



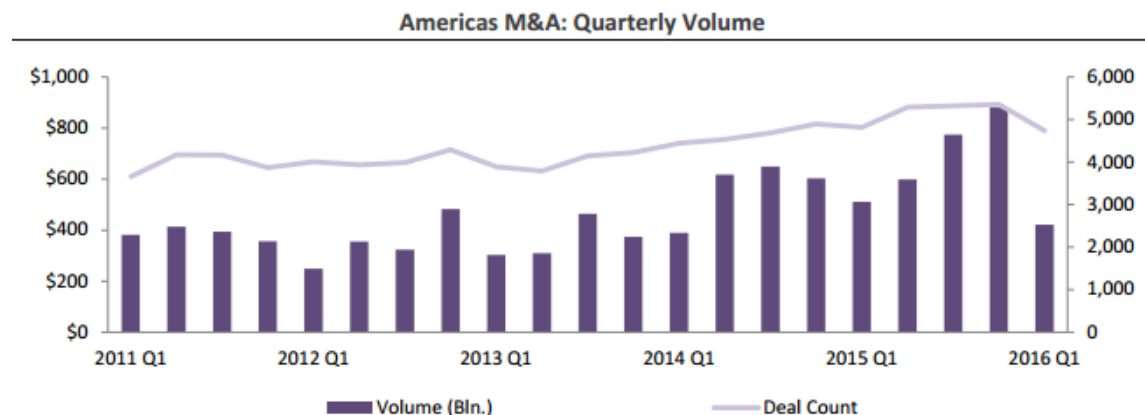
## Quarter 1 2016 U.S. Market M&A Update

*U.S economic growth decelerated sharply to its slowest pace in two years as consumer spending softened and a strong dollar continued to dampen exports. However, the continuing recovery of the labor market is expected to add steam into the economic during the second part of the year. Gross domestic product increased at a 0.5% annual rate, which is slightly slower than the expected 0.7%. The rate hike from the Fed came back to the center of the stage as it appeared to view the threats from the global economy and financial markets have diminished.*

Continued concerns on China's slow down and the uncertainties of the trajectory of the global economy weighed on sentiment at the beginning of 2016. At the peak of pessimism on February 11<sup>th</sup>, all major U.S. stock indices were down more than 10% for the year. This trend started to reverse amid the steady U.S. economic outlook and a perceived delay of the second rate hike by the Fed. The market bounced back quickly in March and recovered the loss early in the quarter. The Dow Jones Industrial Average improved 1.5%, the S&P 500 increased 0.8%, while the NASDAQ lost 2.8 %.

### M&A Activity Overview

M&A activity in North America experienced significant slowdown from last year's record highs despite a relatively stable economic performance in the first quarter of 2016. There are 1,117 deals combining \$257.2 billion, representing a decline of 30.6% compared to the same period a year ago with 279 fewer transactions.



Source: Bloomberg

Private equity buyout activities stayed strong with 191 deals worth \$32.3 billion, accounting for 12.6% of total North American M&A. This figure only fell by 0.3% in value compared to Q1 2015 with 229 deals worth \$32.4 billion. Most of the deal value is attributed to Apollo Global Management's acquisition of home-security monitoring company The ADT Corporation worth \$12.2 billion, making up 37.8% of the total buyout value. On the contrary, private equity exits were much weaker with 197 deals worth \$37 billion, declined by 33.2% compared to Q1 2015.



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Pharma, Medical & Biotech was the dominate sector in Q1 2016, which had 125 deals worth \$56.2 billion with a market share of 21.8%. The \$35.2 billion acquisition of US- based Baxalta by Ireland-based biopharmaceutical company Shire Plc was the largest transaction in Q1 2016. As the new regulatory changes have been recently administered by the US Treasury Department, these tax inversion transactions may have a tougher time coming to fruition. This is evidenced by the termination of the largest proposed inversion in history between Pfizer and Allergan worth \$184 billion.

