

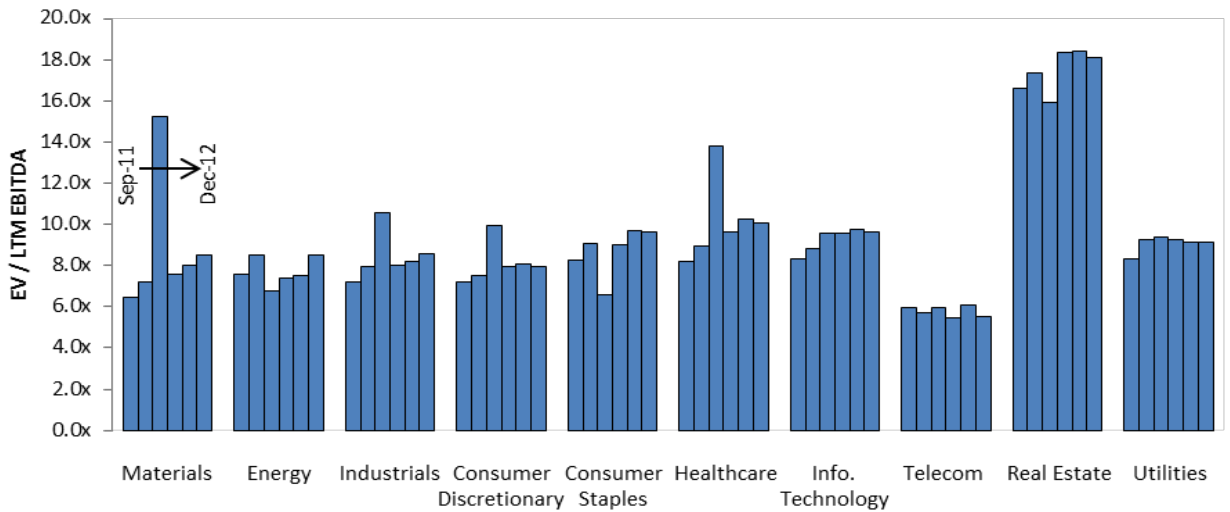


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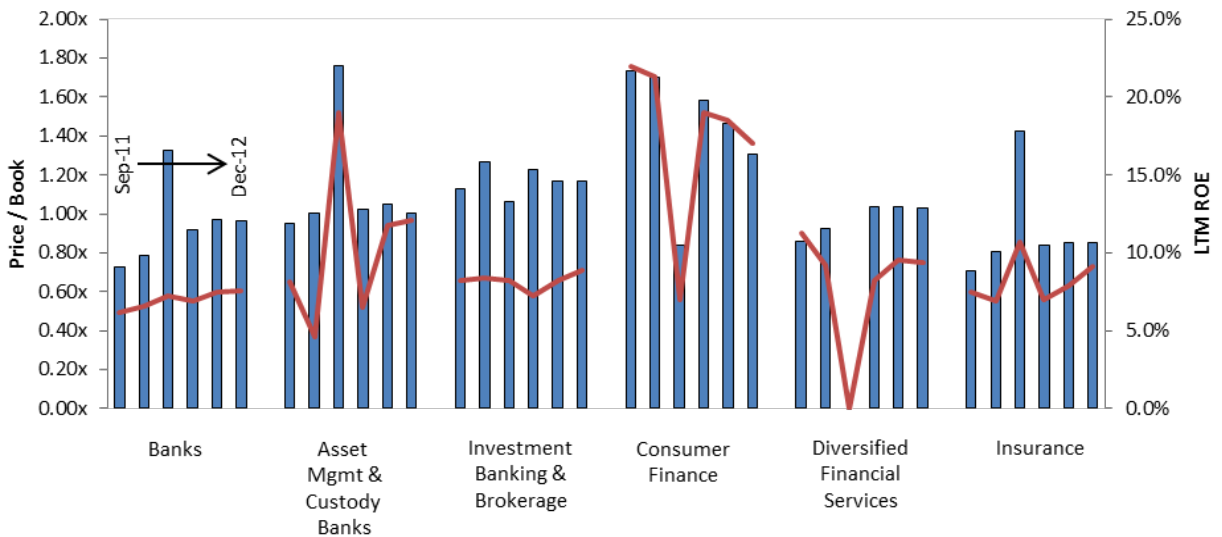
INDUSTRY VALUATION MULTIPLES
DECEMBER 2012

