



PLASTICS & PACKAGING MONITOR

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Top News in PLASTICS AND PACKAGING

September 2, 2010 – The Canadian Government has ruled that the chemical Bisphenol A, subject to recent scrutiny by leading world authorities, is toxic and has officially added the chemical to the Country's Register of Toxic Substances. The substance has not been officially rejected by The American Chemistry Council ("ACC") who stated that Canada's decision to label the substance as toxic was "not based on the best available data and scientific knowledge." The move by the Canadian government marks the first of its kind, at this magnitude, and other global regulation authorities, such as the European Union Health Commissioner, are expected to be moving ahead with plans to tighten controls.

August 31, 2010 – Domestic medical plastics demand is projected to experience a compound annual growth rate of 5% over the next five years, pushing total demand to 3.5 billion pounds (BCC Research). Demand for highly specialized materials such as TPEs, engineering resins, and thermosets, which collectively account for 20% of the market, is expected to grow over 6% annually through 2015. Outpacing the domestic market, the international market for medical plastics is forecasted to experience growth rates projected at double those of domestic sales.

In a recent press release, Plastics News cited a report on the Asian-Pacific market for medical devices that projects growth reaching 10.2% annually through 2012, pushing total demand to \$62.3 billion. The growth drivers within this market are an increased demand for safety, accuracy, and efficiency within medical devices as well as a focus on disposable products aimed at reducing the risk of infections such as H1N1 and MRSA.

August 31, 2010 – U.S. demand for plastic containers is expected to grow at a compound annual growth rate of 4.3%, reaching \$30.4 billion or 13.9 billion pounds of resin demand, over the next several years (Freedonia). The growth in demand will be driven by plastic's unique advantages over other packaging materials including its lighter weight, lower cost, and environmentally friendly attributes.

August 18, 2010 – The automotive industry is expected to experience a steady increase in private equity activity over the next several years as financial buyers seek to further consolidate the industry and leverage against improved profitability levels. Their focus may include evaluation of the industry's lowest performers whose leverage is included among the 85% of the automotive industry's debt which is expected to come due over the next five years (Plastics News). While significant maturities came due during the 2008 – 2009 recession, most banks preferred to "amend and extend" maturities instead of calling the loans. As normal lending patterns return, automotive suppliers with significant outstanding liabilities could become attractive targets to private equity consolidators.

August 18, 2010 – Automotive giant General Motors filed for an Initial Public Offering with the intention of diluting ownership percentages held by the U.S. and Canadian governments and moving toward a return of the "bailout" funds. Analysts have estimated that the potential value of the IPO could reach \$16 billion. The expected size of the offering would make it the second largest IPO in history second only to Visa, Inc.'s \$19.7 billion IPO that took place prior to the onset of the recession. The offering highlights a return toward stability and profitability throughout the auto industry, specifically among the domestic Big Three.

June 1, 2010 – Cary, NC-based manufacturer of vinyl siding, windows, and doors Ply Gem Holdings, Inc. filed for a \$300 million Initial Public Offering. Ply Gem Holdings, currently owned by private equity group CI Capital Partners, will be listed under the ticker symbol NYSE: PGEM. The number of shares and price comprising the offering were not disclosed. Ply Gem is the number one supplier of vinyl siding and aluminum accessories in the U.S., the number two supplier of vinyl and aluminum windows in the U.S., and the number two supplier of windows in western Canada. Ply Gem's IPO signifies an increased interest in the building products sector as investors evaluate a bottoming out of the housing market in several geographies and the potential for a slow return to growth.



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P&M Corporate Finance (“PMCF”) is an investment banking firm, focused exclusively on middle market transactions, with professionals in Chicago, Detroit, and across the globe through Corporate Finance International affiliates. Our dedicated Plastics & Packaging Group has extensive industry knowledge and covers a wide range of processes including thermoforming, extrusion, blow molding, injection molding, resin, and color & compounding. Offering a breadth of advisory services, the Plastics & Packaging Group has helped clients worldwide meet their sale, acquisition, financing, and strategic alliance goals.

