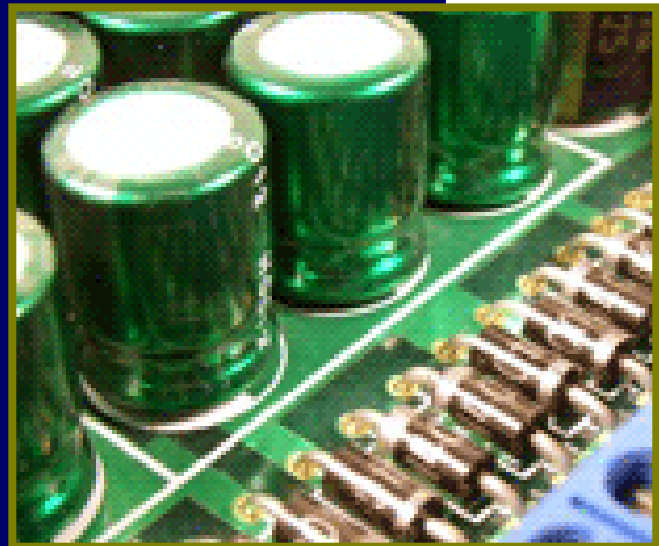


# Interconnect, Passive & Electromechanical Components

Merger & Acquisition Dashboard Report

Market Intelligence for Industry Players

Q3 2008



**Capstone Partners**  
Investment Banking Advisors

# Interconnect, Passive & Electromechanical Components



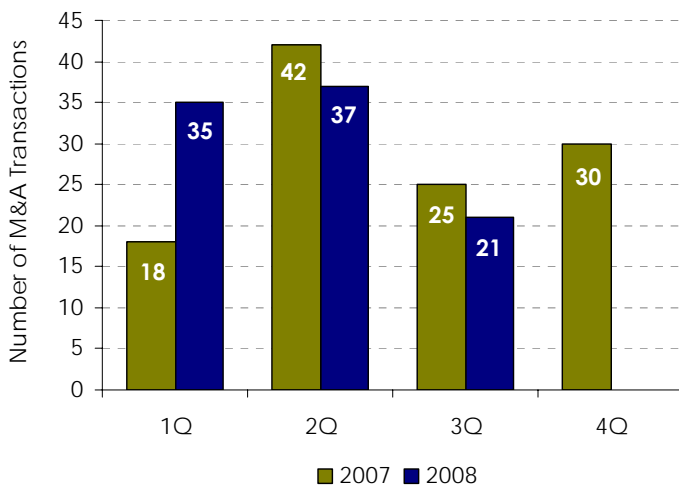
Market Intelligence for Industry Players

M&A Dashboard Report Q3 2008

## Commentary on Recent M&A Activity

Merger and acquisition activity in the interconnect, passive and electromechanical (IP&E) market got off to a strong start in 2008 with 35 transactions through the first quarter of the year – a 94% increase over the first quarter of 2007. However, deal activity moderated in the second and third quarters of 2008 compared to the same periods in 2007. Much of the decline has been driven by the lending environment and macroeconomic conditions that have negatively impacted business performance in this sector.

IP&E Transactions by Quarter



Capstone expects M&A activity to gradually return to stronger levels in the second half of 2009 as domestic markets stabilize and the lending environment becomes more amenable to supporting transactions of this sort. That said, there are numerous strategic factors that will continue to drive industry consolidation.

## Current Drivers of M&A Activity

Although there has been significant consolidation in the market since the late 1990's, the IP&E market remains highly fragmented. Many companies choose to focus their efforts on a particular product area, geographic market and/or customer segment and have grown to become very attractive targets for some of the medium and larger players. In our regular discussions with companies that are actively seeking acquisitions in this market, the following objectives are driving their efforts:

- ▶ **End-customer diversification** – Niche customer segments in military, aerospace, medical and industrial markets are attractive targets.
- ▶ **Product line extension** – Highly engineered products, lines that are uniquely suited for demanding applications and/or well-recognized brands are often less costly to buy than to develop organically.
- ▶ **Geographic expansion** – Customer demand for highly responsive services and customized solutions often requires geographic proximity.
- ▶ **Increased scale** – Price pressures and OEM vendor reduction programs have forced many IP&E companies to consider acquisitions as a means of gaining the scale needed to stay competitive.

Private equity investors are increasingly eyeing this market due to the long-term growth expectations. Many have existing or past platform businesses in this market and can add significant value to these businesses at the board level. In addition, investors will often assist their portfolio companies with their acquisition strategy after the initial deal is completed.



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## Selected Strategic Transactions

The deals listed below are notable strategic transactions that occurred in the last twelve months. Based on our discussions with the acquirers, these acquisitions were focused on product line extension and market share gains in high growth customer segments.

**Avnet to acquire Abacus Group (pending)** – In October 2008, Avnet Inc. (NYSE:AVT) announced its plans to acquire Abacus Group plc (LSE:ABU), a UK-based distributor of electronic components. Abacus has a portfolio of 180 supplier franchises in the IP&E market. In addition to electronic components distribution, Abacus provides specialty distribution of displays, embedded computer and wireless communication products, and also offers electromechanical value-added sub-assembly services. The offer values Abacus' equity at \$73.0 million and includes the assumption of \$108.8 million in debt for a total transaction value of \$181.8 million. This transaction represents a value of 0.4x revenue and 6.5x EBITDA.

**KEMET sells Wet Tantalum assets to Vishay** – In September 2008, KEMET Corporation (NYSE:KEM) sold its Wet Tantalum assets to Siliconix Technology, a wholly-owned subsidiary of Vishay Intertechnology, Inc. (NYSE:VSH) for \$35.2 million in cash and a \$15.0 million three-year term loan. Wet Tantalum generated \$16.0 million in sales for the fiscal year ended March 31, 2008 and \$4.4 million in sales during the quarter ended June 30, 2008. Proceeds from the transaction were used to pay down debt as KEMET's capital structure has become increasingly risky in recent months. According to Per Loof, KEMET's CEO, the transaction will also allow the company to better focus on high growth segments of their business.