SECTOR VALUATIONS – SEP'11 through DEC'12

NON-FINANCIALS – TRENDING SIX QUARTERS



FINANCIALS – TRENDING SIX QUARTERS



SECTOR VALUATIONS – As of DECEMBER 31, 2012

Trading Values as of: Industry	Dec-12	# of Firms	Median EV / LTM		Median Equity Multiples				LTM ROE	Net Debt/ LTM EBITDA	Aggregate Cash/Mkt Cap
			Revenue	EBITDA	LTM P/E	Cash-Free	Fwd P/E	PEG			
Materials		226	1.17x	8.5x	16.8x	15.5x	15.8x	1.5x	14.6%	1.5x	8.5%
Chemicals		97	1.19x	8.5x	17.5x	15.5x	14.8x	1.4x	17.6%	0.9x	7.9%
Construction Materials		9	2.12x	16.7x	60.2x	59.8x	37.9x	2.8x	7.0%	4.3x	4.5%
Containers & Packaging		22	0.94x	7.3x	16.7x	15.6x	14.7x	1.5x	12.2%	2.4x	5.8%
Metals & Mining		81	1.31x	9.5x	15.0x	14.8x	18.4x	2.0x	9.2%	1.6x	10.6%
Paper & Forest Products		17	1.09x	7.1x	12.3x	11.9x	13.5x	1.7x	11.3%	1.8x	9.9%
Energy		335	2.94x	8.5x	16.4x	14.7x	16.7x	1.6x	12.6%	2.3x	5.7%
Oil & Gas Drilling, Equipment, Services		75	1.58x	7.8x	16.5x	14.5x	14.8x	0.9x	11.7%	1.2x	7.8%
Coal		26	1.64x	5.2x	9.5x	8.9x	10.3x	5.9x	17.3%	2.6x	10.3%
Integrated Oil & Gas		9	1.02x	4.3x	9.8x	9.4x	10.9x	4.4x	12.9%	0.5x	5.3%
Exploration & Production		131	4.94x	7.5x	16.1x	13.6x	20.0x	2.0x	12.2%	2.2x	5.8%
Refining & Marketing		25	0.29x	6.1x	10.5x	8.2x	7.3x	0.8x	15.0%	0.3x	15.2%
Storage & Transportation		69	4.14x	14.4x	20.8x	20.2x	23.5x	2.9x	11.9%	4.9x	2.2%
Industrials		602	0.94x	8.6x	17.1x	15.0x	15.6x	1.2x	12.7%	1.0x	13.9%
Aerospace and Defense		60	0.93x	7.2x	13.9x	11.5x	13.4x	1.3x	14.2%	0.9x	12.5%
Building Products		26	0.94x	11.9x	25.2x	24.7x	32.0x	1.7x	7.1%	1.0x	11.4%
Construction and Engineering		33	0.50x	7.4x	17.1x	15.2x	16.7x	1.1x	10.5%	-0.1x	20.5%
Electrical Equipment		81	0.81x	9.3x	18.2x	14.9x	15.3x	1.3x	14.2%	0.0x	8.0%
Industrial Conglomerates		10	1.15x	8.8x	15.3x	13.9x	14.3x	1.0x	14.7%	0.5x	29.7%
Machinery		128	1.07x	8.7x	16.0x	14.1x	15.7x	1.3x	13.9%	0.8x	9.0%
Trading Companies and Distributors		34	1.55x	10.0x	17.3x	15.7x	14.7x	1.1x	14.0%	5.1x	4.5%
Commercial & Professional Services		134	0.84x	8.5x	20.5x	17.6x	17.3x	1.3x	10.6%	1.0x	6.4%
Transportation		96	1.43x	8.2x	15.7x	13.8x	14.9x	1.0x	13.1%	1.9x	13.2%
Consumer Discretionary		641	0.91x	8.0x	16.9x	15.3x	15.8x	1.2x	15.0%	0.7x	11.1%
Automobiles and Components		43	0.51x	6.7x	12.2x	8.1x	12.3x	1.0x	15.1%	0.1x	37.2%
Consumer Durables and Apparel		146	0.77x	9.4x	16.3x	14.8x	15.4x	1.2x	15.0%	0.9x	10.0%
Consumer Services		166	1.42x	8.0x	17.9x	15.8x	17.3x	1.2x	12.5%	1.0x	8.0%
Media		114	1.78x	7.4x	16.2x	13.7x	15.5x	1.2x	14.9%	1.8x	11.1%
Retailing		172	0.58x	7.7x	17.1x	15.5x	15.5x	1.1x	15.5%	0.1x	6.9%
Consumer Staples		175	0.95x	9.6x	17.8x	16.3x	16.0x	1.7x	13.4%	1.0x	5.5%
Beverages		25	1.63x	12.4x	17.1x	16.2x	17.6x	1.9x	20.2%	1.8x	8.6%
Food and Staples Retailing		32	0.33x	5.8x	16.7x	15.5x	14.2x	1.4x	13.6%	1.0x	4.7%