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Feature: Return of the Mega Deal

2010 has witnessed a wave of M&A activity highlighted by several “mega” deals that have significantly changed the competitive landscape of the plastics industry. These deals have been a positive change from the depressed M&A market of 2009, which was characterized by higher distressed transactions and smaller deals, and reflect an improved credit market that has allowed for higher leverage in transaction structures and total loan package sizes that were untenable during the recession. The largest players within plastics are using these transactions to continue to grow through aggressive, game-changing acquisition strategies - driving increased share and creating competitive advantages versus small and mid-size companies. While the packaging sector has been at the forefront of large deal activity, other sectors, including resin and color & compounding, also have experienced large scale consolidation. To highlight the role of these transactions, PMCF has completed an analysis of several recent deals which have significantly impacted the profile of the plastics industry and highlight the resilience of M&A trends among these businesses.


Key Packaging Deals

August 2010 – Rank/Pactiv

Involved Entities	Transaction Metrics (\$mm)	Transaction Drivers/Considerations
	Enterprise Value:	\$6,133
	Revenue Multiple:	1.8x
	EBITDA Multiple:	8.6x
	Leverage Multiple:	5.8x
		<ul style="list-style-type: none"> • Key transaction drivers include significant post-transaction synergies, similar product lines and markets, Hefty's brand name strength, and Pactiv's strong EBITDA margins • The combined entity is likely to be the third largest global packaging company in terms of revenue and the largest global packager with regard to EBITDA • The transaction features a very high level of debt at over 80% of the purchase price • Rank has successfully completed several large packaging acquisitions • Could represent a final step prior to a Rank IPO


Illinois-based Pactiv Corp. (NYSE: PTV) agreed to an acquisition by Reynolds Group Holdings, owned by financial investor Rank Group Ltd. of New Zealand. Rank was successful in the acquisition of Pactiv, beating out private equity firm Apollo Global Management and paper and packaging company Georgia-Pacific, LLC. Rank's attractive pricing was based on the significant level of potential synergies across multiple materials and processes, including rigid and flexible plastic packaging, aluminum foil, and paper. These synergies, a result of Pactiv's combination with Reynolds, are expected to drive up post closing EBITDA enabling the combined entity to cover debt service on significant leverage and pay down principal on an expedited basis. Further, similar to Pactiv, Reynolds features estimated EBITDA margins exceeding 20%, which are in the top quartile for a large packaging organization. Following the combination, it is estimated that Reynolds and Pactiv will have revenue exceeding \$7.2 billion and EBITDA in excess of \$1.5 billion.

March/June 2010 – Madison Dearborn/BWAY

Involved Entities	Transaction Metrics (\$mm)	Transaction Drivers/Considerations
	Enterprise Value:	\$901
	Revenue Multiple:	1.0x
	EBITDA Multiple:	6.5x
	Leverage Multiple:	4.4x
		<ul style="list-style-type: none"> • Manufactures packaging for growth end markets including food, personal care, and household products as well as containers for paint, petroleum, and chemicals • Partnership with Madison Dearborn Partners will support BWAY's future growth objectives and drive acquisition strategy • Broad platform to drive consolidation trends leveraging more than 20 plants throughout the United States and Canada

Chicago, IL-based private equity group Madison Dearborn Partners, LLC acquired BWAY Holding Company (NYSE: BWY). Upon execution of the transaction, Madison paid BWAY shareholders \$20 for each share of BWAY common stock and assumed all of BWAY's outstanding debt, a 15% premium for shareholders. Madison's acquisition of BWAY highlighted in part the return of the take private transaction to the market. This transaction is expected to provide BWAY with significant operating synergies, including potential plant rationalizations, and an opportunity to gain additional market share. BWAY's new private equity owners have already begun to approach a broad array of industrial rigid plastic and metal container manufacturers to further consolidate the industry. The first example of this strategy is BWAY's announcement to acquire Plastics, Inc., a leading manufacturer of injection molded plastic pails. Plastics reported 2009 sales of \$90mm and has plants in Leominster and Macon, GA; Dallas, TX; and Phoenix, AZ.



