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Aerospace & Defense



Global Overview
2016



JANES CAPITAL PARTNERS
Aerospace and Defense Investment Banking

Global Reach, Local Presence

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Aerospace and Defense Investment Banking

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Other MAI Locations

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Denmark	Serbia
Estonia	Slovakia
Finland	South Africa
India	South Korea
Ireland	Spain
Latvia	Sweden
Lithuania	Thailand

Brazil Aerospace & Defense Overview

Brazil is the largest producer of aircraft in the Southern Hemisphere and third largest in the world, primarily as a result of the success of aircraft manufacturer Embraer. Headquarter in São José dos Campos, São Paulo, Brazil, Embraer is the world's third largest manufacturer of commercial airliners and delivered over 1,100 E-Jets, its flagship line of commercial aircraft, in 2015 alone. Embraer additionally has robust executive jet and defense operations, having delivered over 850 business jets and 50 military systems in 2015. The current shift in the commercial airline industry from operating larger aircraft to smaller, more efficient airliners is benefiting Embraer, whose strength is in the regional narrow-body aircraft market. As a result, the aerospace suppliers in the Brazilian region are also benefitting from the trend. Sao Paulo is the largest aerospace hub in Latin America, with approximately 100 aerospace manufacturers. Unfortunately, U.S. manufacturers looking to export to the Brazilian aerospace market have been met with difficulty, as they typically don't have a local Brazilian partner that can provide relationships, communication and access to decision makers. The government also promotes local businesses to support the aerospace production. Additionally, the recent, significant economic and political unrest in the country presents an inherent risk for international business.

Brazil's defense expenditure ranked 11th in the world in 2015 with \$24.3 billion spent. While that figure has been flat since 2010, the country's defense market is expected to grow 4.34% annually through 2020. Growth is expected to be driven by the modernization of defense systems and the procurement and development of fighter jets and C4ISR systems. Other areas of growth for the Brazilian defense market include satellites, submarines and border surveillance and detection. Moreover, Brazil produces military equipment for export, such as the Super Tucano, a turboprop light attack aircraft that is primarily used by the Colombian, Ecuadorian and Chilean Air Force in addition to Brazil itself.

Select Company Profiles



- Wholly-owned subsidiary of Airbus Helicopters (a division of Airbus Group)
- Sole helicopter manufacturer in Latin America
- Over 750 employees and produces ~36 aircraft annually for the civilian and military markets

- SONACA's Brazil subsidiary located in São José dos Campos
- Designs, produces and assembles aircraft fuselage and other primary structures and parts, in addition to engineering services for the aeronautical sector

- Subsidiary of France-based Latecoere located in São Paulo, Brazil
- 400 employees
- Specializes in aerostructures, interconnection systems and engineering services throughout South America

Select Recent A&D Transactions

(\$ in US millions)

Date	Target	Acquiror	TEV	TEV/ Sales	TEV/ EBITDA
10/07/14	Orbital Group	Worldwide Flight Services, Inc.	-	-	-
07/22/13	Technicae Projetos e Serviços Automotivos	ST Engineering	\$1	-	-
07/30/12	CIFAL Industrial e Comercial Ltda	TriMas Corp.	\$23	1.1x	-
06/14/12	Optovac Mecânica e Optoeletrônica Ltda	Sagem (Safran)	-	-	-
09/08/11	AEL Sistemas S.A. (25% investment)	Embraer Defesa e Segurança	\$14	-	-
06/27/11	Omnisys Engenharia Ltda.	Thales SA	-	-	-
04/12/11	FOCAL Engenharia e Manutenção Ltda.	Cinven	-	-	-
03/15/11	OrbiSat da Amazônia Ind. e	Embraer Defesa e Segurança	\$28	0.6x	-
12/30/10	Ares Aeroespacial e Defesa S.A. and	Elbit Systems Ltd.	\$38	-	-
08/06/09	BearingPoint, Inc. [Brazil Operations]	Computer Sciences Corporation	\$8	-	-
12/01/08	Detroit Plásticos e Metais S/A	Parker Hannifin	-	-	-

Sources: CapIQ, Dacis, ADS

Embraer Overview

(\$ in US millions; market data as of 7/31/16)



Key Financials

TEV:	\$5,203
Market Cap:	\$3,365
Revenue:	\$6,992
EBITDA:	\$428

Segment	% of Sales	Notable Platforms
Commercial	58%	E-170 / 175, E-190 / 195
Business Jet	25%	Phenom 100 / 300, Legacy 450 / 500, Lineage 600
Defense	16%	KC-390, Super Tucano

Embraer Manufacturing Partners



Aluminum 2524 sheet alloy for fuselage



Linear actuators and thrust reversers



Composites for elevators and rudders



Fly-by-wire systems



Flight control systems and fuel systems



Full-function throttle controls



Oil tanks and pressure valves



Flaps and slats



Standby instruments



Ice detection systems, fuel nozzles



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Canada Aerospace & Defense Overview

The Canadian aerospace and defense industry has continually emphasized research and development (R&D), productivity and manufacturing excellence, in order to further strengthen the country's position within the supply chains of global OEMs and their tier-one partners. Canadian aerospace firms are well-known for quality, value, performance and reliability, and are recognized by customers for delivering advanced technology solutions on time and at a competitive cost. Within the global A&D industry, Canada's aerospace sector ranks third in civil aircraft production activity, third in terms of R&D intensity, first in terms of strategic importance over total manufacturing, and fifth in terms of GDP. Due to high product and service quality, leading-edge technology and cost competitiveness, Canada's civil aircraft production growth is forecasted to outpace the global market from 2014-2021 (22% for Canada versus 11% for the global civil aircraft production).

The Canadian aerospace and defense industry is poised to reach a market size of \$18.3 billion by 2019. The civil aerospace segment totaled \$9.8 billion in 2014, representing 56.1% of the industry's overall value. Canada's defense segment totaled \$7.7 billion in 2014, despite experiencing government budget cuts and layoffs. The Canadian aerospace and defense landscape is highly competitive, with large, multi-national organizations competing intensely for government and commercial contracts, in addition to numerous small and medium-sized enterprises (SMEs) continually striving to meet the demands of a sophisticated customer base. With annual R&D investment of approximately \$1.2 billion, Canada is committed to remaining at the forefront of aircraft technology development and applications. Canada's aerospace and defense industry is an important part of the continued innovation and growth of the global aerospace and defense supply chain, and a source of future M&A activity.

Public Comparable Companies

(\$ in US millions)

	LTM	LTM EBITDA	Market	TEV / LTM	
	Revenue	Margin	Cap	TEV	EBITDA
CGI	\$8,233	17.1%	\$14,635	\$15,925	11.3x
Bombardier	17,378	2.1%	3,433	10,100	NM
CAE	1,938	19.2%	3,597	4,244	11.4x
MDA	1,637	14.2%	2,385	3,051	13.1x
Magellan	763	15.8%	781	955	7.9x
Heroux-Devtek	311	15.7%	422	521	10.7x
Mean		14.0%			10.9x

Trading metrics as of 7/31/16. Valuation multiples based on LTM financial data, excludes multiples over 25x

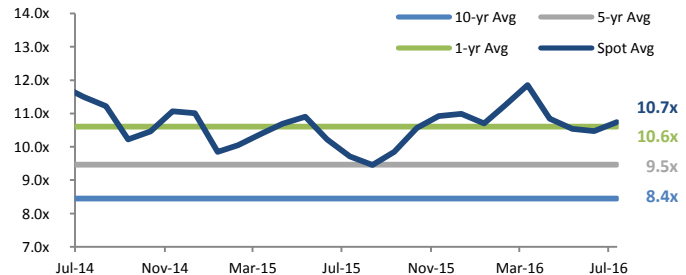
Select Recent A&D Transactions

(\$ in US millions)