Food Products		76	1.05x	10.1x	18.6x	17.2x	16.6x	1.8x	9.8%	1.3x	5.8%
Household Products		12	1.73x	9.3x	20.6x	18.2x	16.1x	2.0x	14.0%	1.2x	3.3%
Personal Products		30	0.97x	8.4x	14.5x	13.2x	14.7x	1.0x	20.6%	-0.3x	8.3%
Tobacco		8	3.11x	10.2x	16.6x	15.7x	14.0x	1.8x	23.1%	1.3x	4.3%
Healthcare		595	2.38x	10.1x	20.4x	18.3x	16.6x	1.3x	13.1%	0.1x	13.7%
Biotechnology		179	9.68x	14.9x	22.3x	20.7x	18.9x	1.1x	16.0%	-1.9x	16.1%
Health Care Technology		20	3.00x	11.9x	34.6x	30.7x	19.5x	1.3x	15.4%	-0.8x	7.6%
Healthcare Equipment and Supplies		146	2.28x	11.0x	22.3x	20.6x	18.4x	1.5x	12.0%	-0.3x	10.0%
Healthcare Providers and Services		114	0.89x	7.8x	15.7x	14.3x	13.8x	1.1x	14.7%	1.6x	21.7%
Life Sciences Tools and Services		50	2.05x	11.1x	24.6x	21.7x	19.5x	1.4x	8.5%	-0.3x	10.4%
Pharmaceuticals		86	2.56x	9.2x	19.2x	15.9x	14.1x	1.3x	14.1%	-0.2x	11.6%
Information Technology		646	1.14x	9.6x	20.4x	16.0x	17.3x	1.2x	12.1%	-1.2x	15.9%
Communications Equipment		102	0.90x	10.0x	19.9x	13.5x	14.4x	1.3x	9.5%	-2.2x	26.8%
Computers and Peripherals		48	0.60x	9.2x	16.5x	12.6x	14.8x	1.0x	11.9%	-0.8x	11.1%
Electronic Equipment, Instruments and Components		135	0.63x	8.0x	16.2x	12.4x	15.4x	1.2x	10.3%	-0.9x	20.5%
Internet Software and Services		110	1.80x	13.8x	24.3x	20.2x	20.4x	1.2x	12.2%	-1.6x	18.3%
IT Services		95	1.19x	8.2x	20.8x	18.3x	15.5x	1.1x	14.6%	-0.1x	7.8%
Office Electronics		2	1.40x	8.1x	12.4x	11.1x	11.1x	1.2x	12.5%	0.8x	10.3%
Software		154	2.46x	12.2x	23.3x	20.9x	20.2x	1.3x	12.7%	-1.9x	20.9%
Telecommunications		55	1.83x	5.5x	19.5x	16.1x	16.6x	2.4x	13.6%	2.3x	8.2%
Broadband Telecommunications Services		11	3.49x	10.9x	7.1x	6.5x	37.2x	2.4x	46.5%	0.8x	13.8%
Integrated Telecommunication Services		21	1.79x	6.0x	32.7x	27.9x	17.2x	3.3x	11.4%	2.7x	4.0%
Satellite Communication Services		2	2.36x	5.2x	9.2x	5.8x	8.1x	0.6x	7.6%	2.3x	36.9%
Wireless Telecommunication Services		21	1.31x	5.3x	19.5x	15.0x	12.0x	2.7x	14.8%	2.5x	19.4%
Real Estate		200	10.71x	18.1x	38.8x	37.2x	39.7x	6.5x	5.8%	6.6x	6.4%
Real Estate Investment Trusts (REITs)		164	11.05x	18.5x	41.5x	40.3x	39.4x	6.6x	5.8%	6.6x	6.2%
Real Estate Management and Development		36	6.44x	17.3x	25.1x	19.6x	45.6x	1.4x	8.0%	7.3x	12.4%
Utilities		123	2.61x	9.1x	16.8x	16.2x	15.8x	3.0x	9.4%	3.8x	7.3%
Electric Utilities		42	2.71x	8.7x	15.5x	14.9x	15.4x	2.7x	9.3%	3.8x	7.7%
Gas Utilities		25	1.66x	9.5x	17.3x	16.9x	15.8x	3.2x	9.9%	3.5x	4.3%
Independent Power Producers		15	3.99x	10.0x	23.2x	20.3x	17.9x	1.2x	7.8%	5.3x	14.8%
Muti-Utilities		26	2.28x	8.9x	16.4x	16.1x	15.8x	3.0x	9.5%	3.7x	6.9%
Water Utilities		15	4.36x	9.2x	18.5x	18.0x	19.1x	3.5x	9.0%	3.7x	4.4%
Non-Financial Universe (Major U.S. Exchanges)		3598	1.46x	9.1x	18.0x	15.9x	16.4x	1.4x	12.2%	1.0x	10.9%

