

MARKET BRIEF

Recently released economic indicators present a picture of modest growth so far in 2014. While consumer confidence remains relatively strong, and unemployment rates continued to decline gradually, housing reports are mixed. Inflation measures have shown a slight increase recently with a resurgence in investment expected as this winter's weather-related slowdown fades and diminished inventories are replenished.

Consumer confidence remains relatively strong

After a decrease in April to 82.3, the Conference Board Consumer Confidence Index improved slightly to 83.0 in May. Lynn Franco, Director of Economic Indicators at The Conference Board, explained the increase, saying that "Consumer confidence improved slightly in May, as consumers assessed current conditions, in particular the labor market, more favorably. Expectations regarding the short-term outlook for the economy, jobs, and personal finances were also more upbeat. In fact, the percentage of consumers expecting their incomes to grow over the next six months is the highest since December 2007 (20.2%). Thus, despite last month's decline, consumers' confidence appears to be growing."

Housing reports remain mixed

The Case-Shiller Home Price Indices' March 2014 results, released at the end of May, demonstrated ongoing but slower gains. The 10-City and 20-City Composites reported year-over-year growth of 12.6% and 12.4%, respectively. David M. Blitzer, Chairman of the Index Committee at S&P Dow Jones Indices, said "Annual price increases for the two Composites have slowed in the last four months and 13 cities saw annual price changes moderate in March. The National Index also showed decelerating gains in the last quarter. Among those markets seeing substantial slowdowns in price gains were some of the leading boom-bust markets including Las Vegas, Los Angeles, Phoenix, San Francisco and Tampa."

Unemployment continues to decline gradually

The US economy added 217,000 jobs in May, building upon the 288,000 jobs added in April. The unemployment rate remained at 6.3% and the number of unemployed persons remained at 9.8 million in May. Bart van Ark, Executive Vice President of the Conference Board, said that the underlying hiring trend is "encouraging, with more good news expected through the summer and into the autumn months."

Inflation measures show slight increase

The Headline Consumer Price Index increased to 1.5% in March on a twelve month basis, up from 1.1% in February. Headline PCE inflation also showed an increase to 1.1% in March, compared to 0.9% in February. Core inflation measures have been mostly stable during the past few months, with CPI-based core measures in the range of 1.5% – 2.1% on a twelve month basis through March. PCE-based measures have been steady at approximately 1.1% - 1.3%.

PUBLIC MARKET

Despite the mixed economic indicators reported during the month, the stock market rose overall in May, with the Dow Jones Industrial Average and the S&P 500 Index reaching record highs on the last day of the month. The Dow Jones was up 1.0%, the S&P 500 Index was up 2.1%, and the Nasdaq Composite was up 2.8% for the month. Gregory Zuckerman, writing for the Wall Street Journal, said "Behind the rebound is a view that stocks will continue to benefit from robust earnings, low interest rates and scant inflation. If those conditions persist, the market's climb could very well continue."

