



SPECIALTY DISTRIBUTION
INDUSTRY UPDATE | OCTOBER 2015



www.harriswilliams.com

Investment banking services are provided by Harris Williams LLC, a registered broker-dealer and member of FINRA and SIPC, and Harris Williams & Co. Ltd, which is authorized and regulated by the Financial Conduct Authority. Harris Williams & Co. is a trade name under which Harris Williams LLC and Harris Williams & Co. Ltd conduct business.

WHAT WE'RE READING

EMBRACE SALES ANALYTICS TO BOLSTER REVENUE GROWTH

Embracing analytics requires the entire sales organization to be on board. However, once you shift your sales team to a data-driven approach, you can experience significant benefits, and realize substantial revenue growth. Read the article to understand how five different organizations tackle five different analytics characteristics.

Data Quality. Analytics are only useful if the data is high quality, accurate, and organized.

Prioritizing Opportunities. Analytics help determine which deals are on track to close and which are at risk by analyzing engagement levels, pipeline velocity, and deal size.

Transparency. Analytics can help improve communication and accountability.

Sales Pipeline. Analytics give more visibility into the sales pipeline and forecasting.

Revenue Growth. Analytics help the top and bottom line.

Please read the article [here](#).

THIRD-PARTY LOGISTICS ACQUISITIONS EXPECTED TO INCREASE

Mergers and acquisitions in the logistics sector roared back to life last year, and a recent survey of industry executives suggested that more transactions could be on the horizon. Penske Logistics, a Pennsylvania-based firm, noted that M&A activity slowed after the recession in 2008, but the pattern shifted last year, with ten major acquisitions by 3PLs totaling \$18 billion.

Seven of the thirty CEOs who participated in the study reported significant M&A activity during the past year. The increase comes from growing pressure to expand services, increase geographic footprint, and drive scale in specific markets.

The participants also noted that online shopping led to significant changes in their industry. E-commerce accounted for approximately 12% of 3PL revenue in North America with survey participants expecting the percentage to continue to climb to 21% over the next three years.

Please read the article [here](#).

AMAZON ROLLS OUT DELIVERY RIDE-SHARING SYSTEM

Amazon.com is paying Seattle residents to act as couriers under a newly launched delivery platform called Amazon Flex. Drivers can earn between \$18 and \$25 per hour by signing up for individual delivery shifts.

A company app directs the drivers to pick up packages at Amazon facilities and drop them off at customers' homes. The service is only available to members of Amazon Prime Now a delivery service which can complete shipments in as little as one hour.

The program represents another effort to curb shipping costs and delivery times as well as cut traditional parcel carriers out of Amazon's operations. The program debuted in Seattle but reports indicate the services will soon expand to Atlanta, Austin, Baltimore, Chicago, Dallas, Indianapolis, Miami, New York, and Portland.

Please read the article [here](#).

CONTENTS

- [WHAT WE'RE READING](#)
- [PUBLIC COMPARABLES & TRADING VALUATIONS](#)
- [M&A AND PUBLIC MARKET TRENDS](#)
- [NOTABLE M&A ACTIVITY](#)
- [ECONOMIC UPDATE](#)

GROUP OVERVIEW

Harris Williams & Co. is a leading advisor to the specialty distribution market. 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:

- Specialty Catalog and Direct Marketing
- Branch-Based Distributors
- Route-Based Distributors
- Automotive and Heavy Duty Aftermarket
- Building & Construction Products
- Consumer & Food Service
- Industrial, MRO, and Safety
- Healthcare
- Technology
- Electrical and Communications
- Alcohol, Tobacco, and Firearms

CONTACTS

Bob Baltimore
Managing Director
bbaltimore@harriswilliams.com
+1 (804) 915-0129

Derek Lewis
Managing Director
dlewis@harriswilliams.com
+1 (804) 915-0118

Marshall Croft
Vice President
mcroft@harriswilliams.com
+1 (804) 915-0161

PUBLIC COMPARABLES & TRADING VALUATIONS

Key Trading Stats

As of October 13, 2015
(\$ in millions, except per share amounts)

