

Global Mergers & Acquisitions Update

First Quarter 2015

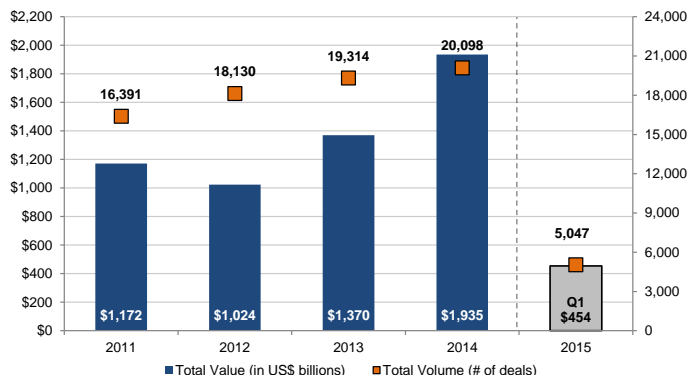


Corporate M&A Activity and Equity Market Performance

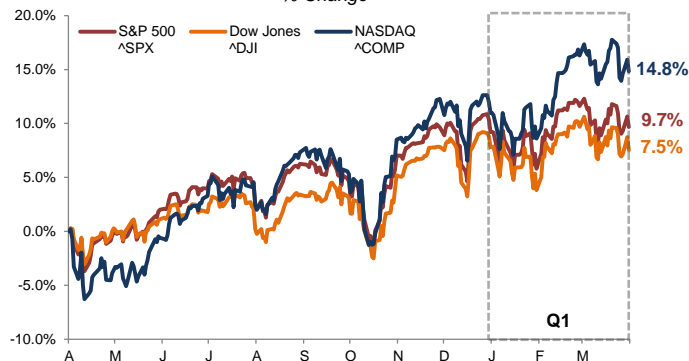
Ushering in New Year, M&A Activity Remains Strong:

With total deal value at US\$454 billion, Q1 2015 saw a 7.1% increase in deal value from Q4 2014. There were 5,047 announced transactions during Q1 2015, representing a 7.3% decrease from Q4 2014. Compared to Q1 2014, deal value increased by 9.8% while deal volume increased 7.8%. In Q1 2015, the average deal size was approximately US\$228 million. The median TEV/EBITDA multiple for disclosed deals during the quarter was 11.4x.

U.S. M&A Transactions



LTM Equity Market Performance
% Change



Source: Capital IQ

M&A Trends and Transactions

Middle-Market PE M&A Trends:

- Middle-market private equity reported deals' TEV/EBITDA multiples averaged 6.8x for TEVs between US\$10-250 million.
- Equity contribution for reported middle-market private equity M&A deal funding increased slightly in Q1 2015 to 43.4%, up from 42.6% in Q4 2014.
- Q1 2015 saw a reversal in last year's relationship between the valuation of platform properties and add-on acquisitions, with platforms receiving higher valuations than add-on acquisitions.
- Deals involving better performers (TTM EBITDA margins and revenue growth rates both above 10%) accounted for 71.0% of reported activity in Q1 2015, well up from the historic average of 59.0%.

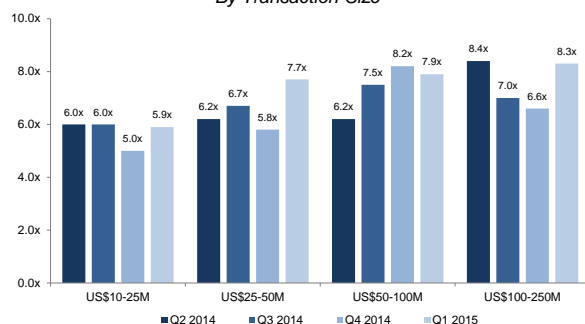
Selected M&A Transactions:

- **A. Schulman, Inc.**, a manufacturer of plastic compounds and resins, acquired **Citadel Plastics Holdings, Inc.**, a thermoplastics manufacturer, for US\$800.0 million. The transaction value represents a multiple of 10.7x EBITDA and 1.5x Revenue.
- **R.R. Donnelley & Sons Co.**, a commercial printing company, acquired **Courier Corp.**, another provider of commercial printing services, for US\$306.4 million. The transaction value represents a multiple of 8.2x EBITDA and 1.1x Revenue.
- **Synalloy Corp.**, a metals and specialty chemicals company, acquired **The Eastern Co.**, a manufacturer of industrial hardware, security products, and metals, for US\$123.2 million. The transaction value represents a multiple of 7.1x EBITDA and 0.8x Revenue.