Date	Target	Acquiror	TEV	TEV/ Sales	TEV/ EBITDA
07/11/16	Aeromao Inc.	Alta Vista Ventures Ltd.	\$1	--	--
02/29/16	Wesco Aircraft Canada Inc.,	Hi-Tech Fasteners of Canada, Inc.	--	--	--
11/05/15	COM DEV International Ltd.	Honeywell International Inc.	\$346	2.1x	10.0x
10/09/15	Avianor Inc., Wheel & Brake Division	Aero 3, Inc.	--	--	--
07/27/15	Noranco Inc.	Precision Castparts Corp.	\$560	--	10.0x
06/22/15	Discovery Air Technical Services Inc.	Premier Aviation Overhaul Center, Inc.	--	--	--
03/12/15	Voyageur Airways Limited	Chorus Aviation Inc.	\$63	1.2x	4.7x
02/04/15	Newmerical Technologies	Ansys, Inc.	\$11	--	--
01/26/15	Bombardier Inc., Military Aviation	CAE Inc.	\$16	--	--
11/14/14	MSB Design Inc. .	Sogclair Aerospace S.A.S	\$13	0.5x	--
11/12/14	Provincial Aerospace Ltd.	Exchange Income Corporation	\$218	1.2x	4.9x

Sources: CapIQ, Dacis, AIAC, ICGC

Historical TEV/EBITDA Trading Multiples



Select Company Profiles

(\$ in US millions)

Company	Financials	Recent Transactions
BOMBARDIER <small>the evolution of mobility</small>	Sales: \$22,895 EBITDA: \$628 Cash: \$4,909	<ul style="list-style-type: none"> • OAO ELTEZA (\$64M) – Electrical signaling aviation systems
CAE	Sales: \$2,421 EBITDA: \$470 Cash: \$541	<ul style="list-style-type: none"> • Lockheed Commercial Flight Training – Full-motion and fixed-based civil aviation simulators • Bombardier's Military Aviation Training Unit (\$16M) – Provider of aviation training services to military pilots
HEROUX DEVTEK	Sales: \$395 EBITDA: \$57 Cash: \$21	<ul style="list-style-type: none"> • APPH Ltd. and APPH Wichita (\$124M) – Landing gear and hydraulic systems for military and commercial aircraft • Eagle Tool & Machine (\$32M) – Landing gear and steering system components for military and commercial aircraft
MDA	Sales: \$2,146 EBITDA: \$330 Cash: \$68	<ul style="list-style-type: none"> • Advanced Systems (\$41M) – Radar and other information sensors for national security applications • Space Systems/Loral (\$875M) – Communications satellites and systems for commercial and government customers
MAGELLAN	Sales: \$989 EBITDA: \$156 Cash: \$6	<ul style="list-style-type: none"> • Lawrence Ripak (\$24M) – Non-destructive test, anodizing, plating, painting, shot peening and other processing services • Euravia Engineering & Supply Co. (\$56M) – Repair and overhaul solutions for gas turbine engines



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France Aerospace & Defense Overview

The French aerospace and defense industry has experienced rapid growth this year, which is being driven by an increasing demand for more fuel efficient aircraft and machinery as the country seeks to strengthen the industry in response to the growing pervasive threat of terrorist militants. The commercial aerospace industry is expanding significantly as airlines of emerging countries develop. OEMs are forced to address the growing pressure on their supply chain while also ensuring the development of next-generation aircraft. The French defense sector has recovered from the downturn seen in the past few years, mostly thanks to the Dassault Rafale fighter being successfully sold to Egypt, Qatar and India, generating export sales of \$18.3 billion in 2015. France is expected to become the second largest defense export country, overtaking Russia, as the country profits from international defense sales in 2016.

The French aerospace association Groupement des industries françaises aéronautiques et spatiales (GIFAS) recently announced that 2015 was a record year, growing significantly in exports as total orders reached \$88.1 billion and achieving a backlog of five years of production. Much of this is driven by Airbus SAS, a division of Airbus Group that manufactures civil aircraft. With 32,600 commercial airliners forecasted to be delivered by Airbus over the next two decades, the French aerospace sector is in a strong position to continue its growth. The space industry in France also performed well in 2015, with consolidated revenues of \$4.4 billion. The commercial aerospace demand continues to be driven by high-growth economies, where French companies have strong incentive to invest. Due to the consolidation in specific segments, including aerostuctures and small to mid-size subcontractors, and the growth the global aerospace and defense supply chain, the French aerospace and defense market will likely continue to see robust M&A activity.

Public Comparable Companies

(\$ in US millions)

	LTM	LTM EBITDA	Market	TEV / LTM	
	Revenue	Margin	Cap	TEV	EBITDA
Safran SA	\$20,894	20.9%	\$28,292	\$30,439	7.0x
Thales SA	16,172	10.1%	19,200	17,851	10.9x
Zodiac Aerospace	5,537	5.6%	6,237	8,000	NM
Dassault Systèmes	3,240	26.0%	20,964	19,167	22.8x
Latécoère S.A.	775	6.3%	345	464	9.5x
Figeac-Aero Sociéti	287	20.4%	703	703	12.0x
Mean		14.9%			12.4x

Trading metrics as of 7/31/16. Valuation multiples based on LTM financial data, excludes multiples over 25x

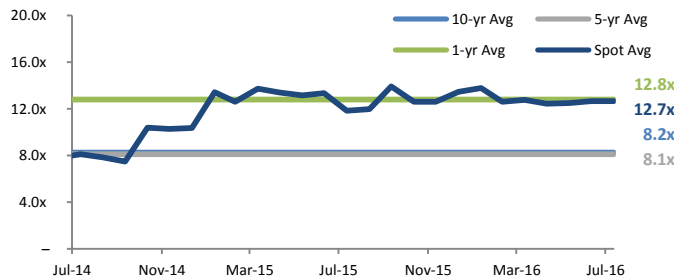
Select Recent A&D Transactions

(\$ in US millions)

Date	Target	Acquiror	TEV	TEV/Sales	TEV/EBITDA
06/20/16	Ausy SA	Randstad France SA	\$415	0.9x	11.9x
06/17/16	Adetel Group SA	Centum Electronics Limited	--	--	--
05/30/16	MIPNET Industries	Saint-Gobain Performance Plastics	--	--	--
05/23/16	JCB Aero Sas	AMAC Aerospace Switzerland AG	--	--	--
05/03/16	TRIGO, S.A.	Ardian; AXA LBO Fund V	--	--	--
03/17/16	Fly by Wire Systems France S.A.S.	LORD Corporation	\$44	1.1x	--
02/02/16	Groupe SIRA	Aequs Private Limited	--	--	--
01/13/16	Mecadaq Group	Activa Capital; Activa Capital Fund III	--	--	--
07/09/15	Atlantic Air Industries SA	ASI Innovation SAS	--	--	--
02/23/15	Gentilin SA	Asquini-Sofop Aero (nka:Nexteam Group)	--	--	--
01/20/15	Aixlife SAS	Altersis SAS	--	--	--

Sources: CapIQ, Dacis, IHS, GIFAS

Historical TEV/EBITDA Trading Multiples



Select Company Profiles

(\$ in US millions)

Company	Financials	Recent Transactions
SAFRAN	Sales: \$20,950 EBITDA: \$4,382 Cash: \$2,789	<ul style="list-style-type: none"> Hydrep S.A. – MRO for landing gears, hydraulic systems, wheels, brakes and accessories on aircraft and helicopters AAP Aerospace Propulsion – Develops ignition systems for space launchers
THALES	Sales: \$16,215 EBITDA: \$1,638 Cash: \$3,950	<ul style="list-style-type: none"> Opto-Electronics and Instruments Product Unit from RUAG – Manufactures scientific satellite instruments and equipment
ZODIAC AEROSPACE	Sales: \$5,675 EBITDA: \$318 Cash: \$151	<ul style="list-style-type: none"> Pacific Precision Products Mfg. – Specializes in the design and manufacture of oxygen systems for aircraft Enviro Systems Inc. – Designs environmental control systems for aircraft manufacturers
DASSAULT SYSTEMES	Sales: \$3,249 EBITDA: \$844 Cash: \$2,936	<ul style="list-style-type: none"> Computer Simulation Technology AG (\$246M) – Develops software for the simulation of electromagnetic fields Ortems SAS – Developer of manufacturing planning and production scheduling software solutions
DAHER	N/A	<ul style="list-style-type: none"> Dyonix Sarl – Assembles aerostructure parts and subassemblies Art Emballage Daher – Offers air freight/logistics services Vanatome – Designs valves and safety equipment for nuclear, military and industrial sectors



Germany Aerospace & Defense Overview

Germany has experienced strong growth both economically and technologically over the last two decades, driving its transformation into a leader within the aerospace and defense sector. Since the middle of the 1990s, industry revenues have quadrupled to over \$40 billion in 2014, with an annual average growth rate of more than 7%. Germany accounts for over 20% of the total revenue generated by the European aerospace industry, making it the second largest in Europe.