SPECIALTY DISTRIBUTION PUBLIC COMPARABLES

| | LTM Margins | | | Stock Performance | | | | Revenue Growth | | |
|--|--------------|--------------|----------|-------------------|----------------|----------------|--------------|----------------|--------------|--------------|
| | EBITDA | Gross | TEV | Current | 1-Month | 1-Year | % of | TEV/EBITDA | | 3-Yr. CAGR |
| | | | | Price | Change | Change | LTM High | 2015 LTM | 2015E | |
| Automotive & Heavy Duty Aftermarket | | | | | | | | | | |
| AutoZone, Inc. | 21.6% | 52.3% | \$27,262 | \$743.37 | 2.2% | 46.0% | 98.1% | 12.4x | 12.1x | 5.8% |
| O'Reilly Automotive Inc. | 21.3% | 51.8% | 26,690 | 255.93 | 4.1% | 68.9% | 98.9% | 16.6x | 15.8x | 7.6% |
| Genuine Parts Company | 8.2% | 29.8% | 13,555 | 84.83 | 1.7% | (2.6%) | 77.8% | 10.6x | 10.3x | 6.3% |
| LKQ Corp. | 11.8% | 39.2% | 10,229 | 28.36 | (6.4%) | 10.4% | 87.9% | 12.4x | 11.9x | 20.7% |
| Dorman Products, Inc. | 20.0% | 38.5% | 1,826 | 52.60 | 4.7% | 25.5% | 98.0% | 12.0x | 11.2x | 9.9% |
| Uni-Select Inc. | 5.3% | 30.1% | 1,351 | 61.50 | 9.3% | 119.6% | 97.2% | 11.7x | 11.3x | (1.9%) |
| Median | 15.9% | 38.9% | | | 3.1% | 35.8% | 97.6% | 12.2x | 11.6x | 6.9% |
| Mean | 14.7% | 40.3% | | | 2.6% | 44.6% | 93.0% | 12.6x | 12.1x | 8.1% |
| Building & Construction Products | | | | | | | | | | |
| CRH plc | 8.5% | 29.6% | \$20,939 | \$23.72 | (9.2%) | 44.3% | 83.8% | 12.1x | 9.4x | (1.5%) |
| Wolseley plc | 7.2% | 28.0% | 10,324 | 37.00 | (11.8%) | 18.4% | 84.1% | 10.7x | 10.1x | (0.3%) |
| Watsco Inc. | 8.6% | 24.4% | 4,863 | 127.00 | 3.3% | 47.0% | 96.0% | 14.0x | 13.3x | 6.9% |
| Beacon Roofing Supply, Inc. | 5.5% | 23.1% | 2,697 | 35.79 | (0.5%) | 47.5% | 96.5% | 20.0x | 15.2x | 6.3% |
| Builders FirstSource, Inc.* | 4.1% | 23.0% | 1,874 | 13.65 | (15.7%) | 177.4% | 81.8% | 13.6x | 9.2x | 19.5% |
| Boise Cascade Company | 5.4% | 14.2% | 1,252 | 27.72 | (10.9%) | (4.0%) | 63.2% | 6.5x | 7.3x | 11.1% |
| Median | 6.4% | 23.8% | | | (10.0%) | 45.6% | 84.0% | 12.8x | 9.7x | 6.6% |
| Mean | 6.6% | 23.7% | | | (7.5%) | 55.1% | 84.2% | 12.8x | 10.7x | 7.0% |
| Consumer & Food Service | | | | | | | | | | |
