GREAT AMERICAN GROUP

JUNE 2016

# Monitor

## Transportation


# FACING A CHALLENGING ENVIRONMENT

### FREIGHT VOLUMES REMAIN DEPRESSED

Low crude prices continue to negatively affect energy-related car types.

### TRUCKS AND TRAILERS IN SIGNFICANT DECLINE

Monthly sales decreased 10% to 15% for Class 8 tractors in 2016.

### SLOW GROWTH FOR CRANES

Demand continues to increase for smaller, more versatile equipment.

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# Overview

Transportation markets have remained slow in the first half of 2016. Declines in the oil and gas industry have weakened many sectors. While there appears to be some upswing on the horizon, it may take several years to fully rebound.

The U.S. freight rail sector reported a decrease in total rail volume of 8.1% for the first 22 weeks of 2016 versus 2015, with carloads and intermodal units declining 13.7% and 2.1%, respectively, according to the Association of American Railroads. For total intermodal transportation, including truck, railroad, and ocean carrier, domestic container loads recorded a 6.4% increase in the first quarter of 2016 from the prior year, while international volumes increased 3.8%.

Stable growth in global GDP, lower crude oil prices, and strong passenger travel demand continue to fuel commercial aerospace growth. Backlogs remain at record levels for Airbus and Boeing of 6,746 and 5,720 aircraft, respectively, as of the April month-end, approximating a seven to eight-year backlog for both manufacturers. As a result, most industry analysts continue to believe the outlook for new aircraft deliveries will be strong for the foreseeable future.

The markets for cranes and other lift equipment continue to experience slow growth. Demand continues to increase for smaller, more versatile equipment, as the industry shifts focus toward end-users rather than large rental companies.

The North American truck and trailer market is currently experiencing a significant decline. Sales for Class 8 tractors have been lower in 2016 versus 2015, and this trend is expected to continue through the year. However, demand is expected to increase over the next several years. Trailer sales in total remain relatively stable, though demand and sales numbers have shifted between categories over the last six to 12 months.

The first half of 2016 has shown some upswing for construction equipment. With construction starts rising, it is likely equipment values will begin to rebound as demand increases. Mining equipment, however, continues to be a depressed market, though rising commodity prices do suggest this sector could begin to experience gains in the future.

President Obama signed the Fixing America's Surface Transportation ("FAST") Act on December 4, 2015, which authorizes $305 billion over fiscal years 2016 through 2020 for highway, highway and motor vehicle safety, public transportation, motor carrier safety, hazardous materials safety, rail, and research, technology, and statistics programs. The FAST Act maintains focus on safety, keeps intact the established structure of the various government highway-related programs, continues efforts to streamline project delivery, and, for the first time, provides a dedicated source of federal dollars for freight projects.

# Overview

**FREIGHT RAIL**

According to the 30th annual Rail Equipment Finance Conference in March 2016, the North American fleet for revenue-earning railcars increased approximately 3% to 1.6 million railcars in 2015 versus the prior year. Covered hopper cars increased approximately 9%, or 33 thousand units, to total approximately 519 thousand units, while tank cars increased 5%, or 26 thousand units, to approximately 404 thousand units. Box cars, open hoppers, and gondolas decreased approximately 2% each in fleet size from 2014 to 2015. The average age of the railcar fleet has remained between 19.6 and 20.0 years old; railcars maintain a lifespan of approximately 50 years.

In 2015, railcar loadings decreased, which in turn increased the average train speed for Class I railroads to 25.7 miles per hour ("mph") in the first quarter of 2016, which was 12% higher than the 22.9 mph achieved in the same period in 2015. According to a Class I railroad, for every one mile per hour increase in rail velocity, the railroad idles 100 locomotives. In addition, there are over 5,000 Class I serviceable locomotives currently in storage from a total North American fleet of 37,000.

According to the Association of American Railroads ("AAR"), for the week ended June 4, 2016, U.S. weekly rail traffic totaled 455,346 carloads and intermodal units, reflecting a decrease of 17.3% versus the same week in 2015. Total carloads decreased 16.6% to 224,258 carloads, while intermodal volume decreased 17.9% to 231,088 containers and trailers.

