

Harris Williams & Co.
middle market®

Test, Measurement, and Control
Industry Update
Q4 2013

Member FINRA/SIPC

Harris Williams & Co. is pleased to present our global Test, Measurement, and Control industry update for Q4 2013. This report provides commentary and analysis on current capital market trends and merger and acquisition dynamics within the global test, measurement, and control sector. As set forth in our report, the global Test, Measurement, and Control sector is comprised of companies that provide highly engineered devices, instruments, systems, and services to monitor, measure, protect, control, and validate processes and applications across numerous end markets.

We hope you enjoy reviewing this edition and please continue to email and call us with your thoughts and opinions. We want to ensure that this newsletter is informative and helpful as you continue to focus on the test, measurement, and control sector.



Bill Roman 
Managing Director
broman@harriswilliams.com
+1 (617) 654-2101



Julien Darmon 
Managing Director
jdarmon@harriswilliams.com
+44 20 7518 8905



Jeff Perkins 
Managing Director
jperkins@harriswilliams.com
+49 69 7593 8606



Jay Hernandez 
Director
jhernandez@harriswilliams.com
+1 (617) 654-2114



Matt Volinsky 
Vice President
mvolinsky@harriswilliams.com
+1 (617) 654-2138



Lars Friemann 
Vice President
lfriemann@harriswilliams.com
+49 69 7593 7169

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GROUP OVERVIEW

Harris Williams & Co. is a leading advisor to the test, measurement, and control markets. Our significant experience covers a broad range of end markets, industries, and business models. This particular report focuses on trends and metrics in the following areas:

Test and Measurement

- Instrumentation
- Sensors
- Technology and Software
- Life Sciences and Laboratory

Flow Control

- Pumps and Filtration
- Valves and Fittings

Process / Motion Control

- Motion and Drives
- Actuators and Positioners
- Condition Monitoring

Test Services

- Testing
- Inspection
- Certification
- Engineering
- Consulting

HW&Co. Test, Measurement, and Control Deal Spotlight

Harris Williams & Co. Advises New Finder S.A. in its Pending Sale to Dover Corporation

Harris Williams & Co. announces that New Finder S.A. has entered into a definitive agreement to sell **Finder S.p.A (Finder)**, a leading manufacturer of centrifugal, screw, vacuum and piston pumps, to the Pump Solutions Group, an operating company within **Dover Corporation** (NYSE: DOV; Dover). Harris Williams & Co.



is acting as the exclusive advisor to the seller, New Finder S.A, a portfolio company of FA Capital. The transaction is expected to close early in the fourth quarter of 2013 and is being led by Julien Darmon and Alex Murrill from Harris Williams & Co.'s London office and Bill Roman from the firm's Boston office.

Finder, headquartered in Merate, Italy, is a leading provider of engineered pumps, spare parts and related services for critical applications in oil & gas, power generation and general industrial processes. Approximately 80% of Finder's revenue is generated from products manufactured to the exacting standards of the American Petroleum Institute. Finder sells its products worldwide. The company employs approximately 200 people and has fully owned subsidiaries in Italy, France, the People's Republic of China as well as a joint venture in Saudi Arabia. Finder expects to generate revenues of approximately \$80 million in 2013.

Read the full press release [here](#).

What We're Reading

Auto MEMS Sensors to Keep Expanding toward Banner Growth in 2014

This article outlines how safety mandates in the automotive industry are expected to drive demand for microelectromechanical system sensors.

IHS Electronics & Media

07/30/2013

"Automotive MEMS revenue is forecast to reach \$2.8 billion in 2014 via a 9.2 percent increase—a rate of expansion that will prove to be the largest during the period from 2012 through 2017. The climb improves on the anticipated 7.4 percent rise projected for this year, and will be the third-highest annual increase since the industry decline of 2009 following the global recession. The market for automotive sensors will grow more rapidly this year and the next compared to 2012 as vehicle manufacturers hasten to comply with safety legislation related to electronic stability control (ESC) and tire pressure monitoring systems (TPMS). ESC mandates are maturing in the United States, Europe, Australia, South Korea and Japan; while TPMS is deepening in penetration and saturating in the U.S., Europe, South Korea and China. During this time, sensors will enjoy increased adoption and hit their peak, which explains the high rate of growth being forecast next year despite fewer vehicles actually being sold. The rosy prospects anticipated for 2014 are in contrast to the muted results of 2012 after lackluster vehicle sales in China and Europe."

Read the full article [here](#).

Global Gas Analyzer Market to Reach \$3.2 Billion By 2018

This article highlights the expected growth in the gas analyzer, sensor, and detector market through 2018.

Markets and Markets

08/01/2013

"The global market for gas analyzer devices in terms of revenue was estimated to be worth \$2.2 billion in 2012 and is expected to reach \$3.2 billion by 2018, growing at a CAGR of 5.5% from 2013 to 2018. The Asia-Pacific region dominated the global GASD [gas analyzer, sensor, and detector] market revenues in 2012. Asia-Pacific is expected to have the highest revenue by 2018, followed by the North America region. Europe is expected to be the next fastest growing market, with a CAGR of 4.1% from 2013 to 2018, owing to rising consumption in this region, where end-user markets of GASD are growing steadily, especially in households to reduce the deaths caused due to carbon monoxide. The Middle East & African market is expected to grow at a rate of 4.4% in terms of revenue. The U.S. is the biggest consumer in the North American region and is the largest globally. Japan is the biggest end user of GASD in the Asia-Pacific region and is the second largest globally. The U.S. and Japan together accounted for 26.8% of the global gas analyzer revenues in 2012. The U.S. and Japan are the largest consumers in their respective regions, and are expected to compete with each other to dominate the market by 2018, with advanced technological GASD devices for end users. Japan registered the most number of patents from 2010 to 2013 and is expected to continue with new product launches."

U.S.
Economic
Environment

	GDP <small>As of Jun-13</small>	PMI Index <small>As of Jul-13</small>	ISM Index <small>As of Jul-13</small>	Durable Goods New Orders <small>As of Jun-13</small>	Conference Board Leading Indicators <small>As of Jun-13</small>
Last 3 Months	▲ 0.4%	▲ 9.3%	▲ 5.9%	▲ 6.4%	▲ 0.6%
Last 6 Months	0.7%	4.3%	3.9%	0.6%	1.3%
Last 12 Months	1.4%	11.2%	15.4%	3.8%	1.7%

U.S.
Economic
Observations

- GDP grew at an annual rate of 1.7% in 2Q 2013, which was an increase from the 1.1% annual growth rate in 1Q 2013.
- Stuart Hoffman (Chief Economist at PNC) is currently forecasting GDP growth of 1.7% for the full year 2013 as spending cuts and tax increases continue to weigh on the recovery.
- In July 2013, the unemployment rate continued its consistent decline to 7.4%, as total nonfarm payroll employment increased by 162,000 due to additional leisure and hospitality, professional and business services, retail trade, financial activities, and health care jobs.
- The Conference Board's index of consumer confidence decreased slightly in July to 80.3, but remains well above levels of a year ago.
- With a PMI reading of 55.4, an increase from 50.9 in June, economic activity in the manufacturing sector expanded in July for the second consecutive month at the fastest rate recorded this year.

