelphia, Pennsylvania	Ogden Corporation-Food & Beverage New York, New York	\$ 236.0	N/A	N/A	Providers of food and beverage service to stadiums, arenas, amphitheatres and other entertainment facilities.
Apr-06	ARAMARK Philadelphia, Pennsylvania	Park Avenue Office Services, Inc. Dania, Florida	N/A	N/A	N/A	Offers a collection of beverages, snacks, supplies, and other office necessities.
May-07	ARAMARK Philadelphia, Pennsylvania	R&B Coffee Service Grand Rapids, Michigan	N/A	N/A	N/A	Provides beverage systems for offices, hotels, and businesses.
Jan-99	ARAMARK Philadelphia, Pennsylvania	Restaura, Inc. Phoenix, Arizona	N/A	N/A	N/A	Provides dining services to businesses.
Jun-06	ARAMARK Philadelphia, Pennsylvania	SeamlessWeb Professional Solutions, LLC New York, New York	N/A	N/A	N/A	Provides online food ordering services in the United States and the United Kingdom. Provides individual meals, group order, catering, in-house dining, and gifts and supplies solutions.
Nov-01	ARAMARK Philadelphia, Pennsylvania	ServiceMaster Co., Management Services N/A, N/A	\$ 790.6	N/A	N/A	This unit provides laundry and janitorial services.
Nov-01	ARAMARK Philadelphia, Pennsylvania	Veris PLC Dublin, Ireland	\$ 127.0	\$ 67.3	\$ 10.2	Provides facility and property management services to owners and occupiers of property primarily in the Republic of Ireland and the United Kingdom.
Oct-08	Audax Group Boston, Massachusetts Greyrock Capital Group San Francisco, California	Andrews International, Inc. Valencia, California	N/A	N/A	N/A	Provides security and risk mitigation services in the United States and internationally.
Mar-06	BB&T Capital Partners, LLC Winston-Salem, North Carolina Parkway Capital Investors, LLC Towson, Maryland	Thompson Industrial Service Inc. Sumter, South Carolina	N/A	N/A	N/A	Provides industrial chemical cleaning and maintenance services.

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Jun-03	Beringea Private Equity Farmington Hills, Michigan HLM Venture Partners Boston, Massachusetts Liberty Venture Partners, Inc. Philadelphia, Pennsylvania MVP Capital Partners Radnor, Pennsylvania Nautic Partners, LLC Providence, Rhode Island NewSpring Capital Radnor, Pennsylvania	GCA Services Group, Inc. Cleveland, Ohio	\$ 90.0	N/A	N/A	Provides facility services in the United States.
Apr-07	Blue Point Capital Partners Cleveland, Ohio	Packers Sanitation Services, Inc. Mt. Pleasant, Iowa	N/A	N/A	N/A	Provides contract cleaning and night sanitation services to the food industry, primarily in meat and poultry areas.
Aug-08	Boxwood Capital Partners Richmond, Virginia	eBeverage Wholesale, LLC Richmond, Virginia	N/A	N/A	N/A	Operates as an Internet seller of beverage products, equipment, and supplies.
Aug-01	Brickman Group Ltd. Gaithersburg, Maryland	Duke Realty Corporation, Landscape Business Indianapolis, Indiana	N/A	N/A	N/A	Offers landscape and snow removal services.
Oct-06	Brickman Group Ltd. Gaithersburg, Maryland	Groundmasters, Inc. Loveland, Ohio	\$ 52.8	N/A	N/A	Provides landscape services.
Oct-06	Brickman Group Ltd. Gaithersburg, Maryland	Midwest Grounds Resource, Inc. Loveland, Ohio	\$ 52.8	N/A	N/A	Provides landscape services.
Jun-08	Brickman Group Ltd. Gaithersburg, Maryland	Stiles Landscape Company Ft. Lauderdale, Florida	N/A	N/A	N/A	Landscaping
Jul-09	Brickman Group Ltd. Gaithersburg, Maryland	Torre & Bruglio, Inc. Pontiac, Michigan	N/A	N/A	N/A	Provides landscape construction and horticultural services.
Mar-04	Brickman Group Ltd. Gaithersburg, Maryland	Urban Environments, Inc. Columbus, Ohio	N/A	N/A	N/A	Landscaping
Sep-03	CapitalSource Inc. Chevy Chase, Maryland NatCity Investments, Inc. Cleveland, Ohio Sterling Investment Partners Westpoint, Connecticut Tower Square Capital Partners Springfield, Massachusetts	US Maintenance, Inc. Norristown, Pennsylvania	\$ 63.0	N/A	N/A	Provides interior and exterior facilities maintenance solutions for retailers and multi-location corporations in the United States and Canada.
Jan-07	CCMP Capital Advisors, LLC New York, New York Goldman Sachs Group, Merchant Banking Division New York, New York J.P. Morgan Partners, LLC New York, New York Thomas H. Lee Partners, L.P. Boston, Massachusetts Warburg Pincus LLC New York, New York	Aramark Corporation Philadelphia, Pennsylvania	\$ 8,094.1	\$ 11,483.1	\$ 934.7	Provides on-site restaurants, catering, convenience stores, and executive dining rooms; facility management services, such as housekeeping, plant operations and maintenance.
Jun-02	Centerfield Capital Partners, L.P. Indianapolis, Indiana	Shred All LLC Des Moines, Iowa	N/A	N/A	N/A	Collects and shreds documents for banks, insurance companies and other corporate customers.
Dec-02	CIVC Partners, L.P. Chicago, Illinois	Brickman Group Ltd. Gaithersburg, Maryland	\$ 395.4	\$ 253.4	\$ 43.3	Provides commercial landscape services in the United States.

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Jul-07	Clayton, Dubilier & Rice, Inc. New York, New York	Servicemaster Co. Memphis, Tennessee	\$ 5,451.9	\$ 3,478.8	\$ 407.7	Provides various services to residential and commercial customers in the United States and internationally.
Sep-00	Compass Group plc Chertsey, Surrey, United Kingdom	Levy Restaurants, Inc. Chicago, Illinois	\$ 77.0	N/A	N/A	Operates as a foodservice company.
Apr-06	Compass Group plc Chertsey, Surrey, United Kingdom	Levy Restaurants, Inc. Chicago, Illinois	\$ 250.0	N/A	N/A	Operates as a foodservice company.
Jul-98	Compass Group plc Chertsey, Surrey, United Kingdom	Restaurant Associates Corp. New York, New York	\$ 87.5	N/A	N/A	Offers food services to corporate dining facilities, educational institutions, landmark performing arts centers, and museums in the United States.
Jan-01	Compass Group plc Chertsey, Surrey, United Kingdom	Ambassador Food Services Corporation, Vending And Food Services Operations in Iowa and Oklahoma N/A, Iowa; N/A Oklahoma	\$ 3.2	N/A	N/A	Provides contract food services for government social-service agencies and not-for-profit organizations
Jan-05	Compass Group plc Chertsey, Surrey, United Kingdom	HDS Services Farmington Hills, Michigan	\$ 28.0	N/A	N/A	Delivers food and hospitality management services.
Dec-08	Compass Group plc Chertsey, Surrey, United Kingdom	KIMCO Facilities Services Corporation Harwood Heights, Illinois	\$ 90.0	\$ 150.0	N/A	Operates as a cleaning contractor in the United States.
Jul-08	Compass Group plc Chertsey, Surrey, United Kingdom	Medi-Dyn, Inc. Englewood, California	N/A	N/A	N/A	Provides hospital housekeeping, laundry, and patient transportation management services to the healthcare industry.
Oct-07	Compass Group plc Chertsey, Surrey, United Kingdom	Propoco, Inc. Plymouth Meeting, Pennsylvania	N/A	N/A	N/A	Provides equipment maintenance management, capital planning, enterprise asset management, equipment procurement, and technology management and maintenance services to health care, business, and education clients.
May-05	Compex Legal Services, Inc. Torrance, California	Omnidox LLC Torrance, California	N/A	N/A	N/A	Provides document and information management solutions to corporations and law firms.
Dec-05	Copstat Security LLC Bronx, New York	HMI Associates, Inc. Canoga Park, California	\$ 3.4	N/A	N/A	Provides investigative and security services.
Jan-04	Cravey, Green & Wahlen Incorporated Atlanta, Georgia	Document Technologies, Inc. Atlanta, Georgia	\$ 34.6	N/A	N/A	Provides facilities management and litigation outsourcing services.
Jun-08	Davey Tree Expert Company Kent, Ohio	Care of Trees, Inc. Wheeling, Illinois	N/A	N/A	N/A	Provides organic and environmentally sustaining tree care services.
Mar-08	Davey Tree Expert Company Kent, Ohio	Wolf Tree Experts, Inc. Knoxville, Tennessee	N/A	N/A	N/A	Provides tree care services for homeowners and businesses.
Apr-07	Day & Zimmermann Group, Inc. Philadelphia, Pennsylvania	Reliable Security Guard Agency, Inc. Salem, New Hampshire	N/A	N/A	N/A	Provides uniformed security guard service to various industrial and retail customers in southern New Hampshire region.