| Sysco Corporation | 4.8% | 17.6% | \$26,817 | \$41.15 | 3.0% | 11.1% | 98.3% | 11.4x | 11.4x | 4.3% |
| United Natural Foods, Inc. | 3.7% | 15.4% | 3,287 | 54.59 | 7.2% | (9.7%) | 65.1% | 10.7x | 10.3x | 16.1% |
| Core-Mark Holding Company, Inc. | 1.3% | 7.1% | 1,877 | 75.19 | 24.5% | 45.1% | 94.0% | 16.8x | 13.9x | 7.5% |
| SpartanNash Company | 2.8% | 14.5% | 1,565 | 27.70 | 1.2% | 37.6% | 81.7% | 7.0x | 6.7x | 44.0% |
| Median | 3.3% | 14.9% | | | 5.1% | 24.4% | 87.9% | 11.1x | 10.8x | 11.8% |
| Mean | 3.2% | 13.6% | | | 9.0% | 21.0% | 84.8% | 11.5x | 10.6x | 18.0% |
| Industrial, MRO & Safety | | | | | | | | | | |
| W.W. Grainger, Inc. | 16.2% | 43.1% | \$15,516 | \$223.18 | 0.6% | (7.3%) | 85.3% | 9.6x | 9.9x | 4.4% |
| Fastenal Company | 23.7% | 50.5% | 11,470 | 37.51 | (3.0%) | (11.8%) | 77.4% | 12.5x | 12.5x | 8.0% |
| Airgas, Inc. | 18.3% | 55.6% | 9,358 | 92.03 | (2.4%) | (13.0%) | 77.3% | 9.6x | 9.6x | 3.0% |
| MSC Industrial Direct Co. Inc. | 15.7% | 45.4% | 4,382 | 63.22 | (5.1%) | (22.4%) | 73.9% | 9.6x | 9.6x | 7.3% |
| Applied Industrial Technologies, Inc. | 8.2% | 28.0% | 1,902 | 41.37 | 3.8% | (6.6%) | 82.7% | 8.4x | 8.6x | 4.6% |
| DXP Enterprises, Inc. | 8.6% | 28.5% | 836 | 32.85 | 8.3% | (49.5%) | 47.9% | 6.8x | 9.4x | 12.0% |
| Median | 16.0% | 44.2% | | | (0.9%) | (12.4%) | 77.4% | 9.6x | 9.6x | 5.9% |
| Mean | 15.1% | 41.9% | | | 0.4% | (18.4%) | 74.1% | 9.4x | 9.9x | 6.5% |
| Healthcare | | | | | | | | | | |
| McKesson Corporation | 2.3% | 6.3% | \$49,975 | \$191.48 | (3.1%) | (1.3%) | 78.6% | 11.8x | 9.8x | 14.2% |
| Cardinal Health, Inc. | 2.6% | 5.6% | 27,211 | 80.23 | (5.6%) | 6.2% | 87.3% | 10.1x | 9.4x | (1.3%) |
| Henry Schein, Inc. | 8.5% | 28.3% | 13,200 | 142.98 | 5.7% | 26.6% | 95.4% | 14.6x | 14.3x | 5.5% |
| Patterson Companies, Inc. | 9.6% | 27.9% | 6,200 | 46.63 | 2.0% | 14.1% | 87.9% | 14.1x | 13.0x | 8.6% |
| Owens & Minor Inc. | 2.7% | 12.4% | 2,569 | 34.99 | 2.7% | 9.3% | 96.3% | 10.0x | 9.2x | 3.4% |
| Median | 2.7% | 12.4% | | | 2.0% | 9.3% | 87.9% | 11.8x | 9.8x | 5.5% |
| Mean | 5.2% | 16.1% | | | 0.3% | 11.0% | 89.1% | 12.1x | 11.2x | 6.1% |