Two of the 10 carload commodity groups posted an increase compared with the same week in 2015; they were grain, up 2.3% to 18,628 carloads, and miscellaneous carloads, up 0.5% to 9,008 carloads.

Commodity groups that posted decreases compared with the same week in 2015 included petroleum and petroleum products, down 29.1% to 9,706 carloads; coal, down 23.0% to 68,008 carloads; and motor vehicles and parts, down 20.9% to 15,411 carloads.

For the first 22 weeks of 2016, U.S. railroads reported a cumulative volume of 5,274,449 carloads, down 13.7% from the same point last year, and 5,648,851 intermodal units, down 2.1% from last year. Total combined U.S. traffic for the first 22 weeks of 2016 was 10,923,300 carloads and intermodal units, a decrease of 8.1% compared to last year.

According to AAR Senior Vice President of Policy and Economics John T. Gray, "Most economists think the economy has picked up in the second quarter from the dismal 0.8% growth in the first quarter, but so far railroads aren't seeing much of it." He said, "A variety of environmental and market forces continue to punish coal, and high business inventory levels and excess truck capacity, among other things, are pressuring rail intermodal volumes. Railroads are focusing on what they can control — providing safe, reliable service — while looking forward to the forces they can't control turning their way."

For 2016, analysts indicated crude oil pricing will have a continued negative affect on energy-related car types, as lower U.S. domestic oil production and reduced drill rig activity in the Bakken and Eagle Ford regions reduced crude-by-rail by nearly 35% in 2015.

# Overview

## INTERMODAL

Every year, nearly 25 million containers and trailers are moved using intermodal transportation including truck, railroad, or ocean carrier. According to the Intermodal Association of North America's ("IANA") most recent Intermodal Market Trends & Statistics report, first quarter 2016 performance for intermodal transportation in North America showed strength, despite down results in the trailer segment. Although intermodal trailer volumes declined a significant 24.4%, this market segment represents the smallest portion of total intermodal shipments and has been losing ground over the last several years.

Domestic container loads recorded a 6.4% increase in the first quarter of 2016 from 2015, while international volumes increased 3.8%. Despite declines in commodity and coal volume on North American railroads, IANA expects 3% to 4% growth for total intermodal volume in 2016. In total, container volume advanced 5% year-over-year in the first quarter of 2016, a reasonably strong growth rate, according to IANA.

"Total container shipments, domestic and international combined, rose approximately 5% during the first quarter of this year," Joni Casey, IANA President and CEO, said in a statement. "And while influenced by comparisons to last year when we were dealing with port congestion issues, we're cautiously optimistic about this year's growth potential."

## AEROSPACE

### OVERVIEW

According to the 2016 Global Aerospace and Defense Industry Outlook by Deloitte Touche Tohmatsu Limited, after several years of revenue expansion, but with a declining trend (5.8% growth in 2012, 3.2% in 2013, and 1.9% in 2014), revenues for the overall global aerospace and defense ("A&D") sector are expected to have declined 0.12% in 2015. This trend of declines was largely driven by the defense subsector, which suffered from cuts in global military expenditure, mainly from the U.S. Program cancellations and delays in major weapons programs affected the revenues of the major defense contractors. Moreover, the stronger U.S. dollar adversely affected revenues of the A&D companies headquartered outside of the U.S.

Revenue growth for the global A&D sector, however, is expected to take a positive turn. Stable growth in global GDP, lower commodity prices especially crude oil, and strong passenger travel demand from growing economies, such as India and China, foreshadow continued growth in commercial aerospace. In addition, the resurgence of global security threats and growth in defense budgets in many countries are all likely to promote global defense subsector revenue growth over the next few years. Consequently, total global A&D sector revenues are estimated to grow 3.0% in 2016, according to research firm IBISWorld, Inc. ("IBISWorld").