**Tensolite acquires Carlyle** – In April 2008, Tensolite, of Carlisle Companies Inc., acquired privately-owned Carlyle Inc., a provider of sophisticated aerospace and network interconnection solutions. With annual sales of approximately \$125.0 million, Carlyle is focused on manufacturing wire and cable harnesses, rack and panels, and cable assemblies for in-flight entertainment systems and specialty avionics applications. The purchase price for the deal was \$200.0 million, representing 1.6x revenues.

**Methode Electronics acquires Tribotek** – In March 2008, Tribotek, Inc., a manufacturer of high current power connectors and power distribution systems, was acquired by Methode Electronics, Inc. (NYSE:MEI) in an asset purchase arrangement. Tribotek's product line is used in power supplies, servers, rectifiers, inverters, robotics and automated test equipment, in addition to various military and telecommunications applications. The acquisition is intended to expand Methode's product portfolio of power connection system products and solutions that it can offer to customers. The terms were not disclosed.

**CTS Corporation acquires Orion Manufacturing** – In March 2008, CTS Corporation (NYSE: CTS) acquired Orion Manufacturing, Inc., a privately held company, for approximately \$10.0 million in cash. Under the terms of the agreement, CTS may pay a contingent earn-out of up to \$1.75 million in cash, based on the achievement of certain financial targets in 2008 and 2009. Orion is a contract electronics manufacturer based in San Jose, California, providing electronics manufacturing services to customers in the defense and aerospace, industrial and medical markets. With full year 2007 sales at approximately \$27.0 million, the deal represented a multiple of 0.4x revenue. The acquisition combines Orion's capabilities with CTS' Electronics Manufacturing Solutions business headquartered in Moorpark, California. CTS expects to achieve significant synergies by combining the Orion operation with the CTS operation in Santa Clara, California.

**Selected Strategic Transactions (Continued)**

**Arrow Electronics acquires ACI Electronics.** – In February 2008, Arrow Electronics, Inc. (NYSE: ARW) acquired ACI Electronics (ACI), one of the largest distributors of electronic components used in defense and aerospace applications. Michael Long, President of Arrow Global Components, said that with the “acquisition of ACI, we continue to execute on our strategic priority to pursue opportunities in the more rapidly growing areas of the market.” ACI has successfully grown sales at over 20% annually over the last 5 years, organically and through acquisition, and finished 2007 with over \$60.0 million in sales. Although the terms of the transaction were not disclosed, insiders tell Capstone that the deal was closed at a premium valuation, largely due to the growth prospects for the business.

**Reynolds (Teledyne) acquires Storm Electronics** – In January 2008, Teledyne Reynolds, a subsidiary of Teledyne Technologies Inc. (NYSE: TDY), acquired Storm Products Co. (Storm), a manufacturer of specialty wire, cable and interconnect products, as well as flexible and semi-rigid microwave cable assemblies. “Storm’s microwave interconnects complement Teledyne’s existing microwave components and defense interconnect product lines,” said Robert Mehrabian, President/CEO of Teledyne Technologies. The transaction value was reported at \$47.5 million. Given that Storm had 2007 revenues of \$45.7 million, the deal represented a 1.0x multiple on revenues.

**AVX Corporation acquires American Technical Ceramics Corp.** – In September 2007, AVX Corp. (NYSE: AVX) acquired American Technical Ceramics Corp. (ATC), a leading manufacturer of high-performance electronic components, including capacitors and thin film circuits for a broad range of commercial and military applications. As a result of the merger, each outstanding share of the Company’s common stock has been converted into the right to receive \$24.75 in cash and each outstanding option to purchase the Company’s common stock has been converted into the right to receive \$24.75 in cash less the applicable exercise price with respect to each share of common stock underlying such option. The aggregate purchase price payable to ATC’s former stockholders and option holders is approximately \$231.0 million. On revenues of approximately \$91.8 million and EBITDA of \$19.2 million, the transaction represents a revenue multiple of 2.6x and an EBITDA multiple of 12.5x.

## Selected Private Equity Transactions

The private equity universe has also been quite aggressive in the IP&E market. The transactions listed below all represent platform investments for these firms, so we will likely see relevant add-on investments in the years ahead as well as other private equity players making initial investments in the IP&E market.

**Inverness Graham Investments acquires B&B Electronics** – In April 2008, Inverness Graham Investments acquired an interest in B&B Electronics Manufacturing Company. Headquartered in Ottawa, Illinois, B&B Electronics is an engineering and manufacturing company that produces devices to network machines in rigorous industrial and commercial environments. The Company markets its products directly to thousands of customers across a diverse set of manufacturing segments and utilities. Inverness Graham partnered with Graham Partners to acquire B&B Electronics. Terms of the transaction were not disclosed.

**Windjammer acquires Pasternack Enterprises** – In April 2008, Windjammer Capital Investors (“WCI”) partnered with management and certain outside investors to acquire Pasternack Enterprises, Inc. Headquartered in Irvine, CA, Pasternack is a leading multi-channel, business-to-business direct marketer of radio frequency, microwave and fiber optic connectors, adapters, cables, cable assemblies and other components to over 27,000 companies in over 75 countries. The Company’s products are used in a wide variety of electronics-based applications, including electronic instrumentation, military electronics, telecommunications equipment (including wireless and land mobile radio), medical, industrial and transportation equipment, as well as computers, peripherals, and office equipment. Terms of the transaction were not disclosed.