The main driver for German growth in the aerospace and defense industry is its focus on research and development (R&D) for the advancement of technology. German aerospace and defense companies spent over 13% of 2014 revenue on R&D and employs a skilled workforce of over 100,000 professionals. The national government incentivizes R&D through various programs offered and contributes approximately \$1.1 billion annually, most of which through its prominent High-Tech Strategy program. In addition to the R&D carried out by the German Aerospace Center (DLR), Germany's membership in the European Space Agency (ESA) also plays a significant role.

As a global aerospace hub, Germany is home to leading players from both the civil and defense aviation markets. Major companies that have presence in Germany include Boeing, Airbus, Bombardier and Lufthansa. Industry analysts forecast that 30,000-35,000 new aircraft will enter into service over the next 20 years to meet the increasing global aviation demand. With readily available talent and cost-efficient capabilities, German suppliers are well-positioned to participate in the continued growth of the aerospace and defense market.

Public Comparable Companies

(\$ in US millions)

	LTM	LTM EBITDA	Market	TEV / LTM	
	Revenue	Margin	Cap	TEV	EBITDA
Lufthansa	\$35,248	10.5%	\$5,544	\$8,357	2.3x
Rheinmetall	5,911	8.5%	2,969	3,420	6.8x
MTU Aero Engines	5,034	12.4%	5,245	6,363	10.2x
Bertrandt	1,103	11.9%	1,098	1,135	8.7x
OHB SE	855	6.0%	360	529	10.3x
Mean		9.9%			7.6x

Trading metrics as of 7/31/16. Valuation multiples based on LTM financial data, excludes multiples over 25x

Select Recent A&D Transactions

(\$ in US millions)

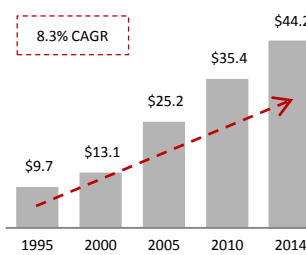
Date	Target	Acquiror	TEV	TEV/ Sales	TEV/ EBITDA
07/21/16	Computer Simulation Technology	Dassault Systemes Deutschland GmbH	\$242	4.7x	--
05/02/16	microdrones GmbH	Avyon Canada	--	--	--
04/20/16	Innovative Control Systems, LP	Reiser Simulation and Training GmbH	--	--	--
02/29/16	PACE Aerospace Engineering	TXT Next SpA	\$10	1.2x	11.2x
11/09/15	Gebr. Reinfurt GmbH & Co. KG	Kaman Aerospace Group, Inc.	\$149	--	--
10/12/15	Peters Software GmbH	The Boeing Company	--	--	--
08/05/15	XtremeAir GmbH	RotorSchmiede GmbH	\$4	--	--
02/23/15	Telair International GmbH	TransDigm Group Incorporated	\$725	--	--
08/06/14	Aerodrom Ljubljana	Fraport AG	\$269	6.4x	18.6x
03/06/14	Elektro-Metall Export GmbH	TransDigm Group Incorporated	\$50	1.2x	--

Sources: CapIQ, Dacis, BDLI 2015

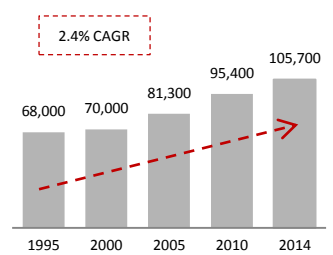
German Aerospace Industry Metrics

(\$ in US billions)

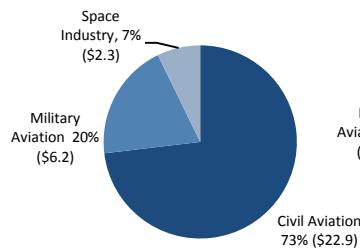
Annual Revenue Growth



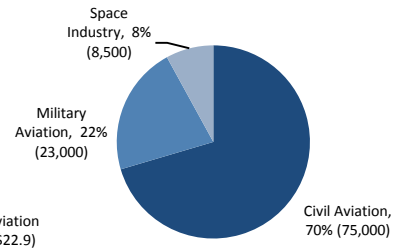
Annual Employee Growth



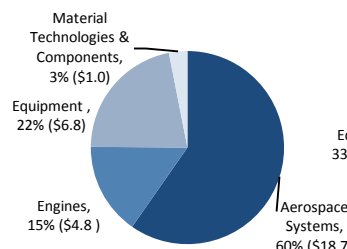
Revenue by Sector



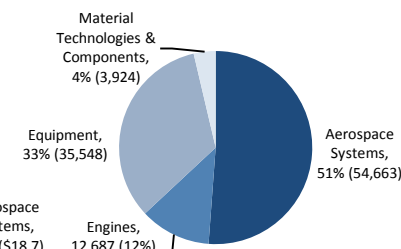
Employment by Sector



Revenue by Manufacturer Group



Employment by Manufacturer Group



Exchange rate as of year



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Israel Aerospace and Defense Overview

Israel is home to several key global suppliers of commercial and defense systems and equipment, including Elbit Systems, RAFAEL and Israel Aerospace Industries, Israel's largest aerospace and defense manufacturer. Israel's defense industry plays a critical role in national defense, heightened by the rise in global terror activity in recent years. Accordingly, significant investment in aerospace, defense and security (ADS) has led Israel to emerge as a world leader in ADS R&D and a critical player in the global ADS supply chain. Israel is one of the world's major exporters of military equipment, accounting for 10% of the world total in 2007, and is the 6th largest arms exporter in the world, as of 2014.

Israel is also recognized as the leading UAV exporter in the world, producing 41% of all drones exported from 2001-2011 and generating average sales of \$578 million annually from 2005-2012. Israel houses over 20 OEMs dedicated to producing UAVs, accounting for nearly 10% of total Israeli defense exports. Europe is the largest importer of Israeli UAVs, accounting for approximately 50%, followed by 33% from Asia Pacific countries and 17% from South America, North America and Africa. With nearly 80% of Israeli UAV demand generated abroad, Israeli OEMs play a dominant role in the global UAV supply chain. Israeli firms are expected to maintain this position as UAV sales are forecasted to grow 10% annually from 2016-2020. This growth will be a combined function of intensifying international demand, U.S. export license restrictions and aggressive marketing in the aforementioned UAV markets.