### COMMERCIAL SECTOR

According to The International Air Transport Association ("IATA"), the capacity, or available seat kilometers, for global passenger traffic increased by 4.9% in April 2016 versus 2015, while the load factor decreased 0.3 percentage points to 79.1%. The disruptive impact of the Brussels Airport attack in mid-March 2016 weighed on the April figures. The IATA estimates that, absent the impact of the attacks, demand growth would have approximated 5%.

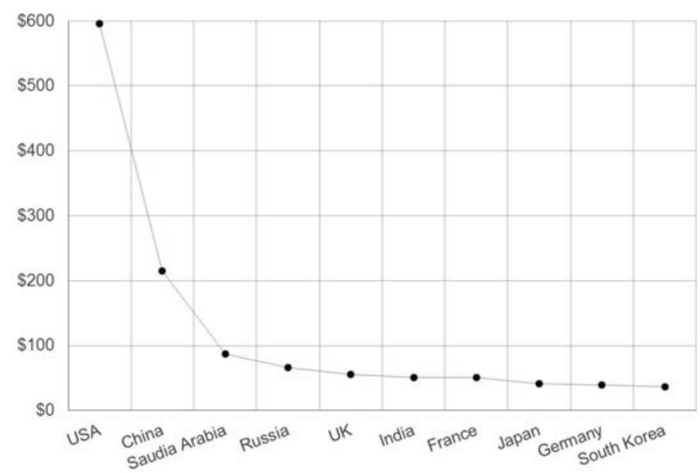
"The disruptive impacts of the Brussels terror attacks likely will be short-lived. There are some longer-term clouds over the pace of demand growth. The stimulus from lower oil prices appears to be tapering off. And the global economic situation is subdued. Demand is still growing, but we may be shifting down a gear," said Tony Tyler, IATA's Director General and CEO.

# Overview

The two primary commercial aerospace OEMs continue to experience record backlogs on the back of solid demand for newer aircraft from global airlines.  This optimism is further warranted, as oil prices remain a major comforting factor in boosting the growth and with the likely potential to positively influence the commercial aerospace subsector growth.

Airbus and Boeing have delivered 177 and 230 aircraft year-to-date through April 30, 2016.  Backlogs remain at record levels, however, of 6,746 and 5,720 aircraft for Airbus and Boeing, respectively, as of the April month-end.  As a result, most industry analysts continue to believe the outlook for new aircraft deliveries will be strong for the foreseeable future.

1 Top Military Spenders in 2015 in Billions




**DEFENSE SECTOR**

World military expenditure had been declining since the beginning of this decade until 2015, which saw a 1% increase. Global governments spent a total of $1,676 billion on defense, and more than one-third of that came from the U.S., the world's top military spender, according to new figures from the Stockholm International Peace Research Institute ("SIPRI").

While U.S. defense spending decreased by 2.4% to $596 billion compared to the year before, other big spenders — China, Saudi Arabia, and Russia, primarily — led to the overall increase.  China's military spending grew by 7.4% to $215 billion, but still comprises only 1.9% of its GDP, lowest among the big spenders.  Saudi Arabia and Russia increased their defense expenditure by 5.7% and 7.5%, respectively, to 13.7% and 5.4% of their GDP, respectively.

According to SIPRI, the surge in military spending in many countries was caused by heightening regional tensions. Countries bordering Russia and Ukraine, including Estonia, Latvia, Lithuania, Poland, Romania, and Slovakia, increased their spending after the crisis in Ukraine.  In addition, the South China Sea dispute contributed to "substantial increases in expenditure by Indonesia, the Philippines, and Vietnam, and triggered the start of a reversal of the long-term downward trend in Japan's military spending."

**AIRCRAFT, ENGINE, AND PARTS**

Participants in the U.S. aircraft, engine, and parts manufacturing industry produce aircraft, aircraft subsections, engines, and parts for both military and commercial purposes. More than half of the products sold are for commercial customers, but the most expensive and sophisticated items are made for military services, with the U.S. Department of Defense buying the lion's share of these goods.  The industry has performed strongly over the past five years due to rapid growth in the commercial segment related to climbing global air travel and fleet replacement.