August/September 2010 – Graham Packaging/Liquid Container

Involved Entities	Transaction Metrics (\$mm)	Transaction Drivers/Considerations
	Enterprise Value:	\$568
	Revenue Multiple:	1.5x
	EBITDA Multiple:	8.6x
	Leverage Multiple:	na
		<ul style="list-style-type: none"> • Liquid Container operates fourteen blow molded plastic container plants in the U.S. and has a strong presence in food • Liquid Container's footprint, PET hot-fill technology, and minimal customer overlap with Graham Packaging's customer base were key strategic motivators in the transaction • Net synergies resulting from material handling costs, energy savings, redundant corporate costs, and supply cost savings are estimated to be valued at approximately \$20 million • Transaction is expected to be accretive on an EBITDA, EPS, and free cash flow basis in the first year following the transaction's close

Feature: Return of the Mega Deal

Graham Packaging Company, Inc. (NYSE: GRM) acquired West Chicago, IL-based blow molder Liquid Container, LP and its subsidiaries for \$568 million. Liquid Container marks the first major transaction in Graham Packaging's acquisition strategy following its IPO in February 2010. Graham Packaging has stated that its acquisition strategy consists of targeting companies in new geographies with strong technological capabilities in adjacent end markets. Liquid Container is expected to generate \$400 million in revenue and EBITDA of \$72 million in 2010.

June/August 2010 – Amcor/Ball



Involved Entities	Transaction Metrics (\$mm)	Transaction Drivers/Considerations	
 	Enterprise Value:	\$280	<ul style="list-style-type: none"> Expands Amcor's Diversified Products business which targets growth markets including health care, pharmaceutical, personal care, food, and distilled spirits Grants Amcor exposure to new growth opportunities including wine bottles, retort food packaging, and high density polyethylene (HDPE) and polypropylene (PP) containers for various market segments Expands North American business and presents Amcor with opportunities to leverage new technologies and products in its growing Latin America business Net synergies are estimated to be valued at approximately \$35 million
	Revenue Multiple:	0.5x	
	Est. EBITDA Multiple*:	6.5x	
	Leverage Multiple:	na	

*Assuming EBITDA of \$43 million.

Amcor Ltd. (ASX: AMC) acquired the Plastics Packaging Americas division of Ball Corporation (NYSE: BLL) which includes five U.S. plants and related assets focused on the manufacturing of PET preforms and bottles and polypropylene bottles. This deal marks Ball's complete exit from plastics and Amcor's second major consolidating transaction in the plastic packaging industry within the last year. The transaction is in line with Amcor's aggressive acquisition strategy in rigid plastic containers.

Key Raw Materials Deals



March/June 2010 – Bain Capital/Dow Chemical's Stryon Unit

Involved Entities	Transaction Metrics (\$mm)	Transaction Drivers/Considerations	
 	Enterprise Value:	\$1,762	<ul style="list-style-type: none"> Allows Dow to continue to delever its balance sheet Consistent with Dow's stated goals of shedding non-strategic assets and funding growth initiatives Includes several long-term supply, service, and purchase agreements which are valued at up to \$400 million Grants Bain Capital a broad platform for growth through add-on acquisitions
	Revenue Multiple:	0.5x	
	EBITDA Multiple:	na	
	Leverage Multiple:	na	

Bain Capital Private Equity, a Boston, MA-based private equity firm, agreed to acquire Styron Corp. from The Dow Chemical Company (NYSE:DOW). Styron Corp. is the world's largest manufacturer of polystyrene plastic with \$3.5 billion in sales across 40 plants and over 1,900 employees worldwide. As part of the transaction, Dow has an option to receive up to 15 percent of the equity of Styron as part of the sale consideration.