UAV Highlights

- Israeli firms lead the way in developing payloads, including advanced surveillance cameras and sensors, improved communications capabilities between drones and operators
- Development of these features will widely expand the use of drones for civilian uses, including law enforcement, search and rescue, firefighting, disaster response, aerial photography, mail delivery and agriculture.
- Israel's dominance in the market for UAVs is a result of its intense focus on R&D in order to optimize the technologies that enable usage across various missions
- Global UAV spending is expected to reach \$11.5 billion in 2024, representing 6% annual growth from 2014 levels

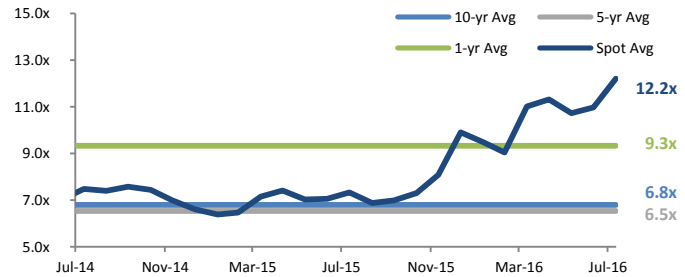
Select Recent A&D Transactions

(\$ in US millions)

Date	Target	Acquiror	TEV	TEV/ Sales	TEV/ EBITDA
06/20/16	Maglan Information Defense Technologies	Accenture plc	--	--	--
01/28/16	DSIT Solutions Ltd.	Rafael Advanced Defense Systems Ltd.	\$11	--	--
01/14/16	TSG IT Advanced Systems Ltd.	Formula Systems (1985) Ltd.; Israel	\$50	--	--
08/10/15	Turbochrome	TAT Technologies Ltd.	\$6	--	--
05/21/15	NICE Systems Ltd., Cyber and Intelligence	Cyberbit Ltd.	\$158	2.0x	--
02/02/15	Enercon Ariel Ltd.	Fortissimo Capital	--	--	--
02/18/14	Bental Industries	Undisclosed	\$7	--	--
10/16/13	Seraphim Optronics Ltd.	Rico, Ltd; Cryogenic & Vacuum Systems	--	--	--
10/04/13	Ray-Q Ltd.	TTI, Inc.	--	--	--
06/23/13	TAT Technologies, Ltd.	First Israel Mezzanine Investors Ltd.; FIMI V	\$42	0.5x	7.8x
05/13/13	O.D.F. Optronics Ltd.	Mistral Detection Ltd.	--	--	--




Sources: CapIQ, Dacis, Frost & Sullivan

Historical TEV/EBITDA Trading Multiples



Select Company Profiles

(\$ in US millions)

Company	Financials	Recent Transactions
 Israel Aerospace Industries	Sales: \$3,657 EBITDA: \$162 Cash: \$1,379	TSG IT Advanced Systems (\$50M) — provides C4ISTAR, home land security and cyber security solutions
	Sales: \$3,122 EBITDA: \$389 Cash: \$304	C4 Security (\$11M) — provides network security solutions
	Sales: \$89 EBITDA: \$3.3 Cash: \$26	Turbochrome (\$6M) — provides overhaul, repair and coating of jet engine components

	LTM Revenue	LTM EBITDA Margin	Market Cap	TEV	TEV / LTM EBITDA
Elbit Systems	\$3,122	12.0%	\$3,851	\$4,046	10.4x
TAT Technologies	89	4.0%	64	38	11.4x
Mean		8.0%			10.9x

Notes: IAI is privately held with public debt, allowing for disclosure of summary financials
Trading metrics as of 7/31/16. Valuation multiples based on LTM financial data

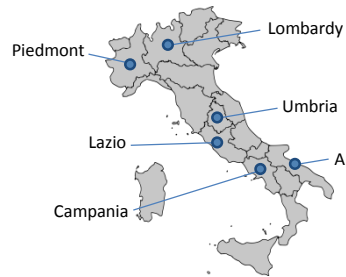


Italy Aerospace & Defense Overview

The Italian aerospace and defense industry is the seventh largest in the world and fourth largest in Europe with a workforce of over 50,000 people and an annual turnover of approximately \$17 billion. The sector has experienced a compound annual growth rate of 2.8% since 2010. With a focus in high-tech integrated systems and advanced technology, Italy is a major region in the global aerospace and defense industry, supporting the production of commercial and military helicopters, fixed wing military aircraft, business jets, unmanned aerial vehicles, avionics systems and electronics. Leonardo-Finmeccanica, one of the largest aerospace and defense groups in the world, is headquartered in Rome and generates nearly \$14 billion of annual sales. The company is comprised of numerous subsidiaries including AgustaWestland, Alenia Aermacchi, Selex ES, Oto Melara and WASS. Other notable companies based in Italy are Avio Aero, an aircraft and naval engine manufacturer owned by GE, and Piaggio Aero Industries, an aircraft engine and structural component manufacturer.

Over the last several years, regional clusters have been formed throughout Italy to streamline the supply chain and production in the aerospace market. Italian aerospace companies have consequently begun establishing production sites in North Africa to focus on the lower end of the supply chain. Strategic partnerships with Boeing, Airbus and Bombardier have recently been formed with several Italian companies, strengthening the country's global presence in the commercial aerospace sector and as a critical supplier in the world commercial jet and regional transport aircraft market. With a fairly fragmented landscape in the current aerospace and defense supply chain, Italy may attract significant M&A activity in the near future.

Main Aerospace Cluster Regions



- Italian A&D industry is comprised of a small number of large groups and approximately 300 small- to medium-sized companies located in these main industrial clusters
- The network is a key component of the global industry, offering a highly skilled workforce with niche capabilities and specialized technologies

Select Recent A&D Transactions

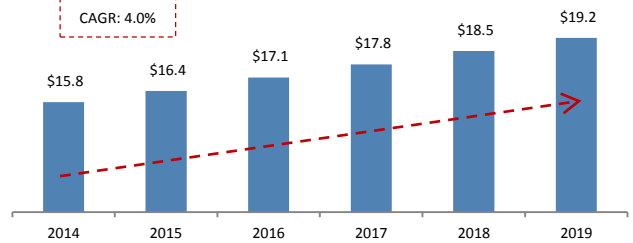
(\$ in US millions)

Date	Target	Acquiror	TEV	TEV/ Sales	TEV/ EBITDA
06/20/16	Ausy SA	Randstad France SA	\$415	0.9x	11.9x
06/17/16	Adetel Group SA	Centum Electronics Limited	--	--	--
05/30/16	MIPNET Industries	Saint-Gobain Performance Plastics	--	--	--
05/23/16	JCB Aero Sas	AMAC Aerospace Switzerland AG	--	--	--
05/03/16	TRIGO, S.A.	Ardian; AXA LBO Fund V	--	--	--
03/17/16	Fly by Wire Systems France S.A.S.	LORD Corporation	\$44	1.1x	--
02/02/16	Groupe SIRA	Aequus Private Limited	--	--	--
01/13/16	Mecadaq Group	Activa Capital; Activa Capital Fund III	--	--	--
07/09/15	Atlantic Air Industries SA	ASI Innovation SAS	--	--	--
02/23/15	Gentilin SA	Asquini-Sofop Aero (nka:Nexteam Group)	--	--	--
01/20/15	Aixlife SAS	Altersis SAS	--	--	--

Sources: CapIQ, Dacis, A&D International Trade Summit, MarketLine

Italy A&D Revenue Forecast

(\$ in US billions)



Leonardo-Finmeccanica Overview

(\$ in US millions)



Select Subsidiaries

- Alenia Aermacchi** (A Finmeccanica Company)
 - Focus in the aeronautics sector
 - Develops military, commercial and unmanned aircraft systems
- DRS Technologies** (A Finmeccanica Company)
 - US-based defense contractor
 - Provides integrated defense electronic products and services
- Selex ES** (A Finmeccanica Company)
 - Active in electronics and the IT business
 - Offers systems for air operations, airborne intelligence and sensors

Key Highlights

- Sales: \$13,847
- EBITDA: \$1,579
- Employees: 46,732
- Market Cap: \$6,041
- TEV: \$11,032
- Cash: \$903

Select Joint Ventures

- ThalesAlenia Space** (with Alenia Aermacchi)
 - Joint ventures between Thales and Leonardo
 - Develops space and satellite services and systems
- TELESPAZIO** (AERONAUTICA ITALIANA)
 - Formed between Airbus, Leonardo and BAE Systems
 - Manufactures missiles systems for 90+ armed forces
- MBA** (MILITARY BUSINESS AIRCRAFT)
 - Formed as a joint venture between Airbus and Leonardo
 - Manufactures and sells turboprop aircraft



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Japan Aerospace and Defense Overview

The Japanese aerospace industry has traditionally emphasized the manufacturing of defense aircraft; in recent years, however, major Japanese A&D players have shifted toward participation in international joint development of civil, defense and space aircraft, allowing Japan to emerge as a major OEM and Tier 1 supplier in the global A&D supply chain. Accordingly, Japanese firms play a major role on various Airbus and Boeing platforms, manufacturing 15%, 35% and 21% of the main structural components on the 767, 787 and 777X platforms, respectively. Japan is well-known for its advanced composite materials, which account for 70% of carbon fiber products used to create carbon fiber reinforced plastic (CFRP), a key material in aircraft and spacecraft production. Accordingly, Japan is a leading composites supplier for rotor systems, main wings and center wing boxes for popular aircraft, including the Boeing 787.