PUBLIC COMPARABLES & TRADING VALUATIONS

Key Trading Stats

As of October 13, 2015
(\$ in millions, except per share amounts)

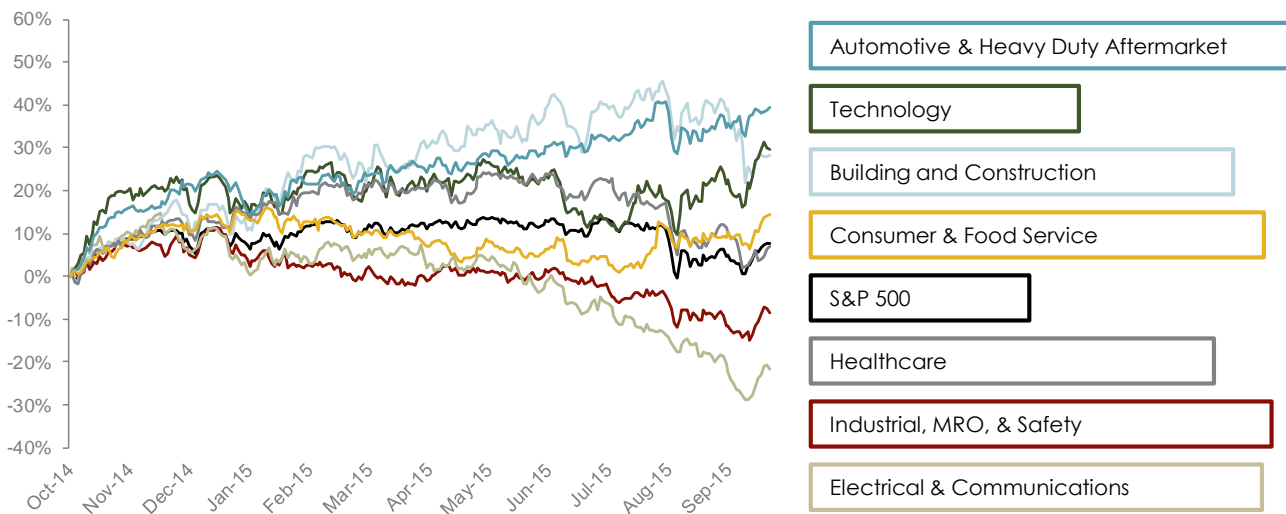
SPECIALTY DISTRIBUTION PUBLIC COMPARABLES

| | LTM Margins | | | Stock Performance | | | | TEV/EBITDA | | Revenue Growth |
|--|-------------|--------------|---------|-------------------|----------------|----------------|---------------|-------------|-------------|----------------|
| | EBITDA | Gross | TEV | Current Price | 1-Month Change | 1-Year Change | % of LTM High | 2015 LTM | 2015E | 3-Yr. CAGR |
| Technology | | | | | | | | | | |
| Arrow Electronics, Inc. | 4.6% | 13.1% | \$7,777 | \$57.92 | 3.3% | 20.9% | 89.1% | 7.4x | 7.2x | 3.8% |
| Avnet, Inc. | 3.8% | 11.4% | 7,059 | 45.09 | 5.1% | 21.3% | 95.4% | 6.7x | 6.4x | 3.5% |
| Ingram Micro Inc. | 1.7% | 5.8% | 4,796 | 28.89 | 4.3% | 22.4% | 98.1% | 6.2x | 5.8x | 8.4% |
| SYNNEX Corp. | 3.5% | 8.8% | 4,114 | 92.54 | 8.7% | 50.4% | 99.2% | 8.7x | 8.8x | 9.5% |
| Tech Data Corp. | 1.3% | 5.0% | 2,238 | 72.84 | 6.8% | 34.7% | 94.7% | 6.3x | 6.4x | 2.4% |
| ScanSource, Inc. | 3.6% | 10.2% | 936 | 37.93 | 5.2% | 20.5% | 89.2% | 8.1x | 8.3x | 2.6% |
| Median | 3.5% | 9.5% | | | 5.2% | 21.8% | 95.0% | 7.0x | 6.8x | 3.7% |
| Mean | 3.1% | 9.0% | | | 5.6% | 28.4% | 94.3% | 7.2x | 7.1x | 5.0% |
| Electrical & Communications | | | | | | | | | | |
| Rexel SA | 4.8% | 24.1% | \$6,234 | \$11.76 | (6.2%) | (10.2%) | 64.7% | 9.5x | 9.2x | (4.1%) |
| WESCO International Inc. | 6.3% | 20.2% | 3,444 | 48.27 | (10.1%) | (33.8%) | 55.5% | 7.0x | 7.4x | 6.2% |
| Anixter International Inc. | 5.8% | 22.6% | 2,808 | 62.40 | (1.2%) | (20.5%) | 69.4% | 7.2x | 8.3x | 2.5% |
| Houston Wire & Cable Company | 6.2% | 22.1% | 159 | 6.82 | (9.7%) | (41.0%) | 48.7% | 7.4x | 10.9x | (2.8%) |
| Median | 6.0% | 22.3% | | | (7.9%) | (27.2%) | 60.1% | 7.3x | 8.8x | -0.1% |
| Mean | 5.8% | 22.2% | | | (6.8%) | (26.4%) | 59.6% | 7.8x | 8.9x | 0.5% |

