

Comparable Companies

Universe of Comparable Companies

- The financial sector is currently extremely affected by the crisis, and valuations of financial institutions have been significantly impacted, due their business model, high leverage and bad quality of assets
- MFC clearly distinguishes itself from those institutions, and compares with pure investment banking players focusing on fee generating activities, with no leverage, proprietary trading nor principal investment
- Lazard, Greenhill, Rothschild, Perella Weinberg Partners, Oddo & Cie are considered as comparable companies to MFC both in terms of size and activity – however they are at a different stage of development characterised by more stable, less growing revenues (thus should be valued at lower multiples than MFC)
- Valuation levels in terms of earning and book multiples for Greenhill and Lazard, which are the only listed ones, represent an accurate valuation measure to be applied to MFC (no Gulf investment banks can be used as comparables because of their distressed situation)

Performance Benchmarks*

- Operationally, MFC is performing better than other investment banks:
 - MFC revenues per employee is well in line with average of banks
 - Compensation per employee, by far the largest expense in investment banks, is the lowest at MFC

	Goldman Sachs	Lazard All Activities	Greenhill	Morgan Stanley	Lazard Advisory	MFC
Revenue / Employee (USD ths)	1,507	780	948	581	1,171	713
Compensation / Revenues	43.9%	58.6%	46.0%	59.1%	53.3%	41.7%
Compensation / Employee (USD ths)	661	457	436	343	625	298

*Source: 2008 10-K filings