In 2013, Japanese aerospace industry turnover was \$16.6 billion, generated by aircraft (83%) and space (17%) sectors. Due to rising demand for global passenger transport, civil aircraft manufacturing has grown to displace defense aircraft manufacturing as the dominant driver of Japanese A&D growth, accounting for 68% of aircraft revenues. Continued growth will also result from production of the Mitsubishi Regional Jet (MRJ), Japan's first next-generation jet in over 50 years, which is scheduled for delivery in 2017. The innovative nature of Japan's OEMs and Tier 1 suppliers will continue to benefit the global A&D supply chain and provide a source of future M&A activity.

Public Comparable Companies

(\$ in US millions)

	LTM	LTM EBITDA	Market	TEV / LTM	
	Revenue	Margin	Cap	TEV	EBITDA
Mitsubishi	\$64,592	5.7%	\$27,550	\$70,833	19.1x
Sojitz	15,465	4.3%	3,045	8,698	13.0x
KHI	15,005	9.6%	5,014	8,413	5.9x
IHI	14,996	6.3%	4,393	6,829	7.2x
Minebea	5,869	13.5%	3,027	3,971	5.0x
JAE	1,632	17.9%	1,355	1,194	4.1x
Mean		9.6%			9.0x

Trading metrics as of 7/31/16. Valuation multiples based on LTM financial data, excludes multiples over 25x

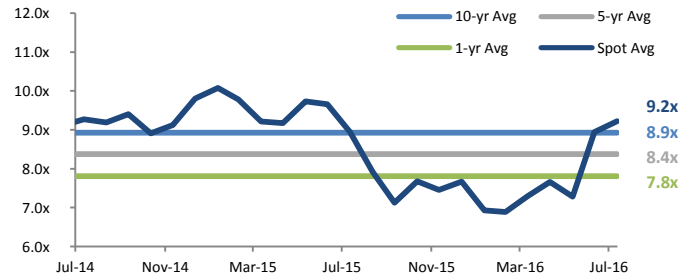
Select Recent A&D Transactions

(\$ in US millions)

Date	Target	Acquiror	TEV	TEV/ Sales	TEV/ EBITDA
03/30/16	SGS Tool Company	Kyocera Corp.	--	--	--
01/07/16	Specialty Coating Systems, Inc.	Kisco, Ltd.	--	--	--
12/09/15	Ace International Trade Co., Ltd.	Central Automotive Products, Ltd.	--	--	--
06/18/15	Mira Ltd.	Horiba, Ltd.	\$132	1.8x	NM
12/01/14	Shiono Seisakusho Co., Ltd.	Minebea Co., Ltd.	--	--	--
10/30/14	BCS Group Ltd.	Daifuku Co., Ltd.	--	--	--
07/01/14	Steinmuller Engineering GmbH	IHI Corporation	--	--	--
05/14/14	ALM 2010 Ltd.	Fuyo General Lease Co. Ltd.	--	--	--
04/22/14	Vaupell, Inc.	Sumitomo Bakelite Co., Ltd.	\$269	--	--
04/11/14	Zygo Corp.	Ametek Inc.	\$385	1.7x	10.7x
02/11/14	KRG Industries Ltd.	Proserv Group Inc.	--	--	--






Sources: CapIQ, Dacis, SJAC

Historical TEV/EBITDA Trading Multiples



Select Company Profiles

(\$ in US millions)

Company	Financials	Recent Transactions
 MITSUBISHI	Sales: \$64,592 EBITDA: \$3,705 Cash: \$17,110	<ul style="list-style-type: none"> Ding Zing Advanced Materials — researches, develops and produces composite materials and technical films
 sojitz	Sales: \$15,365 EBITDA: \$671 Cash: \$3,309	<ul style="list-style-type: none"> Asahi Bearing Co. — manufactures metal products Sollers-Isuzu ZAO — manufactures and sells engine components
 IHI	Sales: \$14,996 EBITDA: \$946 Cash: \$1049	<ul style="list-style-type: none"> Steinmuller Engineering GmbH — provides engineering services
 Minebea	Sales: \$5,869 EBITDA: \$794 Cash: \$570	<ul style="list-style-type: none"> Mitsumi Electric Co. (\$651M) — manufactures and sells electronic components and electrical machinery Shiono Precision Co. — provides parts and components for aircraft, spacecraft and aircraft engines
 KAWASAKI HEAVY INDUSTRIES, LTD.	Sales: \$15,005 EBITDA: \$1434 Cash: \$5014	<ul style="list-style-type: none"> Sold Metal Fabrica — manufactures steel and titanium products, including steel sheets, plates, shapes, electrical sheets, pipes and tubes



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Netherlands Aerospace & Defense Overview

Holland's strategic location in Northwestern Europe, world-class logistics infrastructure, highly innovative workforce and competitive tax structure provides an ideal environment for aerospace operations. Accordingly, the country has developed a world-class infrastructure and reputation as the premier global A&D logistics hub for airlines, OEMs and MRO suppliers. The efficiency of Holland's infrastructure is largely attributed to Amsterdam Airport Schiphol, Europe's fourth largest airport by passenger volume and third largest by cargo volume. Known for its modern design, Schiphol is highly conducive to aircraft maintenance demand.

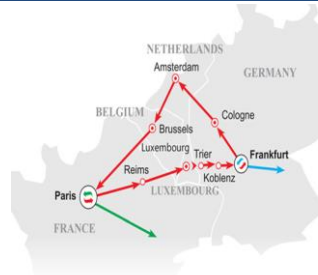
Holland's innovative workforce, along with strategic advantages previously stated, has attracted global A&D firms like Airbus, Bombardier, UTC Aerospace Systems, GE Aviation, Mitsubishi Aircraft and CAE to establish assembly, MRO, training and other operations in the area. The Netherlands is also known for its 25% corporate income tax rate, among other tax advantages, including simplified, low statutory corporate income tax rates and the possibility to conclude advanced tax rulings.

The Dutch aerospace sector includes more than 150 firms, encompassing both large and small-to-mid-size enterprises (SMEs). It represents the sixth largest aerospace market in Europe, employing a total of 17,000 workers. The Dutch aerospace market is comprised of civil aviation (80%) and military (20%) segments with MRO and logistics, production and R&D as the dominant sub-segments, comprising 66%, 29% and 5% of the overall market, respectively.