Stock Prices

As of October 13, 2015

TRAILING TWELVE MONTHS STOCK PRICE PERFORMANCE

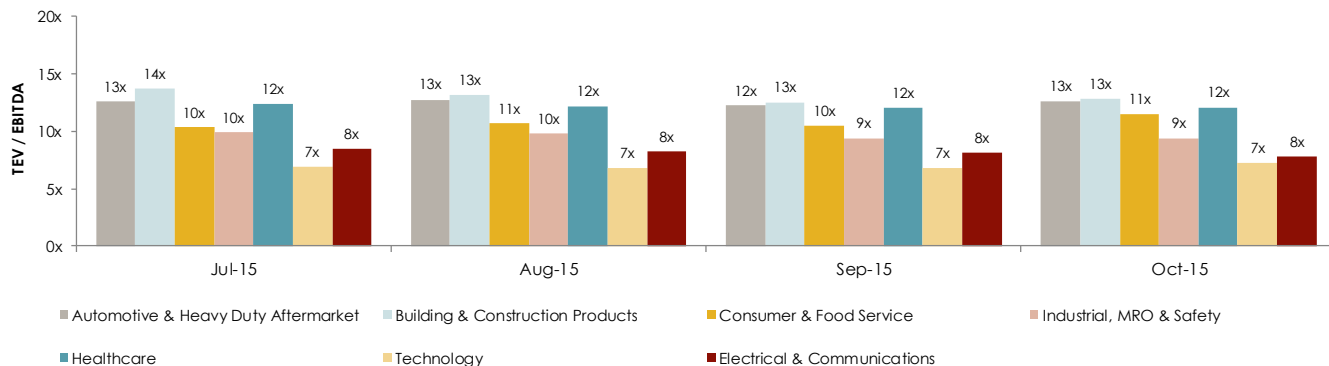


M&A AND PUBLIC MARKET TRENDS

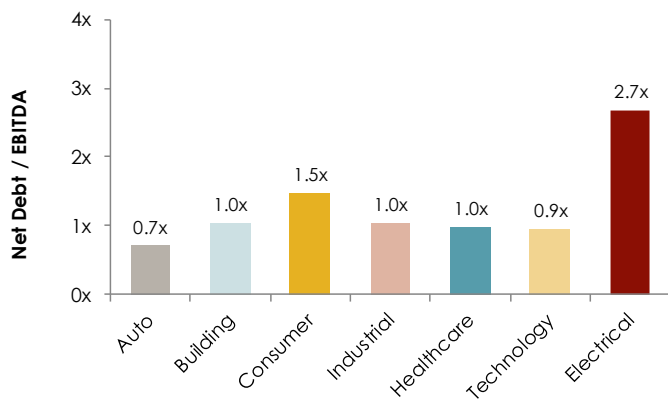
Distribution Trends

LTM EBITDA as of
October 13, 2015

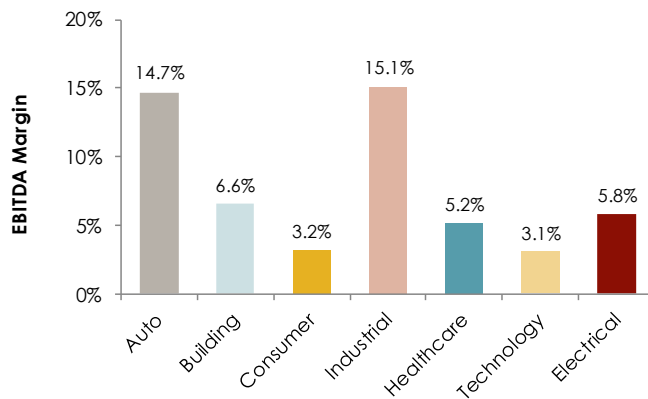
TEV / EBITDA MULTIPLES FOR PUBLIC COMPARABLES



NET DEBT / EBITDA



EBITDA MARGINS



M&A Trends

RECENT M&A AND PRIVATE EQUITY TRENDS

ADD-ONS REMAIN
THE PREFERRED
DEAL TYPE FOR PE
FIRMS

- Add-ons have accounted for a record 62% of buyouts through 2015
- Since 2006, add-on acquisitions as a percentage of total buyouts has been growing steadily rising from 43% in 2006, to 53% in 2011, and to 62% today
- PE firms are adding value to existing portfolio companies in anticipation of an eventual decline in the current seller's market

DEAL MULTIPLES
AND DEBT MARKETS

- Valuations, in terms of total EBITDA multiples and levels of debt, appear to have peaked in 2014
- Thus far in 2015, deal multiples are down to 8.3x from a ten year high of 10.7x in 2014 and also down from 10.2x in 2013
- The median debt percentage in deals has also scaled back to approximately 60% for the year-to-date 2015 period, which is the lowest level since 2011 when debt percentages stood at 55%