Public Trading Multiples

As of April 30, 2014

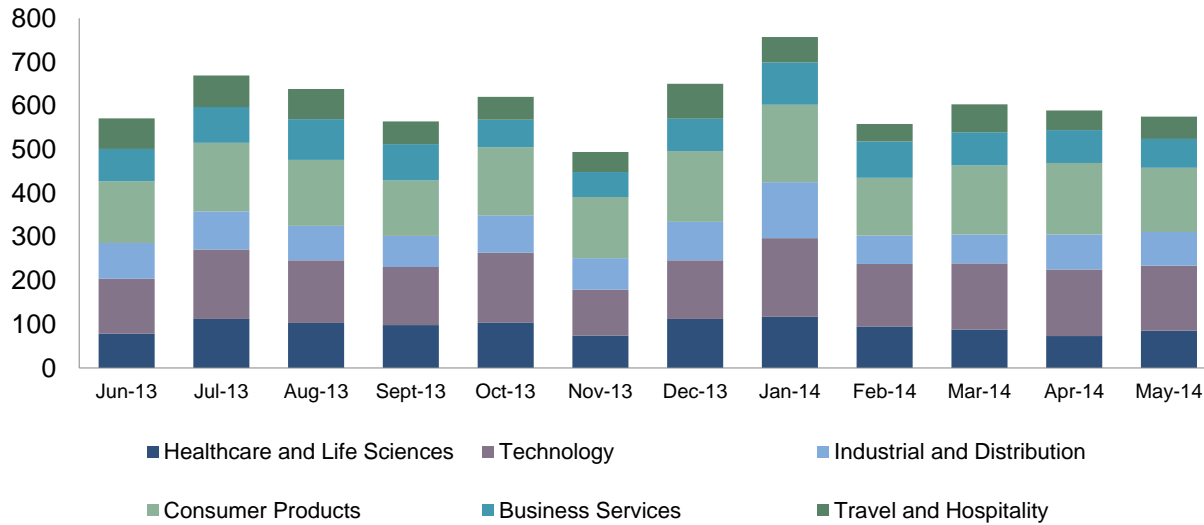
Category	EV / Revenue	EV/ EBITDA	Revenue Growth 1 Year	Revenue Growth 3 Year	EBITDA Growth 1 Year	EBITDA Growth 3 Year	EBITDA Margin
Healthcare and Life Sciences							
Healthcare Technology	2.5	25.1	37.3%	35.7%	16.1%	20.0%	12.3%
Healthcare Equipment and Supplies	3.2	12.2	4.3%	4.8%	-0.9%	2.4%	24.1%
Healthcare Providers and Services	0.6	9.0	8.7%	8.5%	6.7%	8.6%	7.0%
Healthcare and Life Sciences Aggregate	1.9	12.1	5.6%	6.5%	-1.8%	3.1%	13.9%
Technology							
Internet Software and Services	6.4	20.2	16.8%	19.0%	17.4%	14.6%	26.0%
IT Services	2.9	11.7	0.2%	3.0%	2.4%	5.3%	24.4%
Software	3.6	10.4	8.7%	7.6%	6.4%	5.9%	31.5%
Computers and Other Electronic Equipment	1.4	8.2	2.5%	6.8%	-2.2%	12.4%	16.6%
Technology Aggregate	2.4	10.6	3.7%	6.2%	2.5%	6.6%	21.4%
Industrial and Distribution							
Aerospace and Defense	1.5	10.5	3.1%	2.4%	9.3%	5.1%	13.8%
Building Products	1.3	12.7	8.9%	6.1%	22.5%	14.6%	10.2%
Construction and Engineering	0.6	8.2	2.2%	6.5%	12.3%	9.6%	6.3%
Machinery	1.6	10.6	-3.7%	7.1%	-4.1%	8.8%	14.3%
Distributors	1.8	11.5	8.1%	13.0%	10.9%	22.0%	12.4%
Industrial and Distribution Aggregate	1.7	11.4	3.1%	6.1%	8.3%	8.2%	14.7%
Consumer Products							
Food and Beverage	1.6	11.3	1.1%	5.2%	9.5%	3.4%	13.5%
Household and Personal Products	2.5	12.1	2.0%	3.0%	2.1%	2.8%	20.5%
Household Durables	1.3	12.4	15.0%	8.3%	33.4%	20.1%	8.5%
Textiles, Apparel, and Luxury Goods	1.9	13.0	7.3%	9.9%	13.3%	10.5%	14.8%
Consumer Products Aggregate	1.4	10.6	2.7%	5.0%	5.8%	5.1%	13.1%
Business Services							
Human Resource and Employment Services	0.6	10.7	2.3%	6.1%	12.2%	17.5%	5.4%
Research and Consulting Services	3.2	13.9	6.6%	7.0%	6.8%	9.3%	21.9%
Business Services Aggregate	1.5	10.6	3.2%	4.9%	3.3%	4.4%	13.4%
Travel and Hospitality							
Hotels, Resorts, and Cruise Lines	3.5	14.3	3.3%	4.1%	1.9%	3.6%	23.6%
Restaurants	2.8	12.6	2.8%	4.6%	3.7%	6.9%	21.7%
Leisure Facilities	3.1	10.3	4.0%	3.5%	8.2%	6.5%	29.6%
Travel and Hospitality Aggregate	3.1	13.1	4.0%	5.9%	5.8%	7.8%	23.2%

M&A MARKET

Total US M&A deal value rose by over 50% for the twelve months ended April 30, 2014 compared to the same period ended in 2013. Aggregate M&A spending increased as well, with nearly 270% more spent in April than in March. However this is slightly skewed by two transactions totaling more than \$150 billion combined.