Leading Position in R&D and Training

- Well-organized public-private partnerships and support from renowned universities and research institutions offer a favorable environment for companies looking for business acceleration
- Outstanding training and simulation facilities for civil and military aviation allow global A&D firms to leverage Holland's workforce
- Workforce ranks second in labor productivity among European A&D firms (after UK) as Holland maintains one of the lowest percentages of days lost to strikes within the EU

Strategic Location



- Close proximity to major European A&D markets in the UK, France and Germany
- Close proximity to MRO suppliers
- Best logistics performance in Europe
- 95% of Europe's major markets can be reached within 24 hours
- Excellent facilities for R&D, training, assembly and MRO

Select Recent A&D Transactions

(\$ in US millions)

Date	Target	Acquiror	TEV	TEV/ Sales	TEV/ EBITDA
05/25/16	Avio-Diepen B.V.	Kirkhill Aircraft Parts Company	--	--	--
04/15/16	MacGregor Welding Systems Ltd.	Amada Miyachi Europe BV	--	--	--
02/22/16	Lockheed Martin Commercial Flight	CAE Inc.	--	--	--
02/16/16	Schroeder Industries, Inc.	Aalberts Industries NV	--	--	--
01/18/16	Ushers Machine & Tool Co, Inc.	Aalberts Industries NV	--	--	--
12/23/15	HeiDrive GmbH & Co. KG	Allied Motion Technologies BV	\$22	--	--
12/17/15	Element Materials Technology Holding	Bridgepoint Advisers Ltd.	\$320	1.2x	--
11/24/15	Fox-IT Group BV	NCC Group (Solutions) Ltd.	\$141	4.9x	--
07/28/15	Fokker Technologies Group, BV	GKN, Plc	\$778	0.8x	9.2x
07/20/15	Koninklijke Ten Cate NV	Parcom Capital; Gilde Buy Out Partners BV;	\$988	0.8x	10.0x
03/26/15	StandardAero Defense Services	StandardAero Business Aviation	--	--	--

Sources: CapIQ, Dacis, NFIA, NAG

Select Company Profiles

(\$ in US millions)

Company	Dutch Operations
AIRBUS	<ul style="list-style-type: none"> Headquartered in Leiden Airbus Defense and Space Netherlands Boasts state-of-the-art cleanroom facilities where solar arrays, satellite subsystems, and rocket components are designed, assembled, tested and finished
BOMBARDIER <small>the evolution of mobility</small>	<ul style="list-style-type: none"> Service Center Adds engine services, interior refurbishment and aircraft cleaning and detailing services to its line and heavy maintenance offerings Provides European customers with seamless access to OEM-quality services
UTC Aerospace Systems	<ul style="list-style-type: none"> Interiors Business Global leader in the design, manufacture and support of advanced systems Service Center Leverages expertise of Dutch A&D workforce and strengthens global A&D MRO network
Fokker	<ul style="list-style-type: none"> Headquartered in Papendrecht Leading European Tier 1 supplier to aerospace industry Designs and manufactures highly engineered aircraft systems Provides through-life aircraft fleet support services Well known for technological co-development with customers
CAE	<ul style="list-style-type: none"> Amsterdam Training Center Leverages expertise of Dutch A&D workforce to provide a variety of wet and dry lease training services Oxford Aviation Academy Amsterdam Boasts a worldwide fleet of nearly 300 aircraft and is equipped to train about 1,500 pilot cadets per year



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Singapore Aerospace & Defense Overview

Leveraging its strategic position in the Asia Pacific region, the Singaporean aerospace and defense industry is the leading Asian aerospace hub with the greatest number of Original Equipment Manufacturers (OEMs) present. With more than 80 international airlines operating from its airport, Singapore contributes over 25% of the Asia Pacific Maintenance, Repair, and Overhaul (MRO) output. Through a variety of tax incentives and research and development (R&D) support initiatives directed towards aerospace, the country's Economic Development Board has focused its efforts on promoting Singapore as a key aircraft service and supply hub. As a result, many companies have established strategic locations in Singapore to capitalize on the robust Asia and the Asia Pacific A&D market.

In addition to MRO, Singapore is experiencing growth in aerospace design and manufacturing operations as companies utilize the existing capabilities in precision engineering to support the production of aero-engine components. The industry is limited by the nation's lack of natural resources and small domestic market; however, a highly-skilled workforce and advanced manufacturing facilities are competitive assets supporting Singapore's role as a major player in the global aerospace industry.

The Asia Pacific A&D industry is forecasted to continue its strong growth going forward. The development of countries and the growing desire for air travel in the Asia Pacific region will generate numerous opportunities for aerospace manufacturers and MROs. According to Airbus and Boeing, over a third of worldwide aircraft deliveries will go to Asia in the next two decades. By 2031, Asia Pacific's fleet is expected to triple to approximately 13,500 aircraft. With over 19,000 people employed and with a GDP that has grown 12% annually since 1990, Singapore's aerospace and defense industry is an integral economic driver and an attractive market for future M&A activity.

Public Comparable Companies

(\$ in US millions)

	LTM	LTM EBITDA	Market	TEV / LTM	
	Revenue	Margin	Cap	TEV	EBITDA
ST Engineering	\$4,796	10.8%	\$7,611	\$7,804	15.0x
BOC Aviation	1,015	55.1%	3,310	11,637	20.8x
SIA Engineering	822	12.0%	3,096	2,660	NM
Pteris Global	263	7.5%	244	264	13.4x
AIM	70	1.6%	19	32	NM
Mean		17.4%			16.4x

Trading metrics as of 7/31/16. Valuation multiples based on LTM financial data, excludes multiples over 25x

Select Recent A&D Transactions

(\$ in US millions)

Date	Target	Acquiror	TEV	TEV/ Sales	TEV/ EBITDA
06/08/16	RF Digital Corporation	Heptagon Micro Optics Pte Ltd	--	--	--
11/23/15	Singapore Aero Engine Services	Rolls-Royce Singapore Pte Ltd	\$1,350	1.1x	--
09/30/15	Singapore Precision Repair and Overhaul	ST Aerospace Systems Pte Ltd	\$11	0.5x	--
07/22/15	Global Services Engineering Asia	Cyient Singapore Private Limited	--	--	--
03/23/15	Pacific Avionics Pte. Ltd.	Rockwell Collins Inc.	\$24	--	--
09/22/14	Capital Lease Aviation Plc	Avation PLC	\$76	6.5x	7.3x
12/16/12	Volant Aerospace, LLC	VT Aerospace Limited	\$22	--	--
07/15/11	AeroMobiles Pte Ltd	Pteris Global Limited	\$4	--	--
03/31/11	Avitron Private Limited	SAM Engineering & Equipment (M) Berhad	\$45	--	--

Sources: CapIQ, Dacis, Singapore EDB, Oliver Wyman


Global MRO Market Forecast

(\$ in US billions)

	2015 MRO Spending	2015-2025 Spending Growth	10-Yr CAGR
North America	\$20.0	\$1.3	0.6%
Europe	\$17.9	\$7.0	3.3%
Latin America	\$3.2	\$3.3	7.3%
Africa / Middle East	\$7.5	\$5.3	5.5%
Asia Pacific / China / India	\$18.3	\$16.5	6.6%

Select Company Profiles

(\$ in US millions)

Company	Financials	Business Description
 ST Engineering	Sales: \$4,796 EBITDA: \$520 Cash: \$892	<ul style="list-style-type: none"> ST Aerospace is an integrated service provider that offers a wide spectrum of maintenance and engineering services Capabilities include: aircraft maintenance and modification, engine total support, aerospace engineering and manufacturing and component total support
 SIA ENGINEERING COMPANY	Sales: \$822 EBITDA: \$98 Cash: \$483	<ul style="list-style-type: none"> Primarily operates as an aircraft MRO in the Asia Pacific Services provided include airframe maintenance, component overhaul, engine repair, aircraft certification and technical ground handling services Subsidiary of Singapore Airlines Limited
 Accuron Technologies	N/A	<ul style="list-style-type: none"> Accuron Technologies is a precision engineering and technology company focused on the aerospace industry Designs and manufactures niche aerospace products that include tough and high temperature alloys Operations in Asia, Europe and the United States
 QUEST BORN TO ENGINEER	N/A	<ul style="list-style-type: none"> QuEST Global Services is an engineering services company focused on aerospace and defense, aero engines and industrial markets Solutions provided include embedded systems and electronics, engineering software and mechanical systems
 DSO DEFENSE SYSTEMS ORGANIZATION	N/A	<ul style="list-style-type: none"> Provides defense technology research and development for the Singapore armed forces Engages in the research and development of aerodynamics, flight control systems, guidance and navigation techniques, radio frequency and micro-electronics



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Switzerland Aerospace & Defense Overview

Despite the small size of the country, the Swiss aerospace and defense industry is comprised of over 500 companies accounting for roughly 6% of the national GDP. The aerospace and defense sector had total revenues of \$7.2 billion in 2014 with a compound annual growth rate (CAGR) of 6.1% between 2010 and 2014. The growth of the sector in Switzerland is expected to continue over the next few years to reach a market size of \$7.6 billion by 2019. Two major players in the Swiss aircraft manufacturing business are RUAG and Pilatus, both of which have strong ties to UK suppliers. RUAG is a government-owned company active in the global aerospace and defense sector as well as the space sector with its acquisition of Oerlikon Space in 2009. Pilatus is Switzerland's leading aircraft manufacturer, specializing high-performance single-engine turboprops.