M&A TRANSACTIONS

Announced M&A Transactions

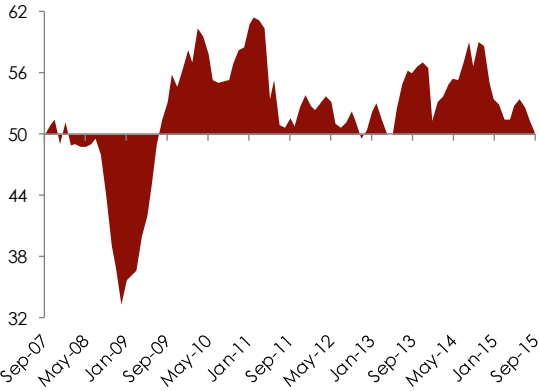
| Announced | Target | Description | Acquirer | Private Equity Involvement |
|------------|--|---|--|----------------------------|
| 10/13/2015 | Sofinther | Distributor of thermal, heating, and control solutions | Rexel SA | |
| 10/9/2015 | Tri-City Auto Salvage, Inc. | Distributor of used auto parts | Fenix Parts, Inc. | |
| 10/7/2015 | Mar-Gas Monitors Ltd. | Distributor of gas detection equipment | SPI Health and Safety inc. | |
| 10/7/2015 | Butler Auto Sales & Parts, Inc. | Distributor of auto parts | Fenix Parts, Inc. | |
| 10/6/2015 | Mississippi Paper Company, LLC | Distributor of paper products | Jackson Paper Company | |
| 10/5/2015 | Pacific Vet Group-USA, Inc. | Distributor of animal healthcare products | Novozymes A/S | |
| 10/2/2015 | S. G. Morris Co. (nka:S. G. Morris Co., LLC) | Distributor of fluid power components | Applied Industrial Technologies, Inc. | |
| 10/2/2015 | Ohio Transmission Corporation | Distributor of mechanical power transmission equipment | Irving Place Capital | ✓ (Both) |
| 10/2/2015 | Forest Hills Electrical Supply, Inc. | Distributor of electrical supplies | Turtle & Hughes Inc. | |
| 10/2/2015 | Midwest Tire & Muffler, Inc. | Distributor of tires and accessories | K&M Tire, Inc. | |
| 10/1/2015 | USA Wood Door, Inc. | Distributor of wood doors | Masonite International Corporation | ✓ (Buyer) |
| 10/1/2015 | Autos La Malbaie Inc. | Distributor of automotive parts | Uni-Select Inc. | |
| 10/1/2015 | Zane LLC | Distributor of outdoor living products, fireplaces, and accessories | Offenbacher Aquatics, Incorporated | ✓ (Buyer) |
| 10/1/2015 | Star Ophthalmic Instruments, Inc. | Distributor of ophthalmic equipment | Enhanced Medical Services, LLC | |
| 9/29/2015 | Vinecraft, LLC | Distributor of wines, spirits, and beers | Domaine Select Wine & Spirits, LLC | |
| 9/29/2015 | Delo Welding & Ind. Supply Corp. | Distributor of welding supplies | Jackson Welding Supply Co., Inc. | |
| 9/28/2015 | Smoltz Distributing, Inc. | Distributor of transcription products and accessories | Carolina Wholesale Group, Inc. | |
| 9/24/2015 | United Mobile Solutions LLC | Distributor of wireless equipment | iTalk Inc. | |
| 9/24/2015 | Loumac Distributors, Inc. | Distributor of windows and doors | US LBM Holdings, LLC | |
| 9/24/2015 | Frutizia Wine Group, LLC | Distributor of wines | Metrospaces, Inc. | |
| 9/24/2015 | Matt Industries, Inc. | Distributor of protective apparel | Impact Products, LLC | |
| 9/23/2015 | Handcrafted-D'Vine Wines of Oregon | Distributor of wines | Handcrafted Wines of Kansas, Inc. | |
| 9/23/2015 | Graco Supply Company, Inc. | Distributor of supplies to to aircraft and industrial markets | CM Equity Partners | ✓ (Both) |
| 9/22/2015 | Jacobs Trading, LLC | Distributor of goods for retailers and manufacturers | Tanager Acquisitions, LLC | |
| 9/18/2015 | Polymer Z LLC | Distributor of resins and polymers for the automotive industry | M. Holland Company | |
| 9/17/2015 | Positive Marketing A/V Ltd. | Distributor of audio and video custom products for homes and businesses | Sherpa Group Inc. | |
| 9/15/2015 | Norandex Building Materials Distribution, Inc. | Distributor of building materials | American Builders & Contractors Supply Co., Inc. | |
| 9/14/2015 | Murray Supply Company, LLC | Distributor of commercial and residential plumbing products | Morrison Supply Company, LLC | ✓ (Seller) |
| 9/8/2015 | Anchor Industrial Sales, Inc. | Distributor of gaskets and fluid sealing products | GHX Industrial, LLC | ✓ (Buyer) |
| 9/8/2015 | NeoForce Group, Inc. | Distributor of medical solutions | Capnia, Inc. | |
| 9/8/2015 | Cortech Engineering, Inc. | Distributor of pumps and process equipment | DXP Enterprises, Inc. | |
| 9/7/2015 | Davis Typewriter Co. Inc. | Distributor of typewriters, copiers, and other office supplies | McNally Operations LLC | |
| 9/3/2015 | Exelan Pharmaceuticals, Inc. | Distributor of generic pharmaceuticals | Cipla (EU) Limited | |