EU – 27
Economic
Environment

	GDP <small>As of Jun-13</small>	Industrial Production Index <small>As of Jun-13</small>	Industrial Confidence Indicators <small>As of Jul-13</small>	New Orders <small>As of Jun-13</small>	Economic Sentiment Indicators <small>As of Jul-13</small>
Last 3 Months	▲ 0.3%	▲ 0.4%	▲ 2.8	▼ (2.6)	▲ 4.5%
Last 6 Months	0.2%	1.8%	2.7	4.2	3.8%
Last 12 Months	0.8%	0.1%	2.4	8.3	5.7%

EU – 27
Economic
Observations

- Real GDP increased 0.3% in the second quarter of 2013, representing an increase of 0.8% year-over-year.
- In July, the Economic Sentiment Indicator (“ESI”) continued the upward trend observed since May, and the 4.5% increase was broad-based across all business sectors.
- The 2.8 point increase in industry confidence resulted from continued expanding demand in capital goods and durable consumer goods.
- Assessment of new orders worsened again after last quarter's improvement, and companies' appraisal of their competitive position on foreign markets outside the EU deteriorated mildly.
- Consumer confidence increased by 1.4 points in July, based on a marked easing of unemployment expectations and slightly better expectations concerning households' future financial situation.
- Real investment growth in manufacturing is expected to increase to 3% in 2013, while the October/November survey pointed to flat investment.

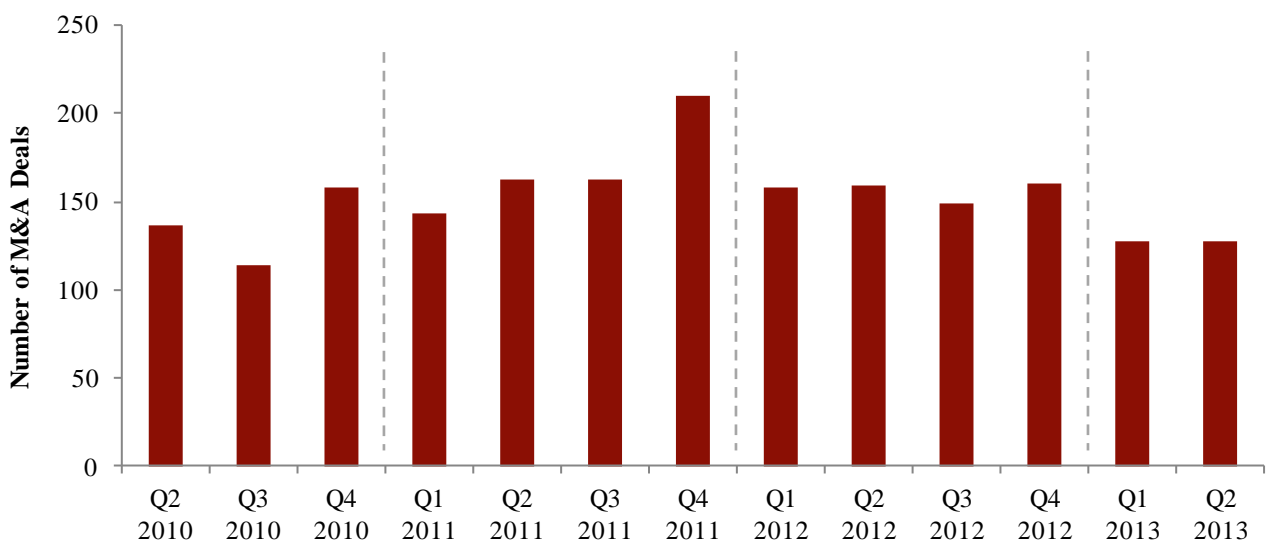
Market Observations

Market Observations

- The U.S. M&A environment is showing increased activity levels heading into the second half of 2013 with supply of quality assets only starting to approach the demand for acquisitions from financial and strategic buyers.
- Deal value in the United States increased 12% in the first half of this year, totaling \$336 billion, compared to the first half of 2012 when deal value totaled \$299 billion.
- Current lender friendly environment is evidenced by both the record \$77.3 billion in private equity dividend recapitalizations completed in 2012 and the continued strong momentum in 1H 2013, with activity totaling approximately \$52.7 billion.
- Demand for U.S.-based manufacturers by financial and strategic buyers and a high amount of private equity-owned middle market companies provides a positive outlook for the U.S. industrials sector.
- When comparing the first two quarters of 2013 with those of 2012, M&A has decreased in the EMEA region by 11% in terms of volume to 2,376 deals and 26% in terms of value to €204.1 billion.
- The U.K. & Ireland and the Germanic countries continue to be the biggest target markets for M&A in the EMEA region, with six out of the region's ten largest deals of the year taking place in those countries.

Market Activity

Test, Measurement, and Control M&A Volume Quarterly Activity

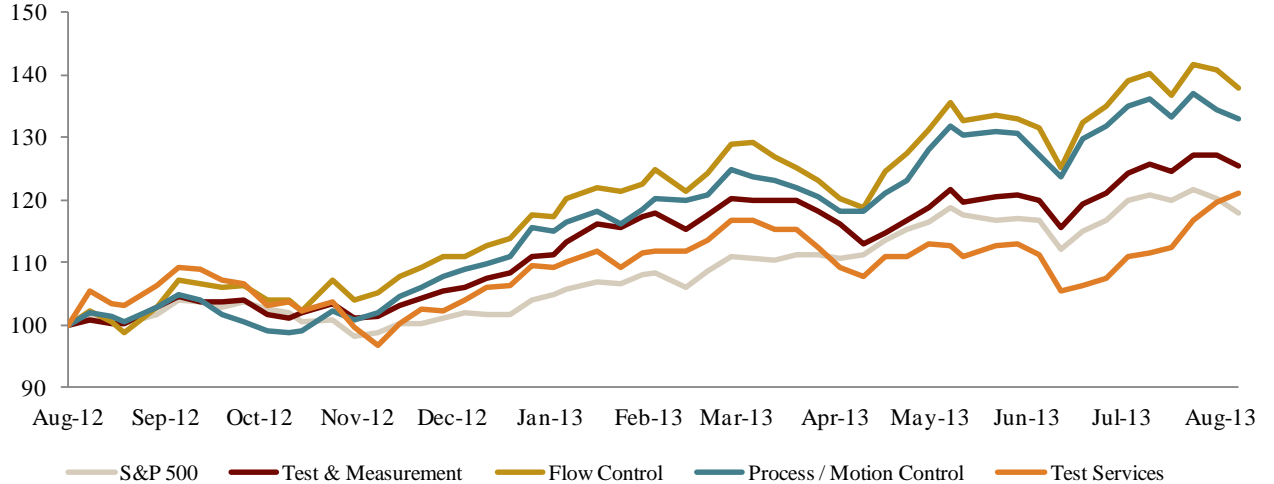


Source: CapitalIQ.

