

M&A Quarterly Review

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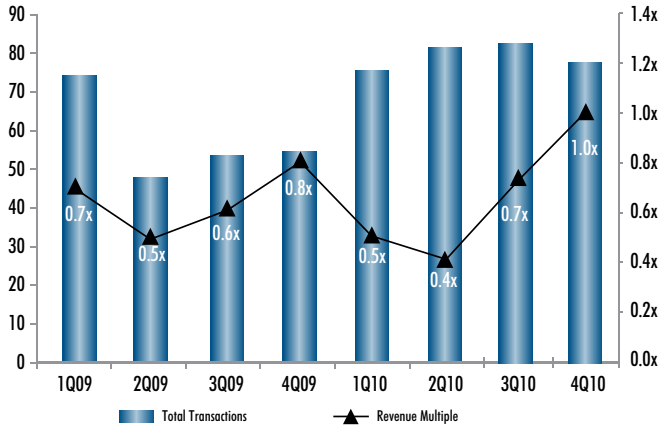
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4Q10 Facilities Management Services M&A Review

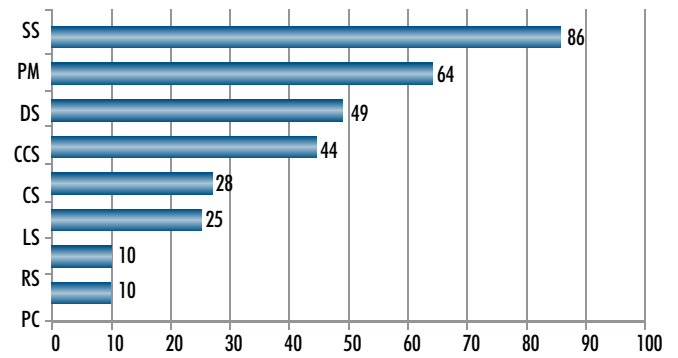
Facilities Management Services M&A Activity



During 2010, transactions involving security services targets (86 transactions) led M&A activity in the FMS space, followed by deals involving property management (64 transactions) and commercial cleaning targets (44 transactions). These three segments accounted for approximately 73% of all facilities management services transaction activity in the year. The following table contains additional market statistics, rationale for M&A activity and illustrative deals for each of the major sub-sectors tracked by PMCF.

M&A activity in the facilities management services (“FMS”) sector rebounded in 2010 as a result of improving economic and debt market conditions globally. For the full year ended December 31, 2010, the FMS sector reported 316 transactions, an increase of 36% compared to the 233 transactions announced during 2009. Transaction activity was balanced throughout the year with 78 announced transactions in 4Q10 compared to 75 deals in 1Q10, 81 deals in 2Q10 and 82 deals in 3Q10. 4Q10 transaction activity was up 37% compared with 4Q09.

2010 Deal Count



RS = Restoration Services; DS = Diversified Services; CCS = Commercial Cleaning Services; LS = Landscaping Services; CS = Catering Services; PM = Property Management; SS = Security Services

Subsector	Market Status	2010 Deal Count	Stated/Demonstrated Rationale for M&A Activity	Illustrative Deals (Acquirer/Target)
Commercial Cleaning Services	\$41.8B market size; projected growth of 3.2%; office cleaning represents 53% of market	44	<ul style="list-style-type: none"> Supplement organic growth Extend suite of services Expand footprint Enter new end markets 	ABM / Diversco ABM / Linc Group Compass Group / Hurley Lindsay Goldberg / PSC
Catering Services	\$30.3B market size; projected growth of 3.4%; top 3 players generate 84% of market revenue	28	<ul style="list-style-type: none"> Expand internationally Scale benefits in purchasing and distribution 	Spotless / Event Management Catering Gategroup / SkyGourmet
Landscaping Services	\$58.9B market size; 63% single family residential, 24% commercial/industrial; highly fragmented market with no player over 3% share	25	<ul style="list-style-type: none"> Grow brand recognition Diversify revenue streams Expand geographic coverage 	Davey Tree / Harney Greymont Yellowstone Landscape / Forest Hill
Pest Control	\$7.0B+ market size; 70% residential, 30% commercial; top 3 players represent 30% of market	10	<ul style="list-style-type: none"> Consolidate regional players Grow brand recognition 	Terminix / Antimite Rollins / Waltham & TruTech
Property Management	\$45.1B market size; projected growth of 5.2%; non-residential PM represents 26% of market	64	<ul style="list-style-type: none"> Scale operations Capitalize on cost synergies 	Colliers / GEPC Colliers / Yancey Hausman Firstservice / Crosby
Restoration Services	N/A	10	<ul style="list-style-type: none"> Expand service centers/reach Revenue diversification Add specialty expertise 	InStar / B. Poole & Horizon Belfor / Coach's On Side / Stay Kleen
Security Services	\$19.6B market size; projected growth of 3.2%; guarding services represents 77% of market	86	<ul style="list-style-type: none"> Establish global presence to meet multinational customer needs Gain scale and share in current mature markets 	Securitas / (11 total) Compass Group / VSG