ECONOMIC UPDATE

A Snapshot of Key Economic Indicators

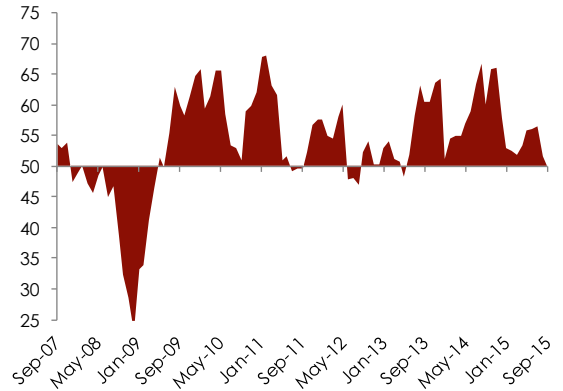
As of October 13, 2015

PMI INDEX¹



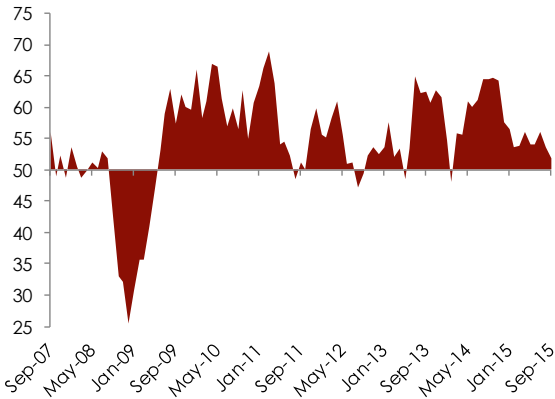
1. A PMI Index figure greater than 50 indicates expansion.

ISM NEW ORDERS INDEX²



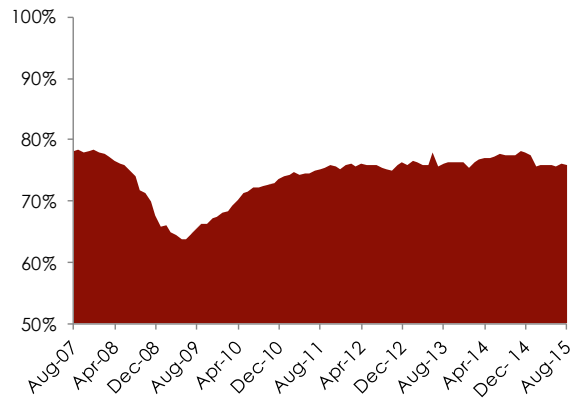
2. An ISM Index figure greater than 50 indicates expansion.

INDUSTRY PRODUCTION INDEX³

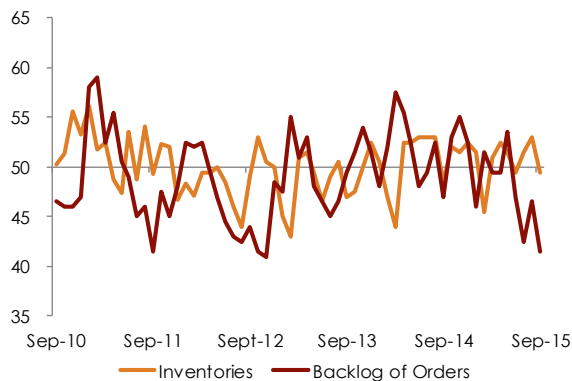


3. A Production Index figure greater than 50 indicates expansion.

U.S. MANUFACTURING CAPACITY UTILIZATION

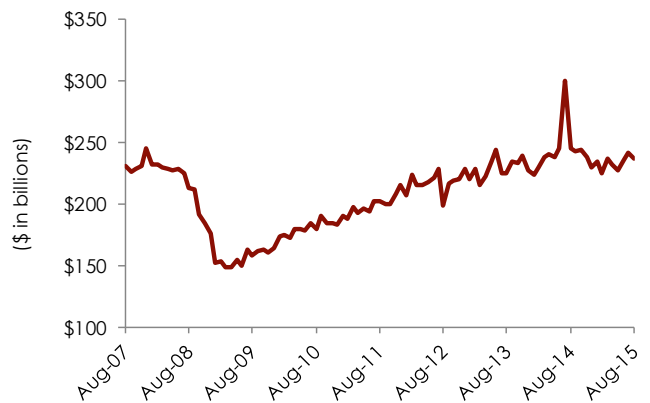


MANUFACTURING INVENTORIES & BACKLOG^{4,5}



4. A Manufacturing Inventory Index figure greater than 50 indicates expansion.
5. A Backlog Index figure greater than 50 indicates expansion.

DURABLE GOODS NEW ORDERS⁶



6. Durable Goods New Orders for August 2015. September release on October 24.

OUR FIRM

Harris Williams & Co. has a broad range of industry expertise, which creates powerful opportunities. Our clients benefit from our deep-sector experience, integrated industry intelligence and collaboration across the firm, and our commitment to learning what makes them unique. For more information, visit our website at www.harriswilliams.com/industries.