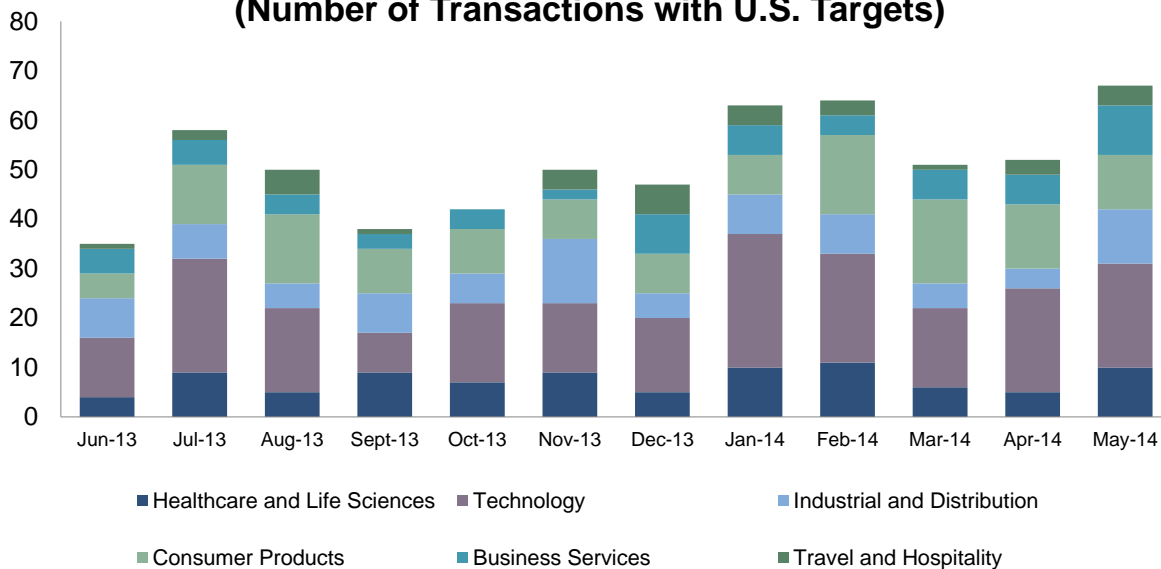
US middle market M&A activity remained steady in May from April, but rose by approximately 4% over May 2013.

U.S. Middle Market M&A Activity Select Industries (Number of Transactions)



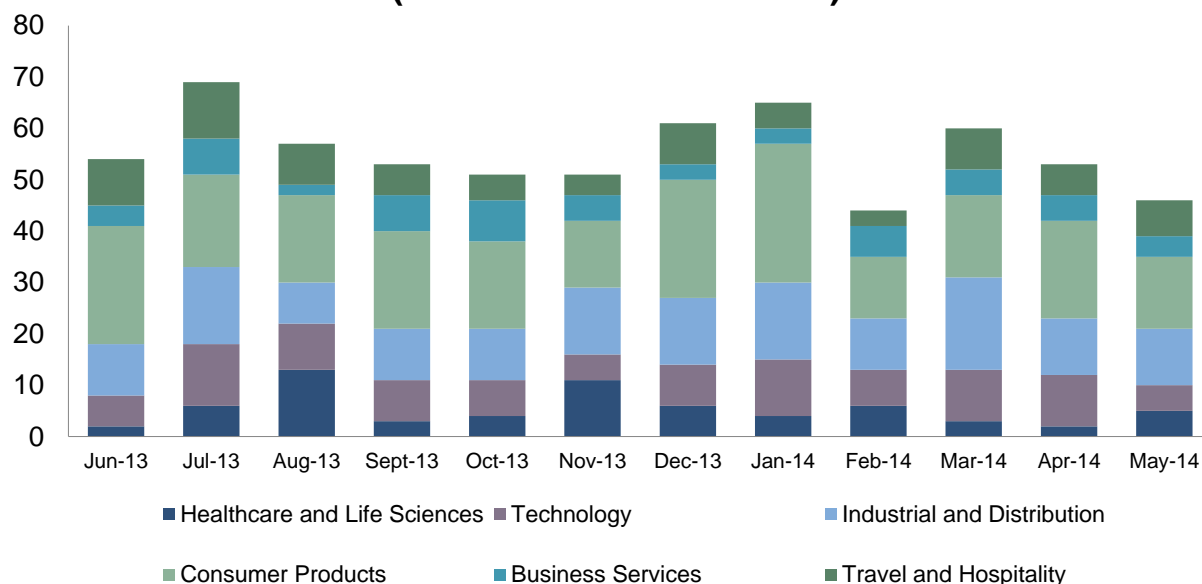
The US remains an attractive target, with approximately 37% of total 2014 (through May) global deal volume involving US targets. Overall, cross-border transaction value was up nearly 30% from April to May.