Data Sources: Cap IQ, Thomson One, Mergemarket, IBIS World, Company Filings

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Select FMS M&A Transactions

Select FMS Transactions (\$mm)

Date*	Acquirer	Target	Target Primary Service	Enterprise Value (\$mm)	Revenue Multiple	EBITDA Multiple
Dec-10	Nature's Trees, Inc.	Autumn Tree Care Experts, Inc.	LS	-	-	-
Dec-10	Berendsen plc (LSE:BRSN)	ISS A/S, Washroom Activities in Scandinavia	CCS	52.9	-	-
Dec-10	Next Capital Partners S.G.E.C.R., S.A.	Mediterráneo, Servicios de Gestión Inmobiliaria S.A.	PM	-	-	-
Dec-10	Firstservice Residential Management, Inc	Crosby Property Management Ltd.	PM	-	-	-
Dec-10	UAB Rubicon Group	AB City Service (NSEL:CTSIL)	DS	137.7	0.71x	10.68x
Dec-10	Manhattan Capital, LLC; Forte' Capital LLC	Xe	SS	-	-	-
Dec-10	Southern Bella, Inc.	Southern Bella, Inc., Prior to Merger with Uptone Pictures, Inc.	CS	-	-	-
Dec-10	Tokyo Tatemono Co. Ltd. (TSE:8804)	Nihon Parking Corporation (JASDAQ:8997)	DS	124.4	0.96x	6.24x
Dec-10	Nakano Corp. (TSE:1827)	Nittoh Corp. (NSE:1738)	DS	-	-	-
Dec-10	Airborne Sec & Protective Svcs	CSI Security Inc	SS	-	-	-
Dec-10	TZP Group	The Dwyer Group Inc.	RS	150.0	0.19x	-
Dec-10	Christchurch International Airport Ltd.	Craddocks Car Storage	DS	-	-	-
Dec-10	Swisher Hygiene Inc. (TSX:SWI)	Lasfam Investments Inc.	CCS	5.5	-	-
Dec-10	Colliers Intl. Property Consultants, Inc.	Hearn Burkley, Inc.	PM	-	-	-
Dec-10	Dusters Total Solutions Services Pvt Ltd.	Facilitec Services (India) Private Ltd.	DS	-	-	-
Dec-10	Securitas AB (OM:SECU B)	Alarm West Group d.o.o.	SS	16.7	0.92x	-
Dec-10	ABM Industries Inc. (NYSE:ABM)	The Linc Group, Inc.	DS	301.0	0.52x	8.60x
Dec-10	Clark Pest Control, Inc.	High Desert Pest Control Inc.	PC	-	-	-
Nov-10	Compass Group (Australia) Pty Ltd	Life's A Party Group Pty Ltd	CS	21.6	-	-
Nov-10	Universal Building Maintenance, LLC	Service Link Commercial, L.L.C.	CCS	-	-	-
Nov-10	Green Compliance plc (AIM:GCO)	Pestfree Environmental Services Limited	PC	2.6	1.16x	-
Nov-10	Securitas AB (OM:SECU B)	Security Professionals Inc. and Security Management Inc.	SS	-	-	-
Nov-10	Gategroup Investments Singapore Pte Ltd.	SkyGourmet Catering Private Limited	CS	57.6	-	-
Nov-10	Compass Group PLC (LSE:CPG)	Limpiezas Gestionadas and Actividades y Servicios	CS	4.5	-	-
Oct-10	Belfor USA Group, Inc.	Coach's Catastrophe Cleaning & Restoration Services	RS	-	-	-
Oct-10	Securitas Services Romania Srl	COBRA SECURITY Ltd.	SS	4.3	0.74x	-