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Dec-08	Day & Zimmermann Group, Inc. Philadelphia, Pennsylvania	South Shore Security Systems, Inc. Quincy, Massachusetts	N/A	N/A	N/A	Provides security and investigative services.
Jun-08	Day & Zimmermann Group, Inc. Philadelphia, Pennsylvania	Admiral Security Services, Dallas Branch Dallas, Texas	N/A	N/A	N/A	Engages in security services.
Jun-04	DFW Capital Partners Teaneck, New Jersey Madison Capital Funding LLC Chicago, Illinois MVP Capital Partners Radnor, Pennsylvania Theo Capital Short Hills, New Jersey	Copstat Security LLC Bronx, New York	\$ 21.5	N/A	N/A	Provides contract security services to clients in the United States.
May-03	DOAR, Inc. Lynbrook, New York	ACE Communications Garden City, New York	N/A	N/A	N/A	Provides audio visual solutions.
Jun-07	Document Technologies, Inc. Atlanta, Georgia	DTI Skyline New York, New York	N/A	N/A	N/A	Provides document management and litigation support services in the United States.
Sep-06	Echelon Partners, LLC Denver, Colorado	FS3, LLC Denver, Colorado	N/A	N/A	N/A	Provides facilities management strategies, services, and solutions to organizations.
Nov-05	EMCOR Group Inc. Norwalk, Connecticut	Fluidics, Inc. Philadelphia, Pennsylvania	N/A	N/A	N/A	Provides mechanical services for businesses in Philadelphia, southern New Jersey, and Delaware.
Nov-08	EMCOR Group Inc. Norwalk, Connecticut	MOR PPM, Inc. Society Hill, South Carolina	N/A	N/A	N/A	Provides facilities maintenance services for firms and institutions in the United States.
Nov-03	EMCOR Group Inc. Norwalk, Connecticut	Siemens Building Technologies Inc., U.S. Facilities Management Services Business Buffalo Grove, Iowa	N/A	N/A	N/A	Provides facilities services to single buildings and corporate campuses.
Dec-98	Encompass Services Corporation Houston, Texas	R.J. Miguel Services, Inc. Pawtucket, Rhode Island	N/A	N/A	N/A	Offers janitorial services to retail and commercial customers.
Jun-99	Encompass Services Corporation Houston, Texas	D&P Janitorial, Inc. N/A, N/A	N/A	N/A	N/A	Building Services.
Feb-00	Encompass Services Corporation Houston, Texas	Group Maintenance America Corp. Houston, Texas	N/A	N/A	N/A	Building Services.
Nov-98	Encompass Services Corporation Houston, Texas	Boxberger, Inc. Charlotte, North Carolina	N/A	N/A	N/A	Offers janitorial services.
Jun-98	Encompass Services Corporation Houston, Texas	Building One Commercial, Inc. N/A, Missouri	N/A	N/A	N/A	Building Services.
Nov-03	Encore Discovery Solutions, Inc. The Woodlands, Texas	Encore Lex Solutio Atlanta, Georgia	N/A	N/A	N/A	Provides photocopying of documents for legal and business sectors.
Nov-03	Encore Discovery Solutions, Inc. The Woodlands, Texas	Global Lex Solutio Chicago, Illinois	N/A	N/A	N/A	Provides document copying and duplication services

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Nov-03	Encore Discovery Solutions, Inc. The Woodlands, Texas	Lex Solutio Corporation Phoenix, Arizona	N/A	N/A	N/A	Services include technology planning, document imaging, coding and indexing, multimedia presentation, trial consulting, and training.
Nov-03	Encore Discovery Solutions, Inc. The Woodlands, Texas	Partner Lex Solutio Washington, District of Columbia	N/A	N/A	N/A	Provides photocopying services for law firms
Aug-01	Enerlume Energy Management Corp. Hamden, Connecticut	Contra-Pak Inc. Dallas, Texas	\$ 0.3	N/A	N/A	Nationwide supplier of shelf stable meals. Shelf stable meals are utilized in senior programs such as, "Meals on Wheels" and other Emergency Meal programs.
Nov-04	Enerlume Energy Management Corp. Hamden, Connecticut	Food Brokers Inc., Certain Assets Bridgeport, Connecticut	\$ 1.2	N/A	N/A	Provides catering services.
Jul-00	Enerlume Energy Management Corp. Hamden, Connecticut	Lindley Food Service Corp. New Haven, Connecticut	\$ 5.6	\$ 8.8	0.2	Provides proportioned unitized meals for governmental programs, such as senior nutrition programs, Head Start programs, school breakfast, and summer school programs, primarily under fixed-price contracts in Connecticut, Florida, Indiana, Massachusetts, and Rhode Island.
Oct-03	Fios, Inc. Portland, Oregon	S3 Partners Dallas, Texas	N/A	N/A	N/A	Services of S3 include incidence response, litigation support, and prevention.
Apr-05	FirstService Corp. Toronto, Canada	California Closets, Two Franchises in Dallas and Phoenix Dallas, Texas Phoenix, Arizona	N/A	N/A	N/A	Provide property improvement services and are based in Dallas and Phoenix.
Jun-07	FirstService Corp. Toronto, Canada	Colliers Monroe Friedlander, Inc. Honolulu, Hawaii	N/A	N/A	N/A	Operates as a commercial real estate brokerage, property management, and consulting company in the Hawaiian Islands.
Nov-05	FirstService Corp. Toronto, Canada	Colliers Seeley International, Inc. Los Angeles, California	N/A	N/A	N/A	Provides business real estate solutions.
Oct-07	FirstService Corp. Toronto, Canada	Field Asset Services, Inc. Austin, Texas	N/A	N/A	N/A	Offers property preservation, REO maintenance, and repair services.
Apr-07	FirstService Corp. Toronto, Canada	MERIT Property Management, Inc. Aliso Viejo, California	N/A	N/A	N/A	Provides professional community association services.
Oct-08	FirstService Corp. Toronto, Canada	Williams Real Estate Company Inc. New York, New York	N/A	N/A	N/A	Provides real estate services in New York.
Sep-07	Fortress International Group, Inc. Columbia, Maryland	Innovative Power Systems, Inc. Sterling, Virginia	\$ 2.0	N/A	N/A	Operates as a facilities management service company.

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Jan-07	Fortress International Group, Inc. Columbia, Maryland	Two Mission-Critical Facilities Provider Companies Beltsville, Maryland	\$ 57.8	\$ 57.8	\$ 6.8	Total Site Solutions operates through its two subsidiaries VTC, L.L.C and Vortech, LLC. Engages in planning, designing, building, and maintenance of specialized facilities such as data centers, call centers, network operation centers, communication facilities, and secure facilities.
Dec-05	Frontenac Company Chicago, Illinois	SMS Systems Maintenance Services, Inc. Hudson, Massachusetts	N/A	N/A	N/A	Provides maintenance services for infrastructure systems in healthcare, publishing, education, and financial services industries in the United States.
Mar-07	G&K Services Inc. Minnetonka, Minnesota	Alltex Uniform Rental Service, Inc. Manchester, New Hampshire	N/A	N/A	N/A	Operates as a uniform and facility services company in the United States.
Mar-08	G&K Services Inc. Minnetonka, Minnesota	Best Uniform Rental Inc. Westville, New Jersey	N/A	N/A	N/A	Provides uniforms and related accessories to various industries and occupations.
Mar-05	G&K Services Inc. Minnetonka, Minnesota	Coyne International Enterprises Corp., Certain Assets Syracuse, New York	N/A	N/A	N/A	Provide uniform and career apparel and serves customers in Connecticut, New York, Pennsylvania, and New Jersey regions.
Oct-05	G&K Services Inc. Minnetonka, Minnesota	Glis Laundries USA, Inc., Certain Assets St. Louis, Missouri	N/A	N/A	N/A	Offer garment cleaning services.
Feb-07	G&K Services Inc. Minnetonka, Minnesota	Grantex, Inc. Grand Rapids, Michigan	N/A	N/A	N/A	Provides uniforms and textile rental services.
Jun-04	GCA Services Group, Inc. Cleveland, Ohio	Associated Building Services, Inc. Houston, Texas	N/A	N/A	N/A	Operates as a building service contracting company.
Dec-03	GI Partners Menlo Park, California	Linc Group, Inc. Irvine, California	N/A	N/A	N/A	Provides facilities management and building systems services.
Oct-99	Global Document Solutions Corporation New York, New York	Xerographic Reproduction Center New York, New York	N/A	N/A	N/A	Copying and Duplicating service
Mar-08	Gryphon Investors San Francisco, California	Fitz, Vogt & Associates Ltd. Walpole, New Hampshire	N/A	N/A	N/A	Provides food management services in New England and the Mid Atlantic region.
Apr-09	Healthcare Services Group Inc. Bensalem, Pennsylvania	Contract Environmental Services, Inc. Easley, South Carolina	\$ 14.6	N/A	N/A	Provides professional housekeeping, laundry, and food services to long term care and related facilities.
Sep-06	Healthcare Services Group Inc. Bensalem, Pennsylvania	Summit Services Group, Inc. Newton, Massachusetts	\$ 19.0	N/A	N/A	Provides housekeeping, laundry, linen, and facility maintenance services to non-acute healthcare industries in the United States.
Jan-03	Horizon National Contract Services, LLC Red Bank, New Jersey	Building One Commercial, Inc. N/A, Missouri	N/A	N/A	N/A	Building Services
Jan-03	Horizon National Contract Services, LLC Red Bank, New Jersey	Building One Service Solutions, Inc. Red Bank, New Jersey	\$ 21.6	N/A	N/A	Provides building maintenance services.