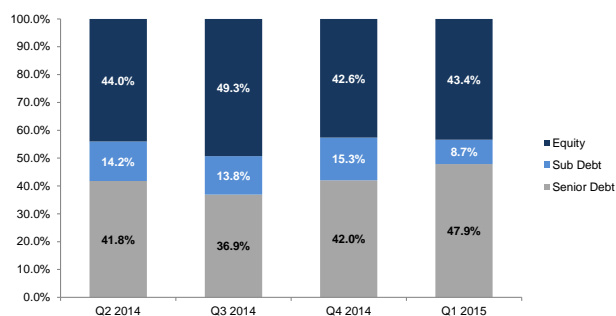
Sources: GF Data Resources, Capital IQ

Private Equity-Sponsored M&A Activity

Historical Private Equity M&A Transaction Multiples
By Transaction Size



Quarterly Equity and Debt Contributions



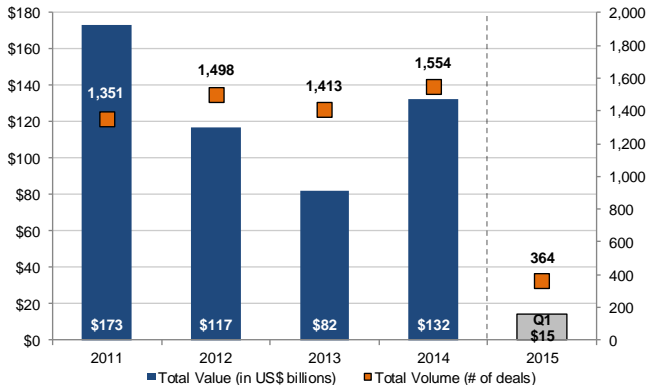
Source: GF Data Resources

Corporate M&A Activity and Equity Market Performance

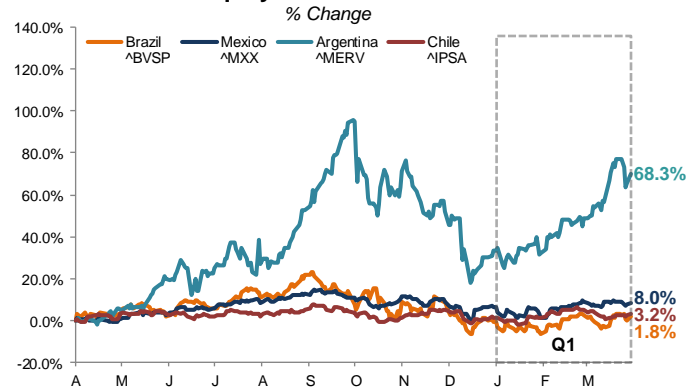
M&A Off to Slow Start:

There were 364 announced transaction in the Latin America region during Q1 2015 which represents a 2.2% increase from Q1 2014. These transactions amounted to approximately US\$15 billion in deal value during the quarter. In comparison to Q4 2014, deal value and deal volume during Q1 2015 decreased by 13.5% and 39.6%, respectively. The average deal size during the current quarter was US\$98 million.

Latin America M&A Transactions



LTM Equity Market Performance



Source: Capital IQ

M&A Trends and Transactions

Current M&A Trends:

- The most active sectors for M&A deal volume in the region were the Consumer Discretionary, Financial, and Industrial sectors.
- The most active buyers/investors in the region by number of transactions were Inmobiliaria e Inversiones el Coigue Ltda. (5) and Fibra UNO (4).
- The average implied TEV/EBITDA multiple for disclosed transactions during the quarter was 9.5x while the average TEV/Revenue multiple was 1.9x.
- The Top 3 most active buyers/investors in the region by total transaction value were British American Tobacco International, Organizacion Soriana S.A.B. de C.V., and Tarpon Invetimentos.
- In Q1 2015, there were a total of three announced transactions with a TEV greater than US\$1 billion in Latin America.