Cross-Border Middle Market M&A Activity (Number of Transactions with U.S. Targets)



Loan issuances for middle market leveraged buyouts increased in Q4 2013 to \$2 billion, which was the highest level of LBO activity since Q4 2007. In total, LBOs accounted for 32% of 2013 middle market loan issuances. While U.S. middle market LBOs decreased slightly from April to May, they showed an increase of 7% over May 2013.

U.S. Middle Market Leveraged Buyouts (Number of Transactions)



SELECT M&A TRANSACTIONS – FOCUS ON CONSUMER PRODUCTS SECTOR

MEGA Brands, Inc. (TSX:MB) acquired by Mattel, Inc. (NasdaqGS:MAT)

Mattel, Inc. (Nasdaq:MAT) acquired MEGA Brands, Inc. (TSX:MB) on April 30, 2014 for approximately \$450 million. The implied enterprise value was approximately 1.1x revenue or 9.6x EBITDA.

MEGA Brands, a family of leading global brands, is the No. 2 player in the \$4 billion construction building sets category with its MEGA BLOKS brand in the \$2 billion arts & crafts category. Founded and based in Montreal, MEGA Brands has approximately 1,700 employees in 17 countries. Mattel, Inc. is based in California and manufactures and markets a range of toy products worldwide.

MEGA Brands President and CEO, Marc Bertrand, said “MEGA Brands has built leading positions in large, growing categories by providing engaging creative experiences for children and families through innovative, well-designed and high-quality products, and Mattel is the ideal partner to take our brands to the next level. We are confident Mattel's scale and global platform spanning 150 markets - combined with the expertise of our people in the construction and arts & crafts categories - will create tremendous growth opportunities for our brands.”

Coastal Contacts, Inc. acquired by Essilor International SA (ENXTPA:EI)

Essilor International SA (ENXTPA:EI) acquired Coastal Contacts, Inc. on April 28, 2014 for approximately \$391 million. The implied enterprise value was approximately 2.0x revenue.

Coastal Contacts is a leading global manufacturer and digital retailer of eyewear products offered through a family of world class websites. Established in 2000 and headquartered in Vancouver, Canada., the Coastal.com family of brands offers an extensive, in stock selection of prescription eyewear, contact lenses and sunglasses. Essilor International is a manufacturer of ophthalmic lenses and optical instruments and is headquartered in France.

Roger Hardy, Coastal Contacts' founder and CEO said "Essilor shares Coastal.com's focus on customers, innovation and growth. The combination will enhance Coastal.com's ability to achieve its goals while realizing a significant all-cash

premium for our shareholders. I am confident this transaction is the right decision for Coastal.com, our employees and our shareholders."

Pineridge Bakery, Inc. acquired by ARYZTA AG (SWX:ARYN)

Aryzta AG acquired Pineridge Bakery, Inc. on April 2, 2014 for \$340 million. The implied enterprise value was approximately 1.6x revenue.

Pineridge Bakery specializes in fresh and frozen specialty branded and private label baked goods. The company was founded in 2007 and is based in Brampton, Canada. Swiss based Aryzta operates in food business internationally with a primary focus on specialty baking.

Aryzta CEO Owen Killian said "These are attractive, recently-invested assets which increase Aryzta's relevance to a broader range of consumers in more channels, especially the convenience channel."

FURTHER INFORMATION

Founded in 1987, Mirus Capital Advisors is a middle-market investment bank that specializes in merger advisory, capital-raising services, fairness opinions and valuations to entrepreneurs, corporations and professional investors. By combining a proven process, industry and transactional expertise, and personalized service, Mirus has completed hundreds of transactions for both public and private companies.

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