Stock Prices

Trailing Twelve Months Stock Price Performance

As of August 19, 2013



Key Trading Statistics

Key Trading Statistics

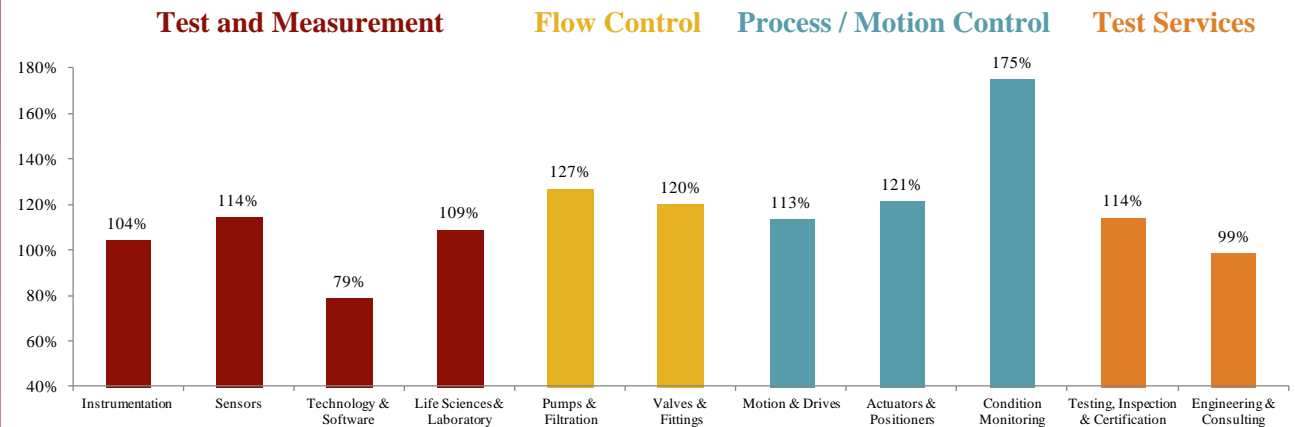
As of August 19, 2013

Sub-Sector Median	Stock Price % Change		TEV / LTM EBITDA		TEV / EBITDA		LTM Margins	
	1 Month	12 Month	Aug-12	Feb-13	LTM	2013E	Gross	EBITDA
Test and Measurement								
Instrumentation	(2.7%)	23.1%	12.2x	13.5x	12.3x	11.8x	39.5%	15.4%
Sensors	(2.8%)	29.3%	9.9x	10.7x	11.9x	9.8x	41.0%	17.0%
Technology and Software	(1.3%)	(7.9%)	10.7x	10.2x	11.4x	10.7x	42.8%	13.1%
Life Sciences and Laboratory	1.0%	37.2%	10.6x	12.5x	13.7x	13.0x	50.0%	20.3%
Flow Control								
Pumps and Filtration	(0.1%)	32.8%	10.8x	11.3x	11.9x	11.6x	34.4%	15.4%
Valves and Fittings	(0.1%)	35.4%	8.1x	9.6x	10.6x	9.5x	31.9%	13.3%
Process / Motion Control								
Motion and Drives	(1.7%)	21.1%	9.1x	11.1x	10.7x	10.1x	35.8%	17.4%
Actuators and Positioners	(3.9%)	38.6%	7.6x	8.9x	10.3x	8.9x	29.7%	13.4%
Condition Monitoring	(0.2%)	26.9%	8.1x	9.0x	11.9x	10.4x	48.7%	17.9%
Test Services								
Testing, Inspection, and Certification	6.3%	17.5%	11.1x	12.8x	12.7x	11.9x	31.9%	18.6%
Engineering and Consulting	0.8%	12.1%	9.9x	8.7x	9.2x	8.8x	21.1%	7.9%

EBITDA Multiples

Current Valuations Versus Historical Five-Year Median

As of August 19, 2013



Key Trading
Stats

As of August 19, 2013
(\$ in millions, except
per share amounts)

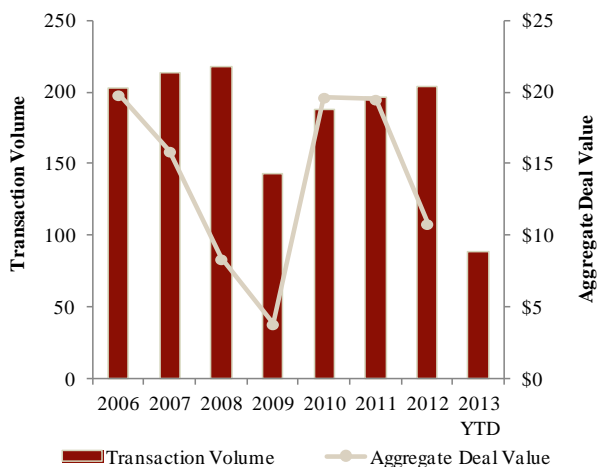
Test and Measurement Public Comparables

	LTM Margins			Stock Performance				R&D / Sales LTM	TEV / EBITDA	
	EBITDA	Gross	TEV	Current Price	1-Month Change	1-Year Change	% of LTM High		LTM	2013E
	Instrumentation									
Roper Industries Inc.	31.1%	56.8%	\$14,829	\$124.87	(5.2%)	17.7%	94.1%	4.0%	15.5x	14.1x
AMETEK, Inc.	25.9%	35.3%	\$11,643	\$43.91	(4.1%)	28.8%	91.5%	4.0%	13.1x	12.7x
Danaher Corp.	22.3%	52.1%	\$48,314	\$66.82	(2.7%)	24.2%	96.8%	6.4%	11.7x	11.6x
Spectris plc	19.4%	57.8%	\$2,884	\$23.01	10.5%	31.6%	91.7%	7.0%	12.3x	11.6x
Badger Meter Inc.	15.8%	36.7%	\$746	\$47.70	(2.6%)	35.1%	87.9%	2.5%	14.7x	14.7x
Teledyne Technologies Inc.	15.4%	36.4%	\$3,617	\$79.74	(0.9%)	23.1%	95.5%	13.8%	10.3x	10.4x
ESCO Technologies Inc.	13.4%	39.5%	\$964	\$30.53	(13.6%)	(16.5%)	72.0%	4.4%	10.6x	11.8x
Oxford Instruments plc	13.3%	44.6%	\$825	\$15.23	13.8%	17.3%	85.7%	6.9%	17.7x	13.0x
National Instruments Corporation	13.1%	74.2%	\$3,172	\$28.01	(6.4%)	5.5%	85.3%	19.9%	20.6x	15.9x
Jenoptik AG	12.5%	35.0%	\$688	\$10.61	12.2%	80.8%	98.9%	6.1%	9.4x	9.0x
Itron, Inc.	9.7%	32.4%	\$1,865	\$38.89	(9.8%)	(13.5%)	80.3%	9.0%	9.8x	10.2x
Median	15.4%	39.5%			(2.7%)	23.1%	91.5%	6.4%	12.3x	11.8x
Mean	17.4%	45.5%			(0.8%)	21.3%	89.1%	7.6%	13.2x	12.3x
Sensors										
Sensata Technologies Holding NV	27.0%	35.1%	\$8,110	\$37.83	2.5%	20.8%	98.2%	2.9%	15.9x	14.6x
Meggitt PLC	26.1%	42.4%	\$4,907	\$5.33	(2.8%)	29.3%	92.6%	7.0%	11.5x	9.8x
FLIR Systems, Inc.	25.9%	51.9%	\$4,477	\$32.15	11.0%	55.0%	95.1%	9.6%	11.9x	11.6x
Measurement Specialties Inc.	17.0%	41.0%	\$828	\$47.01	(5.8%)	49.2%	93.7%	5.6%	13.6x	11.1x
MTS Systems Corporation	14.3%	40.3%	\$896	\$60.61	(5.3%)	18.9%	92.8%	4.1%	11.3x	9.1x
Honeywell International Inc.	14.1%	25.4%	\$67,078	\$81.73	(2.2%)	37.4%	96.3%	4.7%	12.6x	9.7x
First Sensor AG	11.1%	51.3%	\$113	\$7.58	(7.3%)	(17.5%)	79.8%	19.2%	9.1x	7.6x
Median	17.0%	41.0%			(2.8%)	29.3%	93.7%	5.6%	11.9x	9.8x
Mean	19.4%	41.1%			(1.4%)	27.6%	92.6%	7.6%	12.3x	10.5x
Technology and Software										
Hexagon AB	23.9%	55.2%	\$12,879	\$30.54	1.2%	49.8%	95.2%	NM	22.2x	14.9x
Muehlbauer Holding AG & Co. KGaA	13.6%	28.2%	\$251	\$18.25	(3.7%)	(16.5%)	74.8%	10.5%	8.0x	5.9x
FARO Technologies Inc.	12.6%	54.2%	\$457	\$36.80	(6.9%)	0.5%	80.2%	6.9%	13.2x	12.6x
Mistras Group, Inc.	11.6%	31.4%	\$591	\$18.38	7.7%	(16.3%)	72.5%	0.5%	9.6x	8.9x
Median	13.1%	42.8%			(1.3%)	(7.9%)	77.5%	6.9%	11.4x	10.7x
Mean	15.4%	42.3%			(0.4%)	4.4%	80.7%	5.9%	13.2x	10.6x
Life Sciences and Laboratory										
Mesa Laboratories Inc.	35.3%	62.0%	\$214	\$64.71	3.4%	36.5%	95.6%	3.3%	12.9x	NA
Waters Corporation	31.5%	59.3%	\$8,010	\$98.47	(6.0%)	30.8%	92.9%	5.3%	13.7x	13.3x
Thermo Fisher Scientific, Inc.	21.0%	42.5%	\$38,386	\$90.52	1.0%	59.9%	97.6%	3.0%	14.3x	14.0x
FEI Company	20.4%	47.1%	\$2,825	\$76.67	(1.1%)	37.2%	96.7%	11.1%	15.5x	15.0x
Mettler-Toledo International Inc.	20.3%	53.6%	\$7,107	\$225.27	3.8%	37.5%	97.6%	4.8%	15.0x	13.8x
Agilent Technologies Inc.	19.5%	52.0%	\$16,492	\$46.58	0.8%	25.1%	96.7%	10.4%	12.4x	10.5x
Sartorius AG	19.0%	50.0%	\$1,872	\$86.25	0.8%	65.9%	91.8%	5.8%	11.4x	10.7x
PerkinElmer Inc.	15.1%	45.1%	\$4,977	\$36.46	7.0%	33.2%	96.7%	6.3%	15.4x	12.6x
Bruker Corporation	13.6%	45.7%	\$3,327	\$19.50	11.5%	61.1%	95.6%	10.5%	13.5x	12.7x
Median	20.3%	50.0%			1.0%	37.2%	96.7%	5.8%	13.7x	13.0x
Mean	21.7%	50.8%			2.4%	43.0%	95.7%	6.7%	13.8x	12.8x
Overall Median	17.0%	45.1%			(1.1%)	29.3%	93.7%	6.2%	12.9x	11.7x
Overall Mean	18.9%	45.6%			0.0%	26.8%	90.7%	7.2%	13.2x	11.8x

