

Quarterly Industry Update

As of September 30, 2013

Industry: Energy Storage



Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Energy Storage industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Since September 30, 2012, the median 52-week share price return of the Energy Storage industry has decreased by -19.3%. In the last quarter, the median price-to-earnings multiple decreased from 22.2x to 19.6x.

Comparable Public Company Key Statistics

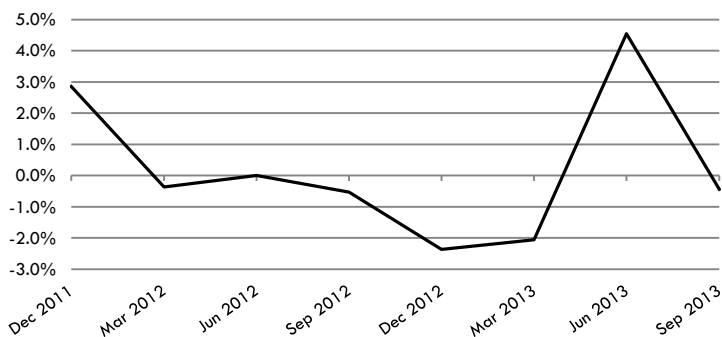
Median 52-Week Return	-19.3%	Median EV/Revenue Multiple	1.3x	Median Price/Earnings Multiple	19.6x
Median 3-Year CAGR Return	-24.5%	Median EV/EBITDA Multiple	11.8x	Median EV/Gross CF Multiple	16.9x

Comparable Public Company Market Price Returns (As of September 30, 2013)

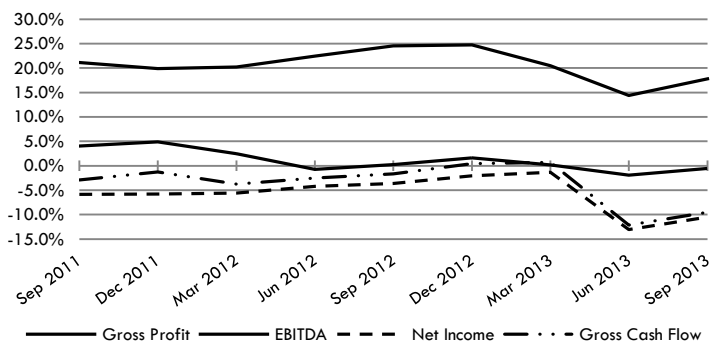
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
Active Power Inc.	-13.1%	-30.4%	-27.3%	-32.8%	-24.1%	-0.3%	1.5%	-73.2%	132.1%	231.3%	-85.5%
Altair Nanotechnologies, Inc.	19.5%	15.8%	-42.2%	-43.5%	-44.3%	-46.3%	-45.7%	-76.1%	-21.6%	-27.9%	-71.2%
China BAK Battery, Inc.	45.9%	107.1%	-23.9%	-24.8%	-36.7%	-33.6%	-49.5%	-67.4%	-30.6%	71.6%	-74.1%
Energizer Holdings Inc.	14.0%	-9.3%	22.2%	17.1%	10.7%	2.5%	3.2%	6.3%	19.0%	13.2%	-51.7%
Highpower International, Inc.	44.7%	28.4%	41.9%	7.5%	-24.9%	-13.6%	5.1%	-70.2%	-57.3%	141.7%	N/A
Ultralife Corp.	23.5%	12.4%	28.6%	-10.2%	-2.8%	-12.4%	-19.4%	-39.2%	53.0%	-67.8%	-33.4%
Unity Pacific Group	-14.7%	10.3%	-14.7%	15.3%	60.0%	-13.8%	40.7%	95.7%	-11.3%	-8.6%	-93.4%
ZBB Energy Corporation	-43.6%	-29.3%	-33.1%	-41.3%	-25.9%	-39.1%	-53.5%	-34.3%	-8.5%	-12.6%	-31.8%
Median of Industry Public Companies	16.8%	11.3%	-19.3%	-17.5%	-24.5%	-13.7%	-8.9%	-53.3%	-9.9%	2.3%	-71.2%

(Multiple year periods are calculated as the average annual return.)