Bain Capital's acquisition of the commodity resin manufacturer is the largest raw materials private equity transaction of 2010 to date. The deal represents the market's willingness to support transactions involving significant leverage as well as corporate carve outs.

February/March 2010 – Braskem/Sunoco PP business

Involved Entities	Transaction Metrics (\$mm)	Transaction Drivers/Considerations	
 	Enterprise Value:	\$350	<ul style="list-style-type: none"> Pushes Braskem forward as the largest manufacturer of PP, PE, and PVC in the Americas Provides Braskem with a competitive platform for growth that will complement its ongoing internationalization strategy and objective to become one of the five largest petrochemical companies in the world Includes a technology and development center in Pittsburgh, PA, allowing Braskem to continue to provide support for clients in product development and technical assistance services
	Revenue Multiple:	1.8x	
	EBITDA Multiple:	na	
	Leverage Multiple:	na	

Braskem America, Inc., the U.S. division of Brazilian plastics supplier Braskem SA, acquired Sunoco Chemicals, Inc. from Sunoco, Inc (NYSE: SUN). Sunoco Chemicals, Inc. is a manufacturer of polypropylene (PP) resin for a variety of industrial end markets. Sunoco Chemicals has three plants located in La Porte, TX; Marcus Hook, PA; and Neal, WV; which collectively account for approximately 13% of domestic polypropylene production capacity. The transaction is part of an aggressive acquisition strategy by Braskem which is expected to be continued through additional transactions.

Select Transactions in Plastics & Packaging

Date	Buyer	Target	Industry/ Application	Enterprise Value (\$mm)	EV/EBITDA
Injection Molding					
26-Jul-10	Topline Products Company, Inc.	Motor City Plastics Co.	Consumer	-	-
23-Jul-10	Nolato AB (OM:NOLA B)	Contour Plastics, Inc.	Medical	\$22.0	7.7x
1-Jul-10	Ranir, LLC	Synpart Limited	Medical	-	-
22-Jun-10	Irving Place Capital	Mold-Rite Plastics, Inc.	Medical	-	-
Blow Molding					
25-Aug-10	Irving Place Capital	Alpha Packaging, Inc.	Food & Beverage	-	-
9-Aug-10	Graham Packaging Company, Inc. (NYSE:GRM)	Liquid Container, LP	Food & Beverage	\$568.0	8.6x
17-Jun-10	Plastic Omnium SA (ENXTPA:POM)	Inergy Automotive Systems S.A.	Automotive	\$741.9	-
16-Jun-10	Amcor, Ltd. (ASX:AMC)	Ball Corporation's Plastic Packaging Unit	Food & Beverage	\$280.0	5.3x
9-Jun-10	Austin Capital Partners, L.P.	Partners In Plastics, Inc.	Consumer	-	8.5x
Resin & Color and Compounding					
28-Jul-10	Matrixx Group, Inc.	QTR, Inc.	Raw Materials	-	-
16-Jul-10	Honam Petrochemical Corp. (KOSE:A011170)	Titan Chemicals Corp Berhad (KLSE:TITAN)	Raw Materials	\$1,464.9	5.9x
9-Jul-10	Hudson Color Concentrates	Blen-Color, Inc.	Raw Materials	-	-
8-Jun-10	Techmer PM, LLC	BASF SE, Hydrophilic Melt Additives Business	Raw Materials	-	-
Film					
18-Aug-10	Printpack, Inc.	Marshall Flexibles LLC (division of Amcor)	Medical	-	-
16-Aug-10	Reynolds Group Holdings Ltd.	Pactiv Corp. (NYSE:PTV)	Food & Beverage	\$6,133.0	8.6x
4-Aug-10	Wellspring Capital Management	Jen-Coat, Inc.	Consumer	-	-
20-Jul-10	Constantia Flexibles Holding GmbH	Amcor Flexibles Tobepal S.A.	Food & Beverage	\$118.8	-
2-Jul-10	Mason Wells	American Plastics Company, Inc. and New England Extrusion, Inc.	Industrial	\$58.0	-
11-Jun-10	Exopack Holding Corp.	Bemis Company, Inc., Wisconsin and Oklahoma Facilities	Food & Beverage	\$81.2	-
10-Jun-10	Amcor Ltd. (ASX:AMC)	Alcan-Medical Business	Medical	\$66.0	-
Sheet and Thermoforming					
31-Aug-10	Bunzl plc. (LSE:BNZL)	Cool-Pak	Food & Beverage	-	-
2-Aug-10	Bilcare GmbH (BSE:526853)	INEOS Films GmbH	Medical	\$131.9	-
29-Jun-10	Sonoco Products Co. (NYSE:SON)	Associated Packaging Technologies, Inc.	Food & Beverage	\$120.0	-
Specialty Processes					
25-Aug-10	Stryker Corp. (NYSE:SYK)	Gaymar Industries, Inc.	Medical	\$150.0	-
10-Aug-10	Hedstrom Plastics	North Coast Custom Molding, Inc.	Industrial	-	-
10-Aug-10	J&D Acquisitions, LLC	Triumph Boats, Inc.	Consumer	-	-
5-Aug-10	Sun European Partners, LLP	Betts Group	Medical	-	-
14-Jul-10	The MedTech Group, Inc.	Advanced Polymers, Inc.	Medical	-	-
5-Jul-10	Sun European Partners, LLP	Alcan Packaging, Inc., Alcan Beauty Packaging	Consumer	-	-
16-Jun-10	Advanced Drainage Systems, Inc.	Inserta Fittings Co.	Construction	-	-
9-Jun-10	Goodrich Corp. (NYSE:GR)	Crompton Technology Group, Ltd.	Industrial	-	-