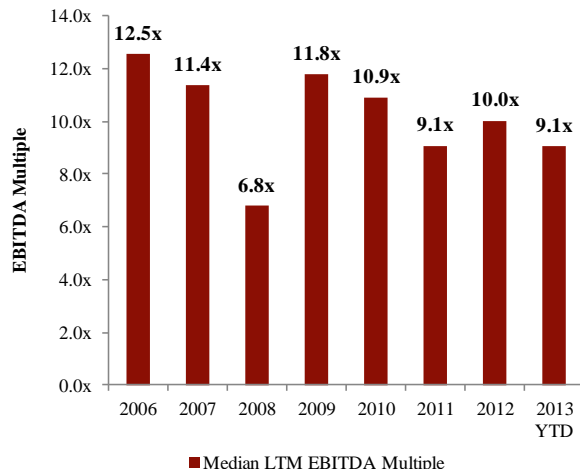
Test and Measurement
M&A Trends

(\$ in billions)

Number of Deals and Aggregate Deal Value



Median LTM EBITDA Multiple



Announced
M&A
Transactions

(\$ in millions)

Notable Recent Transactions

Date	Target	Target Description	Acquirer	Enterprise Value	EV/EBITDA Multiple
Pending	Galvanic Applied Sciences Inc.	Manufactures analytical measurement equipment.	Tuckerman Capital	\$18.1	4.1x
Pending	3 Degrees of Separation, Inc.	Develops gas chromatography products.	Analytical Pixels Technology SAS	NA	NA
Pending	Los Gatos Research, Inc.	Manufactures laser-based trace gas and isotope analyzers.	ABB Ltd.	NA	NA
08/14/13	Second Wind, Inc.	Manufactures wind measurement instruments.	Vaisala Oyj	NA	NA
08/13/13	Hygrocontrol GmbH	Manufactures humidity and temperature measurement instrumentation.	COSA Xentaur Corporation	NA	NA
08/06/13	VIMEX AS	Manufactures detection and measuring equipment.	Norsk Analyse AS	NA	NA
08/03/12	Teledyne LeCroy, Inc.	Manufactures oscilloscopes and communication protocol analyzers.	Teledyne Technologies Inc.	291.7	8.9x
07/18/13	PECO, Inc.	Manufactures sensors and systems for the aerospace industry.	Astronics Corporation	136.0	NA
07/01/13	Sure Torque Inc.	Develops bottle cap torque testers and other torque testing systems.	Mesa Laboratories Inc.	1.6	NA
06/27/13	Nanjing Xinye Electric Engineering	Manufactures control systems and dispensers.	Chart Industries Inc.	NA	NA
06/24/13	Groveley Detection Limited.	Manufactures fire and gas detection equipment.	Emerson Electric Co.	NA	NA
06/24/13	Romet Limited	Manufactures positive displacement rotary gas meters and electronic volume instruments.	Signal Hill Equity Partners Inc.	NA	NA
06/13/13	Genisco Filter Corp.	Manufactures electromagnetic equipment for the medical and aerospace industries.	HSI Sensing, Inc.	NA	NA
05/31/13	Auto Meter Products, Inc.	Manufactures customized instrumentation solutions to the original equipment market.	Avante Mezzanine, Inc.	NA	NA
05/15/13	SGE Analytical Science Pty. Ltd.	Manufactures chromatography and spectrometry instrumentation.	Trajan Scientific & Medical Pty Ltd.	NA	NA

Top Acquirers

From 2006 – Present
(\$ in millions)

Company	Number of Transactions	Aggregate Transaction Value ⁽¹⁾
Danaher Corp.	30	10,977
Thermo Fisher Scientific, Inc.	22	30,333
Agilent Technologies Inc.	17	1,579
Measurement Specialties Inc.	17	273
General Electric Company	15	3,204
AMETEK Inc.	13	748
Illinois Tool Works Inc.	12	48
Emerson Electric Co.	11	1,087
Spectris plc	11	633
Bruker Corporation	10	431
Teledyne Technologies Inc.	8	396
Schneider Electric S.A.	8	308
Halma plc	8	109
Roper Industries Inc.	7	1,841

(1) Transaction values only for pending and closed transactions with disclosed terms.