Median Quarterly Revenue Growth of All Energy Storage Companies



Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



Median Public Company Multiples of the Energy Storage Industry

Date:	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013
EV/Revenues Multiple	1.3x	0.9x	0.9x	1.2x	1.2x	1.3x	1.4x	1.4x	1.3x
EV/EBITDA Multiple	7.6x	8.2x	8.0x	7.5x	11.1x	12.3x	12.8x	8.2x	11.8x
Price/Earnings Multiple	17.1x	17.4x	14.6x	23.1x	6.9x	8.1x	14.3x	22.2x	19.6x
EV/Gross Cash Flows Multiple	15.3x	15.8x	33.3x	11.3x	16.9x	12.0x	17.1x	14.2x	16.9x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Steven Kam at 415-392-0888 for additional information or questions in connection with this research report.

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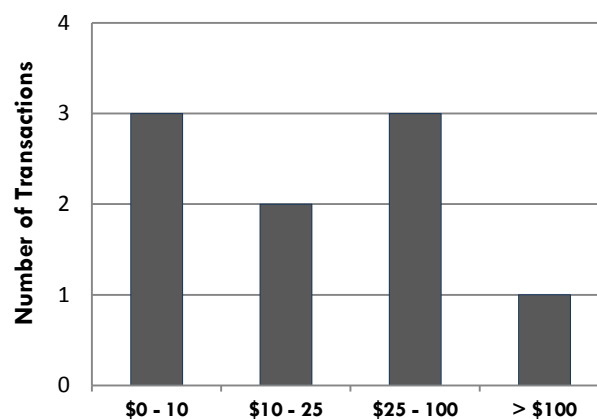
Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
6/19/2008	Highpower International, Inc.	\$3.25	0.5	\$1.7	\$51.9	\$15.7	\$79.6	\$6.4	\$2.9	\$7.0
6/27/2007	Polypore International Inc.	\$19.00	15.0	\$285.0	\$1,410.5	\$1,057.1	\$491.9	\$142.0	(\$26.1)	\$182.0
12/20/2006	Universal Power Group Inc.	\$7.00	3.0	\$21.0	\$32.0	\$11.7	\$89.3	\$3.3	\$1.4	N/A
3/23/2005	ZBB Energy Corporation	\$0.39	12.0	\$4.6	\$5.6	\$2.9	\$0.1	(\$2.4)	(\$2.8)	(\$2.3)
10/26/2000	Hydrogenics Corporation	\$12.00	7.0	\$84.0	\$6.7	\$4.1	\$8.4	\$0.7	\$0.2	\$1.3
8/7/2000	Active Power Inc.	\$17.00	8.0	\$136.0	\$23.3	\$0.0	\$3.4	(\$15.4)	(\$18.8)	(\$14.7)
9/30/1997	Power-One Inc.	\$14.00	5.0	\$70.0	\$78.3	\$39.5	\$82.1	\$15.7	\$5.3	\$15.7
Median of All IPOs		nm	nm	\$70.0	\$32.0	\$11.7	\$79.6	\$3.3	\$0.2	\$4.2

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
1/1/2013	Johnson Controls	Saft Groupe S.A.	\$145.0	100%
10/19/2012	Axeon Holdings	Johnson Matthey	\$65.1	100%
12/31/2011	Shenzhen Nalon Battery	Scud (Fujian) Electronics	\$3.3	70%
12/15/2011	Micro Power Electronics	Electrochem Solutions	\$69.9	100%
12/9/2011	Billion Electronics	N/A	\$13.4	100%
8/31/2011	Jiangsu Youpai	Jiangxi Ganfeng Lithium	\$3.1	51%
1/6/2011	Shenzhen Zhongqiang	Harbin Zhongqiang	\$19.8	100%
12/31/2010	Gold Peak Industries	GP Batteries	\$0.9	100%
10/26/2010	Zhejiang GBS Energy	Hybrid Kinetic Group	\$25.2	100%
Median of All Transaction Targets			\$19.8	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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