**Watermill Ventures acquires C&M Corp.** – In April 2008, The Watermill Group acquired C&M Technologies Group, Inc. d.b.a. C&M Corporation, a leading manufacturer of custom cable, coil cords and cable assemblies. With manufacturing capabilities in the United States and Mexico, C&M is a top supplier of specialized cabling solutions to OEMs in the industrial, medical, defense, multimedia, datacom and data collection industries. C&M has transformed from a wire salvage business in its formative years into a premier manufacturer of high performance cable products. William Mueller, CEO of C&M, will continue to lead the management team. “This transaction marks an important milestone in the development of the firm,” said Mueller. “Founded in 1964 by my father, Warren Mueller, C&M has experienced significant growth under our stewardship and is well positioned in the current marketplace. We are confident that the partnership with Watermill Group will be a great asset in supporting our management team and further increasing the level of service and value provided to our customers.” Specific deal terms were not disclosed.

**Levine Leichtman acquires Dexter Magnetics** – In July 2007, Levine Leichtman Capital Partners (LLCP) acquired Dexter Magnetic Technologies Inc., a world leader in providing comprehensive magnetic solutions, including the design, engineering and manufacturing of complex magnetic circuits, permanent magnets, magnetic assemblies, electromagnetic systems, as well as finished products serving specific market needs. LLCP reported that the total deal value was \$49.7 million, but the specific terms of the transaction were not disclosed. Dexter was previously owned by Hamilton Robinson LLC, a private equity firm based in Stamford, CT. In September 2007, NewStar Financial, Inc. (NASDAQ: NEWS), a Boston-based specialty finance company, reportedly provided \$27.0 million in senior financing to the Company, the proceeds of which were used to refinance existing senior debt and provide a partial recapitalization to LLCP and the management of the Company.

Selected M&A Transactions – Interconnect Component Manufacturers

(\$ in millions)

Date Closed	Target / Acquiror	Target Description	Trans Value	EV/ Revenue	EV/ EBITDA
10/3/2008	World Class Wire & Cable Anixter International (NYSE:AXE)	Manufactures, supplies, and exports electrical/electronic wire, cable, and tubing products for distributors, electrical wholesalers, and wire harness manufacturers	62.0	1.0x	-
9/8/2008	Fiberguide Industries, Inc. Halma plc (LSE:HLMA)	Manufactures, supplies, and exports electrical/electronic wire, cable, and tubing products for distributors, electrical wholesalers, and wire harness manufacturers	24.5	2.3x	-
8/20/2008	Advanced Control Components, Inc. Emrise Electronics Corporation	Design, manufactures and supplies radio frequency and microwave components and sub-systems for military, aerospace, commercial, and instrumentation markets.	17.4	1.1x	-
8/1/2008	Intercond s.p.a. Nexans SA (ENXTPA:NEX)	Designs and manufactures electrical special cables and in-cable systems, including bus cables, data transmission cables, coaxial cables, optical cables, and telecommunication cables.	139.7	1.5x	5.6x
7/4/2008	Achieva Ltd., Electronic Components Business Arrow Electronics Inc. (NYSE:ARW)	Manufactures and supplies optical fibers, optical fiber assemblies, and discrete components for the original equipment manufacturer markets.	51.5	-	-
7/1/2008	AFlextech, Inc. Molex Inc. (NasdaqGS:MOLX)	Designs and manufactures a broad range of complex flexible circuit boards and other assemblies.	-	-	-
7/1/2008	Triax Pty Ltd. Smiths Interconnect	Designs and manufactures radio frequency products for use in wireless communication systems.	-	-	-
6/11/2008	Superior Essex Inc. (NasdaqGS:SPSX) LS Cable Co. Ltd. (KOSE:A006260)	Manufactures and supplies wire and cable products for the communications, energy, automotive, industrial, and commercial/residential end-markets.	1,261.9	0.4x	7.2x
6/2/2008	Nexans, S.A., Santander production unit Manchester Cables Limited	Santander production unit of Nexans, S.A. is located in Santander Spain and manufactures copper cables for the telecommunications industry.	26.4	0.3x	-