SELECTED FACILITIES MANAGEMENT MERGERS AND ACQUISITIONS, 1998-PRESENT

Date	Buyer Name	Seller Name	Price (\$mm)	Seller Annual Revenue (\$mm)	Seller EBITDA (\$mm)	Seller Business Description
Mar-07	Inland Industrial Services Group, LLC LaPorte, Texas	DeBusk Industrial Services Company LaPorte, Texas	N/A	N/A	N/A	Provides industrial cleaning services.
Mar-05	International American Products Cape Canaveral, Florida	Johnson Controls World Services, Inc. Cape Canaveral, Florida	\$ 260.0	N/A	N/A	Provides facility management services, contingency support, and technical services.
May-07	Iron Mountain Inc. Boston, Massachusetts	ArchivesOne, Inc. Middlebury, Connecticut	\$ 202.0	N/A	N/A	Stores and manages boxed records for its clients in financial, manufacturing, services, construction, real estate, and insurance industries, as well as for law and accounting firms, government agencies, hospitals and medical offices, non-profits, and professional services companies.
Oct-00	Iron Mountain Inc. Boston, Massachusetts	Document Services Inc. Pittsburgh, Pennsylvania	\$ 28.0	N/A	N/A	Specialized in the collection and destruction of confidential documents for customers, primarily in the financial community.
Mar-04	Iron Mountain Inc. Boston, Massachusetts	Docu-Shred Inc. Wilsonville, Oregon	N/A	N/A	N/A	Offers on-site document destruction services.
Feb-00	Iron Mountain Inc. Boston, Massachusetts	Pierce Leahy Corp. King of Prussia, Pennsylvania	\$ 1,065.0	\$ 332.2	\$ 99.3	Full-service provider of records management and related services
Sep-03	Iron Mountain Inc. Boston, Massachusetts	Shred All LLC Des Moines, Iowa	N/A	N/A	N/A	Collects and shreds documents for banks, insurance companies and other corporate customers.
Feb-03	Iron Mountain Inc. Boston, Massachusetts	Shredco, Inc. Houston, Texas	N/A	N/A	N/A	Offers recycling services for paper, computer printouts, bound documents and files, brochures, checks and forms, computer disks and tapes, CDs, videotapes, film, ribbons, X-rays, and mylar.
Apr-08	ISS A/S Copenhagen, Denmark	BGM Industries, Inc. Kansas City, Missouri	N/A	N/A	N/A	Doing business as BG Service Solutions, provides commercial janitorial services.
Jan-09	ISS A/S Copenhagen, Denmark	Central Property Services, Inc. Pittsburgh, Pennsylvania	N/A	N/A	N/A	Central Property Services, Inc., a janitorial company, provides commercial cleaning services in Pittsburgh
Jun-07	ISS A/S Copenhagen, Denmark	Sanitors, Inc. San Antonio	N/A	N/A	N/A	Provides janitorial, mechanical, catering, landscape, and security services.
Jan-07	Ivize of Charlotte, LLC Charlotte, North Carolina	Action Legal Document Services, LLC Charleston, West Virginia	N/A	N/A	N/A	Offers reprographic and litigation support services.
Dec-07	Ivize of Charlotte, LLC Charlotte, North Carolina	Aptara, Inc., Litigation Support Business N/A, California	\$ 3.6	N/A	N/A	Provides litigation support services.
Jul-08	KBM Building Services, Inc. San Diego, California	Knightly Building Services, LLC Spring Valley, California	N/A	N/A	N/A	Delivers integrated facility management services including professional janitorial services, cleaning consulting, construction clean up, detailing services, and other outsourcing services.

SELECTED FACILITIES MANAGEMENT MERGERS AND ACQUISITIONS, 1998-PRESENT

Date	Buyer Name	Seller Name	Price (\$mm)	Seller Annual Revenue (\$mm)	Seller EBITDA (\$mm)	Seller Business Description
Oct-08	KBM Building Services, Inc. San Diego, California	Moore Maintenance & Janitorial Services, Inc. Rancho Mirage, California	N/A	N/A	N/A	Offers office cleaning, retail maintenance, industrial site maintenance, and specialty services.
Aug-00	Kenny Industrial Services LLC Hammond, Indiana	Canisco Resources, Inc. Wilmington, Delaware	N/A	N/A	N/A	Provided versatile services supporting operations and facility maintenance for the power generation, pulp and paper, and petrochemical markets, as well as general industry.
Feb-07	Key Principal Partners Corp. Cleveland, Ohio	Kellermeyer Building Services, LLC Maumee, Ohio	N/A	N/A	N/A	Provides commercial cleaning services in the United States.
May-07	LaSalle Capital Group, L.P. Chicago, Illinois Marquette Capital Partners Minneapolis, Minnesota	Paramount Building Solutions Inc. Tucson, Arizona	N/A	N/A	N/A	Provides outsourced janitorial services to the retail industry.
Jan-07	Leonard Green & Partners, L.P. Los Angeles, California	Brickman Group Ltd. Gaithersburg, Maryland	\$ 1,023.6	\$ 460.8	\$ 78.0	Provides commercial landscape services in the United States.
Sep-05	Linc Group, Inc. Irvine, California	BMAR & Associates, Inc. Hopkinsville, Kentucky	N/A	N/A	N/A	Provides maintenance support and engineering services.
Nov-06	Linc Group, Inc. Irvine, California	Ferguson-Williams, LLC Huntsville, Alabama	\$ 33.0	N/A	N/A	Provider of facility operations and maintenance services to the federal government.
Aug-06	Lindsay Goldberg New York, New York	Brock Group of Companies Beaumont, Texas	N/A	N/A	N/A	Provides industrial maintenance services in the United States.
Nov-00	Marsden Building Maintenance St. Paul, Minnesota	Clean Power, LLC Wauwatosa, Wisconsin	\$ 5.9	N/A	N/A	Provides janitorial, specialty, green cleaning, and building maintenance services for corporate offices and headquarters facilities, multi-tenant properties, industrial/manufacturing facilities, education facilities, or medical offices and facilities.
Oct-06	MetroGroup Marketing Services, Inc. Mt. Pleasant, Iowa	MetroGroup Transaction Services, Inc. Glendale Heights, Illinois	N/A	N/A	N/A	Provides solutions for the printing, mailing, and electronic delivery of invoices, bills, and statements.
Jan-08	Microdynamics Group, Inc. Naperville, California	MetroGroup Transaction Services, Inc. Glendale Heights, Illinois	N/A	N/A	N/A	Provides solutions for the printing, mailing, and electronic delivery of invoices, bills, and statements.
Aug-07	Mitch Murch's Maintenance Management Company St. Louis, Missouri	Hadley Janitorial, Inc. Russell Springs, Kentucky	N/A	N/A	N/A	Provides janitorial services in Kentucky.
Jan-05	MPW Industrial Services Group, Inc. Hebron, Ohio	Fairbanks Mobile Wash, Inc. Middletown, Ohio	N/A	N/A	N/A	Provides hydroblasting, and industrial wet and dry vacuum services in the United States.
Jan-05	MPW Industrial Services Group, Inc. Hebron, Ohio	Hubbell's Cleaning Systems, Inc. Waynesville, Ohio	N/A	N/A	N/A	Provides environmental cleaning and facility management services in the United States.
Oct-06	MSD Capital, L.P. New York, New York	ValleyCrest Companies Calabasas, California	N/A	N/A	N/A	Provides landscape design, construction, and maintenance services in the United States.
Sep-09	Navigation Capital Partners, LLC Atlanta, Georgia	Five Star Food Service Inc. Chattanooga, Tennessee	N/A	N/A	N/A	Provides vending and food services in the southern United States.

SELECTED FACILITIES MANAGEMENT MERGERS AND ACQUISITIONS, 1998-PRESENT

Date	Buyer Name	Seller Name	Price (\$mm)	Seller Annual Revenue (\$mm)	Seller EBITDA (\$mm)	Business Description
Nov-08	Next Generation Vending and Food Service, Inc. Canton, Massachusetts	Loose Ends Vending Batavia, New York	N/A	N/A	N/A	Operates as a canteen franchise. It has 42 vending routes, one coffee service route and six manual feeding accounts.
Dec-99	Omni Facility Services Inc. South Plainfield, New Jersey	Morrell Group, Inc. Atlanta, Georgia	N/A	N/A	N/A	Provides landscape services to owners and managers of commercial real estate.
Mar-99	Omni Facility Services Inc. South Plainfield, New Jersey	Remco Maintenance, LLC Long Island City, New York	N/A	N/A	N/A	Offers restoration and maintenance services to commercial, residential, institutional, retail, and hospitality facilities in New York.
Sep-09	Palladium Equity Partners, LLC New York, New York	Capital Contractors, Inc. Melville, New York	N/A	N/A	N/A	Provides commercial and office janitorial services in North America.
Dec-08	Paramount Building Solutions Inc. Tucson, Arizona	Janitorial Management Services, Inc. Tarzana, California	N/A	N/A	N/A	Provides janitorial and facility management services.
Dec-04	Patriarch Partners, LLC New York, New York	Remco Maintenance, LLC Long Island City, New York	\$ 8.1	N/A	N/A	Offers restoration and maintenance services to commercial, residential, institutional, retail, and hospitality facilities in New York.
Jan-06	Patriot Capital, L.P. Baltimore, Maryland White Peak Capital, Inc., Investment Arm McLean, Virginia	Expert Janitorial, Inc. Green Lane, Pennsylvania	N/A	N/A	N/A	Offers facilities maintenance services.
Jun-04	PPM America Capital Partners, LLC Chicago, Illinois PPM Ventures London, United Kingdom	SteriGenics International, Inc. Oak Brook, Illinois	\$ 311.5	\$ 183.2	\$ 58.8	Provides contract sterilization and ionization services for the medical devices, food safety, and high performance/specialty materials industries.
Jun-99	Regent Capital Partners New York, New York	Omni Facility Services Inc. South Plainfield, New Jersey	N/A	N/A	N/A	Facility maintenance company specializing in specialty service categories
Mar-06	Rentokil Initial plc Gatwick, United Kingdom	J.C. Ehrlich Co., Inc. Reading, Pennsylvania	\$ 141.8	\$ 128.9	N/A	Provides pest control services to homeowners and businesses in the Mid-Atlantic States.
Mar-08	Rentokil Initial plc Gatwick, United Kingdom	Watch All, Inc. Weymouth, Massachusetts	\$ 9.3	\$ 3.6	N/A	Provides pest management, structural damage repair, and lawn care services.
May-98	RFE Investment Partners New Canaan, Connecticut	Advanced Technology Services, Inc. Peoria, Illinois	N/A	N/A	N/A	Provides outsourced factory maintenance, industrial component repair and calibration, and information technology services.
Oct-03	Riverside Company New York, New York Tower Square Capital Partners Springfield, Massachusetts	Dwyer Group Inc. Waco, Texas	\$ 54.4	\$ 24.9	\$ 5.7	Provides residential and light commercial services in the United States and Canada.
Aug-06	Roark Capital Group Atlanta, Georgia	PSC Info Group, Inc. Oaks, Pennsylvania	N/A	N/A	N/A	Provides document and information management services, and business communications.
Jan-06	Scorpion Capital Partners L.P. New York, New York	Pacific Building Care, Inc. Costa Mesa, California	N/A	N/A	N/A	Operates as a commercial janitorial company.