Featured Transaction – Financial Buyer

August 25, 2010 — New York-based private equity firm Irving Place Capital (IPC) along with Alpha's current management team, signed an agreement to acquire Alpha Packaging from Stonebridge Partners and Castle Crow & Company, LLC for an undisclosed amount. IPC acquired Alpha following the acquisition of Mold-Rite Plastics, a manufacturer of child resistant caps and closures for the medical and pharmaceutical industries. IPC believes Alpha Packaging to be an excellent platform for growth and intends to expand the business utilizing Alpha's strong position within attractive end markets.

St. Louis, MO-based Alpha Packaging is a manufacturer of blow molded plastic bottles and jars for the personal care, nutritional supplements, pharmaceutical, and food & beverage end markets. The business reported \$118 million in 2009 sales and is ranked as the 26th largest blow molder in North America according to Plastics News.

Featured Transaction – Marquee Deal

June 30, 2010 — Hartsville, SC-based packaging conglomerate Sonoco Products, Inc. (NYSE: SON) acquired Associated Packaging Technologies, Inc. (APT) from private equity firm Castle Harlan, Inc. for \$120 million or 0.8x revenue. As a result of the transaction, Sonoco has significantly expanded its existing thermoformed plastic container capabilities into the growing frozen, chilled, and ready-to-eat food markets. The transaction increases Sonoco's current thermoforming revenue of \$50 million (following the Clear Pack acquisition in 2006) to over \$200 million in combined sales.

APT, headquartered in Chadds Ford, PA, is a leading manufacturer of CPET-based, dual-ovenable food containers. APT manufactures over 3 billion CPET containers annually with additional capacity for monolayer and multilayer PP containers. APT currently operates four facilities throughout the U.S., Canada, and Europe and employs over 400 people.