5/29/2008	Ocean Design, Inc. Teledyne Instruments, Inc.	Designs and manufactures subsea electrical and fiber optic interconnect systems for offshore oil and gas, defense, oceanographic, and telecommunication applications.	35.0	-	-
4/28/2008	Carlyle, Inc. Tensolite Company	Manufactures and distributes airframe and military cable, connectivity, and supporting infrastructure products.	200.0	1.6x	-
4/10/2008	C&M Corporation Watermill Ventures	Manufactures and markets cables, coil cords, and cable assemblies.	-	-	-
4/8/2008	LHI Technology Pte Ltd. 3i Group Plc (LSE:III)	Designs, develops, and manufactures medical cables, including patient monitoring and surgical cable interconnects and assemblies.	-	-	-
4/7/2008	B&B Electronics Inverness Graham Investments	An engineering and manufacturing company that produces devices to network machines in rigorous industrial and commercial environments.	-	-	-
3/21/2008	Enica Biskra General Cable Corp. (NYSE:BGC)	Engages in the manufacturing of low and medium voltage power and construction cable.	-	-	-
3/12/2008	Tribotek, Inc. Methode Electronics Inc. (NYSE:MEI)	An electrical interconnect technology company, designs, develops, manufactures, and sells power and data connectors in the United States and internationally.	-	-	-
2/14/2008	Pasternack Enterprises, Inc. Windjammer Capital Investors LLC	Manufacturer of log amplifiers, connectors and cable assemblies for the military and aerospace markets.	-	-	CF
2/4/2008	Martek Power, Inc. Barclays Private Equity France SA	Designs, manufactures, and markets custom power supplies for the telecommunications, data communications, transportation, medical, instrumentation industries and military industries.	89.0	1.5x	-
1/16/2008	The HOMAC Companies Thomas & Betts Corp. (NYSE:TNB)	Engages in designing and manufacturing electrical connectors and cable accessories.	75.0	1.2x	-
12/31/2007	Storm Products, Inc. Teledyne Reynolds, Inc.	Manufactures a line of flexible and semi-rigid microwave interconnect products for harsh environments.	47.5	1.0x	-
12/27/2008	Andrew Corporation CommScope Inc. (NYSE:CTV)	Engages in the design, manufacture, and supply of communications equipment, services, and systems for communications infrastructure markets worldwide.	2,718.6	1.3x	15.4x
11/30/2007	Woods Industries Inc Coleman Cable, Inc. (NasdaqNM:CCIX)	Develops electrical products, including extension cords, surge protectors and power strips, timers, booster cables, bulk wires, work lights, cord reels, and booster cables.	49.8	CF	CF
9/30/2007	Tappan Wire & Cable, Inc. Allied Capital Corporation (NYSE:ALD)	Manufactures and distributes low and medium voltage cables.	-	-	-
9/5/2007	Thermon Manufacturing Company Audax Group	Manufactures power-limiting cables, parallel and series constant watt cables, skin effect systems, self regulating cables and other heat sensitive products.	-	-	-
8/3/2007	Cabletec Interconnect Components Diploma PLC (LSE: DPLM)	Manufactures high performance wire, cables, and cable accessories.	13.7	1.0x	10.5x
7/12/2007	Stratos International Emerson Electric Co. (NYSE:EMR)	Designs and manufactures of RF, microwave and optical subsystems, components, and interconnect products used in telecom, enterprise, military, and video markets.	83.4	0.9x	13.8x
6/29/2007	Hyperlink Technologies, Inc. L-Com Inc.	Manufacturer and marketer of LAN equipment and wireless systems including signal splitters and filters, power supplies, connectors, adapters, antenna arrays and cable assemblies.	-	-	-
5/14/2007	Advanced Interconnect, Inc. Winchester Electronics Corporation	Manufactures, and sells fiber optic and copper based interconnect solutions, and value added modules for original equipment manufacturers.	-	-	-
5/14/2007	Kings Electronics Co, Inc. Winchester Electronics Corporation	Designs and manufactures RF coaxial interconnect products, and audio and video products for the broadcast, telco, industrial, energy and aerospace markets.	-	-	-
5/11/2007	Interconnect Devices, Inc. Milestone Partners	Manufactures spring contact probes, test sockets, and custom interconnect solutions. It offers board test products, battery contacts, connectors, coax probes, and switch probes.	-	-	-
5/8/2007	Lumberg Automation Components Belden (NYSE:BDC)	A leading supplier of industrial connectors, high performance cord-sets, and field bus communication components for factory automation machinery.	-	-	-