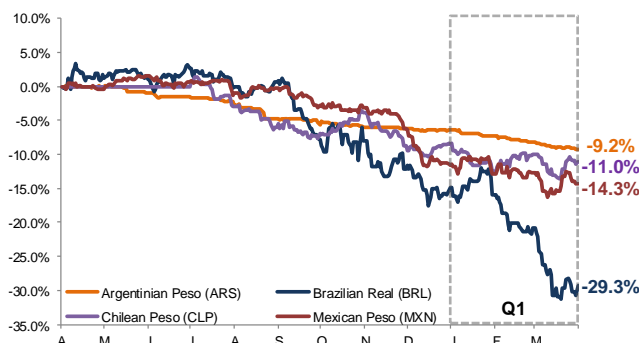
Selected M&A Transactions:

- The private equity arm of **Tarpon Invetimentos** acquired a majority stake in **Abril Educaçao S.A.**, a Brazilian education services company, for US\$995.7 million. The transaction value represents a multiple of 12.1x EBITDA and 2.9x Revenue.
- Coppel, S.A. de C.V.**, a Mexican retailer of furniture and clothing, acquired **Docastelo, S.A. de C.V.**, a Mexican chain of home appliance and furniture stores, for US\$167.2 million. Transaction details were not disclosed.
- Alimentos Marinos S.A.**, a producer and distributor of sea food, acquired an 80% stake in **Invermar S.A.**, a Chilean producer of salmon, for US\$90.3 million. The transaction value represents a multiple of 1.0x Revenue.

Source: Capital IQ

Currency and Interest Rate Performance

LTM Currency Market Performance relative to U.S. Dollar



Short and Long-Term Interest Rates

As of March 31, 2015

	Current		1 Year Ago	
	3-month	10-year	3-month	10-year
Argentina	24.00%*	NA	21.50%*	NA
Brazil	13.00%	13.00%	10.80%	12.70%
Chile	0.42%	4.40%	0.91%	5.02%
Mexico	3.30%	5.85%	3.82%	7.75%

*New series

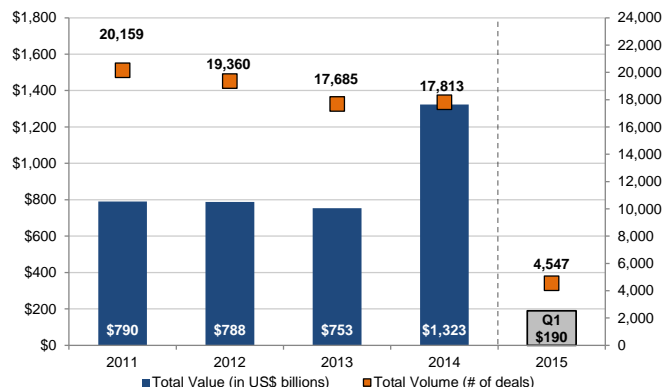
Sources: Oanda and The Economist

Corporate M&A Activity and Equity Market Performance

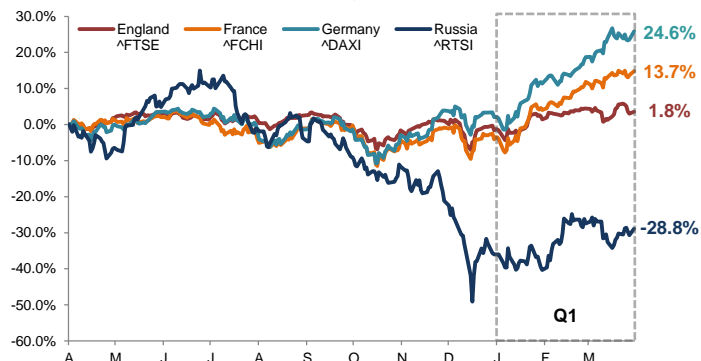
M&A Activity Down in Q1:

There was a decrease in European M&A deal value during the current quarter when compared with Q4 2014. The total value of transactions for the period was approximately US\$190 billion. This represents a 14.0% and 26.2% decrease from Q1 2014 and Q4 2014, respectively. There were a total of 4,547 announced transactions in Q1 2015, which represents a 3.6% increase from Q1 2014. The average deal value for Q1 2015 was US\$143 million.