Industry	# of Firms	Median EV / LTM		Median Equity Multiples				LTM ROE
		Revenue	EBITDA	LTM P/E	P/B	Fwd P/E	PEG	
Financials	1435	8.00x	9.5x	11.5x	1.00x	13.2x	1.5x	9.5%
Banks	495	NM	NM	13.6x	0.96x	13.2x	1.9x	7.6%
Asset Management and Custody Banks	725	NM	NM	7.9x	1.00x	12.3x	1.2x	12.1%
Investment Banking and Brokerage	38	NM	NM	23.0x	1.17x	16.8x	1.1x	8.9%
Consumer Finance	20	2.69x	5.6x	10.0x	1.31x	9.2x	0.8x	17.1%
Diversified Financial Services	32	4.17x	9.6x	16.1x	1.03x	14.3x	1.2x	9.3%
Insurance	125	NM	NM	11.3x	0.85x	13.1x	1.5x	9.1%

U.S. Major Exchange Universe

5033 1.60x 9.1x 15.8x 1.38x 15.8x 1.4x 11.3%



ABOUT COGNIENT

Cognient Group consists of a group of experienced and highly regarded financial professionals dedicated to providing the highest level of financial expertise and service to corporate and institutional clients. Leveraging decades of experience across a multitude of industries, our firm includes experts in:

FAIRNESS AND SOLVENCY OPINIONS

As experts in the areas of fairness and solvency, we have advised on some of the most sophisticated and complex transactions, and have a wealth of knowledge with which to serve corporate clients, boards of directors, independent fiduciaries, and their professional advisors. We provide comprehensive analysis and unbiased opinions supported with thorough research, detailed financial analyses and the necessary documentation to make confident decisions.

MERGERS & ACQUISITIONS and CAPITAL RAISING

Our experienced team of investment banking professionals work closely with owners and management teams to clearly understand and identify the overall objectives of a transaction and ensure the ultimate result is favorable for all parties involved. Our clients are primarily middle-market-focused across a multitude of industries and include private equity portfolio companies, family-owned businesses and subsidiaries of large corporations.

BUSINESS VALUATIONS

Our industry-leading valuation professionals have worked together for over 25 years to assist clients in understanding and evaluating the going-concern value of business enterprises and non-publicly traded securities.

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