Key Trading
Stats

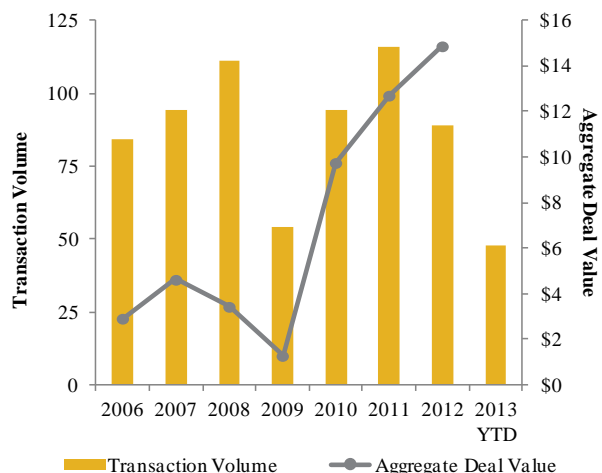
As of August 19, 2013
(\$ in millions, except
per share amounts)

Flow Control Public Comparables

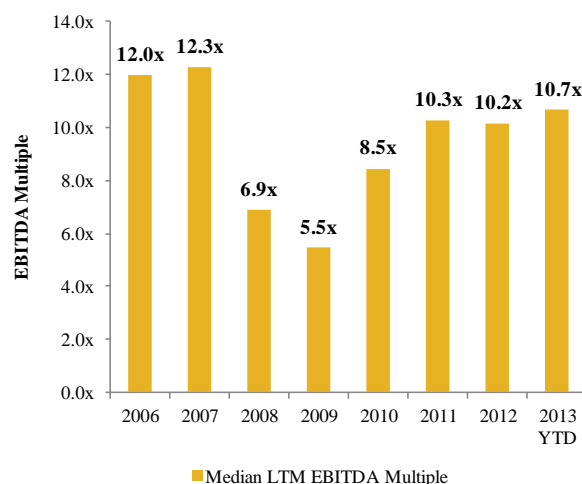
	LTM Margins			Stock Performance				R&D / Sales LTM	TEV / EBITDA	
	EBITDA	Gross	TEV	Current Price	1-Month Change	1-Year Change	% of LTM High		LTM	2013E
Pumps and Filtration										
Graco Inc.	29.7%	55.2%	\$4,411	\$71.68	5.6%	42.3%	96.0%	4.7%	14.0x	13.6x
Pall Corporation	24.1%	51.8%	\$7,632	\$70.70	(0.1%)	26.7%	96.6%	3.4%	11.9x	13.1x
IDEX Corporation	23.2%	42.1%	\$5,365	\$60.19	2.7%	46.2%	97.2%	1.8%	11.7x	11.6x
Essentra plc	19.6%	60.6%	\$2,073	\$7.94	4.8%	47.9%	94.6%	NM	14.6x	13.3x
IMI plc	19.5%	42.8%	\$4,662	\$14.20	1.4%	52.9%	97.9%	1.8%	10.9x	10.4x
Donaldson Company, Inc.	16.6%	34.5%	\$5,148	\$35.73	(3.4%)	0.8%	90.8%	2.4%	12.6x	12.1x
Franklin Electric Co., Inc.	16.3%	34.4%	\$1,889	\$37.17	(1.5%)	32.8%	95.6%	0.9%	12.5x	12.0x
Flowserve Corp.	16.0%	33.8%	\$8,988	\$56.15	(2.1%)	31.0%	96.4%	0.7%	11.6x	10.5x
Xylem Inc.	15.4%	39.1%	\$5,387	\$24.59	(14.6%)	(2.2%)	82.5%	2.8%	9.3x	10.0x
Trelleborg AB	14.1%	32.6%	\$5,939	\$17.84	4.6%	64.3%	97.7%	1.5%	13.5x	11.6x
ITT Corporation	13.9%	31.4%	\$2,526	\$33.74	7.2%	62.7%	95.8%	2.7%	7.8x	7.0x
ESCO Technologies Inc.	13.4%	39.5%	\$964	\$30.53	(13.6%)	(16.5%)	72.0%	4.4%	10.6x	11.8x
Gorman-Rupp Co.	13.2%	23.3%	\$714	\$34.94	4.7%	22.0%	94.9%	NM	14.2x	11.6x
Sulzer, Ltd.	12.7%	30.7%	\$4,855	\$137.30	(17.8%)	3.9%	80.3%	2.3%	9.6x	9.3x
Colfax Corporation	12.1%	30.5%	\$6,427	\$51.71	(2.7%)	54.3%	94.2%	0.5%	13.3x	11.6x
SPX Corporation	9.0%	27.6%	\$4,763	\$74.32	(0.9%)	12.0%	86.6%	1.5%	10.5x	10.2x
Pentair Ltd.	8.5%	29.4%	\$14,973	\$61.81	1.8%	41.1%	95.3%	1.8%	27.7x	12.3x
Median	15.4%	34.4%			(0.1%)	32.8%	95.3%	1.8%	11.9x	11.6x
Mean	16.3%	37.6%			(1.4%)	30.7%	92.0%	2.2%	12.7x	11.3x
Valves and Fittings										
The Weir Group PLC	20.5%	35.4%	\$5,687	\$22.23	2.6%	25.0%	89.3%	1.2%	11.5x	10.2x
Crane Co.	15.6%	34.2%	\$3,457	\$59.59	(6.9%)	46.1%	92.1%	2.5%	8.7x	7.9x
Cameron International Corporation	15.4%	29.1%	\$14,784	\$55.59	(15.5%)	3.1%	82.5%	0.7%	10.6x	9.5x
Aalberts Industries NV	14.1%	59.5%	\$2,769	\$18.91	(0.4%)	34.8%	95.9%	NM	9.7x	8.9x
Mueller Water Products, Inc.	13.3%	27.1%	\$1,710	\$7.48	(4.3%)	78.1%	93.3%	1.1%	11.6x	10.3x
Parker-Hannifin Corporation	13.1%	22.5%	\$16,484	\$103.00	(0.1%)	22.9%	96.0%	2.8%	9.6x	9.3x
Curtiss-Wright Corporation	13.0%	31.9%	\$2,769	\$40.90	1.0%	35.4%	92.2%	2.7%	9.3x	7.7x
Watts Water Technologies, Inc.	12.9%	36.0%	\$2,009	\$53.47	1.2%	38.1%	97.1%	0.0%	10.7x	10.3x
CIRCOR International, Inc.	10.2%	29.6%	\$998	\$56.86	3.5%	60.8%	96.0%	0.7%	11.6x	10.3x
Mueller Industries Inc.	7.3%	13.3%	\$1,575	\$55.37	1.4%	22.3%	95.2%	NM	9.9x	8.3x
Median	13.3%	31.9%			(0.1%)	35.4%	93.3%	1.2%	10.6x	9.5x
Mean	14.2%	33.9%			(2.1%)	38.3%	92.7%	1.5%	10.4x	9.4x
Overall Median	14.1%	33.8%			(0.1%)	34.8%	95.2%	1.8%	11.5x	10.3x
Overall Mean	15.3%	35.5%			(1.5%)	32.9%	92.4%	2.0%	11.8x	10.6x