Europe M&A Transactions



LTM Equity Market Performance
% Change



Source: Capital IQ

M&A Trends and Transactions

Current M&A Trends:

- The Top 3 most active European buyers/investors in Q1 2015 by total transaction size were Hutchison 3G UK Holdings Ltd., China National Tire & Rubber Co., Ltd., and Ball Corp.
- In Q1 2015, the Top 3 sectors for European M&A deal volume include the Financials, Industrials, and Consumer Discretionary sectors.
- Average current quarter TEV/EBITDA and TEV/Revenue multiples were 10.0x and 1.7x, respectively.
- The most active European buyers/investors in Q1 2015 by total number of transactions were Valad Europe (9), Union Investment Real Estate GmbH (8), and Bravida ASA (7).

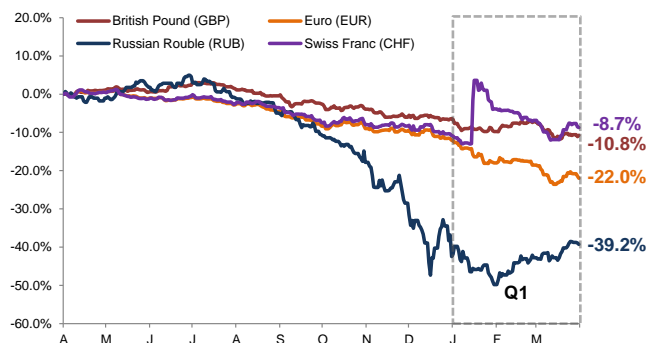
Selected M&A Transactions:

- Kingspan Group plc**, an Irish building products company, acquired **Joris Ide NV**, a Belgian steel products manufacturer, for US\$355.1 million. The transaction value represents a multiple of 8.8x EBITDA and 0.7x Revenue.
- DS Smith plc**, a British packaging company, acquired **Duropack GmbH**, an Austrian manufacturer of paper packaging products, for US\$340.5 million. The transaction value represents a multiple of 7.3x EBITDA and 1.1x Revenue.
- Avis Budget Group, Inc.**, a vehicle rental company, acquired **Maggiore Rent S.p.A.**, an Italian car and commercial vehicle rental company, for \$170.0 million. The transaction value represents a multiple of 5.7x EBITDA and 1.1x Revenue.

Source: Capital IQ

Currency and Interest Rate Performance

LTM Currency Market Performance relative to U.S. Dollar



Short and Long-Term Interest Rates

As of March 31, 2015

	Current		1 Year Ago	
	3-month	10-year	3-month	10-year
Britain	0.53%	1.61%	0.53%	2.79%
France	0.02%	0.50%	0.31%	2.14%
Germany	0.02%	0.21%	0.31%	1.62%
Russia	16.00%	11.00%	8.87%	8.90%