# Overview

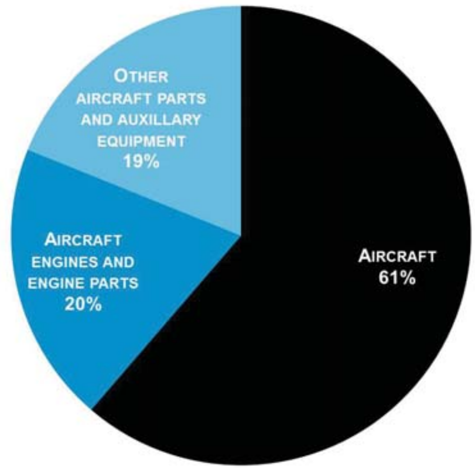
On the other hand, falling U.S. defense spending caused the industry's defense segment to contract, partially offsetting gains from the commercial segment. Nonetheless, demand for commercial products was strong enough to overcome challenges of the defense segment. In the five years to 2016, industry revenue is expected to climb at an annualized rate of 6.9% to $241.2 billion, with a 3.6% jump in 2016.

Demand for civil aircraft has surged, as the rapid economic growth in emerging markets increased global traffic and demand for large commercial aircraft exports. Moreover, the U.S. economic recovery also led to increased domestic air travel, helping U.S. demand for commercial aircraft to rebound. However, U.S. air travel growth has remained lackluster, with demand for new aircraft primarily being driven by fleet replacement. The U.S. and other developed nations have been replacing their aging aircraft with newer, more fuel-efficient planes.

Aircraft is expected to account for 61.3% of industry revenue for 2016 and includes civilian aircraft such as large commercial aircraft, medium or regional aircraft, business jets, helicopters, and ultra-light aircraft, in addition to military aircraft such as fixed- or non-fixed-wing bomber, attack, fighter, tanker, cargo, trainer, and rotary aircraft.

Engines and engine parts for civilian and military aircraft, including turbine, shaft, jet, and rocket engines, as well as related parts, is expected to represent 19.8% of industry revenue. Other aircraft parts and auxiliary equipment, such as subassemblies and parts, mechanical power transmission equipment, avionics, propellers, helicopter rotors, and landing gear, is expected to comprise the remaining 18.9%.

2 Aircraft and Parts Manufacturing in 2016
Share of $241.2 Billion




In the five years to 2021, industry revenue is forecast to rise at an annualized rate of 4.2% to $296.5 billion. Strong global and domestic demand for commercial aircraft will drive growth, while continued uncertainty in federal defense spending will pressure industry growth. Consolidation will also continue, especially in the supply chain, as increased demand encourages a larger formation of suppliers that have the necessary capacity to handle demand.

# Overview

**INDUSTRIAL MARINE**

Not yet halfway through 2016, the year is already shaping up to be a record for scrapping idle containerships due to too much capacity afloat and inadequate demand. According to the latest data from shipbroker ACM, 72 vessels, totaling 243,000 TEU (twenty-foot equivalent unit), were demolished for the year-to-date through May 26, 2016, as compared with 85 vessels, totaling 187,500 TEU, for 2015 in total. The surge in vessels sold for scrap – 19 container vessels reported in May alone – has helped to lower the idle tonnage fleet, noted industry consultant Alphaliner.

Alphaliner indicated the number of ships in lay-up had fallen by 28% in TEU terms since early March, and as of May 16 stood at 269 vessels for 1.13m TEU. The consultant estimates the full-year scrapping figure will exceed 450,000 TEU, which is nearly 2.5 times more than 2015.

The increase is partly due to an upswing in scrap rates from the low $200s per gross ton at certain points in 2015 to over $300 per gross ton currently. In addition, those in the industry were also making efforts to clear out unemployable panamax ships ahead of the recent opening of the $5.3 billion expanded Panama Canal on June 26, 2016.