Plastics & Packaging Equity Valuation

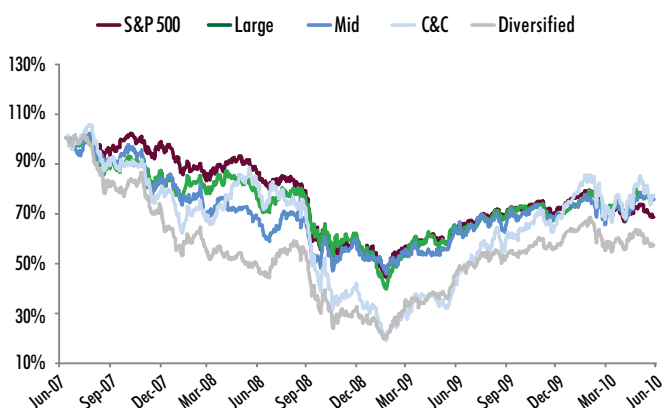
Company Name	Symbol	Financials / Metrics (\$USD) (8/31/10)				EV / EBITDA Multiples		
		LTM Revenue	LTM EBITDA	Market Cap	Price/Earnings	Current	3 Year Average	Projected Next FYE*
Large Packaging (Large)								
Amcor Ltd.	ASX:AMC	\$ 9,472	\$ 1,000	\$ 7,920	\$ 43.11	10.9x	9.4x	6.9x
AptarGroup, Inc.	NYSE:ATR	1,998	388	2,810	18.78	7.4x	7.5x	6.8x
Avery Dennison Corp.	NYSE:AVY	6,306	695	3,437	13.71	7.0x	8.5x	6.8x
Bemis Co. Inc.	NYSE:BMS	4,097	535	3,151	21.35	8.6x	7.2x	6.5x
Graham Packaging Company, Inc.*	NYSE:GRM	2,362	452	699	-	6.2x	6.7x	NA
Pactiv Corp.	NYSE:PTV	3,443	712	4,369	15.77	8.2x	6.8x	7.3x
Rexam plc	LSE:REX	7,669	1,221	4,203	30.12	5.9x	6.5x	NA
Sealed Air Corp.	NYSE:SEE	4,377	666	3,274	14.35	6.3x	6.7x	5.6x
Silgan Holdings Inc.	NasdaqGS:SLGN	3,080	450	2,292	14.35	6.9x	7.0x	6.4x
Sonoco Products Co.	NYSE:SON	3,878	515	3,166	15.82	7.0x	6.7x	6.2x
Large Average		\$ 4,668	\$ 663	\$ 3,532	\$ 18.74	7.4x	7.3x	6.6x
Mid-Size Packaging (Mid)								
AEP Industries Inc.	NasdaqGS:AEP1	\$ 770	\$ 35	\$ 162	\$ -	10.4x	8.0x	NA
CCL Industries, Inc.	TSX:CCL.B	1,161	213	983	17.51	6.2x	6.4x	5.9x
Multi-Color Corp.	NasdaqGS:LABL	281	36	189	12.58	7.4x	8.7x	NA
RPC Group plc	LSE:RPC	1,140	121	425	20.41	4.6x	4.7x	NA
Tredegear Corp.	NYSE:TG	697	85	523	17.30	5.5x	5.6x	5.0x
Wipak, Ltd.	TSX:WPK	539	99	682	14.07	6.3x	6.3x	5.5x
Mid-Size Average		\$ 765	\$ 98	\$ 494	\$ 13.65	6.7x	6.6x	5.5x
Color & Compounders (C&C)								
A. Schulman, Inc.	NasdaqGS:SHLM	\$ 1,435	\$ 81	\$ 572	\$ 12.40	7.8x	6.8x	5.5x
Clariant AG	SWX:CLN	7,235	840	3,001	-	4.1x	5.1x	NA
Cytec Industries, Inc.	NYSE:CYT	3,153	442	2,327	21.40	6.1x	6.7x	5.8x
Ferro Corp.	NYSE:FOE	1,937	248	922	-	5.1x	6.7x	4.7x
PolyOne Corp.	NYSE:POL	2,424	243	908	6.12	4.4x	6.6x	4.9x
C&C Average		\$ 3,237	\$ 371	\$ 1,546	\$ 7.98	5.5x	6.4x	5.2x
Diversified and Industrial Plastics (Diversified)								
Filtrona plc.	LSE:FLTR	\$ 735	\$ 139	\$ 766	\$ 16.08	6.8x	6.2x	NA
Georgia Gulf Corporation	NYSE:GGC	2,426	158	442	4.54	7.3x	8.5x	5.7x
Intertape Polymer Group, Inc.	TSX:ITP	678	42	104	-	7.9x	9.1x	NA
Jarden Corp.	NYSE:JAH	5,481	573	2,468	44.21	8.7x	7.6x	6.9x
Myers Industries, Inc.	NYSE:MYE	716	44	225	38.20	7.6x	7.7x	NA
Plastic Omnium SA	ENXTPA:POM	3,768	317	813	6.42	4.9x	4.6x	NA
Simona AG	DB:SIM	321	32	252	27.53	6.3x	5.8x	NA
Spartech Corp.	NYSE:SEH	1,006	61	276	17.98	7.3x	7.1x	4.4x
Trex Co. Inc.*	NYSE:TREX	295	36	310	-	10.2x	9.3x	5.9x
Diversified Average		\$ 1,714	\$ 156	\$ 628	\$ 17.22	7.5x	7.3x	5.7x