Source: Capital IQ and Capstone Partners research

EV = Enterprise Value; EBITDA and revenue numbers are LTM where available.

CF = Confidential Information; these figures are included in summary data

<b>Average</b>	<b>220.8</b>	<b>1.0x</b>	<b>8.7x</b>
<b>Median</b>	<b>68.3</b>	<b>1.0x</b>	<b>7.4x</b>
<b>Harmonic Mean</b>	<b>48.1</b>	<b>0.7x</b>	<b>6.9x</b>

Selected M&A Transactions – Passive & Electromechanical Component Manufacturers

(\$ in millions)

Date Closed	Target / Acquiror	Target Description	Trans Value	EV/ Revenue	EV/ EBITDA
9/29/2008	M/A-COM, Inc. (division of Tyco Electronics) Cobham Defense Electronic Systems Corp.	Engages in the development and manufacture of wireless radio frequency, microwave and millimeter wave semiconductors, and components and technologies.	425.0	0.9x	6.8x
9/25/2008	SatCon Electronics, Inc. Spectrum Control Inc. (NasdaqGS:SPEC)	Designs, manufactures, and sells power conversion microelectronics for use in industrial, medical, communications, defense, and aerospace industries.	5.0	0.5x	-
9/15/2008	KEMET Corp., Wet Tantalum Assets Vishay Intertechnology Inc. (NYSE:VSH)	Designs and manufactures Tantalum capacitors for the electronics industry.	50.2	3.1x	-
8/19/2008	IQD Frequency Products Ltd. Management Buyout	Develops and supplies frequency control components to the manufacturers in telecommunications, aerospace, computing, consumer, and medical industries.	-	-	-
7/31/2008*	EPCOS AG (XTRA:EPC) TDK Corp. (TSE:6762)	Engages in the manufacture of electronic components in three segments: Capacitors and Inductors, Ceramic Components, and Surface Acoustic Wave (SAW) Components.	2,188.1	1.0x	6.8x
5/14/2008	ASE Weihai Inc. J&R Holding Ltd.	Manufactures semiconductors and electronic components which include thyristors, triacs and diacs.	7.0	-	-
2/12/2008	COVEGA Corporation Gemfire Corporation	Provides opto-electronic components and subsystems	-	-	-
1/31/2008	Alps Electric Co. Ltd., Crystal Oscillation Factory Nihon Dempa Kogyo Co. Ltd. (TSE:6779)	Manufactures crystal oscillators	13.2	-	-
1/29/2008	Tusonix, Inc. CTS Corporation (NYSE: CTS)	Designs and manufactures ceramic EMI/RFI electronic components.	12.3	-	-
1/19/2008	Orient Semiconductors Pvt. Ltd. Ruttonsha Int'l Rectifier Ltd. (BSE:517035)	Manufactures semiconductor devices such as Diodes and Thyristors.	-	-	-
12/31/2007	Smart Good Enterprises Ltd. Hitech Displays Sdn Bhd (KLSE:HDISPLY)	Manufactures and markets electronic passive components and LCD products.	6.7	1.3x	-
7/25/2007	Dexter Magnetic Technologies Levine Leichtman Capital Partners, Inc.	Designs, engineers, manufactures, and distributes magnetic circuits, permanent magnets, magnetic assemblies, and electromagnetic systems.	CF	CF	CF
9/25/2007	American Technical Ceramics Corp. AVX Corp. (NYSE:AVX)	Designs, manufactures and sells of radio frequency/microwave/millimeter-wave ceramic capacitors, thin film products, and other passive components worldwide.	238.6	2.6x	12.5x
9/25/2007	Keragis Corporation Mitec Telecom Inc. (TSX:MTM)	Produces custom microwave and RF component and subsystem designs.	-	-	-
9/4/2007	Peak Devices, Inc. TriQuint Semiconductor Inc. (NasdaqNM:TQNT)	Designs, manufactures, and markets a range of bipolar, MOSFET, laterally diffused metal oxide semiconductor, and high and low power radio frequency discrete transistors.	-	-	-
7/24/2007	Polymicro Technologies, LLC Molex Inc. (NasdaqNM:MOLX)	Manufacturer and supplier of silica capillary tubing and specialty optical fibers and capillary assemblies, discrete microcomponents and quartz optical fiber ferrules.	-	-	-
6/26/2007	Morion, Inc. (RTS:MORI) Gazprombank Open Joint Stock Company	Produces Quartz Frequency Control Products (FCP).	5.8	-	-
6/4/2007	Centum Electronics Ltd. (BSE:517544) Flextronics International Ltd. (NasdaqNM:FLEX)	Engages in the manufacture and export of advanced microelectronics modules, frequency control products, and resistor networks in India.	-	-	-
4/16/2007	MicroMetrics, Inc. Aeroflex Inc.	Manufactures standard and custom RF/microwave diodes and semiconductor devices for commercial and military communications.	-	-	-
4/12/2007	Evox Rifa Group Oyj KEMET Corp. (NYSE:KEM)	Designs, manufactures, and sells passive electronic components in Europe, Asia, and North America.	64.5	0.5x	14.7x
1/29/2007	EMF Systems, Inc. Spectrum Microwave, Inc.	Engages in the design, development, and manufacture of oscillators for military and commercial markets.	2.3	-	-
1/17/2007	F-DYNE Electronics Corp. Electrocube, Inc.	Produces precision and close tolerance capacitors in the United States.	-	-	-