CMA CGM S.A., the third largest container company in the world, maintains three Explorer class container ships with over 18,000 TEU capacity. These ships measure over 1,300 feet long, 177 feet wide, and 197 feet high and require three days to on-load at a West Coast port of entry. Even with the widening of the Panama Canal, the Explorer class container ships remain too large to pass through the canal, as it can only handle up to 12,000 TEU capacity container ships.

# Recent Appraisal Trends

**CRANES AND LIFT EQUIPMENT**

The secondary marketplace for cranes and lift equipment remains strong in the first half of 2016. Demand for used equipment has remained stable, with North America continuing to represent the largest portion of growth.

Efficiency and versatility continue to be important drivers of demand in the secondary marketplace. Cost has also been a stronger factor in decision-making for rental companies. Buyers are focused toward customer and job-specific factors when buying equipment. This often results in the same equipment re-entering the market once jobs have been completed. When looking at recent auction results, end-users rather than rental companies, represented the largest pool of buyers for cranes. However, renters and contractors continue to be major players in the secondary marketplace.

Recent years have seen a lack of appreciable technological advances in crane equipment. Used cranes carry the same capacities and capabilities as new cranes, without the high cost and long production lead times. However, there are certain areas where demand for newer equipment has increased; this is primarily in categories such as telehandlers and boom trucks where technological advances have increased capacities for these smaller, more versatile and more energy-efficient lift equipment categories.

Boom trucks, specifically, have experienced improved demand. These trucks are capable of accessing job sites that full-size cranes may be too large for and are often capable of handling large loads, lessening the necessity for a large truck or crawler crane.

More auction activity has been seen recently in the global crane industry. This new activity can be associated with the decline in oil prices. While the crane industry is not directly related and mostly functions outside of the oil and gas industry, many believe that the secondary market in general is feeling the negative pressure. The negative pressure results from rental companies looking to trim down fleet sizes by selling surplus or idle equipment. In the secondary marketplace, most categories of cranes tend to hold value due to the long lead times and high cost of new ownership versus typical construction equipment that is more generic in nature.

The global market for tower cranes has continued to experience growth. According to IBISWorld, the industry experienced annual growth of 9.1% from 2010 to 2015, and is expected to continue to increase at a rate of 4.2% per year from 2015 to 2020. Domestic utilization of tower cranes increased dramatically in 2015, and that trend continues. Urban growth drives this trend and industry analysts expect continued growth in this area. Additionally, new large-scale construction starts in the Middle East and Southeast Asia have resulted in increased demand for tower cranes overseas. Currently, large-scale equipment transfers have not been required to meet this demand, but with utilization rates creeping close to 90% in some areas of the world, it is expected equipment will begin moving in the near future.

Finally, according to rental crane industry analysts, despite the current uncertainty provided by the low price in oil, many rental companies believe business is improving. A majority of respondents claim that business activity in 2015 was better than in 2014. They also believe that the outlook for 2016 looks positive and are expecting business continue to improve.

# Recent Appraisal Trends

## TRUCKS AND TRAILERS

The early months of 2016 have seen significantly decreased demand for Class 8 truck tractors. Sales have decreased between 10% and 15% for most months of 2016 versus the same months in 2015. The one exception being March 2016, which nearly matched sales from March 2015.

The calendar year of 2015 offered optimism over the future of the trucking sector; however, the outlook has become far more subdued recently, due to decreased demand and lower-than-expected sales. Industry insiders project retail sales of Class 8 tractors to reach 220,000 units for 2016. This would result in a more than 10% decrease from the approximately 248,000 units that were sold in 2015. However, other industry analysts, such as ACT Research, suggest that these sales may be as low as 207,000 units. It should be noted that these same analysts also expect the market to rebound over the next three years and expect record-high sales by 2020. Looking at the larger truck market, it is worth noting that demand for other classes of trucks has increased. While Class 6 and 7 trucks are a significantly smaller market than Class 8, sales in these classes are up 15 to 20% in 2016.

Reeling from the reduced demand, Daimler Trucks North America laid off 936 workers in January 2016 and a further 500 workers in February at its Cleveland, North Carolina assembly plant for Freightliner trucks. The company's sales fell 10.8% in January 2016 to 6,915 truck units for a 43.4% market share for the month. In addition, Daimler laid off 700 workers at its Mt. Holly, North Carolina truck manufacturing plant, which builds medium-duty trucks.

