



Overall M&A activity within the Commercial Services and Supplies sector decreased 3% over the last twelve months (LTM) ending September 30, 2005 with 504 deals reported compared with 522 deals for the same period last year and with median valuation multiples at 1.2 x Revenue, 7.7 x EBITDA, 13.8 x EBIT and 2.1 x Book Value.

M&A TRANSACTIONS BY SUBSECTOR

For the Last Twelve Months Ended September 30,

	01		02		03		04		05	
Consulting Services	154	33%	103	33%	115	32%	185	35%	171	34%
Employment Services	57	12%	34	11%	29	8%	53	10%	64	13%
General Management Services	41	9%	23	7%	39	11%	62	12%	48	10%
Environmental Services	33	7%	23	7%	34	10%	40	8%	50	10%
Commercial Printing	42	9%	39	12%	48	13%	40	8%	36	7%
Consumer Services	36	8%	25	8%	22	6%	38	7%	35	7%
Accounting Services	37	8%	25	8%	26	7%	35	7%	29	6%
Educational Services	36	8%	20	6%	23	6%	30	6%	28	6%
Research, Development & Testing Services	10	2%	8	3%	8	2%	19	4%	21	4%
Government & Social Services	10	2%	9	3%	9	3%	11	2%	11	2%
Office Products	7	2%	5	2%	4	1%	9	2%	11	2%
Total	463	100%	314	100%	357	100%	522	100%	504	100%

Based upon Mosaic Capital research and subject to qualifications found on our website. Valuation multiples include public transactions and premiums for control, which can vary significantly between public and private companies. Private company transactions also typically include valuation discounts for limited liquidity, due to a lack of a public market.

Large national and international strategic buyers lead the demand for U.S.-based businesses in this sector. In addition, private equity groups own or control over 351 portfolio companies and also are fueling demand. Buyers objectives include:

- ▶ Obtain economies of scale and scope in service and geographic reach
- ▶ Increase professional staff and market share in specific states and regions
- ▶ Obtain operating efficiencies via technology and resource infrastructure leverage

About Mosaic Capital

Mosaic Capital LLC is a leading national investment banking firm specializing in merger and acquisition and related corporate finance transactions, as well as business valuations for middle-market companies. The private placement of debt and equity securities is provided through affiliate Mosaic Capital Securities LLC - member NASD/SIPC. Mosaic Capital is a member of International Merger & Acquisition Partners (www.imap.com), an exclusive global partnership of leading M&A advisory firms with 98 offices in 24 countries, the partners of which have completed 1,000 middle market transactions exceeding \$18 billion in value since 2000.

Mosaic Capital seeks introductions to owners and management teams in the following lines of business:

General Management Services, including:

- ▣ Facilities Support & Risk Management

Employment Services, including:

- ▣ Temporary, Secretarial & Exec. Services
- ▣ Employment Leasing Services
- ▣ Online Recruiting & Job Listings Services
- ▣ Human Resources & Personnel Mgmt

Consulting Services, including:

- ▣ Diversified Business & Staff Consulting

Commercial Printing, including:

- ▣ Printing, Film Processing & Photo Services
- ▣ Bookbinding & Engraving

Environmental Services, including:

- ▣ Disposal & Waste Management Services

Consumer Services, including:

- ▣ Beauty Care Services
- ▣ Domestic Cleaning & Household Services
- ▣ Photography Services
- ▣ Repair & Motor Vehicle Repair Services

Accounting Services, including:

- ▣ Tax Advisory & Tax Return Prep Services
- ▣ Financial, Auditing & Payroll Services

Educational Services, including:

- ▣ School, Education & Library Services

Research, Development & Testing Services

Government & Social Services, including:

- ▣ Civil/Social Services & Humane Societies
- ▣ Environment, Conservation & Wildlife Orgs.

Diversified Commercial Services, including:

- ▣ Security & Personal Safety Services
- ▣ Building Care & Improvement Services
- ▣ Auction, Design, Legal & Other Services

Office Products, including:

- ▣ Office Products, Furnishings & Storage Units
- ▣ Classroom & Institutional Furniture

SALES & DIVESTITURES • MERGERS & ACQUISITIONS • VALUATIONS • FINANCING

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