Aerospace, Defense
& Government
Services



Building Products
& Materials



Business
Services



Consumer



Energy, Power
& Infrastructure



Healthcare
& Life Sciences



Industrials



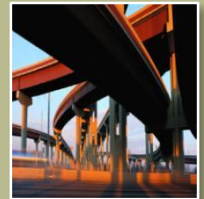
Specialty
Distribution



Technology,
Media & Telecom



Transportation
& Logistics



HARRIS WILLIAMS & Co. OFFICE LOCATIONS

UNITED STATES

Boston

Two International Place
24th Floor
Boston, Massachusetts 02110
Phone: +1 (617) 482-7501

Cleveland

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

Minneapolis

222 South 9th Street
Suite 3350
Minneapolis, Minnesota 55402
Phone: +1 (612) 359-2700

Richmond (Headquarters)

1001 Haxall Point
9th Floor
Richmond, Virginia 23219
Phone: +1 (804) 648-0072

San Francisco

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

EUROPE

Frankfurt

Bockenheimer Landstrasse 33-35
60325 Frankfurt
Germany
Phone: +49 069 3650638 00

London

63 Brook Street
London W1K 4HS, England
Phone: +44 (0) 20 7518 8900

NETWORK OFFICES

Beijing

Hong Kong

Mumbai

New Delhi

Shanghai

HARRIS WILLIAMS & Co.

SOURCES

| | |
|-------------------------------------|----------------------------------|
| Federal Reserve | PNC Economic Outlook |
| Industrial Distribution | S&P Capital IQ |
| The Electrical Distributor Magazine | Thomson Financial – SDC Database |
| The Wall Street Journal | United States Census Bureau |
| PitchBook | Modern Distribution Management |
| Harvard Business Review | Business 2 Community |

DISCLOSURES

Harris Williams & Co. (www.harriswilliams.com) is a preeminent middle market investment bank focused on the advisory needs of clients worldwide. The firm has deep industry knowledge, global transaction expertise, and an unwavering commitment to excellence. Harris Williams & Co. provides sell-side and acquisition advisory, restructuring advisory, board advisory, private placements, and capital markets advisory services.

Investment banking services are provided by Harris Williams LLC, a registered broker-dealer and member of FINRA and SIPC, and Harris Williams & Co. Ltd, which is authorized and regulated by the Financial Conduct Authority. Harris Williams & Co. is a trade name under which Harris Williams LLC and Harris Williams & Co. Ltd conduct business.

THIS REPORT MAY CONTAIN REFERENCES TO REGISTERED TRADEMARKS, SERVICE MARKS AND COPYRIGHTS OWNED BY THIRD-PARTY INFORMATION PROVIDERS. NONE OF THE THIRD-PARTY INFORMATION PROVIDERS IS ENDORSING THE OFFERING OF, AND SHALL NOT IN ANY WAY BE DEEMED AN ISSUER OR UNDERWRITER OF, THE SECURITIES, FINANCIAL INSTRUMENTS OR OTHER INVESTMENTS DISCUSSED IN THIS REPORT, AND SHALL NOT HAVE ANY LIABILITY OR RESPONSIBILITY FOR ANY STATEMENTS MADE IN THE REPORT OR FOR ANY FINANCIAL STATEMENTS, FINANCIAL PROJECTIONS OR OTHER FINANCIAL INFORMATION CONTAINED OR ATTACHED AS AN EXHIBIT TO THE REPORT. FOR MORE INFORMATION ABOUT THE MATERIALS PROVIDED BY SUCH THIRD PARTIES, PLEASE CONTACT US AT THE ABOVE ADDRESSES OR NUMBERS.

The information and views contained in this report were prepared by Harris Williams & Co. ("Harris Williams"). It is not a research report, as such term is defined by applicable law and regulations, and is provided for informational purposes only. It is not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy. The information contained herein is believed by Harris Williams to be reliable, but Harris Williams makes no representation as to the accuracy or completeness of such information. Harris Williams and/or its affiliates may be market makers or specialists in, act as advisers or lenders to, have positions in and effect transactions in securities of companies mentioned herein and also may provide, may have provided, or may seek to provide investment banking services for those companies. In addition, Harris Williams and/or its affiliates or their respective officers, directors and employees may hold long or short positions in the securities, options thereon or other related financial products of companies discussed herein. Opinions, estimates and projections in this report constitute Harris Williams' judgment and are subject to change without notice. The financial instruments discussed in this report may not be suitable for all investors, and investors must make their own investment decisions using their own independent advisors as they believe necessary and based upon their specific financial situations and investment objectives. Also, past performance is not necessarily indicative of future results. No part of this material may be copied or duplicated in any form or by any means, or redistributed, without Harris Williams' prior written consent.

Copyright© 2015 Harris Williams & Co., all rights reserved.