Truck manufacturer Peterbilt recently projected 2016 orders for Class 8 trucks to approximate from 220,000 to 250,000 units, which is slightly down from 280,000 units in 2015, though remains the third largest in the past decade. Peterbilt's most popular models include the T680 on-highway and the T880 vocational truck.

As reported by the American Trucking Associations, although the seasonally adjusted For-Hire Truck Tonnage Index decreased 2.1% in April 2016 from the prior month, following another 4.4% drop during March, the index was up 2% from April 2015, while March 2016 was up 2.2% versus the same month the prior year. In addition, U.S. manufacturing activity expanded for a third straight month in May 2016, but growth in new orders continued to slow as factories grappled with sluggish overseas demand and weak capital spending in the energy sector.

In the secondary marketplace, pricing for used Class 8 tractor has begun a downward trend. According to ACT Research, the average price of these tractors improved 4% month-over-month in early 2016, but still remains 8% lower than the same period in 2015. Another challenge facing dealers during this time period has been scarcity of inventory. This is especially the case for late-model equipment with low mileage. Dealers are also reporting that many buyers are reluctant to adopt trucks with engines compliant to 2007 EPA standards. Eventually, there will be no choice but to make this switch suggesting that demand, and therefore pricing, for these types of trucks could increase significantly in the coming years.

Tanker trailer sales, while not as strong as recent years, have been assisted by the food and chemical industries during the current decline in the oil and gas sector. Auction results for other types of trailers, such as goosenecks, drop decks, and dry van trailers, have remained relatively stable. Looking ahead, however, the decline of the oil and gas industry will begin to assert downward pressure on demand. Certain categories may be supported by other industries; such as flatbed trailers in the housing market, and refrigerated and liquid tank trailers in the food and chemical sectors; but until oil prices rebound, trailer markets are expected to experience slow decline.

# Recent Appraisal Trends

Looking forward, industry experts do expect that the current downward trends will reverse. While outlook for the oil and gas industry remains somewhat bleak, other markets are expected to bolster demand for trucks and trailers. Gains in the domestic housing market and increases in general freight tonnage will help to alleviate the downward pressure caused by energy sector declines. According to the American Trucking Association, tonnage rates have increased over the last two to three months and the U.S. manufacturing index is also trending upward. Both of these factors bode well for future truck and trailer sales.

### CONSTRUCTION AND MINING EQUIPMENT

In early 2016, the secondary marketplace for construction equipment remained stable as the global economy slowly expanded. The market for mining equipment, however, remains depressed by the global commodities market.

Construction starts in both residential and non-residential markets increased in 2015 and early 2016, showing strength in the market and resulting in the highest construction spending total in six years. Industry analysts predict that the annual growth of the industry will remain approximately 5% over the next several years. The market for construction equipment has been bolstered as a result. The units currently in highest demand continue to be compact pieces such as skid steer and track loaders that can be used in both large and small construction projects. Equipment that offers a wide range of capabilities continues to be the most desirable.

Looking ahead, the retail and manufacturing sectors have begun to shift focus toward new facilities closer to population centers in order to meet customer demand for quick turnarounds. This trend has resulted in new construction starts in suburban and secondary markets. Used equipment is expected to see increase values as construction companies and contractors look to increase capacity and efficiency quickly to meet demand.

Mining activities have experienced severe declines in recent years. Severe depression of global commodities markets for coal, copper, steel, and petroleum, among others, have resulted in severely decreased pricing due to oversupply. Recent shifts in the coal mining industry, in the U.S. specifically, foreshadow continued decreased demand for large scale mining equipment. Continued depression of these markets will eventually lead to a flood of used equipment in the secondary marketplace from business closures, driving used equipment pricing down.