Source: Capital IQ and Capstone Partners research

\*Date Announced

EV = Enterprise Value; EBITDA and revenue numbers are LTM where available.

CF = Confidential Information; these figures are included in summary data

<b>Average</b>	<b>250.4</b>	<b>1.4x</b>	<b>10.4x</b>
<b>Median</b>	<b>26.4</b>	<b>1.3x</b>	<b>9.8x</b>
<b>Harmonic Mean</b>	<b>11.0</b>	<b>1.0x</b>	<b>9.2x</b>

## Selected M&amp;A Transactions – IP&amp;E Component Distributors

(\$ in millions)

Date Closed	Target / Acquirer	Target Description	Trans Value	EV/ Revenue	EV/ EBITDA
10/10/2008*	Abacus Group plc (LSE:ABU) Avnet Inc. (NYSE:AVT)	Distributes electronic components and electromechanical products primarily in the United Kingdom, Scandinavia, Italy, France, Germany, and Austria.	181.8	0.4x	6.5x
9/9/2008	C-88 AS Nu Horizons Electronics Corp. (NasdaqGS:NUHC)	Distributes semiconductors and components to the electronics market in Denmark, Sweden, Norway, and Finland.	7.0	0.4x	-
8/27/2008	Sofrasar S.A. and Gergen Anixter International Inc. (NYSE:AXE)	A European distributor of fasteners.	59.0	-	-
8/4/2008	Quality Screw & Nut Company Anixter International Inc. (NYSE:AXE)	A value-added distributor and light manufacturer of automotive components and fasteners.	80.0	-	-
7/31/2008	Alrtechnics, Inc. Wesco Aircraft Hardware Corp.	Supplies various electromechanical and interconnect products to general aviation, commercial aviation, and defense/aerospace markets.	-	-	-
6/28/2008	ADM Inc (JASDAQ:3335) Kaga Electronics Co. Ltd. (TSE:8154)	Distributes a broad range of electronic components and equipment primarily in Japan, Hong Kong, and Singapore.	27.3	0.1x	7.1x
5/19/2008	CUI, Inc. Waytronx, Inc. (OTCBB:WYNX)	A value-added distributor of electronic components offering a broad range of products including magnetic sound transducers, audio indicators, connectors and cable assemblies.	37.5	1.5x	-
4/3/2008	Carlyle, Inc. Tensolite Corporation	Distributes airframe and military cable, connectivity, and supporting infrastructure products in the United States	200.0	1.6x	-
4/1/2008	Azzuri Technology Limited Avnet Inc. (NYSE:AVT)	Supplies technology semiconductors and system products in Europe.	-	-	-
2/8/2008	ACI Electronics Arrow Electronics	Distributes a broad line of electronic components to commercial, aerospace, and defense contractors.	CF	CF	CF
11/7/2007	Betronik GmbH Berlin Vertriebsgesellschaft Avnet Inc. (NYSE:AVT)	Distributor of passive components based in Europe.	-	-	-
12/21/2007	CRL Components (S) Pte Ltd. ASJ Holdings Ltd. (SGX:538)	Distributes electronic passive components including capacitors, resistors and saw wilters.	6.1	-	-
7/10/2007	Chicago Fiber Systems LLC Sunesys, LLC	A wholesale vendor for dark fiber solutions to support the networking needs of participating carriers, enterprises, and institutions.	-	-	-
7/3/2007	Flint Distribution Limited Avnet Inc. (NYSE:AVT)	Distributor of electronic components including interconnect, passives, connectors and cables, integrated circuits, radio frequency components and wound products.	-	-	-
6/6/2007	All American Semiconductor, Inc. Rock River Capital LLC	Markets and distributes semiconductors, including transistors, diodes, memory devices, microprocessors, microcontrollers, integrated circuits, and active matrix displays.	15.2	-	-
6/1/2007	Cascade Controls Corp. WESCO International, Inc.	Distributes a full line of automation and electrical products, including industrial connectors, cables, fuses, and converters.	-	-	-
5/21/2007	Eurofast Anixter International (NYSE:AXE)	Distributor of fasteners to the aerospace industry.	26.9	1.2x	6.1x
5/8/2007	Optiplex Holdings J. Devien Capital, LLC	Distributes patient vital signs and electrosurgical medical cable assemblies to the medical device manufacturers.	-	-	-
5/1/2007	Logic Electronic Components Ltd. Jauch Quartz GmbH	Supplies products in frequency control, electromechanical, inductive, connectors, and passive components.	-	-	-
4/16/2007	Azure Technologies Pte Ltd Avnet Inc. (NYSE:AVT)	Southeast Asian distributor of electronic components.	-	-	-
4/9/2007	Burtek Systems, Inc. Honeywell International Inc.	Distributor of CCTV, data communications, intercom, commercial and professional audio, alarm and access control products.	80.0	-	-
4/18/2007	Total Supply Solutions Limited Anixter International (NYSE:AXE)	A fastener distributor with a broad array of valued-added services and inventory management programs	8.0	0.4x	-
4/3/2007	Gryphics, Inc. Cascade Microtech, Inc.	Distributor of sockets and connectors, including BGA sockets, QFN test and burn in connectors, and QFP/SO test and burn connectors.	25.6	-	-
3/31/2007	TTL, Inc. Berkshire Hathaway	A distributor of passive, connector, and electromechanical components for industrial, military, aerospace, and consumer electronic manufacturers worldwide.	-	-	-
2/15/2007	Simco Technologies, Inc. B&D Industrial, Inc.	A distributor of industrial electronics, sensors, drives, motion control, machine safety, and machine vision systems.	-	-	-
1/8/2007	Crawford Electric Supply Company Ltd. Sonepar Distribution US, Inc.	Crawford Electric Supply Company Ltd. offers high-quality, brand-name electrical, and lighting products to commercial and residential contractors.	-	-	-
1/1/2007	Milestek Corporation Castle Island Partners, LLC	Leading value-added distributor of private label branded electronic connectivity components including cables, connectors and installation tools.	CF	CF	CF
Average			92.9	0.9x	7.3x
Median			37.5	1.0x	6.5x
Harmonic Mean			22.6	0.5x	3.4x