SELECTED FACILITIES MANAGEMENT MERGERS AND ACQUISITIONS, 1998-PRESENT

Date	Buyer Name	Seller Name	Price (\$mm)	Seller Annual Revenue (\$mm)	Seller EBITDA (\$mm)	Seller Business Description
Mar-09	Securitas AB Stockholm, Sweden	Akal Security, Inc., Hawaiian Commercial Business Contracts and Assets Espanola, New Mexico	N/A	N/A	N/A	Provides judicial security services to the federal courthouses in the United States.
Oct-05	Securitas AB Stockholm, Sweden	Hamilton Pacific, L.P. Azusa, California	N/A	N/A	N/A	Provides security services and project management services to financial and commercial communities in the United States.
Apr-09	Securitas AB Stockholm, Sweden	Moore Security, LLC Clarksville, Indiana	N/A	N/A	N/A	Provides security officers and patrol services for personnel and assets in Indiana and Kentucky.
Apr-07	Securitas AB Stockholm, Sweden	Security Services Northwest, Inc. Port Townsend, Washington	N/A	N/A	N/A	Provides security services, counter assault team services, site security and patrol services, armored car services, alarm installation and monitoring services, and K-9 services for banking, army, navy, and retail customers.
May-98	ShiDax Corp. Tokyo, Japan	Bon Appetit Management Company Palo Alto, California	\$ 45.0	N/A	N/A	Offers food service management by providing café and catering services to corporations, universities, and specialty venues.
Oct-07	Sodexo Issy-les-Moulineaux, France	Circle Company Associates, Inc. Boston, Massachusetts	N/A	N/A	N/A	Provides concierge, events, and experiential marketing services to enterprises in the United States.
Mar-05	SSA Security, Inc. Morehead City, North Carolina	AmGuard Security and Patrol Services Germantown, Maryland	\$ 1.5	N/A	N/A	Provides security-uniformed guards, vehicles, and related patrol services to commercial and residential properties.
Sep-07	Standard Parking Corp. Chicago, Illinois	Alliance International Security, Inc. Northridge, California Downtown Parking, LLC Chicago, Illinois	N/A	N/A	N/A	Alliance International Security, Inc. is based in Northridge, California and Downtown Parking, LLC is based in Chicago, Illinois.
Nov-08	Standard Parking Corp. Chicago, Illinois	Downtown Valet, LLC Seattle, Washington	N/A	N/A	N/A	Provides parking services.
Feb-08	Standard Parking Corp. Chicago, Illinois	G.O. Parking Inc. Chicago, Illinois	\$ 8.3	N/A	N/A	Provides parking services for hotels, residential properties, office buildings, and municipal facilities in Illinois.
Jul-09	Standard Parking Corp. Chicago, Illinois	Gameday Management Group, Inc. Orlando, Florida	N/A	N/A	N/A	Engages in the development and implementation of transportation and parking management plans for sporting events and venues.
Jan-06	Standard Parking Corp. Chicago, Illinois	Sound Parking Inc. Seattle, Washington	N/A	N/A	N/A	Operates as a parking management services company.
Jun-03	Sterling Cleaning Services Inc. Troy, Michigan	Clean and Sparkle Inc. Troy, Michigan	N/A	N/A	N/A	Offers industrial and commercial cleaning services.
Mar-08	Stone Point Capital LLC Greenwich, Connecticut	Cyprex Services, LLC Brandon, Florida	N/A	N/A	N/A	Provides property services for the REO industry in the United States.

SELECTED FACILITIES MANAGEMENT MERGERS AND ACQUISITIONS, 1998-PRESENT

Date	Buyer Name	Seller Name	Price (\$mm)	Seller Annual Revenue (\$mm)	Seller EBITDA (\$mm)	Business Description
Sep-09	Superior Capital Partners L.L.C. Detroit, Michigan	National Archive Publishing Company Ann Arbor, Michigan	N/A	N/A	N/A	Provides services, such as imaging, image conversion, Metadata capture and creation, text conversion, custom output formatting, and film duplication and replacement.
Jun-06	Thermal North America, Inc. Boston, Massachusetts	Sempra Generation, Facilities Management Group San Diego, California	N/A	N/A	N/A	Maintains and manages over 30 million square feet of climate-controlled space and 77000 tons of cooling capacity for office buildings, casinos, hotels, hospitals, condominiums, and medical centers.
Aug-00	Three Cities Research, Inc. New York, New York	Business Resource Group San Jose, California	\$ 56.8	\$ 140.8	\$ 9.7	Workstation products. Its related services included facilities management outsourcing and consulting services, computer-aided facilities management, computerized space planning and design, project management, move management, installation, product specification, and order management.
Mar-08	TouchPoint Print Solutions Corp. Oak Point, Illinois	Berman Printing Company Cincinnati, Ohio	N/A	N/A	N/A	Offers digital prepress, press, bindery, packaging, mailing, fulfillment and logistics services.
Jul-07	TouchPoint Print Solutions Corp. Oak Point, Illinois	CoakleyTech, LLC Milwaukee, Wisconsin	N/A	N/A	N/A	Provides document management services. In addition, it offers distribution and mail services, such as inventory management, storage solutions, mail services, direct mail, inserting, list management/presort/lead management, and client site mailroom outsourcing services, as well as pick, pack, ship, and kitting services.
Dec-07	TouchPoint Print Solutions Corp. Oak Point, Illinois	NSO Press, Inc. Denver, Colorado	N/A	N/A	N/A	Offers pre-press production, digital printing, die cutting and foil stamping, folding, and binding services.
Oct-08	Towne Park Limited Annapolis, Maryland	Mile Hi Valet Services Westminster, Colorado	N/A	N/A	N/A	Provides hospitality staffing contract and parking services.
Dec-07	Transfield Services Ltd. North Sydney, Australia	Horizon National Contract Services, LLC Red Bank, New Jersey Whelans International, Co., Inc. Ronkonkoma, New York	\$ 147.5	\$ 184.4	N/A	Represents the combined operations of Horizon National Contract Services, LLC and Whelans International, Co., Inc. Horizon National Contract Services, LLC provides cleaning and janitorial services. Whelans International, Co., Inc. provides facility management and janitorial services.
Jul-06	Transfield Services Ltd. North Sydney, Australia	US Maintenance, Inc. Norristown, Pennsylvania	\$ 283.8	\$ 224.7	N/A	Provides interior and exterior facilities maintenance solutions for retailers and multi-location corporations in the United States and Canada.

SELECTED FACILITIES MANAGEMENT MERGERS AND ACQUISITIONS, 1998-PRESENT

Date	Buyer Name	Seller Name	Price (\$mm)	Seller Annual Revenue (\$mm)	Seller EBITDA (\$mm)	Seller Business Description
Oct-05	Tri-S Security Corporation Alpharetta, Georgia	Cornwall Group, Inc. Miami, Florida	\$ 15.3	N/A	N/A	Provides electronic and manned security solutions and services for commercial, residential, corporate, retail, and government customers.
Nov-05	Tri-S Security Corporation Alpharetta, Georgia	Vanguard Security, Inc. Miami, Florida	N/A	N/A	N/A	Provides electronic and manned security systems for commercial, residential, and government clients in Florida.
Mar-07	Trivest Partners, L.P. Coral Gables, Florida	Allegiance Security Group Fort Myers, Florida	N/A	N/A	N/A	Offers security services to the commercial, residential, and governmental sectors in the Southeastern United States.
May-09	Undisclosed	Cornwall Group, Inc. Miami, Florida	\$ 3.6	\$ 36.0	N/A	Provides electronic and manned security solutions and services for commercial, residential, corporate, retail, and government customers.
Dec-08	Undisclosed	Document Technologies, Inc. Atlanta, Georgia	N/A	N/A	N/A	Provides facilities management and litigation outsourcing services.
Oct-07	Undisclosed	Lindley Food Service Corp. New Haven, Connecticut	\$ 2.5	\$ 8.8	\$ 0.2	Provides proportioned unitized meals for governmental programs, such as senior nutrition programs, Head Start programs, school breakfast, and summer school programs, primarily under fixed-price contracts in Connecticut, Florida, Indiana, Massachusetts, and Rhode Island.
Oct-05	Undisclosed	National Archive Publishing Company Ann Arbor, Michigan	\$ 30.0	N/A	N/A	Provides services, such as imaging, image conversion, Metadata capture and creation, text conversion, custom output formatting, and film duplication and replacement.
Apr-05	Undisclosed	US Maintenance, Inc. Norristown, Pennsylvania	\$ 77.0	N/A	N/A	Provides interior and exterior facilities maintenance solutions for retailers and multi-location corporations in the United States and Canada.
Sep-07	United Group-Australia North Sydney, Australia	UGL Unicco Newton, Massachusetts	\$ 414.8	\$ 801.8	\$ 37.0	Provides facilities maintenance services in North America
Feb-06	US Maintenance Norristown, Pennsylvania	DayStar U.S. Maintenance Oxnard, California	N/A	N/A	N/A	Provides exterior facility maintenance services in United States and Canada.
Jul-06	ValleyCrest Companies Calabasas, California	Fritz Brothers Shalimar, Florida	N/A	N/A	N/A	Provides tree care services to the Florida panhandle.
Mar-06	ValleyCrest Companies Calabasas, California	HRP LanDesign, Inc. Santa Ana, California	N/A	N/A	N/A	Operates as a landscape architecture and planning firm in California.
May-07	ValleyCrest Companies Calabasas, California	Longboat Key Maintenance Co. Longboat Key, Florida	N/A	N/A	N/A	Offers landscape development and maintenance services.
Dec-06	ValleyCrest Companies Calabasas, California	Phil Graham Studio St. Petersburg, Florida	N/A	N/A	N/A	Operates as a design and planning landscape architecture firm.
Jun-08	ValleyCrest Companies Calabasas, California	Pine Ridge Landscaping, Inc. Chantilly, Virginia	N/A	N/A	N/A	Provides landscape maintenance services to commercial properties and home owner's associations in Virginia.