Energy, Mining & Utilities was the second most active sector is Q1 with 96 deals worth \$52.8 billion, representing for 20.5% of the total market share. The two notable transactions were the acquisition of US-based Columbia Pipeline Group by Canadian energy company TransCanada Corporation for \$12 billion, and the acquisition of ITC Holdings Corporation for \$11.3 billion by Canadian utility company Fortis.

The US continues to be the leading country in the global M&A market with 1,001 deals worth \$241.5 billion. Compared to Q1 2015 with 1,250 deals worth \$361.3 billion, the total value decreased by 33.2% with 249 fewer deals.

Q1 2016 has been significantly slower compared to Q1 2015. This is caused by the uncertainties that surround European and Asian economics, geopolitical issues, and the impact of the changing US tax codes.

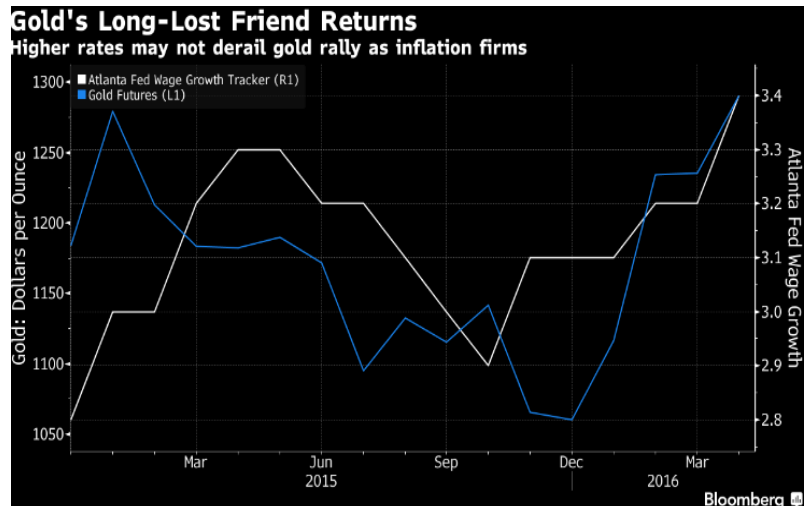
Source:Mergermarket

### The Direction of Gold Price

Gold retreated recently as propsectes for higher U.S. interest rates boosted the dollar, hurting the metal's appeal as an alternative investment. As the Fed increases the interest rate, interest-bearing assets will be favored over gold. However, a traditional source of strength for the metal – inflation, has to be considered while we are trying to figure out the future of Gold. Bullion could get a chance to reprise its role as a hedge against

rising prices amid signs of firming wages and a higher cost of living in the U.S. The precious metal has risen 18% year to date, as economic uncertainty has sent investors to haven assets. The Fed has also signaled that it will be slow to raise interest rates this year, which further boosted gold prices. However, now some investors are unwinding previously bullish bets