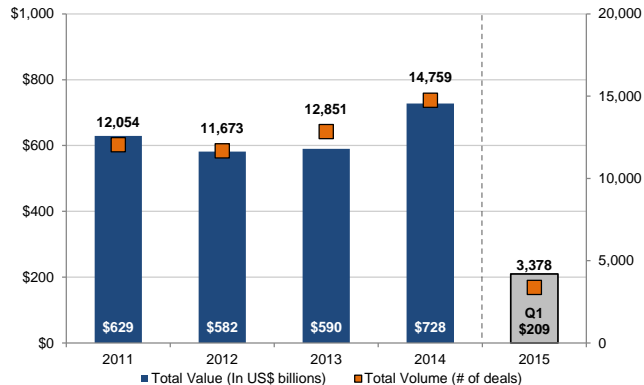
Sources: Oanda and The Economist

Corporate M&A Activity and Equity Market Performance

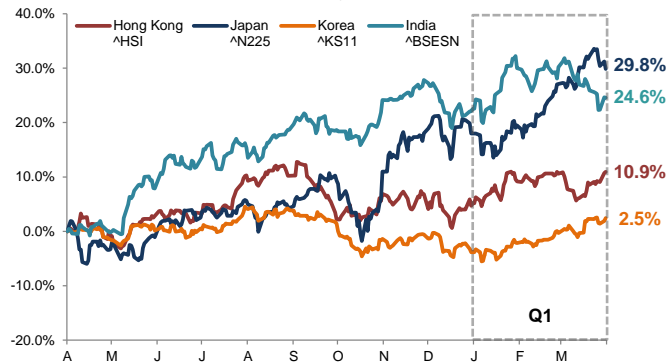
2015 M&A Activity Picks Up Where it Left Off Last Year:

The Asia/Pacific region had 3,378 announced M&A transactions in Q1 2015 representing an 18.9% decrease from Q4 2014 and a 4.8% increase from Q1 2014. Deal value remained virtually unchanged at approximately US\$209 billion during the current quarter. The average deal value in Q1 2015 was US\$97.2 million.

Asia/Pacific M&A Transactions



LTM Equity Market Performance
% Change



Source: Capital IQ

M&A Trends and Transactions

Current M&A Trends:

- The top Asia/Pacific M&A sectors during Q1 2015 included Financials, Consumer Discretionary, and Industrials.
- In Q1 2015, average TEV/EBITDA and TEV/Revenue multiples for disclosed transactions were 11.7x and 1.7x, respectively.
- The Top 3 most active regional buyers/investors in the current quarter by number of transactions were BSS Development Sdn. Bhd. (12), China Gezhouba Group Co. Ltd. (11), and Kenedix Real Estate Fund Management, Inc. (8).
- The Top 3 most active regional buyers/investors in Q1 2015 by total transaction size were CK Hutchison Holdings Ltd., Japan Post Bank Co., Ltd., and Highlight China IoT International Ltd.
- There were a total of 24 Asia/Pacific M&A deals in the current quarter that exceeded the US\$1 billion TEV level.

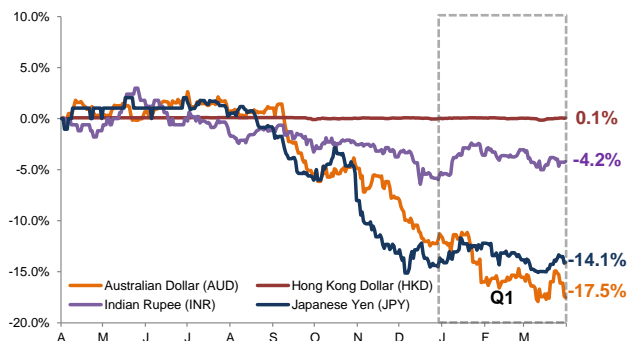
Selected M&A Transactions:

- LG International Corp.**, a Korean conglomerate, acquired a 51% stake in **Pantos Logistics Co., Ltd.**, a Korean logistics company, for US\$347.8 million. The transaction value represents a multiple of 6.1x EBITDA and 0.3x Revenue.
- The Carlyle Group LP**, a private equity firm, acquired **Hitachi Metals Techno, Ltd.**, a Japanese building products company, for US\$236.2 million. The transaction value represents a multiple of 9.2x EBITDA and 1.1x Revenue.
- Grasim Industries, Ltd.**, an Indian construction materials company, acquired **Aditya Birla Chemicals (India), Ltd.**, an Indian chemicals company, for US\$235.9 million. The transaction value represents a multiple of 5.2x EBITDA and 1.3x Revenue.

Source: Capital IQ

Currency and Interest Rate Performance

LTM Currency Market Performance relative to U.S. Dollar



Short and Long-Term Interest Rates

As of March 31, 2015

	Current		1 Year Ago	
	3-month	10-year	3-month	10-year
Hong Kong	0.39%	1.50%	0.37%	2.39%
India	8.27%	7.76%	8.89%	8.96%
Japan	0.10%	0.37%	0.14%	0.63%
South Korea	1.78%	2.17%	2.65%	3.56%

Sources: Oanda and The Economist

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