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CAPITAL PARTNERS

Bluestone Capital Partners Serves as Advisor to Aerosonic Corporation in its Sale to TransDigm

On June 5, 2013, Aerosonic Corporation ("Aerosonic" or the "Company") (NYSE MKT: AIM) completed the sale of the company to TransDigm Group Incorporated ("TransDigm") (NYSE: TDG). Aerosonic designs, manufactures, and provides aftermarket support of proprietary and highly-engineered precision aviation components, including standby displays, sensors, and probes. Aerosonic's product offerings include both mechanical and digital altimeters, airspeed indicators, rate of climb indicators, microprocessor controlled air data test sets, angle of attack stall warning systems, integrated air data sensors and other aircraft sensors, monitoring systems and flight instrumentation. The Company typically sells its products through sole or single source relationships, and as a globally recognized brand, Aerosonic's products are installed on many major fixed and rotary-wing aviation platforms across all major segments of the market, including commercial, business, and military.

AEROSONIC CORPORATION

has been acquired by

TRANSDIGM GROUP INC.

Sale
(Public)

Upon the conclusion of its tender offer, TransDigm acquired all of the outstanding shares of Aerosonic for $7.75 per share in cash in a transaction valued at approximately $39 million on a fully-diluted basis. The cash consideration represents a premium of approximately 60% to Aerosonic's closing share price the day prior to the date of the announcement, and a 78% premium to its average trading price over the trailing 60 days.

The merger between Aerosonic and TransDigm exemplifies several of the characteristics driving robust merger and acquisition ("M&A") activity in today's aerospace and defense ("A&D") market, including the following:

- **Strategic focus:** Buyers are focused on targets with strong competitive differentiators, such as those that design and manufacture highly-engineered and proprietary components and sell products through either sole or single source relationships, as well as margin-enhancing targets that have significant aftermarket exposure.

- **Industry consolidation:** There is a continued focus in the sector on complementing organic growth via M&A, which is driving consolidation among tier-one and tier-two suppliers as well as capability-enhancing acquisitions by large original equipment manufacturers ("OEM"s) and top-tier suppliers.

- **Transaction dynamics:** Well-positioned aerospace companies, including those with meaningful exposure to the defense market, continue to garner attractive valuations in the marketplace. The activity is largely driven by record levels of capital availability and a robust public company valuation environment, which have supported the ability of acquirers to pay 10.0x EBITDA or more for highly strategic assets.

We expect M&A activity to continue across the sector, spurred by A&D executives that consistently cite strategic acquisitions as the highest-priority investment area in order to bolster company growth, increase competitive advantages across the global marketplace, and expand positioning into new aircraft platforms. Attractive industry dynamics including strong commercial order backlogs, supplier fragmentation, and availability of long-term contracts are leading both strategic acquirers and financial investors to remain highly acquisitive and to pay premium valuations for well-positioned businesses.

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