Source:Bloomberg

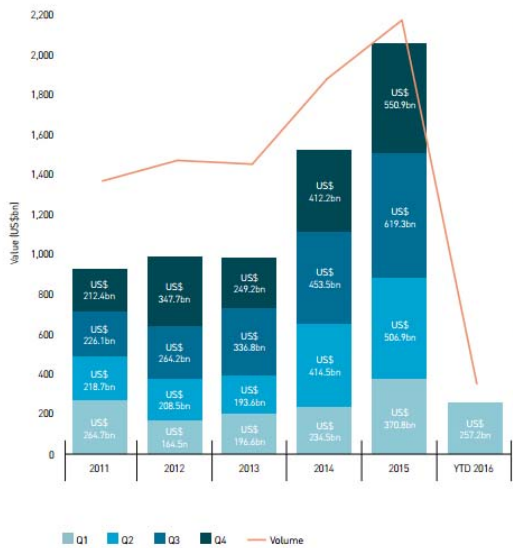




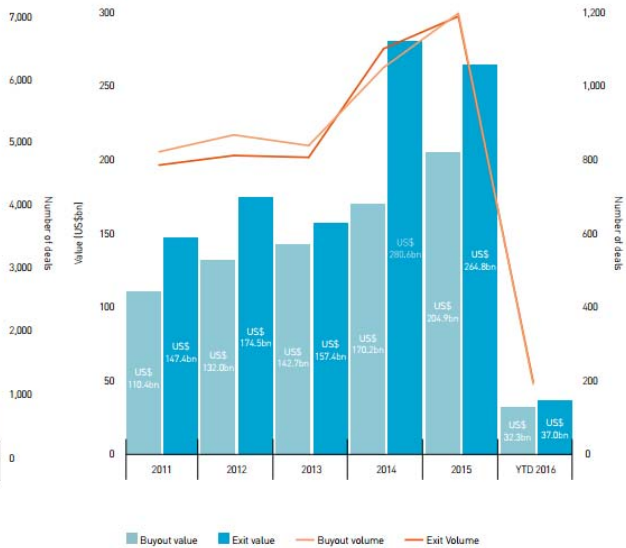
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## M & A Trend Graphs

NORTH AMERICA M&A TREND



NORTH AMERICA PRIVATE EQUITY TREND



## Top 10 Transactions Q1 2016

TOP 10 ANNOUNCED DEALS FOR 2016



Source: Mergermarket



*Lawrence, Evans & Co., LLC provides investment banking, finance, and consulting services for small and middle market healthcare, transportation, manufacturing, energy and service companies. We are very active on the buy-side, sell-side, capital raising and turnaround and restructuring.*

**SERVICES**

<p>▪ Investment Banking &amp; Corporate Finance</p>	<ul style="list-style-type: none"> <li>-Private Company Sales</li> <li>-Division/Subsidiary Divestitures</li> <li>-Distressed Transaction Advisory</li> <li>-Acquisition Advisory Services</li> <li>- Private Market Financings</li> <li>- LBO's and Recapitalizations</li> </ul>
<p>▪ Turnaround &amp; Restructuring</p>	<ul style="list-style-type: none"> <li>-Turnaround Management</li> <li>-Debt Restructuring/Refinancing</li> <li>-Orderly Liquidations</li> <li>- Chief Restructuring Officer (CRO)</li> <li>- Bankruptcy Planning/ 363 Sales</li> <li>- Receivership/Trustee</li> </ul>
<p>▪ Consulting</p>	<ul style="list-style-type: none"> <li>-Strategic Options Analysis</li> <li>-Valuations &amp; Financial Assessments</li> <li>-Interim CEO/CFO</li> <li>- Strategic Planning</li> <li>- Organizational Reviews</li> <li>- Expert Testimony &amp; Opinions</li> </ul>

**REPRESENTED TRANSACTIONS**

<p><b>Acute Care Hospital</b> Texas</p> <p><i>Acquisition Capital Private Placement Senior and Sub-Note Working Capital Line</i></p> <p> Acted as advisor</p>	<p><b>Skilled Nursing Facility</b> Michigan</p> <p>\$4,000,000 <i>Cashout Nonrecourse Refinancing Term Note and Revolver</i></p> <p> Acted as advisor</p>	<p><b>Robotic Integrator</b> Midwest</p> <p>\$1,600,000 <i>Growth Capital Term Note</i></p> <p> Acted as advisor</p>
<p><b>Electronic Wholesaler</b> Midwest</p> <p><i>Buy-side search for Geographic Expansion</i></p> <p> Acted as advisor</p>	<p><small>GLOBALNET SOLUTIONS</small> 2012</p> <p>Multi Specialty Medical Billing Company <i>Sale to a Strategic Buyer</i></p> <p> Acted as advisor</p>	<p><b>125 Acres Land</b> California</p> <p>Real Estate \$10,000,000 <i>Bridge and Placement of Acquisition financing</i></p> <p> Acted as advisor</p>

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