



CORPORATE FINANCE

Deal Announcement

ADVISORY

KPMG Corporate Finance LLC advised Diversified Maintenance Systems, Inc. on a recapitalization led by Frontenac Company, LLC



Diversified Maintenance Systems, Inc.

KPMG Corporate Finance LLC

acted as financial adviser to
Diversified Maintenance Systems, Inc.
on a recapitalization led by
Frontenac Company, LLC



March 2010

The Company

Diversified Maintenance Systems, Inc. (DMSI or the Company) is a leading provider of janitorial and facility maintenance services nationwide. DMSI's primary services include janitorial housekeeping and floor care services, including carpet cleaning, concrete and tile repair, floor strip and wax service, restroom sanitation, window cleaning, and other interior and exterior project work. The Company serves over 5,000 locations in a variety of industries including retail, education, and food distribution.

The Situation

While the Company continued to experience solid growth and expand throughout the United States, DMSI sought to identify a partner that could help accelerate its growth and increase market share. KPMG Corporate Finance was retained as DMSI's exclusive adviser to assist in this process. The shareholders desired a partner that would provide liquidity to the shareholders, but also one that offered an excellent track record of success, solid operating experience, a strong network of relationships, and a shared vision of the potential for the business.

The Transaction

KPMG Corporate Finance conducted a competitive, controlled-auction process that generated a number of interested counterparties that could meet the objectives of the shareholders. KPMG Corporate Finance coordinated management meetings and assisted the owners in successfully negotiating a recapitalization of the Company led by Frontenac Company, LLC (Frontenac), a Chicago-based private equity firm. DMSI represents Frontenac's platform investment in the facility maintenance services sector.

"Throughout our transaction process, the equity and credit markets remained extremely volatile, increasing the challenges associated with closing the deal. Despite these challenges, KPMG Corporate Finance was able to successfully negotiate and close the transaction and exceeded our expectations as our adviser. The deal team provided constant support and senior-level attention throughout all phases of the process and I do not believe we could have reached a successful outcome without their hard work and superior strategic and financial advice."

Coby Orr, Chairman
Diversified Maintenance Systems, Inc.

KPMG Corporate Finance – We Can Do a Great Deal Together.

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Operating in 62 countries, KPMG's member firms' corporate finance practices (KPMG) comprise more than 2,200 professionals who are able to meet the needs of clients across the globe. In 2009, as a leading financial adviser, KPMG completed 260 deals totaling US\$119.7 billion, according to Thomson Reuters SDC's global M&A league tables.

We welcome the opportunity to meet with you, learn more about your company's objectives, and discuss our people and capabilities.

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