The outlook for the future of the global mining industry remains bleak. It is important to note, however, that industry experts are confident that the industry is experiencing the downturn of a cycle and will rebound in the coming years. Developing areas such as India and Africa will soon begin to catch up with supply. During this unstable period, it is likely that business owners will look to consolidate operations in order to maintain solvency. Consolidation will ultimately lead to further declines in used equipment pricing as a result of the oversupply of equipment in the secondary marketplace.

Recent auctions have resulted in medium to small-sized equipment performing better than larger pieces, given the humbled recovery expectations as a result of industry decline. Large earthmovers and loaders performed well below expectations in these auctions. In addition, heavy-haul trucks are experiencing a market surplus leading to considerably depressed recovery values, while, medium and smaller machines have performed better. These units met or exceeded expectations in auction scenarios; however, this should not be viewed as an indicator of strength given the reduced expectations.

# Monitor Information

GA's *Transportation Monitor* relates information covering most transportation sectors, including industry trends and their relation to our valuation process. GA provides our customer base with a concise document highlighting the transportation industry. Due to the dynamic nature of the transportation industry, timely reporting is necessary to understand an ever-changing marketplace. GA strives to contextualize important indicators in order to provide a more in-depth perspective of the market as a whole. GA welcomes the opportunity to make our expertise available to you in every possible way. Should you need any further information or wish to discuss recovery ranges for a particular segment, please feel free to contact your GA Business Development Officer using the contact information shown in this and all *Transportation Monitor* issues.

GA's *Transportation Monitor* provides market value and industry trend information in a variety of transportation sectors. The information contained herein is based on a composite of GA's industry expertise, contact with industry personnel, liquidation and appraisal experience, and data compiled from a variety of well-respected sources believed to be reliable. GA does not make any representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained in this issue. Neither GA nor any of its representatives shall be liable for use of any of the information in this issue or any errors therein or omissions therefrom.

# Experience

GA has worked with and appraised a number of companies within the transportation industry, including industry leaders in freight rail, aerospace, buses, recreational vehicles, marine, and heavy mobile equipment. GA's extensive record of transportation inventory and machinery and equipment valuations also features appraisals for companies throughout the entire supply chain, including manufacturers and distributors, maintenance and repair companies, and freight rail refurbishing companies.

**GA's extensive appraisal experience includes valuations of the following businesses in the freight rail sector:**

- A provider of maintenance and upgrade services to companies that own and/or lease rail rolling stock, primarily tank cars.
- An assembler and distributor of electronic railroad communications and signals, supplying more than 50 railroads including Class I and commuter rail systems.
- A builder of new and remanufactured locomotives, new and rebuilt mechanical materials, electrical components, technical support, and field services.

**A selection of GA's experience in the aerospace sector includes the following companies:**

- A distributor of OEM military parts for aircraft, helicopters, ships, submarines, ground systems, avionics, and other defense applications.
- A manufacturer of aerospace components including airplane wing frameworks, ice protector systems, and related products.
- A manufacturer of machined aluminum alloy and stainless steel aircraft parts and equipment for the commercial airline and defense industries.
- A manufacturer of electronics for the aerospace and defense industries, including motherboards, system trays, and circuit cards for aircraft color displays.
- A distributor of fuses, as well as military, aerospace, and commercial fasteners to distributors, OEMs, and repair and maintenance departments.
- An importer and distributor of premium-quality fastener products including over 60,000 varieties of fasteners, such as bolts, cap screws, nuts, washers, tapping screws, steel stock, locknuts, and machine screws in standard and metric configurations.

**GA's appraisal experience includes valuations of the following businesses in the buses and RVs sector:**

- A manufacturer of school and activity buses, sold through independent distributors to school districts, churches, businesses, government agencies, and not-for-profit organizations throughout the U.S.
- A leading manufacturer of luxury tour coaches within the U.S. and Canada serving tour, charter, line-haul, and commuter transit operators.

# Experience

- A contract manufacturer of industrial components and electronics, including components sold to manufacturers of vehicles in classes five through eight, such as trucks and buses.
- A manufacturer of public safety, security, and environmental products, with a division selling chassis and chassis-based vehicles such as street sweepers and vacuum trucks.