**Flow Control
M&A Trends**
(\$ in billions)

Number of Deals and Aggregate Deal Value



Median LTM EBITDA Multiple



**Announced
M&A
Transactions**
(\$ in millions)

Notable Recent Transactions

Date	Target	Target Description	Acquirer	Enterprise Value	EV/EBITDA Multiple
Pending	Edwards Group Limited	Manufactures vacuum products and abatement systems.	Atlas Copco AB	\$1,570.1	9.3x
Pending	Gamma Vacuum, LLC	Manufactures ion and titanium sublimation pumps.	Edwards Group Limited	NA	NA
Pending	Tianjin Xiangjia Flow Control Systems Co.	Manufactures wear-resisting ball valves and low temperature valves.	China Valves Technology, Inc.	40.8	NA
Pending	PMC Servi AS	Distributes cylinders, valves, pneumatics, and electromechanics.	Ferd Holding AS	NA	NA
08/16/13	Claude Laval Corporation	Manufactures centrifugal separators and filtration solutions.	Lindsay Corporation	NA	NA
08/02/13	Controls Southeast, Inc.	Provides piping and thermal maintenance systems.	AMETEK Inc.	160.0	NA
07/31/13	J W Measurement Company	Manufactures engineered gas measurement equipment.	White Deer Energy	NA	NA
07/29/13	Lubrication Solutions Inc.	Manufactures diesel exhaust fluid equipment and systems.	Horn Gmbh & Co. Kg	NA	NA
07/25/13	Emmecom Srl	Manufactures and supplies vacuum pumps and compressors.	SSB S.p.A.	NA	NA
07/11/13	Moffat 2000 Ltd.	Manufactures a range of pipeline products.	Forum Energy Technologies, Inc.	NA	NA
07/08/13	Callidus Process Solutions Pty Ltd	Provides valves, actuators, and instrumentation.	Stichting Continuïteit Wilg	NA	NA
07/03/13	Cesare Bonetti S.p.A.	Manufactures standard and custom valves and liquid level indicators.	Waaree Group	NA	NA
07/01/13	Dan H. Brown, Inc.	Distributes valves, regulators, and switches.	MRC Global Inc.	NA	NA
06/28/13	Angus Fire Armour Ltd.	Manufactures fire fighting products.	Lloyds Banking Group plc	94.2	NA
06/27/13	Canyon Engineering Products, Inc.	Provides industrial valves and fluid control devices.	ESCO Technologies Inc.	NA	NA
06/04/13	Valterra Products, Inc.	Distributes recreational vehicle plumbing equipments and supplies.	G. Scott Capital Partners	NA	NA

Top Acquirers
From 2006 – Present
(\$ in millions)

Company	Number of Transactions	Aggregate Transaction Value ⁽¹⁾
Parker Hannifin Corporation	14	\$285
Dover Corp.	10	\$702
The Weir Group plc	9	\$1,335
ITT Corporation	9	\$863
Curtiss-Wright Corp.	9	\$537
Pentair, Inc.	8	\$6,507
IDEX Corporation	8	\$439
Franklin Electric Co. Inc.	8	\$318
Rotork plc	8	\$62
SPX Corporation	6	\$2,065
IMI plc	6	\$667
Interpump Group SpA	6	\$144
Eaton Corporation	5	\$872
Flowserve Corp.	4	\$348
Crane Co.	4	\$135
Colfax Corporation	2	\$2,779

(1) Transaction values only for pending and closed transactions with disclosed terms.

**Key Trading
Stats**

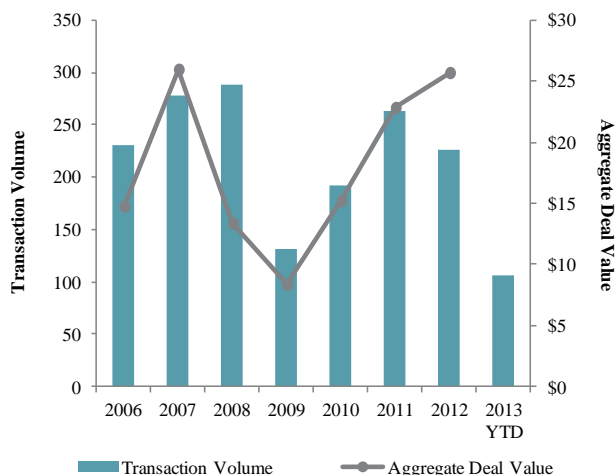
As of August 19, 2013
(\$ in millions, except
per share amounts)

Process / Motion Control Public Comparables

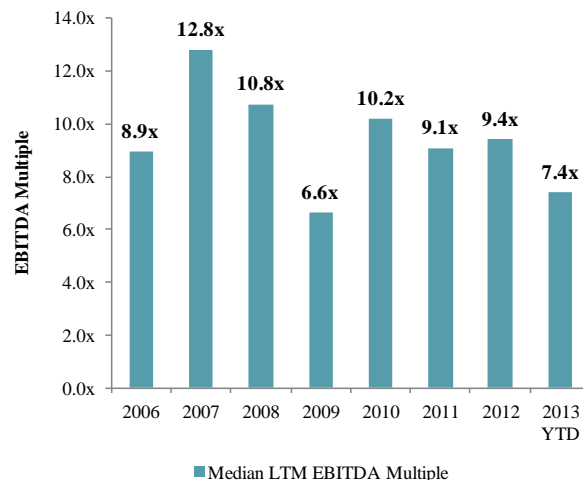
	LTM Margins			Stock Performance				R&D / Sales	TEV / EBITDA	
	EBITDA	Gross	TEV	Current Price	1-Month Change	1-Year Change	% of LTM High	LTM	LTM	2013E
	Motion and Drives									
AMETEK Inc.	25.9%	35.3%	\$11,643	\$43.91	(4.1%)	28.8%	91.5%	4.0%	13.1x	12.7x
Danaher Corp.	22.3%	52.1%	\$48,314	\$66.82	(2.7%)	24.2%	96.8%	6.4%	11.7x	11.6x
Rexnord Corporation	18.9%	36.4%	\$3,487	\$18.79	(0.0%)	21.0%	83.7%	0.9%	9.1x	8.8x
Aeroflex Holding Corp.	18.3%	50.9%	\$1,174	\$7.38	(10.4%)	21.2%	79.8%	13.4%	9.9x	8.9x
Rockwell Automation Inc.	18.2%	40.2%	\$13,185	\$96.53	4.0%	30.9%	96.3%	4.0%	11.5x	10.6x
Schneider Electric S.A.	16.5%	37.8%	\$38,700	\$60.49	4.8%	18.0%	96.0%	2.2%	9.8x	9.6x
ABB Ltd.	13.6%	28.8%	\$51,737	\$20.92	(3.0%)	20.0%	94.7%	3.6%	9.4x	9.0x
Siemens Aktiengesellschaft	11.0%	27.9%	\$83,733	\$82.67	(0.6%)	11.1%	93.9%	5.5%	9.9x	10.6x
Yaskawa Electric Corp.	8.0%	27.7%	\$3,412	\$12.05	(4.8%)	75.1%	78.4%	3.5%	13.0x	10.1x
Nidec Corporation	7.1%	19.1%	\$12,759	\$83.52	17.7%	(0.6%)	95.7%	4.9%	24.2x	NA
Median	17.4%	35.8%			(1.7%)	21.1%	94.3%	4.0%	10.7x	10.1x
Mean	16.0%	35.6%			0.1%	25.0%	90.7%	4.8%	12.2x	10.2x
Actuators and Positioners										
Altra Holdings, Inc.	14.5%	30.1%	\$817	\$24.80	(18.6%)	36.0%	79.1%	1.6%	7.9x	7.9x
Moog Inc.	13.7%	30.4%	\$3,002	\$52.51	(8.3%)	35.3%	90.5%	5.3%	8.5x	7.9x
Eaton Corporation plc	13.7%	30.0%	\$39,863	\$65.44	(4.2%)	41.2%	93.4%	2.8%	15.2x	11.7x
Parker-Hannifin Corporation	13.1%	22.5%	\$16,484	\$103.40	0.3%	23.3%	96.4%	2.8%	9.6x	9.3x
Pentair Ltd.	8.5%	29.4%	\$14,973	\$62.11	2.3%	41.8%	95.7%	1.8%	27.7x	12.3x
CTS Corporation	8.2%	22.4%	\$518	\$14.07	(3.7%)	46.7%	95.1%	3.8%	11.0x	8.6x
Median	13.4%	29.7%			(3.9%)	38.6%	94.3%	2.8%	10.3x	8.9x
Mean	11.9%	27.5%			(5.4%)	37.4%	91.7%	3.0%	13.3x	9.6x
Condition Monitoring										
Cognex Corporation	27.8%	75.6%	\$2,249	\$55.91	8.6%	52.5%	94.7%	13.4%	24.6x	21.7x
AMETEK Inc.	25.9%	35.3%	\$11,643	\$43.43	(5.2%)	27.4%	90.5%	4.0%	13.1x	12.7x
Isra Vision AG.	21.7%	54.1%	\$174	\$32.05	(6.9%)	63.3%	85.5%	13.5%	9.2x	6.4x
Basler AG	18.2%	50.7%	\$93	\$23.30	8.6%	126.0%	94.5%	14.3%	8.1x	6.9x
Augusta Technologie AG	17.9%	48.7%	\$150	\$25.00	4.2%	4.6%	96.7%	8.1%	7.7x	7.3x
Teledyne Technologies Inc.	15.4%	36.4%	\$3,617	\$80.31	(0.2%)	24.0%	96.2%	13.8%	10.3x	10.4x
National Instruments Corporation	13.1%	74.2%	\$3,172	\$28.01	(6.4%)	5.5%	85.3%	19.9%	20.6x	15.9x
AB SKF	13.0%	24.6%	\$14,306	\$27.91	2.7%	26.9%	98.7%	2.5%	11.9x	9.7x
MKS Instruments, Inc.	8.8%	39.4%	\$760	\$25.26	(10.3%)	(8.6%)	85.8%	10.5%	15.1x	10.7x
Median	17.9%	48.7%			(0.2%)	26.9%	94.5%	13.4%	11.9x	10.4x
Mean	18.0%	48.8%			(0.5%)	35.7%	92.0%	11.1%	13.4x	11.3x
Overall Median	14.5%	35.3%			(2.7%)	26.9%	94.5%	4.0%	11.0x	9.9x
Overall Mean	15.7%	38.4%			(1.4%)	31.8%	91.4%	6.7%	12.9x	10.5x