SELECTED FACILITIES MANAGEMENT MERGERS AND ACQUISITIONS, 1998-PRESENT

Date	Buyer Name	Seller Name	Price (\$mm)	Seller Annual Revenue (\$mm)	Seller EBITDA (\$mm)	Seller Business Description
Sep-05	ValleyCrest Companies Calabasas, California	RMV Landscape & Maintenance, LLC Loveland, Colorado	N/A	N/A	N/A	A landscape construction and maintenance company based in Loveland, Colorado.
Mar-06	ValleyCrest Companies Calabasas, California	Site Works, Inc. Fairhope, Alabama	N/A	N/A	N/A	Operates as a landscape architecture firm in the United States.
Sep-07	ValleyCrest Companies Calabasas, California	Tropics North, Inc. Homestead, Florida	N/A	N/A	N/A	Provides landscape development and maintenance services.
Sep-07	ValleyCrest Companies Calabasas, California	TruGreen LandCare L.L.C., Landscape Construction Division Memphis, Tennessee	N/A	N/A	N/A	Offers the landscape construction services.
Oct-04	ValleyCrest Companies Calabasas, California	ValleyCrest Landscape Maintenance Calabasas, California	N/A	N/A	N/A	Provides landscape maintenance and horticultural services.
Jan-04	Waud Capital Partners, L.L.C. Lake Forest, Illinois	Compex Legal Services, Inc. Torrance, California	N/A	N/A	N/A	Provides litigation support services to legal and insurance firms in the United States.
May-07	Weatherly Financial Group, LLC York, New York	Fitz, Vogt & Associates Ltd. Walpole, New Hampshire	N/A	N/A	N/A	Provides food management services in New England and the Mid Atlantic region.
Sep-08	Webster Capital Waltham, Massachusetts	Jan-pro Holdings LLC Alpharetta, Georgia	N/A	N/A	N/A	Offers janitorial and cleaning services.
Dec-99	Wind Point Partners Chicago, Illinois	U.S. Security Associates, Inc. Roswell, Georgia	\$ 170.0	N/A	N/A	Provides security guard services in the United States.
Jan-09	Wind River Holdings, L.P. King of Prussia, Pennsylvania	First Service Networks, Inc. Linthicum, Maryland	N/A	N/A	N/A	Provides facilities management sourcing services for the retail industry.
May-99	Windward Capital Partners New York, New York	eMag Solutions, LLC Atlanta, Georgia	\$ 40.0	N/A	N/A	Provides data management solutions for litigation, regulatory, and compliance matters.
Dec-00	Workflow Management Inc. Palm Beach, Florida	Inform Graphics Inc. Beaverton, Oregon	N/A	N/A	N/A	Distributes business printing and promotional products. In addition the company provides document management services.

Source: Publicly-available news articles, SEC filings, and company web sites

make is made with the fullest information available.

Elements of Value

The quality of a facilities management company's revenues and profits is equally as important as quantity from the point of view of third party investors, merger partners and acquirers. The early years of establishing a business are all about building a revenue base, along with a critical mass of people and know-how. Once the business becomes established, it can then generate very attractive incomes for its principals. Creating wealth and liquidity for the equity holders beyond annual salaries, bonuses and perks means paying very close attention to the quality of revenues and profits.

Contractual Relationships with Customers

Perhaps the single most important qualitative characteristic of a facilities management operation from an outsider's perspective revolves around the nature of the customer contracts. Issues for consideration include:

- Are the contracts short-term or long-term?
- Can the contracts be terminated by the customers under certain circumstances?
- What provisions exist to raise or renegotiate prices?

Needless to say, competitive factors in the marketplace will dictate to some degree the amount of negotiating leverage a company has with its customers. Within these competitive

constraints, the stronger the customer contracts are, the higher the qualitative value of a company's cash flow stream. As a company begins to plan for a liquidity event, taking steps to enhance the contractual relationships that the company has with its important accounts will be time very well spent.

Employment Agreements

Companies providing services for a living must rely much more heavily on human assets than physical assets. As a facilities management business grows and more people have positions of great importance, the loss of a key player can materially hurt a company. To make matters even worse, events involving third party investment often precipitate the loss of one or more key people. The ability to provide assurances that there will be minimal disruption among key employees can literally make or break a transaction. While state laws vary regarding the enforceability of non-compete agreements, softer agreements are generally enforceable in most states. The kinder, gentler non-competes typically involve, at a minimum, language covering non-solicitation of existing customers for a year or two. Even this basic protection can be a very important indicator to a third party of the value a company has created. Additional language typically involves the maintenance of confidentiality of proprietary information which is in the company's possession. This language effectively prevents employees from taking computer files or other

proprietary know-how and using it against a company. Companies need to spend the legal time and cost necessary to ensure that any agreements with employees are legally valid and enforceable. If the courts do not recognize the enforceability of a strong non-compete, it is worthless.

Strength of Customer Relationships

Beyond contractual terms with customers, the strength of the relationship between a company and its clients' senior management is a vital qualitative factor in determining value. To determine how strong a company's customer relationships are, prospective investors may ask the following questions:

- How important are the company's people to their customers' management?
- Does the company have marketing people focused on maintaining and building existing customer relationships?

An important part of the upside potential which a strategic partner will see in a business is the ability to cross-sell services to a company's existing customers. The better the customer relationships a company has, the more likely there's opportunity to leverage the relationships by selling additional services. Spending marketing dollars on maintenance of existing accounts might dampen short-term profits, but it should greatly enhance the qualitative value of earnings. It should also have the benefit of stabilizing a company's revenue base.

Seniority of Customer Contacts

Winning new business is vital to any company. Certainly the focus of young and growing companies is to win more new business any way possible. Over time, as relationships with customers grow, a company's services become more and more visible and vital to members of the customers' senior management teams. As this progression occurs, companies are well served by working on climbing the corporate ladder as much as possible and broadening key contacts to include the Chief Financial Officer, the Chief Operating Officer and even the Chief Executive Officer. More senior customer relationships add significant value in business combination transactions. The ability to access key accounts with ease, and to access them at or near the top of the totem pole, allow companies to grow their platform by adding new services to existing accounts.

Differentiation from Competition

Facilities management services companies must strive to provide a truly differentiated service in the marketplace. Since a service cannot be touched or felt like a product can, differentiating services can be tricky. In very broad terms, most services companies strive to either be the best or the cheapest. A company can't be both, and if a company is neither it runs the risk of getting lost in the pack. Companies should consider:

- What is the best way to position services in the market place?

SELECTED PUBLICLY-TRADED FACILITIES MANAGEMENT COMPANIES

Company / Location	Business	Website	(\$ U.S. Millions)			
			Revenues / EV ÷ Revenues	EBITDA / EV ÷ EBITDA		
ABM Industries Inc. New York, New York	Janitorial, parking, security, and engineering services	www.abm.com	\$	3,519.6 0.3x	\$	131.3 9.0x
American Reprographics Company Walnut Creek, California	Document management services	www.e-arc.com	\$	543.9 1.0x	\$	110.4 4.9x
Brinks Company Richmond, Virginia	Secure transportation, cash logistics, and other security- related services	www.brinkscompany.com	\$	3,045.7 0.4x	\$	294.7 4.3x
Cintas Corporation Cincinnati, Ohio	Rental uniforms and document management services	www.cintas-corp.com	\$	3,664.1 1.3x	\$	648.4 7.5x
Compass Group plc Surrey, United Kingdom	Contract food services and support services	www.compass-group.com	\$	21,339.1 0.7x	\$	1,690.2 8.7x
Distinction Group, Incorporated Quebec, Canada	Janitorial and mechanical maintenance services	www.distinction.ca	\$	233.5 0.4x	\$	13.2 6.7x
Faber Group Bhd Kuala Lumpur, Malaysia	Facilities management services	www.fabergroup.com.my	\$	195.7 0.8x	\$	36.7 4.0x
Garda World Security Corporation Quebec, Canada	Security guard and cash logistics	www.garda.ca	\$	1,068.3 0.8x	\$	117.9 7.3x
Healthcare Services Group Incorporated Bensalem, Pennsylvania	Housekeeping, laundry, linen, facility maintenance, and food services	www.hcsgcorp.com	\$	664.7 1.2x	\$	49.1 16.0x
Impel SA Wroclaw, Poland	Cleaning, security, and catering services	www.impel.pl	\$	372.9 0.4x	\$	19.9 7.5x
Interserve plc Berkshire, United Kingdom	Facilities management and maintenance services	www.interserveplc.co.uk	\$	3,068.8 0.2x	\$	142.3 3.3x
Iron Mountain Incorporated Boston, Massachusetts	Records management, data protection and recovery, and information destruction	www.ironmountain.com	\$	2,986.8 2.7x	\$	840.5 9.6x
Johnson Service Group plc Cheshire, United Kingdom	Textile rental, dry-cleaning, and facilities management services	www.johnsonplc.com	\$	409.2 2.7x	\$	34.4 6.4x
Legion Group plc. Hertfordshire, United Kingdom	Security and parking services	www.sectorguard.co.uk	\$	48.3 0.6x	\$	0.5 NM
Mavinwood Plc London, United Kingdom	Document management solutions	www.mavinwoodplc.com	\$	33.2 1.1x	\$	5.8 6.2x