Source: Capital IQ and Capstone Partners research

\*Date Announced

EV = Enterprise Value; EBITDA and revenue numbers are LTM where available.

CF = Confidential Information; these figures are included in summary data

## Public Company Trading Multiples

(\$ in millions, except per share data)

Company Name	Stock Price	% of 52 Week High	Market Cap	EV	LTM		EV / LTM		EV
					Revenue	EBITDA	Revenue	EBITDA	NTM EBITDA
<b>Interconnect Component Manufacturers</b>									
Amphenol Corp. (NYSE:APH)	\$24.30	46.5%	\$4,296.3	\$4,836.1	\$3,258.5	\$733.8	1.5x	6.6x	6.4x
Belden, Inc. (NYSE:BDC)	16.79	28.6%	723.9	1,098.4	2,173.2	283.6	0.5x	3.9x	4.4x
Black Box Corp. (NasdaqGS:BBOX)	24.12	53.4%	422.5	589.6	1,007.0	97.4	0.6x	6.1x	5.2x
Coleman Cable, Inc. (NasdaqGM:CCIX)	5.45	30.3%	91.5	447.7	1,027.8	83.3	0.4x	5.4x	5.9x
CommScope Inc. (NYSE:CTV)	18.52	32.8%	1,300.6	3,103.1	3,068.6	480.7	1.0x	6.5x	4.2x
Draka Holding NV (ENXTAM:DRAK)	12.36	30.8%	439.7	1,258.6	3,572.1	279.9	0.4x	4.5x	NA
General Cable Corp. (NYSE:BGC)	14.77	17.7%	779.9	2,152.3	5,744.3	510.9	0.4x	4.2x	4.0x
Hubbell Inc. (NYSE:HUB.B)	30.24	51.9%	1,696.8	2,000.0	2,667.0	404.0	0.7x	5.0x	5.3x
Methode Electronics Inc. (NYSE:MEI)	6.56	38.7%	252.4	140.9	563.0	88.9	0.3x	1.6x	2.6x
Molex Inc. (NasdaqGS:MOLX)	13.50	44.1%	2,396.6	2,099.8	3,328.3	613.2	0.6x	3.4x	3.6x
<b>Average</b>	<b>16.66</b>	<b>37.5%</b>	<b>1,240.0</b>	<b>1,772.7</b>	<b>2,641.0</b>	<b>357.6</b>	<b>0.6x</b>	<b>4.7x</b>	<b>4.6x</b>
<b>Median</b>	<b>15.78</b>	<b>35.8%</b>	<b>751.9</b>	<b>1,629.3</b>	<b>2,867.8</b>	<b>343.8</b>	<b>0.5x</b>	<b>4.7x</b>	<b>4.4x</b>
<b>Passive &amp; Electromechanical Component Manufacturers</b>									
Ametek Inc. (NYSE:AME)	\$28.36	53.4%	\$3,026.6	\$4,013.6	\$2,490.6	\$517.2	1.6x	7.8x	6.9x
AVX Corp. (NYSE:AVX)	7.85	49.2%	1,341.3	741.1	1,632.6	205.2	0.5x	3.6x	4.3x
Bel Fuse Inc. (NasdaqGS:BELF.B)	16.53	48.7%	196.5	85.0	269.0	25.6	0.3x	3.3x	3.1x
KEMET Corp. (NYSE:KEM)	0.46	6.1%	37.0	395.7	909.8	54.6	0.4x	7.2x	8.4x
Spectrum Control Inc. (NasdaqGS:SPEC)	6.06	34.9%	77.7	77.3	131.5	19.8	0.6x	3.9x	3.5x
Technitrol Inc. (NYSE:TNL)	4.37	14.3%	179.2	504.8	1,140.9	122.0	0.4x	4.1x	3.6x
Tyco Electronics, Ltd. (NYSE:TEL)	16.88	41.8%	7,972.6	10,444.6	15,117.0	2,702.0	0.7x	3.9x	3.9x
Vishay Intertechnology Inc. (NYSE:VSH)	3.39	25.6%	632.0	658.8	2,966.9	454.6	0.2x	1.4x	1.8x
<b>Average</b>	<b>10.49</b>	<b>34.3%</b>	<b>1,682.8</b>	<b>2,115.1</b>	<b>3,082.3</b>	<b>512.6</b>	<b>0.6x</b>	<b>4.4x</b>	<b>4.4x</b>
<b>Median</b>	<b>6.96</b>	<b>38.4%</b>	<b>414.2</b>	<b>581.8</b>	<b>1,386.7</b>	<b>163.6</b>	<b>0.4x</b>	<b>3.9x</b>	<b>3.8x</b>
<b>IP&amp;E Distributors</b>									
Anixter International Inc. (NYSE:AXE)	\$30.13	39.3%	\$1,058.6	\$2,184.0	\$6,169.5	\$491.8	0.4x	4.4x	5.0x
Arrow Electronics, Inc. (NYSE:ARW)	16.07	39.6%	1,917.1	2,932.4	17,090.3	760.3	0.2x	3.9x	5.2x
Avnet Inc. (NYSE:AVT)	14.97	35.3%	2,255.1	3,087.0	18,348.4	813.6	0.2x	3.8x	4.3x
Ingram Micro Inc. (NYSE:IM)	12.72	59.1%	2,110.0	1,760.3	35,685.1	524.1	0.0x	3.4x	4.3x
Jaco Electronics Inc. (NasdaqGM:JACO)	0.92	40.0%	5.8	37.2	193.7	2.2	0.2x	16.5x	NA
Nu Horizons Electronics Corp. (NasdaqGS:NUHC)	2.10	26.4%	39.0	102.6	798.5	7.2	0.1x	14.3x	NA
Richardson Electronics Ltd. (NasdaqGM:RELL)	4.19	53.4%	75.1	93.7	577.9	19.5	0.2x	4.8x	NA
Tech Data Corp. (NasdaqGS:TECD)	20.32	51.5%	1,026.0	979.5	24,639.5	280.5	0.0x	3.5x	3.5x
WESCO International Inc. (NYSE:WCC)	16.38	34.3%	692.9	1,767.1	6,170.2	400.9	0.3x	4.4x	5.4x
<b>Average</b>	<b>13.09</b>	<b>42.1%</b>	<b>1,020.0</b>	<b>1,438.2</b>	<b>12,185.9</b>	<b>366.7</b>	<b>0.2x</b>	<b>6.6x</b>	<b>4.6x</b>
<b>Median</b>	<b>14.97</b>	<b>39.6%</b>	<b>1,026.0</b>	<b>1,760.3</b>	<b>6,170.2</b>	<b>400.9</b>	<b>0.2x</b>	<b>4.4x</b>	<b>4.7x</b>

Oct-24-2008

LTM = Last twelve months

EV = Enterprise Value

NTM = Next Twelve Months (projected)