*3 year multiple average includes less than 12 quarters of data

Income Statement data as of last period date reported

Data as of September 27, 2010

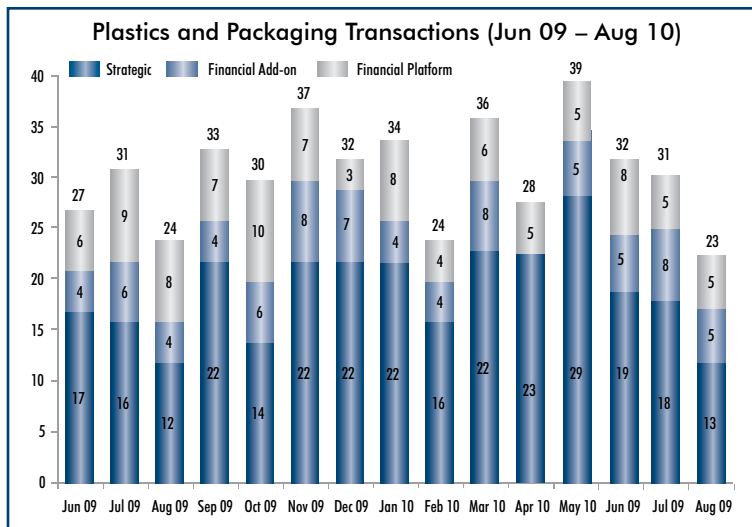
Performance of PMCF Indices vs. S&P 500



PMCF Key Takeaways and Analysis

- Both Large and Mid-Sized Packaging EBITDA multiples are trading over a full turn higher compared to multiples during the middle of 2009. This performance has been supported by improved economic demand and margin performance
- Three of the four components of our PMCF index are now trading at higher EV/EBITDA multiples than their three-year average
- All PMCF indices continue to trade at significant discounts when compared to pre-recession levels. However, since the beginning of March 2009, PMCF's indices have grown substantially, doubling and nearly tripling March 2009 prices in some instances

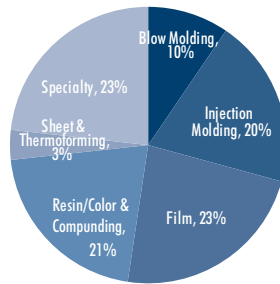
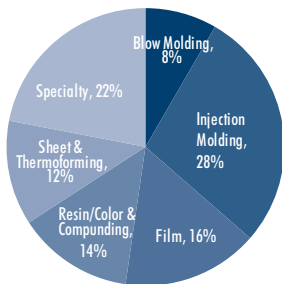
Plastics & Packaging Transaction Statistics



Transactions by Process Type

Jun '09 – Aug '09

Jun '10 – Aug '10



Packaging Transaction Detail

Packaging Detail	Jun 09– Aug 09	% of Total	Jun 10– Aug 10	% of Total
Rigid Packaging	17	51.5%	10	33.3%
Flexible Packaging	13	39.4%	17	56.7%
Bottles	3	9.1%	3	10.0%
Total	33	100%	30	100%