SELECTED PUBLICLY-TRADED FACILITIES MANAGEMENT COMPANIES

Company / Location	Business	Website	(\$U.S. Millions)	
			Revenues / EV ÷ Revenues	EBITDA / EV ÷ EBITDA
Mitie Group plc Avon, United Kingdom	Outsourcing and asset management services in support of the buildings, facilities, and infrastructure of clients	www.mitie.co.uk	\$ 2,541.6 0.5x	\$ 161.5 8.6x
Rentokil Initial plc West Sussex, United Kingdom	Business to business support services	www.rentokil-initial.com	\$ 4,162.3 1.3x	\$ 655.8 8.0x
Rollins Incorporated Atlanta, Georgia	Pest and termite control services and sanitation services and products	www.rollins.com	\$ 1,062.5 1.7x	\$ 166.6 11.1x
Securitas AB Stockholm, Sweden	Specialized guarding services	www.securitasgroup.com	\$ 9,218.8 0.6x	\$ 657.9 8.0x
Service Point Solutions, S.A. Catalonia, Spain	Document management services	www.servicepoint.net	\$ 349.5 0.9x	\$ 29.9 10.3x
Sodexo Ile-de-France, France	Food and facilities management services	www.sodexo.com	\$ 21,104.3 0.5x	\$ 1,346.9 8.4x
Spotless Group Limited Melbourne, Australia	Cleaning services, food services, laundry services, and managed services	www.spotless.com.au	\$ 2,221.4 0.4x	\$ 141.7 6.0x
Tri-S Security Corporation Alpharetta, Georgia	Uniformed and armed guards	www.trissecurity.com	\$ 159.9 0.2x	\$ (2.7) NM
Turvatiimi Corporation Helsinki, Finland	Security services	www.turvatiimi.fi	\$ 41.4 1.1x	\$ (0.1) NM
Average Multiples:				
	Mean		0.8x	7.7x
	Median		0.7x	7.5x

EV: Enterprise Value, defined as market capitalization, plus debt, less cash

EBITDA: Earnings before interest, taxes, depreciation and amortization

Source: Publicly - available financial statements for the most recent available twelve months' reporting period

- How are its services perceived in the market place?
- Is there a legitimate claim to any competitive differentiation?

The more a company can articulate a vision for its competitive niche and get the market to respond to its positioning, the more attractive that company's revenues and profits will be. A unique positioning in the market is much more defensible than no positioning at all, or middle-of-the-pack positioning. It is not practical to become obsessed about competitive positioning. However, the more a company can determine where its strengths lie, and translate those strengths into perceived market characteristics, the more focused marketing and execution can become. If a company can become either the best in one or more aspects of service provision, or the cheapest, its positioning will help build sustainable competitive advantages.

Diversity of Revenue Stream

Younger companies by definition are heavily reliant on a few customers, because they only have a few customers. One key objective for facilities management companies as they grow revenues should be to minimize reliance on any one customer. As strong as customer relationships may be, third party investors are always concerned about whether they will be able to inherit a customer base. They will expect to lose several accounts, because it almost always happens. Therefore, investors become wary when any one company accounts for more

than 5 - 10% of sales. If a company does have some large contracts, the contractual relationships need to be as strong as possible.

Customer Stability

Customer base stability is an important consideration for investors. Most investors like to see a chart for the past five years showing number of customers at the start of each year, number lost during the year, number gained during the year, and the net year-end number. One measure of a company's strength is shown on that chart – is there a strong pattern of new clients each year with minimal client loss? If not, a company should be able to explain what the chart shows. For a company planning a future liquidity event, showing a strong pattern of building a client base is an important element of the quality of growth and profits.

Technology Investments

The business world is quickly dividing into two camps: those who have up-to-date technology and those who do not. Reinvesting the enormous sums required to ensure that a company has the computer hardware and software necessary to remain competitive takes great courage, especially if a company is contemplating a sale. However, the alternative is not appealing: companies which fall behind technologically are often viewed as less attractive candidates for merger or acquisition transactions. Increasingly, companies which are in the technological dark ages are being viewed as unsalable because the catch-up required is

nearly insurmountable, in terms of both time and money.

Strategic Alternatives

Facilities management companies looking to expand enjoy a variety of alternatives, including capital infusions, corporate affiliations, and public offerings. Prior to undertaking any of these options, companies need to prime themselves for a successful transaction. On the following pages we outline growth alternatives and highlight the most important aspects of transaction preparation.

Capital Infusion

Growing facilities management companies wanting to remain competitive in an ever-tightening market can consume more capital than they generate in profits in the pursuit of expansion opportunities. A capital infusion from institutional investors fuels more aggressive growth plans in exchange for a percentage of the company's equity. Investor groups look for companies with a compelling story and attractive prospects that are in need of capital to finance their growth. Also of interest are companies faring successfully in highly competitive facilities management niches, as well as those companies that are at the forefront of a new or emerging industry niche.

Corporate Affiliations

ABM, ServiceMaster and other facilities management companies have gained sales and larger contracts by stringing together companies

with a variety of niche specialties to create facilities management firms with full-service, global capabilities. As clients consolidate, maintaining contracts can become increasingly difficult for smaller facilities management companies. Acquiring complementary companies and merging with competitors are classic techniques used in consolidating industries. The principal advantage of these strategies is that they build critical mass. Building scale helps to ensure long-term capability and competitiveness in the market. Younger facilities management companies can take advantage of this technique as well by consolidating and building up their range of specializations. In addition to other facilities management companies, there are alternative avenues for corporate affiliations. Several well-capitalized companies outside the facilities management services space are interested in companies whose capabilities provide them with additional offerings to their existing clients. This sort of partnership often allows the acquired company to grow rapidly as it gains access to a larger installed customer base.

Going Public

Companies with good track records and a compelling plan for future growth are able to access public capital. Going public raises capital to finance future growth, disperses ownership among hundreds or thousands of shareholders, and develops a liquid market for securities. However, an IPO is not the perfect solution for

every company as there are drawbacks to gaining capital from the public market. These include public scrutiny of quarter-to-quarter results, the risk of losing an active following which could lead to a drop in stock price, the possibility of unwanted outsiders gaining an interest in the company, the inability to sell shares until a strong following is developed, and the increased management time dedicated to ongoing investor relations.

Whichever strategic alternative facilities management companies choose to fund their future growth, or gain an edge in the industry, this is an excellent time to consider your options. Companies in virtually every industry will continue to seek means to lower costs and focus on their core businesses. Firms which provide high-quality, cost-saving services will continue to be in demand, regardless of the specific types of services they offer.

Transaction Preparation

Prior to embarking on a process to attract growth capital, making preparations can greatly enhance the ultimate terms of any financing transaction. Preparation entails a company's management team viewing their company as an outside investor would, focusing on maximizing the long-term potential growth of the business. Preparation can spell the difference between success and failure in a transaction process.

Management Team. Facilities management services companies have almost nothing in the way of hard assets, unlike manufacturing and distribution businesses. As a consequence, the existence of a strong, experienced management team is of critical importance for a company preparing for a transaction. Privately held companies must address:

- The ability of the existing management team to build the business;
- The willingness of the management team to enter into new, or extend existing, employment agreements; and
- The team's ability to articulate and realize the company's corporate vision.

Assessment of Competitive Strengths. Every regional and local market has its own unique characteristics. In some markets, competitors are fierce, in others feeble. An understanding of how a company stacks up against its competition can be a very useful analysis for parties considering making an investment.

Recapitalization. In certain instances, undertaking a corporate recapitalization can facilitate the process of attracting new investors. A rejiggering of the capital structure, even one not involving any cash exchange, can remove obstacles to a new financing. Some common examples include:

- Buying out minority shareholders
- Issuing stock to management
- Increasing or decreasing loans to shareholders or related parties

- Establishing a new corporation to retain certain assets or lines of business
- Renegotiating terms of third party debt

Communications with Employees. Most capital financing transactions mean good news for employees. The company will be better financed and therefore better able to grow, and career opportunities will be enhanced. If management explains the decision and rationale behind a transaction at the beginning of the process, employees are more inclined to support the decision. While there is a risk of artificially building up expectations in the event of an unsuccessful process, keeping employees informed and aware of major corporate decisions can cement employee loyalty in the long run.

Transaction Forms

One advantage of dealing with publicly-traded companies is that they have two liquid transaction currencies to offer: cash and listed securities. Non-public companies of course do not have listed securities; furthermore, they generally have less cash resources than publicly-traded companies. Transaction forms tend to involve less liquid consideration when entering into a transaction with a non-public company, including:

(1) Private stock – Taking stock in a private company involves a fair amount of risk. Since there is no public market for the stock, you must negotiate for liquidity rights. These include the establishment of sinking funds to convert

securities to cash, options allowing you to put the stock back to the issuer, sunset provisions requiring a buyout under certain circumstances such as a change of control, and registration rights in the event of public stock offering. There are also many different types of private securities, ranging from convertible debt, to preferred stock, to a special series of common stock with its own terms and provisions.

2) Earn-out provisions – Earn-out provisions entitle the sellers to be paid additional consideration should certain events take place in the future, most commonly the achievement of pre-negotiated sales or earnings targets. The problem with earn-outs is that they are only as good as the terms of the underlying contract, and only as good as the credit of the acquiring company. However, sellers can also set conditions on earn-out provisions for their protection. One common technique is to allow the sellers to reacquire their company at a significant discount should disagreements or conflicts arise in the earn-out arrangement. Another is to create a cash escrow account setting aside the earn-out funds to ensure the funds are available if earned.