* Announced Date

Data Sources: Capital IQ, Thomson One, Mergermarket, Company Filings Select FMS Transactions represent 26 of 78 announced deals during the fourth quarter

Subsector Snapshot: Parking Services

Select Parking Services Transactions (\$mm)

Date*	Acquirer	Target
Dec-10	Tokyo Tatemono Co. Ltd. (TSE:8804)	Nihon Parking Corporation (JASDAQ:8997)
Dec-10	Standard Parking Corp	Expert Parking, Inc.
Dec-10	Christchurch International Airport Ltd.	Craddocks Car Storage
Sep-10	Central Parking System, Inc.	Focus Point Parking, Inc.

* Announced Date

Parking Services M&A Activity

M&A activity in the parking services sector increased in 2010 over 2009. There were seven announced transactions involving targets that offer parking services compared to four announced deals in 2009. Recent transaction activity was led by Central Parking Systems and Standard Parking Corp, the two largest independent parking services companies in the U.S., who each made an acquisition in the fourth quarter of 2010. In spite of recent activity, the industry remains highly fragmented. As the industry continues to mature, industry consolidation is expected from both pure play parking services firms looking to increase scale and technology as well as more diversified FMS companies looking to diversify revenue and grow their customer base.

Featured Transaction

December 2010 – Standard Parking Corporation acquired Expert Parking, Inc. on December 8, 2010. Standard Parking disclosed that the total purchase price EBITDA multiple for the transaction was within the 4.0x to 6.0x range that the company typically targets. Additional financial terms of the transaction were not disclosed. Standard Parking provides parking facility management and other ancillary services. The Company manages approximately 2,200 facilities across the United States and four Canadian provinces.

September 2010 – Central Parking System, Inc. acquired the assets of Focus Point Parking, Inc., an Austin-based company that remotely monitors and manages parking facilities. Focus Point technology is currently used to manage parking facilities for clients in several major U.S. cities. Financial terms were not disclosed. Central Parking manages approximately 2,300 facilities in the United States.

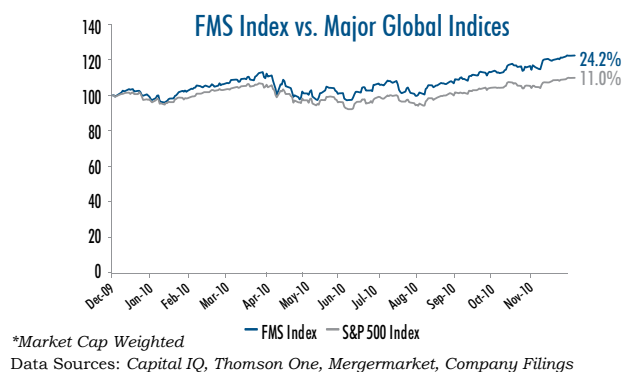
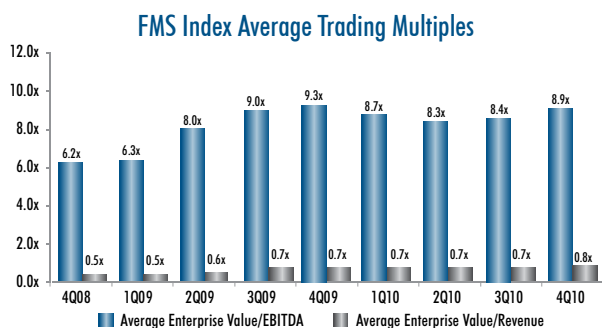
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Facilities Management Services Public Comparables