## Public Company Operating Data

Company Name	LTM Operating Margins			1-Year Revenue Growth	Total Debt/ EBITDA	Total Debt/ Equity	Return on Equity	Inv. Turnover Rate	Days Sales Out.	Cash Conv. Cycle
	Gross Margin	EBITDA Margin	Net Margin							
<b>Interconnect Component Manufacturers</b>										
Amphenol Corp. (NYSE:APH)	32.6%	22.5%	12.9%	19.2%	1.1x	52.6%	32.4%	4.5	59.3	90.2
Belden, Inc. (NYSE:BDC)	29.5%	13.0%	5.6%	18.9%	2.1x	52.7%	11.5%	5.8	69.4	56.8
Black Box Corp. (NasdaqGS:BBOX)	36.1%	9.7%	4.4%	-3.0%	2.0x	29.5%	7.0%	9.6	80.4	74.6
Coleman Cable, Inc. (NasdaqGM:CCIX)	11.4%	8.1%	1.2%	78.9%	4.3x	356.6%	12.9%	7.0	52.5	85.2
CommScope Inc. (NYSE:CTV)	28.7%	15.7%	4.1%	69.1%	4.8x	159.4%	10.9%	6.4	69.2	93.3
Draka Holding NV (ENXTAM:DRAK)	10.2%	7.1%	3.7%	1.8%	3.4x	152.3%	23.2%	5.3	73.7	55.4
General Cable Corp. (NYSE:BGC)	13.4%	8.8%	4.3%	41.6%	3.3x	186.6%	34.3%	5.8	78.2	76.0
Hubbell Inc. (NYSE:HUBB)	29.9%	15.1%	8.4%	6.3%	1.2x	44.7%	21.1%	5.7	58.3	84.3
Method Electronics Inc. (NYSE:MEI)	22.7%	15.8%	6.8%	19.4%	NA	NA	10.7%	7.6	48.3	66.5
Molex Inc. (NasdaqGS:MOLX)	30.5%	18.1%	6.5%	1.9%	0.4x	8.0%	8.3%	5.4	78.4	97.3
<b>Average</b>	<b>24.5%</b>	<b>13.4%</b>	<b>5.8%</b>	<b>25.4%</b>	<b>2.5x</b>	<b>115.8%</b>	<b>17.2%</b>	<b>6.3</b>	<b>66.8</b>	<b>78.0</b>
<b>Median</b>	<b>29.1%</b>	<b>14.1%</b>	<b>5.0%</b>	<b>19.1%</b>	<b>2.1x</b>	<b>52.7%</b>	<b>12.2%</b>	<b>5.8</b>	<b>69.3</b>	<b>80.1</b>
<b>Passive &amp; Electromechanical Component Manufacturers</b>										
Ametek Inc. (NYSE:AME)	32.6%	20.8%	10.6%	22.4%	2.2x	85.0%	21.1%	5.0	60.0	68.8
AVX Corp. (NYSE:AVX)	16.9%	12.6%	8.1%	5.9%	NA	NA	7.4%	3.5	50.3	120.9
Bel Fuse Inc. (NasdaqGS:BELF.B)	20.7%	9.5%	7.5%	4.6%	NA	NA	8.4%	4.7	64.2	110.8
KEMET Corp. (NYSE:KEM)	14.7%	6.0%	-23.3%	35.3%	7.2x	110.8%	-46.7%	3.7	66.2	118.5
Spectrum Control Inc. (NasdaqGS:SPEC)	25.0%	15.1%	7.2%	-3.9%	0.3x	5.9%	9.5%	3.8	67.8	140.9
Technitrol Inc. (NYSE:TNL)	21.1%	10.7%	3.2%	13.4%	2.9x	64.0%	6.8%	6.7	58.0	69.9
Tyco Electronics, Ltd. (NYSE:TEL)	25.5%	17.9%	12.1%	18.9%	1.2x	27.5%	15.6%	5.0	65.5	93.0
Vishay Intertechnology Inc. (NYSE:VSH)	23.4%	15.3%	-24.5%	11.4%	1.3x	22.7%	-22.9%	3.9	56.3	125.1
<b>Average</b>	<b>22.5%</b>	<b>13.5%</b>	<b>0.1%</b>	<b>13.5%</b>	<b>2.5x</b>	<b>52.6%</b>	<b>-0.1%</b>	<b>4.5</b>	<b>61.0</b>	<b>106.0</b>
<b>Median</b>	<b>22.3%</b>	<b>13.8%</b>	<b>7.4%</b>	<b>12.4%</b>	<b>1.8x</b>	<b>45.8%</b>	<b>7.9%</b>	<b>4.3</b>	<b>62.1</b>	<b>114.6</b>
<b>IP&amp;E Distributors</b>										
Anixter International Inc. (NYSE:AXE)	23.8%	8.0%	4.2%	9.0%	2.4x	103.6%	23.5%	4.2	75.5	109.8
Arrow Electronics, Inc. (NYSE:ARW)	13.9%	4.4%	2.2%	13.5%	1.7x	34.1%	10.5%	8.6	66.3	52.0
Avnet Inc. (NYSE:AVT)	12.9%	4.4%	2.7%	13.7%	1.5x	29.8%	12.7%	8.6	63.0	57.7
Ingram Micro Inc. (NYSE:IM)	5.6%	1.5%	0.8%	5.3%	0.9x	13.4%	8.5%	12.8	35.7	22.1
Jaco Electronics Inc. (NasdaqGM:JACO)	16.2%	1.2%	-4.7%	-19.4%	14.0x	136.0%	-33.1%	5.0	64.6	80.2
Nu Horizons Electronics Corp. (NasdaqGS:NUHC)	15.2%	0.9%	0.2%	23.2%	9.8x	45.6%	0.9%	5.1	64.2	97.4
Richardson Electronics Ltd. (NasdaqGM:RELL)	23.5%	3.4%	-0.8%	5.6%	2.9x	39.8%	-3.2%	4.1	64.0	99.6
Tech Data Corp. (NasdaqGS:TECD)	4.9%	1.1%	0.6%	9.2%	1.5x	21.6%	7.3%	14.2	37.7	27.6
WESCO International Inc. (NYSE:WCC)	19.8%	6.5%	3.8%	4.8%	2.9x	164.2%	36.0%	7.6	54.9	50.5
<b>Average</b>	<b>15.1%</b>	<b>3.5%</b>	<b>1.0%</b>	<b>7.2%</b>	<b>4.2x</b>	<b>65.3%</b>	<b>7.0%</b>	<b>7.8</b>	<b>58.4</b>	<b>66.3</b>
<b>Median</b>	<b>15.2%</b>	<b>3.4%</b>	<b>0.8%</b>	<b>9.0%</b>	<b>2.4x</b>	<b>39.8%</b>	<b>8.5%</b>	<b>7.6</b>	<b>64.0</b>	<b>57.7</b>

Oct-24-2008

LTM = Last twelve months



# IP&E Components

## Representative Transactions

WORLD CLASS WALL STREET EXPERTISE – BUILT FOR THE MIDDLE MARKET

a portfolio company of  
SVOBODA, COLLINS LLC

*has been acquired by*

**CASTLE ISLAND  
PARTNERS, LLC**

*has recapitalized with*

*Riverside*

*has been acquired by*

**FIDELITY CAPITAL  
INVESTORS**

ITT Industries

*acquisition advisory*

**ITT INDUSTRIES, INC.**  
(NYSE: ITT)

### About Capstone Partners LLC

Capstone Partners LLC is a leading national investment banking advisory firm dedicated to serving the transaction needs of middle-market companies. The firm provides corporate sale & divestiture, merger & acquisition and private placement advisory services across three major industry practices: Specialty Products, Business Services and Technology & Media. Our team possesses significant experience spanning hundreds of M&A and financing transactions. All of our transactions are supported through industry-specific research and relationship coverage capabilities.



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