In addition to RUAG and Pilatus, Switzerland is a prime location for maintenance, repair and overhaul (MRO) and business aviation. Business aviation is the fastest growing sector in Switzerland, as the country already boasts the third most registered jets in Europe. More than 100 companies in the country are licensed to carry out repair work for airlines and private aviation, including key MRO companies SR Technics and Jet Aviation. Further, with the increasing presence of specialized firms and the large number of business jets, demand for MRO services, interior refurbishment and avionics is expected to increase.

Although Switzerland strives to maintain neutrality, the country does have an active defense market with an annual budget of \$4.3 billion in 2015, which is forecasted to increase to \$5.0 billion by the end of 2016. With the rise of global social unrest and growing threat of terrorist militants, the defense industry in Switzerland is expected to continue its growth.

Public Comparable Companies

(\$ in US millions)

	LTM	LTM EBITDA	Market	TEV / LTM	
	Revenue	Margin	Cap	TEV	EBITDA
TE Connectivity	\$11,890	20.8%	\$21,433	\$24,775	10.0x
Garmin	2,897	22.7%	10,262	9,208	14.0x
Starrag Group	375	6.3%	170	187	7.9x
Gurit Holding	359	12.5%	319	299	6.7x
Cicor Technologies	180	6.7%	81	101	8.4x
Mean		13.8%			9.4x

Trading metrics as of 7/31/16. Valuation multiples based on LTM financial data, excludes multiples over 25x

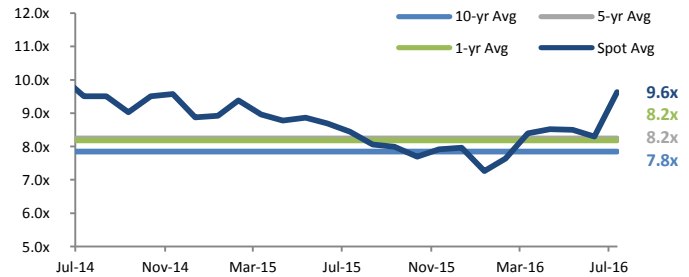
Select Recent A&D Transactions

(\$ in US millions)

Date	Target	Acquiror	TEV	TEV/ Sales	TEV/ EBITDA
07/15/16	SR Technics Switzerland AG	HNA Aviation Group Co., Ltd.	--	--	--
12/27/15	Skybotix AG	GoPro, Inc.	--	--	--
09/16/15	Theodor Wille Intertrade AG	ADS, Inc.	--	--	--
05/19/14	Mistral Engines SA	AeroSteyr Rotary Sàrl	\$4	--	--
12/21/12	Jet Aviation Management, MRO	Cessna Aircraft Company Inc.	--	--	--
05/30/12	Revue Thommen AG	Transas NR. Ltd	--	--	--
06/09/11	Berne Wings AG	SkyWork Airlines AG	--	--	--
09/23/10	CHEP Aerospace Solutions (Schweiz) AG	Brambles Limited	\$37	--	--
03/02/10	Linth Air Service, Helicopter MRO	RUAG Aviation AG	--	--	--
08/19/08	Jet Aviation Management AG	General Dynamics Corporation	\$2,239	1.9x	--
04/03/08	Flying Robots SA	Reims Aviation Industries SAS	--	--	--






Sources: CapIQ, Dacis, UKTI

Historical TEV/EBITDA Trading Multiples



Select Company Profiles

(\$ in US millions)

Company	Financials	Recent Transactions
 RUAG <small>Aerospace Defence Technology</small>	Sales: \$1,779 EBITDA: \$221 Cash: \$145	<ul style="list-style-type: none"> HTS GmbH – Provides concepts, designs and verification services for customer specific product development and product adjustment to A&D Patria Finance Oyj – Space unit manufactures turnkey equipment for different spacecraft demand
 MONTANA TECH COMPONENTS	Sales: \$811 EBITDA: \$107 Cash: \$83	<ul style="list-style-type: none"> Alu Menziken Group – Manufactures aluminum products and components such as hard alloy extrusions and machined parts
 TE connectivity	Sales: \$11,890 EBITDA: \$2,474 Cash: \$694	<ul style="list-style-type: none"> Jacquet AG – Develops speed sensors Polamco Ltd. – Designs high precision connectors, back shells and interconnect accessories American Sensors Technologies – Manufactures micro-electro mechanical structure pressure sensors
 LIEBHERR	N/A	<ul style="list-style-type: none"> Waitzinger Baumaschinen GmbH – Develops and sells concrete pumps and other specialized service machines as well as spare parts
 AMAC AEROSPACE	Sales: \$1,500	<ul style="list-style-type: none"> JCB Aero Sas – Creates and installs aircraft cabin interiors such as galleys, lavatories, ceiling panels and sidewalls



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Turkey Aerospace & Defense Overview

The aerospace and defense market in Turkey has undergone significant growth over the last decade, growing fourfold to \$5.1 billion in 2014. The industry's workforce has reached nearly 30,000 employees, which a third of are engineers. In the defense sector, not only is Turkey beginning to produce OEM platforms, but export orders have become a significant driver of growth in the market. In 2015, the total amount of exported defense products was almost \$2.0 billion, up from \$1.6 billion in 2014. In March of 2016, the Turkish Government approved of \$5.9 billion worth of new defense projects for the military to begin working on. The Turkish Defense Industry is expected to greatly increase as plans have been revealed for the Turkish military to replace 70% of their current weapon systems with new equipment over the next decade. The rise of international terrorism, particularly within neighboring regions, have driven the increase in demand for exports of Turkish military products.

Turkish Aerospace Industries (TAI) is one of the largest aerospace manufacturers and Turkey and a leading player in both the military and commercial aerospace market. The company recently made headlines after signing a \$3.5 billion deal with Sikorsky Aircraft to manufacture the 109 T70 utility helicopters for the Turkish government. In the commercial aerospace sector, TAI is a sole source supplier for various Airbus and Boeing platforms, including the A320, A330, A350XWB and the B737 and B787. TAI provides components such as rudder components, ailerons, cargo barriers and body seals. Another major Turkish aerospace company is Tusas Engine Industries (TEI), a manufacturer of aeroengines that was established in 1985 as a joint venture between GE and four Turkish parties. TEI expects engine applications for unmanned aerial vehicles for both military and civil operators to be a robust growth area for the Turkish aerospace market in the near future.