Company Name	Exchange	Stock Price (\$)	Market Cap (\$mm)	TEV (\$mm)	LTM Revenue (\$mm)	LTM EBITDA (\$mm)	TEV/REV	TEV/EBITDA	Primary Service
ABM Industries Inc.	NYSE	\$ 26.60	\$ 1,401	\$ 1,502	\$ 3,496	\$ 153	0.4x	9.8x	DS
EMCOR Group Inc.	NYSE	29.33	1,949	1,468	5,124	265	0.3x	5.5x	DS
Fluor Corporation	NYSE	66.16	11,829	9,813	21,062	956	0.5x	10.3x	DS
Johnson Controls Inc.	NYSE	38.24	25,884	29,015	34,305	2,392	0.8x	12.1x	DS
Mitie Group plc	LSE	3.59	1,261	1,441	2,887	184	0.5x	7.8x	DS
Rentokil Initial plc	LSE	1.50	2,720	4,336	3,745	582	1.2x	7.4x	DS
UGL Limited	ASX	14.68	2,438	2,675	4,069	269	0.7x	9.9x	DS
Compass Group PLC	LSE	9.05	17,081	18,164	22,725	1,913	0.8x	9.5x	CS
Rollins Inc.	NYSE	19.84	2,919	2,923	1,117	175	NM	16.7x	PC
CB Richard Ellis Group, Inc.	NYSE	20.78	6,687	8,964	4,761	526	1.9x	NM	PM
Jones Lang Lasalle Inc.	NYSE	84.84	3,618	3,864	2,784	307	1.4x	12.6x	PM
G4S plc	LSE	3.99	5,608	8,171	10,721	947	0.8x	8.6x	SS
Prosegur Compania de Seguridad SA	CATS	55.89	3,340	3,568	3,353	463	1.1x	7.7x	SS
Securitas AB	OM	11.63	4,247	5,580	8,969	684	0.6x	8.2x	SS
Sodexo	ENXTPA	69.92	10,733	12,103	19,394	1,283	0.6x	9.4x	SS
High			\$ 25,884	\$ 29,015	\$ 34,305	\$ 2,392	1.9x	16.7x	
Low			1,261	1,441	1,117	153	0.3x	5.5x	
Mean			6,781	7,572	9,901	740	0.8x	9.7x	
Median			3,618	4,336	4,761	526	0.7x	9.5x	

* Market Capitalization and Enterprise Value as of December 30, 2010. Valuation statistics reflect most recent quarterly earnings reports.

RS = Restoration Services; DS = Diversified Services; CCS = Commercial Cleaning Services; LS = Landscaping Services; CS = Catering Services; PM = Property Management; SS = Security Services
Companies listed in order of Primary Sector



- The PMCF FMS Index is comprised of diversified facilities management services public companies ranging from \$1.3 billion to \$25.9 billion in market capitalization and \$1.4 billion to \$29.0 billion in enterprise value as of December 30, 2010. Market capitalization and total enterprise values were up 37% and 30% respectively on average from values at the end of 2009.
- Average EBITDA and revenue multiples increased for the second straight quarter through December 30, 2010, driven by strong stock performance and TEV growth dating back to the first quarter of 2009. On a quarter-by-quarter basis, average EBITDA multiples increased a half turn from 3Q10 to 4Q10 to reach 8.9x, while average revenue multiples climbed from 0.71x to 0.78x during the same timeframe.
- The FMS Index increased 24% for the 12 months ended December 30, 2010, compared to an 11% increase in the S&P 500 during the same time period. The increase in the FMS Index is largely due the second half 2010 performance, in which the index rose 31% on improved macro-economic operating conditions.

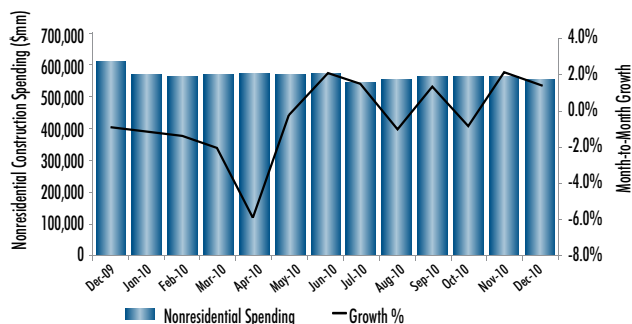
Sector Definition

PMCF's definition of the facilities management services ("FMS") universe covers property management, restoration, janitorial/cleaning, landscaping, security, pest control and general facility services for the purposes of this quarterly review.

