



January 2011

Quarton Partners is one of North America's premier specialty investment banking firms. Quarton Partners provides a complete portfolio of services, including:

- Merger & Acquisition Advisory Services
- Private Capital Raising
- Restructuring & Recapitalizations
- Financial Advisory Services

QUARTON PARTNERS

300 Park Street, Suite 480
Birmingham, MI 48009
248-594-0400
www.quartonpartners.com

Robert S. Parker
Managing Director
rparker@quartonpartners.com

Gregory S. McGowan
Vice President
gmcgowan@quartonpartners.com

Samuel H. Taft
Analyst
staff@quartonpartners.com



INDUSTRIAL DISTRIBUTION HEADLINES

1/6 - MSC Industrial Direct Co. Inc. reported 1st quarter fiscal 2011 sales of \$473 million, an increase of 22% compared to the 1st quarter of 2010. Compared to the same period a year prior, operating income increased 51% to \$77 million while net income increased 51% to \$48 million.

1/6 - The Hillman Group, Inc. acquired specialty fastener and hardware distributor Serv-A-Lite Products, Inc. Serv-A-Lite, based in East Moline, IL, operates two U.S.-based distribution centers and provides a range of specialty fasteners including bulk and chrome fasteners, drywall anchors and centers.

1/6 - BlackHawk Industrial Distribution, Inc. acquired Rogers Industrial Supply, a distributor of maintenance, repair and operations ("MRO") supplies serving the Southwestern U.S. market. The acquisition marks the second acquisition by BlackHawk since its formation in early 2010 as an industrial distribution platform company, established by Brazos Private Equity Partners LLC.

1/3 - Eaton Corporation acquired Tuthill Coupling Group from Tuthill Corporation. The company manufactures and distributes hydraulic and pneumatic quick coupling solutions, valves and fittings for the industrial, construction, mining and defense sectors.

12/16 - Privately-owned housing starts increased 3.9% in November to a seasonally adjusted annual rate of 555,000, but were down 5.8% compared to the November 2009 rate of 589,000. Single-family housing starts increased 6.9% from October, while building permits issued for privately-owned housing starts declined 4.0% over the same period.

INDUSTRIAL DISTRIBUTION EQUITY INDEX PERFORMANCE ⁽¹⁾

S&P 500 Index

12-month change (LTM): 10.7%
One-month change: 2.5%

Industrial Product Distributors

12-month change (LTM): 39.2%
One-month change: 1.1%



⁽¹⁾ Refer to page 3 for list of companies included in composite.
Source: Capital IQ, 1/10/11