3) Employment and non-compete agreements – A portion of the transaction consideration can be applied to employment contracts and agreements not to compete. Acquirers favor these types of payments because they are generally tax-deductible. Sellers have two issues: the payments are taxable as ordinary

SELECTED FACILITIES MANAGEMENT COMPANIES WITH PRIVATE EQUITY INVESTMENTS

<u>Company / Location</u>	<u>Description</u>	<u>Website</u>	<u>Private Equity Investor</u>
40 - 30 S.A.R.L. Rhône-Alpes, France	Hardware and equipment maintenance	www.40-30.fr	Banque de Vizille
Advanced Technology Services, Inc. Peoria, Illinois	Outsourced factory maintenance	www.advancedtech.com	Citizens Capital, Inc. Northwood Ventures, L.L.C. RFE Investment Partners
Ainsworth, Inc. Ontario, Canada	Maintenance, installation, and retrofit services	www.ainsworth.com	Borealis Capital Corporation
Allegiance Security Group Fort Myers, Florida	Security guard services company	www.allegiancesecurityteam.com	Trivest Partners, L.P.
Allegis Residential Services, Inc. San Diego, California	Property management services	www.allegisresidentialservices.com	Plantagenet Capital
Andrews International, Inc. Valencia, California	Security and risk mitigation services	www.andrewsinternational.com	Audax Group Greyrock Capital Group
ARAMARK Corporation Philadelphia, Pennsylvania	Range of managed services	www.aramark.com	Warburg Pincus LLC
Aviapartner NV Flemish Brabant, Belgium	Passenger handling, ramp handling, and cargo handling services	www.aviapartner.aero	3i Group Intermediate Capital KBC Private Equity NV Sofinim NV
Bergensons Property Services Inc. Ocean Side, California	Cleaning, property management, and janitorial services	www.bergensons.com	Champlain Capital Management, LLC
Brickman Group Ltd. Gaithersburg, Maryland	Commercial landscape services	www.brickmangroup.com	BancBoston Capital, Inc. Leonard Green & Partners, L.P. PPM America Capital Partners, LLC TCW/Crescent Mezzanine Partners, LLC Trilantic Capital Management LLC York Street Capital Partners, LLC
Brock Group of Companies Beaumont, Texas	Industrial maintenance services	www.brockgroup.com	Lindsay Goldberg
Capital Contractors, Inc. Melville, New York	Commercial and office janitorial services	www.capitalcontractors.com	Palladium Equity Partners, LLC
Certo Group, LLC Piscataway, New Jersey	Food service company	www.lafoods.com	Yorkville Advisors LLC
CoakleyTech, LLC Milwaukee, Wisconsin	Document management services	www.coakleytech.com	Huron Capital Partners, LLC

SELECTED FACILITIES MANAGEMENT COMPANIES WITH PRIVATE EQUITY INVESTMENTS

<u>Company / Location</u>	<u>Description</u>	<u>Website</u>	<u>Private Equity Investor</u>
Compex Legal Services, Inc. Torrance, California	Document retrieval and duplication services	www.compexlegal.com	Sprout Group Waud Capital Partners, L.L.C.
Controlled Contamination Services LLC San Diego, California	Cleaning in data centers and raised floor environments	www.cleanroomcleaning.com	Evolve Capital Harbert Mezzanine Partners Patriot Capital, L.P.
Coor Service Management AB Stockholm, Sweden	Workplace services and property management services	www.coor.com	Cinven Limited
Coverall North America, Inc. Boca Raton, Florida	Cleaning services	www.coverall.com	Allied Capital Corporation Chicago Growth Partners Primus
Cyprex Services, LLC Brandon, Florida	Cleanups/maintenance/security services	www.cyprex.net	Stone Point Capital LLC
DOAR, Inc. Lynbrook, New York	Preservation, identification, collection, and management of information	www.doar.com	Veronis Suhler Stevenson
Docufree Corporation Roswell, Georgia	Document and business process management solutions	www.docufree.com	Lovett Miller & Co. UPS Strategic Enterprise Fund
Document Technologies, Inc. Atlanta, Georgia	Facilities management and litigation outsourcing services	www.dtiglobal.com	Quad-C Management, Inc.
Dwyer Group Inc. Waco, Texas	Residential and commercial restoration and cleaning services	www.dwyergroup.com	Riverside Company Tower Square Capital Partners
Echelon Partners, LLC Denver, Colorado	Facilities management and security solutions	www.echelonpartnerscorp.com	MBH Enterprises, Inc.
Elior SA Ile-de-France, France	Contract catering and facilities management business	www.elior.fr	Charterhouse Capital Partners LLP
eMag Solutions, LLC Atlanta, Georgia	Data management solutions	www.emaglink.com	Patriarch Partners, LLC
Empire Maintenance Industries Inc. Quebec, Canada	Cleaning and janitorial company	www.empiremaintenance.ca	BMO Capital Corporation
Emprise Services plc London, United Kingdom	Cleaning and security services	www.emprise.co.uk	LDC Ltd.
Encore Discovery Solutions, Inc. The Woodlands, Texas	Data discovery and related services	www.encorediscovery.com	Ascent Equity Capital Baird Capital Partners Frontenac Company Patriot Capital Funding, Inc. Primus

SELECTED FACILITIES MANAGEMENT COMPANIES WITH PRIVATE EQUITY INVESTMENTS

<u>Company / Location</u>	<u>Description</u>	<u>Website</u>	<u>Private Equity Investor</u>
Expert Janitorial, Inc. Green Lane, Pennsylvania	Facilities maintenance services	www.expertjanitorial.com	Patriot Capital, L.P. Snowbird Capital, Inc. White Peak Capital, Inc.
Faceo Group Ile-de-France, France	Facilities management	www.faceo.com	Altmir Amboise SCR Apax Partners Cobepa S.A. Indigo Capital LLP Quilvest Private Equity Salvepar
Fios, Inc. Portland, Oregon	Electronic discovery management services	www.fiosinc.com	3i Group plc Banyan Capital Partners CoMotion Venture Capital Encompass Ventures Fluke Venture Partners Integrity Partners Kibble & Prentice Holding Company Velocity Equity Partners, LLC
First Service Networks, Inc. Linthicum, Maryland	Facilities management sourcing services	www.firstservicenetworks.com	Cross Atlantic Capital Partners Grotech Ventures L&L Capital Partners, LLC Wind River Holdings, L.P. Zero Stage Capital
Fitz, Vogt & Associates Limited Walpole, New Hampshire	Food management services	www.fitzvogt.com	Gryphon Investors
Five Star Food Services Inc. Chattanooga, Tennessee	Vending and food services	www.fivestar-food.com	Cowen Capital Partners, LLC
FS3, LLC Denver, Colorado	Facilities management strategies, services, and solutions		Echelon Partners, LLC
GCA Services Group, Inc. Cleveland, Ohio	Janitorial / custodial services	www.gcaservices.com	Beringea Private Equity HLM Liberty Venture Partners, Inc. Nautic Partners, LLC NewSpring Capital TDH Venture Partners
Global Document Solutions Corporation New York, New York	Document creation, outsourcing and printing solutions	www.gdocs.com	FTV Capital
IAP Worldwide Services, Inc. Cape Canaveral, Florida	Facilities management and base operations	www.iapws.com	Cerberus Capital Management, L.P.
Inland Industrial Services Group, LLC LaPorte, Texas	Industrial cleaning services	www.iisgllc.com	Soave Enterprises, LLC Strength Capital Partners

SELECTED FACILITIES MANAGEMENT COMPANIES WITH PRIVATE EQUITY INVESTMENTS

<u>Company / Location</u>	<u>Description</u>	<u>Website</u>	<u>Private Equity Investor</u>
ISS A/S Copenhagen, Denmark	Facility services company	www.issworld.com	Goldman Sachs
Ivize of Charlotte, LLC Charlotte, North Carolina	Document outsourcing services	www.ivize.net	HighPoint Capital Management, LLC Mt. Auburn Partners, LLC
Jan-Pro Franchising International, Inc. Alpharetta, Georgia	Commercial cleaning services	www.jan-pro.com	Gemini Investors Starboard Capital Partners, LLC Webster Capital
K2 Industrial Services, Inc. Hammond, Indiana	Coatings and cleaning contractor	www.k2industrial.com	Bluestem Capital Partners Capital Resource Partners
Kellermeyer Building Services, LLC Maumee, Ohio	Commercial cleaning services	www.kbs-clean.com	Key Principal Partners
Laro Service Systems, Inc. Bay Shore, New York	Facilities maintenance services	www.laro.com	Eureka Growth Capital
Linc Group, Inc. Irvine, California	Facilities management and building systems services	www.thelincgroup.com	GI Partners
MIBAG Property & Facility Management Baden, Switzerland	Property and facility management solutions	www.mibag.ch	3i Group plc
National Archive Publishing Company Ann Arbor, Michigan	Document preservation and custom publishing services	www.napubco.com	Superior Capital Partners, L.L.C.
Noonan Services Limited Dublin, Ireland	Integrated facility services	www.noonanservices.ie	Alchemy Partners LLP
Olympus Building Services, Inc. New Hope, Pennsylvania	Facilities support services	www.olympusbuildingservices.com	Main Street Capital Corporation
Onet SA Provence-Alpes-Cote d'Azur, France	Cleaning logistics and waste management services	www.groupeonet.com	Societe Fonciere Financiere & de Participations
Pacific Building Care, Inc. Costa Mesa, California	Commercial janitorial company	www.pbcare.com	Scorpion Capital Partners L.P.
Packers Sanitation Services, Inc. Mount Pleasant, Iowa	Contract cleaning and night sanitation services	www.packers-sanitation.com	Blue Point Capital Partners
Paramount Building Solutions Inc. Tuscon, Arizona	Outsourced janitorial services	www.paramountbldgsol.com	LaSalle Capital Group, L.P. Marquette Capital Partners