**A selection of GA's appraisal experience for the marine sector includes the following:**

- An international manufacturer and distributor of recreational boats under several original brand names.
- A designer and constructor of custom inland and ocean-service vessels and equipment, which also operates a marine repair facility.
- A distributor of parts and accessories for marine crafts, as well as recreational vehicles, motorcycles, and all-terrain vehicles.
- A developer, manufacturer, and distributor of OEM and aftermarket marine components and accessories, primarily for the recreational boating industry.
- A designer, manufacturer, and distributor of specialty performance and racing aftermarket parts for boats, as well as for motorcycles and snowmobiles.

**GA's appraisal experience includes valuations of the following businesses in the trucks and trailers sector:**

- A provider of truckload shipping services with an emphasis on environmental concerns, using Class 8 truck tractors.
- A provider of chemical transportation services via a large fleet of liquid and dry bulk tank trailers.
- A transporter of petroleum and energy sector products, operating for nearly 75 years.

**A selection of GA's experience in the crane sector includes the following companies:**

- One of the largest providers of crane rental services in all sizes and varieties in North America.
- A provider of crane rental services to construction operations in Louisiana and East Texas.
- A provider of rental services for the utilities sector, specializing in various sizes of boom and bucket trucks.

**GA's appraisal experience includes valuations of the following businesses in the construction sector:**

- A provider of rental and sales services of lift equipment such as telehandlers, aerial lifts, and lift trucks.
- A leading heavy civil construction company that specializes in the building and reconstruction of transportation and water infrastructure projects.
- A distributor and renter of construction and earthmoving equipment throughout the Southeastern U.S.
- A provider of small construction equipment rental services throughout the U.S. and Canada, operating from Home Depot locations.

**GA's appraisal experience includes valuations of the following businesses in the mining sector:**

- A leading miner and explorer of coal properties.
- A coal mining and production company operating in the central Appalachia region, controlling mining rights to over 80,000 acres in various parts of Kentucky.

# Experience

Moreover, GA has liquidated a number of aviation products companies such as Flyi-Independent Air, Bombardier, Cessna Aircraft Company, Airbus, and Hawker Beechcraft Corporation, as well companies involved in the sale of buses, motor coaches, transit buses, touring coaches, and parts inventory in the secondary markets through liquidations of companies such as Daimler Chrysler, Vector Bus Co., ABC Bus Co., Green Lawn Tour & Coach Co., and Mark IV Industries, Inc.

GA has also been involved in the asset disposition of many industrial contractors, rental construction equipment companies, oil and gas service companies, and freight haulers such as Affholder Construction, American Sand & Gravel, Big Eagle Services, Canron Construction, Chesapeake Construction, City of Cedar Hill, Cook Harriet Construction, DE Rice Equipment Construction, Flint Energy, Ibarra Concrete, James River Coal, Joe Bland Construction, Marine Pipeline, Marine World, Mohawk Concrete, Pease Construction, Pickus Construction, PT Borneo Mining Services, R.E. Holland/American Excavating, Rinker Material Group/Twin Mountain Rock, Roads Construction, SelectBuild (BMC West), Stigler Construction, Super Transport, Tamrock Drill Rigs, U-Brothers, Victory Industrial, and WDC Exploration.

In addition to our vast appraisal and liquidation experience, GA maintains a staff of experienced automotive, freight rail, and energy experts with personal contacts within the respective sectors that we utilize for insight and perspective on recovery values.

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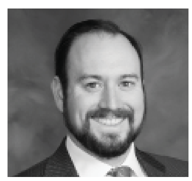

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# About Great American Group

Great American Group is a leading provider of asset disposition solutions and valuation and appraisal services to a wide range of retail, wholesale, and industrial clients, as well as lenders, capital providers, private equity investors, and professional services firms. In addition to the *Transportation Monitor*, GA also provides clients with industry expertise in the form of monitors for the chemicals and plastics, metals, food, paper and packaging, and building products sectors, among many others. For more information, please visit **www.greatamerican.com**.

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