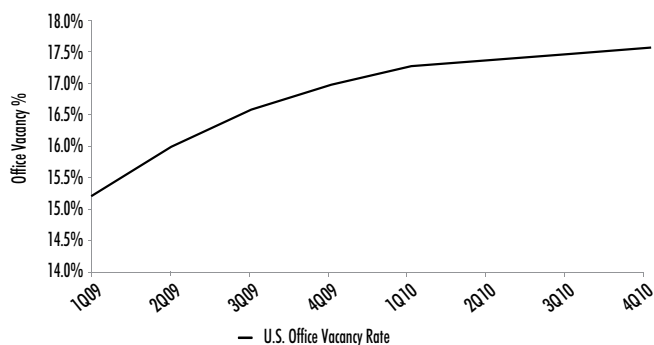
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FMS Industry Macro Economic Indicators

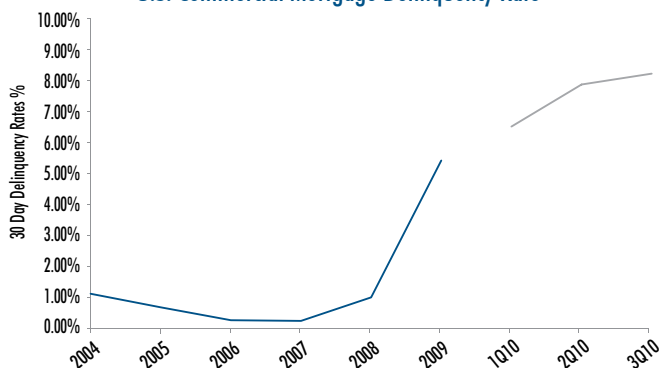
**U.S. Nonresidential Construction Spending
(Seasonally Adjusted Annual Rate)**



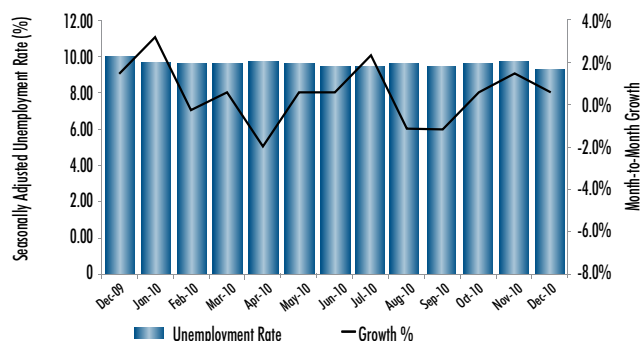
U.S. Office Vacancy Rate



U.S. Commercial Mortgage Delinquency Rate



**U.S. Unemployment Rate
(Seasonally Adjusted Annual Rate)**



Data Sources: U.S. Census Bureau, Reis, Inc, Mortgage Bankers Associations.

Market Pulse – Latest FMS Sector Market News

ISS A/S Postpones IPO (March 17, 2010)

ISS A/S, which announced plans to go public in February 2011, is postponing its contemplated IPO due to the underlying uncertainty and volatility in the global market. The company reports the IPO was oversubscribed and within its target price range.

Distinction Group Contemplates Acquisitions (February 25, 2011)

Distinction Group, Inc. (DGI), which posted revenue of \$259.6 million for the fiscal year ended November 30, 2010, has publicly announced an initiative to pursue acquisitions to bolster top line growth. The company is actively identifying targets in Canada and the U.S. that operate in the facilities services arena. DGI is seeking both technical and janitorial services companies.

EMCOR Group Continues to pursue Acquisitions (February 24, 2011)

Beyond organic growth, EMCOR is reviewing acquisition opportunities that enhance or expand its presence into related markets or geographies and can be completed at reasonable valuations.

Compass Group Mulls Acquisitions (February 3, 2011)

Compass Group PLC plans to look for acquisitions. The firm's strategy is to utilize infill acquisitions to take advantage of new support service markets. The company completed numerous acquisition in 2010 including food service and other service businesses in established and emerging markets.

ABM Industries Seeking Acquisitions (December 1, 2010)

Pursuant to ABM Industries acquisition of the Linc Group, Inc., the company arranged a new \$650 million credit facility to provide enhanced flexibility to deploy capital in pursuit of its strategic initiatives.

About P&M Corporate Finance

P&M Corporate Finance (“PMCF”) is an investment banking firm with offices in Chicago and Detroit. With a team of 20 professionals, PMCF is focused exclusively on middle-market transactions. Our deep knowledge of the business services market covers a wide range of sectors, including ARM and collections, business process outsourcing, electronic manufacturing services, facilities management services, financial services, legal process outsourcing and professional services. Offering a depth of advisory services, PMCF has helped clients worldwide meet their sale, acquisition, financing, and strategic alliance goals. Additional information on PMCF can also be found by visiting our website, www.pmcf.com.

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