Process / Motion Control
M&A Trends
(\$ in billions)

Number of Deals and Aggregate Deal Value



Median LTM EBITDA Multiple



Announced M&A Transactions
(\$ in millions)

Notable Recent Transactions

Date	Target	Target Description	Acquirer	Enterprise Value	EV/EBITDA Multiple
Pending	Max Power Co., Ltd.	Manufactures electronic control systems for power transmission applications.	Geunhwa PSC Co. Ltd.	\$21.2	NA
Pending	Guangzhou Senex Instrument LTD.	Manufactures pressure transmitters and temperature instruments.	Shenzhen Maxonic Co., Ltd.	5.2	NA
Pending	Invensys plc	Provides software products, systems, and control equipment.	Schneider Electric S.A.	4,646.9	21.4x
Pending	Ohio Gear & Transmission Inc.	Manufactures electrical automation systems.	Kaman Corporation	NA	NA
Pending	Shanghai Feilo Co., Ltd	Manufactures sensors and actuators for the automotive industry.	Shenzhen Zhongheng Investment	NA	NA
Pending	HISAKA Holdings Ltd.	Provides automation and motion control solutions.	Temasek Regal Capital Sdn Bhd	NA	NA
Pending	Wynright Corporation	Manufactures intelligent material handling systems.	Daifuku Co., Ltd.	NA	NA
Pending	KMT Group Oy	Manufactures waterjet systems, robotic solutions, and precision grinding equipment.	American Industrial Partners	147.5	6.4x
08/06/13	G.T. Attuatori Srl	Manufactures pneumatic actuators and accessories.	Rotork plc	NA	NA
08/01/13	Innovative Mechanical Solutions Ltd.	Manufactures custom bearings.	H-D Advanced Mfg. Company	NA	NA
07/23/13	ecoATM, Inc.	Manufactures machine vision and artificial intelligence solutions.	Outerwall Inc.	385.9	NA
07/22/13	SmartMotor AS	Manufactures energy efficient motors.	Rolls Royce Holdings plc	NA	NA
07/09/13	Command Automation Pty Ltd.	Provides industrial automation, electrical process control, and instrumentation solutions.	Fyfe Pty. Ltd.	NA	NA
06/13/13	DynaMotive Ltd	Manufactures drive systems for the automotive, marine, and industrial sectors.	ABB Ltd.	NA	NA
06/11/13	Actronic Ltd.	Manufactures hydraulic weighing equipment and specialized control systems.	Trimble Navigation Limited	NA	NA
06/06/13	MCS Engenharia Ltda.	Manufactures standard and customized high-performance motion controllers.	Danaher Corp.	NA	NA

Top Acquirers
From 2006 – Present
(\$ in millions)

Company	Number of Transactions	Aggregate Transaction Value ⁽¹⁾
Schneider Electric S.A.	16	\$6,635
Eaton Corporation	11	\$14,739
Parker-Hannifin Corporation	11	\$545
Emerson Electric	11	\$481
Regal Beloit Corporation	11	\$366
ABB Ltd.	10	\$6,886
Nidec Corporation	9	\$1,885
ESCO Technologies Inc.	9	\$341
AMETEK	8	\$879
Curtiss-Wright	8	\$374
Moog Inc.	8	\$181
Andritz AG	7	\$481
Wabtec	7	\$325
Rotork plc	7	\$159
Danaher	7	\$83

(1) Transaction values only for pending and closed transactions with disclosed terms.

**Key Trading
Stats**

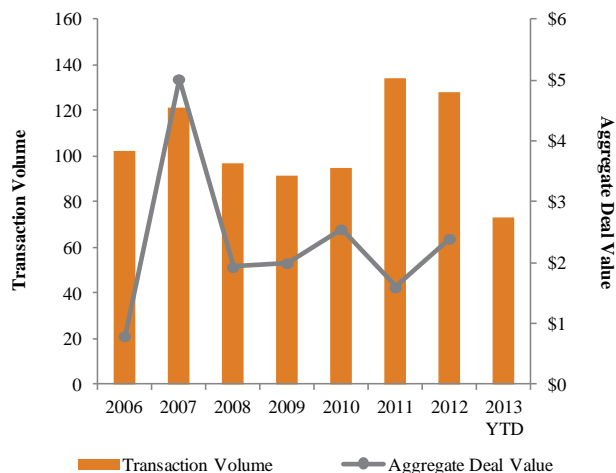
As of August 19, 2013
(\$ in millions, except
per share amounts)