Distressed Transaction Detail

	Jun 09– Aug 09	% of Total	Jun 10– Aug 10	% of Total
Distressed	15	18.3%	6	7.0%

Transactions by End Market

End Market	Jun 09– Aug 09	% of Total	Jun 10– Aug 10	% of Total
Food & Beverage	12	14.6%	16	18.6%
Industrial	27	32.9%	29	33.7%
Consumer	14	17.1%	11	12.8%
Construction	12	14.6%	5	5.8%
Medical	7	8.5%	12	14.0%
Automotive	9	11.0%	11	12.8%
Transportation	1	1.2%	0	0.0%
Electronics	0	0.0%	2	2.3%
Total	82	100%	86	100%

PMCF Key Takeaways and Analysis

Plastics and Packaging deal volume from June 2010 through August 2010 was characterized by the following trends:

- Benefitting from a return to profitability by a majority of large strategic buyers, as well as improved credit conditions, the M&A market continued to show consistent growth as overall transaction activity increased 5% during the comparison period
- Strategic buyers continued consolidation efforts during June 2010 – August 2010 as cost cutting initiatives and other fiscally conservative strategies implemented during the recession left many of the plastics' industries largest strategic buyers with record levels of cash and favorable debt positions. As a result, strategic buyer activity increased 11% during the comparison period, a trend that is expected to continue during Q4 2010
- While overall transaction volume increased only slightly during the comparison period, distressed activity experienced a 60% decline versus the same time period last year. 2009 transaction activity was inflated by discounted, distressed valuations artificially supporting transaction volumes
- Transaction mix has shifted slightly among plastic processes as transactions involving film, resin / color & compounding, and blow molding companies increased as a percentage of total deal volume versus the same time period last year. Injection molding transaction activity declined during the comparison period as a percentage of total deals, although 2009 injection molding transaction volumes were comprised of several distressed automotive transactions
- Plastic processors supplying to the medical and food & beverage markets continue to garner interest as transaction volume increased 71% and 33%, respectively, during June 2010 through August 2010 compared to the same time period last year

Source: P&M Corporate Finance

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TRANSACTION UPDATE

PLASTICS & PACKAGING

P&M CORPORATE FINANCE ADVISES BORISCH MANUFACTURING CORPORATION IN THE COMPANY'S SALE TO AMPHENOL CORPORATION

P&M Corporate Finance (PMCF) is pleased to announce that it served as the exclusive financial advisor to privately owned Borisch Manufacturing Corporation (Borisch) in its sale to Amphenol Corporation (NYSE: APH). Based in Grand Rapids, MI, Borisch is a leading U.S. manufacturer of value added interconnect and electro-mechanical systems for the military/aerospace market with sales in the last 12 months of approximately \$100 million. Amphenol is one of the largest manufacturers of interconnect products in the world. The Company designs, manufactures and markets electrical, electronic and fiber optic connectors, coaxial and flat-ribbon cable, and interconnect systems. The acquisition of Borisch is consistent with Amphenol's long-established strategy of offering highly engineered, value added interconnect solutions to military/aerospace customers.

PMCF worked closely with the Borisch shareholders and management team to run an efficient transaction process that spanned six months from the initial marketing phase to the close of the transaction. The transaction process provided the shareholders with the opportunity to evaluate several strategic and financial buyers and ultimately select the buyer that best fit the objectives of the company, the management team and the shareholders. "From the beginning of the process, we were committed to finding a buyer that would enhance the opportunities for our employees and ensure continued success for our customers. PMCF shared that commitment and found the perfect buyer" said Borisch president Jonathan Borisch. PMCF advised Borisch in all phases of the transaction process from identifying potential buyers and setting the marketing strategy, to leading the negotiations of the transaction terms, facilitating the due diligence process, and advising on the legal documentation.



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