Public Comparable Companies

(\$ in US millions)

	LTM	LTM EBITDA	Market	TEV / LTM	
	Revenue	Margin	Cap	TEV	EBITDA
Turkish Airlines	\$10,541	14.2%	\$2,386	\$10,114	6.8x
Aselsan Elektronik	938	16.7%	3,161	3,218	20.5x
Netas	374	6.9%	181	268	10.3x
Celebi Hava	270	20.3%	189	257	4.7x
Karel Elektronik	96	13.0%	32	63	5.0x
Parsan Makina	79	13.4%	235	358	NM
Mean		14.1%			9.5x

Trading metrics as of 7/31/16. Valuation multiples based on LTM financial data, excludes multiples over 25x

Select Recent A&D Transactions

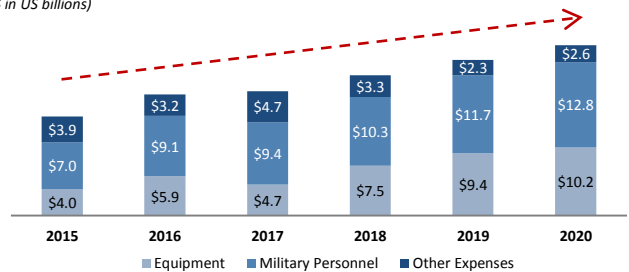
(\$ in US millions)

Date	Target	Acquiror	TEV	TEV/ Sales	TEV/ EBITDA
04/28/15	Quantum3D, Inc.	HAVELSAN, Inc.	--	--	--
04/04/13	MNG Technic Aircraft Maintenance Services	Turk Hava Yollari Anonim Ortakligi	--	--	--
02/07/13	Çelebi Holding A.S.	Zeus Aviation Services Investments B.V.	\$286	0.2x	--
07/25/11	ACT Airlines Inc. (nka:MyCargo Airlines)	Grand China Logistics Holdings Co. Ltd	--	--	--
06/13/11	Interplast Mühendislik	Safic-Alcan SAS	--	--	--
11/04/10	Mro Teknik Servis SAN.VE Tic A.S.	Bravia Capital	--	--	--
06/19/08	Kaletron Inc.	KOC Holding A.S.	--	--	--
04/28/05	Turkish Aerospace Industries	Turkish Aircraft Industries	--	--	--
03/16/05	Aydin Yazillim Ve Elektronik San A.S.	Vestel Elektronik Sanayi Ve Ticaret AS	--	--	--

Sources: CapIQ, Dacis, market research

Turkey Defense Budget Forecast

(\$ in US billions)



Select Company Profiles

(\$ in US millions)

Company	Financials	Recent Transactions
TAI	Sales: \$1,002 EBITDA: \$572	• Tusas Aerospace Industries – Develops and integrates structural components, fighters and unmanned aerial vehicles
aselsan	Sales: \$873 EBITDA: \$146 Cash: \$549.2	• Mikroelektronik Ar-ge Tas. – Focuses on semiconductor design, mixed signal IC design and RF analog IC design
TURKISH AIRLINES	Sales: \$10,520 EBITDA: \$1,387 Cash: \$900	• Turkish Technic Inc. – Offers aircraft maintenance services, component services, electrical calibration services and aircraft painting services
Koç	Sales: \$23,008 EBITDA: \$2,225 Cash: \$2,292	• AES Entek Enerji – Specializes in providing electric services and generating electricity
CELEBI	Sales: \$251 EBITDA: \$51 Cash: \$136	• Celebi Cargo GmbH – Offers cargo handling and transportation as well as passenger services and fuel supplies



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United Kingdom Aerospace and Defense Overview

The United Kingdom is home to some of the largest aerospace and defense firms in the world, including BAE Systems, GKN, Rolls Royce and Meggitt. The UK's membership in the European Union had historically given British A&D firms access to EU markets, supply chains and skilled workers that enabled the UK to rise as the second largest aerospace industry in the world and the largest in Europe with 2014 revenues totaling \$32.4 billion.

UK aerospace firms are known for pioneering innovative technologies, including composite wings, advanced in-flight entertainment, 3-D printing and fuel-efficient engines. Composite wings manufactured by Airbus UK are featured on the A350 and generate nearly 25% fuel savings. Similarly, Rolls Royce has invested over \$1.1 billion in the development of the Trent XWB engine, which reduces fuel burn by approximately 25%. The Trent XWB is the most fuel efficient engine ever created, showcasing UK aerospace manufacturers' commitment to meeting the evolving needs of global OEMs.

Global demand for commercial air travel is expected to drive continued growth in the UK aerospace industry, with demand for UK air travel expected to grow by 80% by 2034. This will necessitate delivery of 913 new single aisle and widebody aircraft over the period, valued at \$75 billion and driving 2.3% annual growth of the national fleet. As airline fleets grow, so will supply chain competition, providing a platform for future innovation and potential M&A activity.

Public Comparable Companies

(\$ in US millions)

	LTM	LTM EBITDA	Market	TEV / LTM	
	Revenue	Margin	Cap	TEV	EBITDA
BAE Systems	\$22,686	9.6%	\$22,506	\$25,072	11.5x
Rolls Royce	18,369	12.6%	19,312	20,754	8.9x
GKN	10,439	11.0%	6,578	7,625	6.6x
Cobham	2,580	18.7%	3,849	5,456	11.3x
Meggitt	2,308	15.7%	4,509	5,907	16.3x
Senior	1,151	12.3%	1,141	1,400	9.9x
Mean		13.3%			10.7x

Trading metrics as of 7/31/16. Valuation multiples based on LTM financial data, excludes multiples over 25x

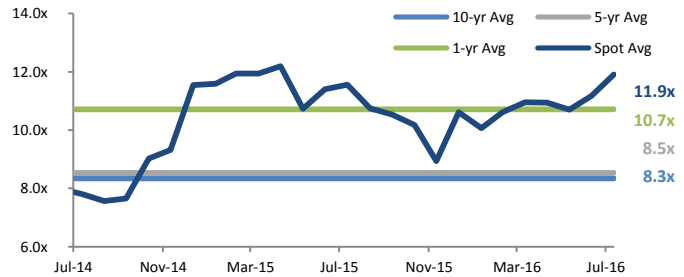
Select Recent A&D Transactions

(\$ in US millions)

Date	Target	Acquiror	TEV	TEV/Sales	TEV/EBITDA
05/24/16	Edif Group Management Ltd.	RINAS S.p.A.	\$174M	--	--
05/19/16	Stag Group	ALA	--	--	--
05/04/16	Sigma Precision Components	Silverfleet Capital Partners	\$94M	1.8x	--
11/23/15	AIM Aviation	AVIC Aerospace International	--	--	--
07/28/15	Fokker Technologies	GKN	\$778M	0.8x	8.4x
06/11/15	Sheets Manufacturing	GKN	--	--	--
02/03/15	ADS Aerospace Technical Standards	SAE International	--	--	--
01/13/15	Douglas Equipment	Textron Ground Support Equipment UK	--	--	--
01/06/15	Precision Engine Controls	Meggitt	\$44M	--	--
12/11/14	Eclipse Electronic Systems	BAE Systems	\$10M	--	--
10/21/14	SilverSky	BAE Systems	\$233M	--	--

Sources: CapIQ, Dacis, ADS

Historical TEV/EBITDA Trading Multiples



Select Company Profiles

(\$ in US millions)

Company	Financials	Recent Transactions
BAE SYSTEMS	Sales: \$22,686 EBITDA: \$2,183 Cash: \$3,292	<ul style="list-style-type: none"> Eclipse Electronic Systems (\$10M) — manufactures embedded digital receiver commercial products Silversky (\$233M) — provides cloud security solutions
GKN	Sales: \$10,439 EBITDA: \$1,151 Cash: \$308	<ul style="list-style-type: none"> Fokker Technologies (\$778M) — manufactures engineered aircraft components and systems Sheets Manufacturing — manufactures air flight products and components
MEGGITT	Sales: \$2,308 EBITDA: \$363 Cash: \$81	<ul style="list-style-type: none"> Precision Engine Controls (\$44M) — manufactures and supplies industrial turbine control systems, fuel valves and related components
ROLLS ROYCE	Sales: \$18,369 EBITDA: \$2,323 Cash: \$3,042	<ul style="list-style-type: none"> Remaining 53% of Industria de Turbo Propulsores SA (\$720M) — engineers, develops, manufactures, assembles and tests aeronautical engines and gas turbines
COBHAM	Sales: \$2,580 EBITDA: \$483 Cash: \$656	<ul style="list-style-type: none"> Aeroflex (\$1.4B) — designs, engineers and manufactures microelectronic products and test and measurement equipment



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