SELECTED FACILITIES MANAGEMENT COMPANIES WITH PRIVATE EQUITY INVESTMENTS

<u>Company / Location</u>	<u>Description</u>	<u>Website</u>	<u>Private Equity Investor</u>
Plan Express, Inc. Memphis, Tennessee	Document management, printing, and logistics services	www.planexpress.net	Frontier Capital LLC SSM Partners
PSC Info Group, Inc. Oaks, Pennsylvania	Document and information management services	www.pscinfogroup.com	Summit Partners
Quest Discovery Services, Inc. San Jose, California	Legal document services	www.questds.com	NewSpring Capital
Remco Maintenance, LLC Long Island City, New York	Restoration and maintenance services	ww.myremco.com	Patriarch Partners, LLC
Resource Belfast, Ireland	Cleaning, reception, security, car park management, industrial and maintenance, and bundled services	www.resource-group.com	Lioncourt Capital Limited
Seguriber S.A. Madrid, Spain	Security services	www.gruposeguriber.es	MCH Private Equity, S.L.
Servair SA Ile-de-France, France	Restaurant, equipping and logistics, cleaning and airport assistance services to airlines	www.servair.fr	Groupe IDI
Servicemaster Company Memphis, Tennessee	Various services to residential and commercial customers	www.servicemaster.com	Apollo Management, LP Clayton, Dubilier & Rice, Inc. National City Equity Partners, LLC
SMS Systems Maintenance Services, Inc. Hudson, Massachusetts	Maintenance services for infrastructure systems	www.sysmaint.com	Frontenac Company
SOURCECORP, Incorporated Dallas, Texas	Document management services	www.srcp.com	Apollo Management, LP
SteriGenics International, Inc. Oak Brook, Illinois	Contract sterilization and ionization services	www.sterigenics.com	PPM America Capital Partners, LLC Silverfleet Capital Partners
T&M Protection Resources, LLC New York, New York	Uniformed and plainclothes security officer services	www.tandmprotection.com	Pegasus Capital Advisors, L.P.
Thompson Industrial Services Inc. Sumter, South Carolina	Industrial chemical cleaning and maintenance services	www.thompsonind.com	BB&T Capital Partners, LLC Parkway Capital Investors, LLC
Towne Park Limited Annapolis, Maryland	Hospitality contract services and parking systems	www.townepark.com	Camden Partners Holdings, LLC Capital Works, LLC Gates Group Capital Partners HarbourVest Partners, L.L.C.

SELECTED FACILITIES MANAGEMENT COMPANIES WITH PRIVATE EQUITY INVESTMENTS

<u>Company / Location</u>	<u>Description</u>	<u>Website</u>	<u>Private Equity Investor</u>
U.S. Security Associates, Inc. Roswell, Georgia	Security guard services	www.ussecurityassociates.com	Allied Capital Corporation BlackRock Kelso Capital Corporation Wind Point Partners
ValleyCrest Companies Calabasas, California	Landscape design, construction, and maintenance services	www.valleycrest.com	MSD Capital, L.P.
Venturi Technologies, Inc. Commerce City, Colorado	Carpet cleaning and fire and flood restoration services	www.venturiclean.com	Greenwich Beteiligungen AG
Vision Security Group Ltd. Northamptonshire, United Kingdom	Security and support services	www.vsg.co.uk	LDC Ltd.
W.I.S. Sicherheit Unternehmensgruppe North Rhine-Westphalia, Germany	Security consulting, security services, human resource and janitorial services	www.wis-sicherheit.de	MML Capital Partners Argantis GmbH

Source: Publicly-available news articles, SEC filings, and company web sites

income, and they are only as good as the credit of the acquiring company. Sellers should negotiate protections against the non-payment of these amounts.

While cash and listed securities offer the most liquidity, transaction forms involving private stock and earn-outs can help to maximize value.

Negotiating Process

The successful negotiating process begins with a review of the company's strategic options and ends with a consummated transaction. Each of the participating companies in a merger or acquisition transaction must view the transaction terms as being favorable from their perspective. Getting to the finish line often means making a clear prioritization of the elements of the deal and knowing when and where to be flexible in the negotiating process.

There are no magic formulas or secret recipes to a successful deal – two motivated and reasonable parties working together toward a common objective, willing to compromise when necessary for mutual benefit, create a negotiating context with the highest probability for success. The various phases of a transaction can be described as follows:

Phase I: Setting the Stage

- Reviewing the strategic options.
- Identifying appropriate corporate partners.

- Assessing the company's objectives in any transaction.
- Finalizing list of companies to be considered.
- Developing package of information to be shared with prospective partners.

Phase II: Initiating Contacts

- Approaching potential partners.
- Exchanging information subject to confidentiality agreements.
- Assessing strategic fit with partners.
- Determining cultural similarities and differences between the parties.
- Performing detailed pro forma financial analyses of various transaction forms.

Phase III: Selecting a Finalist

- Forming the negotiating team.
- Conducting active negotiations with most interested parties.
- Creating optimum transaction structure meeting the needs of the parties while taking tax and structural considerations into account.
- Circulating draft agreement to assess both price and terms for each party, if appropriate.
- Soliciting indications of interest from qualified parties, and comparing price, terms and forms of consideration.
- Finalizing Letter of Intent with finalist which outlines price and major terms, and allows for exclusive period to negotiate.

Phase IV: Ironing Out the Details

- Performing detailed due diligence.
- Exchanging all pertinent documents.
- Reviewing and negotiating draft transaction agreements.
- Obtaining all necessary corporate and governmental approvals for consummating the transaction.
- Communicating the benefits of the transaction to all important constituencies, including employees, customers and the community.

Phase V: Closing

- Finalize and execute transaction contract and related documentation.
- Ownership transfer.

Normalized Financial Statements

Private companies generally run their businesses in order to maximize income paid to owners, and minimize taxes paid to the government. The result is usually the opposite of what publicly-traded companies try to do: maximize earnings per share to maximize share price. Since many potential capital partners will either be publicly-traded companies, or want to eventually go public themselves, recasting your historical income statements will typically include:

- Excess owner's compensation;
- One-time, unusual or non-recurring charges such as legal and consulting fees and relocation expenses;

- Items expensed which could have been capitalized, such as leasehold improvements and software development costs;
- The financial results of discontinued operations;
- Research and development expenses which do not directly relate to your day-to-day operations, for example the cost associated with expanding into new products or geographical areas; and
- Adjustments to GAAP accounting, should your statements be prepared on a cash basis.

In addition, some companies also consider what expenses – or categories of expenses – might be reduced or eliminated in certain strategic partnerships. Privately-held facilities management services companies, for example, sometimes contract with third parties to perform certain internal administrative functions. Should a potential corporate partner possess these administrative capabilities, it may be possible to eliminate the incremental costs associated with these functions. Presenting balance sheets also involves certain adjustments. Depending upon the most appropriate transaction structure for your circumstances, you might choose to hold back certain assets and liabilities from the transaction. Including any corporate cash or investments generally will increase the price paid on a dollar-for-dollar basis. Since you will be taxed on the proceeds at the long-term capital

gains rate of 15%, rather than ordinary income tax rates, including cash and investments in the transaction could potentially cut your tax bill. On the other hand, including debt on the balance sheet will generally reduce the price on a dollar-for-dollar basis. Therefore, selling parties could have a financial incentive to hold onto debt obligations to avoid being taxed on the incremental price. Another typical consideration involves real estate assets. Spinning those assets off into a separate entity allows you to potentially retain the upside in the value of these assets if you expect appreciating prices. In any event, carefully considering whether you wish to sell or retain each of your assets and liabilities is an important preparatory step when presenting your anticipated transaction balance sheet to prospective partners.

Conclusion

The facilities management services industry represents a diverse group of companies which face exciting growth prospects. From the traditional janitorial and food services organizations, to companies providing e-commerce solutions, the acceptance of outsourced services is growing. Companies in all industries increasingly must manage costs more aggressively, as revenue growth slows. Letting expert third party organizations take over

specific functional areas has the dual advantages of reducing expenses and improving quality. One of the hardest aspects of achieving growth for facilities management services providers is gaining new customers. Senior managers of potential client companies are generally very busy people whose jobs involve intensive day-to-day management. As a consequence, the opportunities to interact with these companies are rare. At the same time, business executives want one-stop-shop resources which can provide not just one, but a full array of services. Therefore, business combinations among facilities management companies can create outstanding revenue growth by bringing several services under one roof, and also by cross-selling each other's customer base. As you build your business, keeping your exit strategy in mind can reap huge dividends in the future. Potential investors will one day want to know that your business model is transferable. That means long-term customer contracts, non-compete agreements with all key employees, strong management, competitive differentiation--anything which adds to the stability and predictability of your revenues and profits. Stock market values will go up and down, and today's acquirers will be tomorrow's divestors, but a solid business with consistent profitability will always be in fashion.

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ABOUT SCOTT-MACON

Scott-Macon is an investment banking firm providing corporate advisory services to a broad range of industries, including a specific focus on the facilities management services industry. Founded in 1973, Scott-Macon has 20 senior professionals with an average of 20 years' experience in Investment Banking.

SERVICES AND CAPABILITIES

- Corporate Sales – Assisting privately-held and publicly-traded companies to arrange sale, divestiture and merger transactions as well as corporate valuations for board or management use.
 - Acquisition Advisory – Providing assistance in identifying acquisition prospects, contacting companies, and negotiating acquisition transactions.
 - Capital Raising – Arranging for the private placement of equity and debt securities.
 - Strategic Planning – Planning overall corporate objectives, reviewing strategic alternatives, and creating plans for maximizing value.
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