Test Services Public Comparables

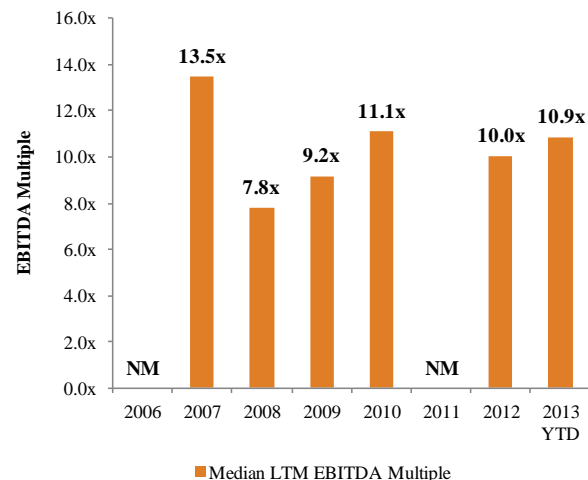
	LTM Margins			Stock Performance				TEV / EBITDA	
	EBITDA	Gross	TEV	Current Price	1-Month Change	1-Year Change	% of LTM High	LTM	2013E
	Testing, Inspection, and Certification								
ALS Limited	27.5%	87.2%	\$3,742	\$8.91	0.3%	(9.5%)	71.6%	9.4x	9.8x
SGS SA	20.5%	44.8%	\$17,444	\$2,369.83	5.8%	20.7%	89.5%	14.7x	13.3x
SAI Global Limited	21.4%	34.0%	\$1,133	\$4.30	11.7%	4.9%	92.5%	11.1x	10.5x
Intertek Group plc	19.0%	16.0%	\$5,817	\$31.95	4.5%	14.3%	91.0%	14.3x	13.4x
Bureau Veritas SA	18.3%	32.4%	\$11,163	\$22.55	6.8%	22.7%	88.8%	15.6x	14.1x
Eurofins Scientific SA	16.5%	16.7%	\$3,025	\$181.65	14.6%	71.2%	94.7%	17.6x	13.9x
Mistras Group, Inc.	11.6%	31.4%	\$578	\$18.00	5.4%	(18.1%)	71.0%	9.4x	8.7x
Furmanite Corporation	9.0%	30.4%	\$344	\$8.71	9.1%	63.4%	99.1%	10.5x	8.5x
Median	18.6%	31.9%			6.3%	17.5%	90.2%	12.7x	11.9x
Mean	18.0%	36.6%			7.3%	21.2%	87.3%	12.8x	11.5x
Engineering and Consulting									
Abengoa SA	13.9%	35.3%	\$9,424	\$2.60	41.7%	(19.9%)	57.9%	7.8x	7.2x
GENIVAR Inc.	8.3%	42.6%	\$1,418	\$24.31	(1.4%)	12.1%	94.6%	9.0x	8.3x
AMEC plc	8.3%	13.2%	\$3,205	\$10.85	2.7%	(3.3%)	92.4%	9.4x	8.9x
Arcadis NV	7.9%	21.1%	\$1,867	\$20.36	(0.5%)	17.5%	91.0%	9.2x	8.7x
Jacobs Engineering Group Inc.	6.7%	15.8%	\$7,064	\$59.97	0.8%	46.3%	96.2%	9.2x	9.0x
Tetra Tech Inc.	6.1%	13.2%	\$1,520	\$22.53	(9.4%)	(16.4%)	71.5%	12.3x	10.9x
Fomento de Construcciones y Contratas, S.A.	4.7%	53.7%	\$8,121	\$12.90	39.4%	25.4%	90.4%	15.6x	8.8x
Median	7.9%	21.1%			0.8%	12.1%	91.0%	9.2x	8.8x
Mean	8.0%	27.8%			10.5%	8.8%	84.9%	10.4x	8.8x
Overall Median	11.6%	31.4%			5.4%	14.3%	91.0%	10.5x	9.0x
Overall Mean	13.3%	32.5%			8.8%	15.4%	86.1%	11.7x	10.3x

Test Services
M&A Trends
(\$ in billions)

Number of Deals and Aggregate Deal Value



Median LTM EBITDA Multiple



Announced
M&A
Transactions
(\$ in millions)

Notable Recent Transactions

Date	Target	Target Description	Acquirer	Enterprise Value	EV/EBITDA Multiple
Pending	TRESCAL SA	Provides calibration and measurement services.	AXA Group	333.4	10.9x
Pending	GCL/Fundación Chile S.A.	Provides food testing services.	Eurofins Scientific SA	NA	NA
Pending	Sievert India Pvt. Ltd.	Provides non-destructive testing and inspection services.	Bureau Veritas SA	NA	NA
Pending	DRD Co. Ltd.	Provides research, development, testing, and consulting services for automobiles.	Temp Holdings Co., Ltd.	NA	NA
Pending	Japan Industrial Testing Co., Ltd.	Provides testing, measuring, and annealing services.	Sankyu, Inc.	\$68.5	NA
Pending	BSI Group Deutschland GmbH	Provides assessment and certification services.	CSA Group	NA	NA
Pending	Central Laboratories Friedrichsdorf	Provides laboratory analytical services for food safety.	Eurofins Scientific SA	NA	NA
Pending	National Technical Systems Inc.	Provides testing and engineering services for a broad range of industries.	Aurora Capital Group	314.5	13.4x
08/05/13	Environmental Operations of Illinois LLC	Provides geotechnical engineering and materials testing services.	Geotechnology, Inc.	NA	NA
07/16/13	International Design Engineering Ltd	Provides analysis, measurement, integrity assessment, monitoring, and consulting services.	Aker Solutions ASA	NA	NA
07/09/13	BLGG Groep B.V.	Provides agricultural testing services.	Eurofins Scientific SA	NA	NA
07/08/13	Health Sciences Research Group	Provides analytical and bioinformatics services.	Social & Scientific Systems, Inc.	NA	NA
07/02/13	Meta Environmental Inc.	Provides laboratory services for utility, petroleum, and industrial end markets.	Accutest Laboratories, Inc.	NA	NA
06/30/13	Bio Intelligence Service S.A.S.	Provides research and consultancy services.	Deloitte Touche Tohmatsu Limited	NA	NA
06/25/13	CHB Laboratory	Provides laboratory testing services.	AsiaInspection Limited	NA	NA
06/25/13	Swiss Process Safety GmbH	Provides material testing and consulting services.	TÜV SÜD AG	NA	NA
06/13/13	Critical Path Services, LLC	Provides laboratory analysis, toxicology, and chemical classification services.	Dr. Knoell Consult GmbH	NA	NA
06/01/13	Dunkelberger Engineering & Testing, Inc.	Provides geotechnical, environmental, construction materials testing services.	Terracon Consultants, Inc.	NA	NA

Top Acquirers
From 2006 – Present
(\$ in millions)

Company	Number of Transactions	Aggregate Transaction Value ⁽¹⁾
SGS SA	35	\$85
Intertek Group plc	28	\$353
ALS Limited	25	\$597
Bureau Veritas SA	24	\$1,184
Eurofins Scientific SA	21	\$200
UL LLC	11	\$24
DEKRA e.V.	10	\$192
Pace Analytical Services, Inc.	8	--
TÜV SÜD AG	8	--
Element Materials Technology B.V.	7	--
National Technical Systems Inc.	6	\$53
EAG, Inc.	5	\$7
TÜV Rheinland Holding AG	5	--

(1) Transaction values only for pending and closed transactions with disclosed terms.

Two International Place
24th Floor
Boston, MA 02110
USA
Phone: +1 (617) 482-7501
Fax: +1 (617) 482-7503

1900 East 9th Street
20th Floor
Cleveland, OH 44114
USA
Phone: +1 (216) 689-2400
Fax: +1 (216) 689-2401

An der Welle 4
Frankfurt am Main 60322
Germany
Phone: +49 69 7593 7166
Fax: +49 69 2557 7415

63 Brook St
London, W1K 4HS
United Kingdom
Phone: +44 (0)20 7518 8900
Fax: +44 (0)20 7526 2187

222 South Ninth Street
Suite 3350
Minneapolis, MN 55402
USA
Phone: +1 (612) 359-2700
Fax: +1 (612) 359-2701

1600 Market Street
21st Floor
Philadelphia, PA 19103
USA
Phone: +1 (267) 675-5900
Fax: +1 (267) 675-5901

1001 Haxall Point
9th Floor
Richmond, VA 23219
USA
Phone: +1 (804) 648-0072
Fax: +1 (804) 648-0073

575 Market Street
31st Floor
San Francisco, CA 94105
USA
Phone: +1 (415) 288-4260
Fax: +1 (415) 288-4269

www.harriswilliams.com

Sources:

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- *Test & Measurement World*
- *MEMS Journal*
- *Flow Control Magazine*
- *Solar Novus*
- *The Financial Times*
- *IHS Electronics & Media*
- *Markets and Markets*
- PNC Economic Outlook
- S&P Capital IQ
- Thomson Financial – SDC Database
- Eurostat
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