

M&A Quarterly

PLASTICS & PACKAGING THIRD QUARTER 2010

For additional information or inquiries, please contact one of our team members:

John D. Hart
248.223.3468
john.hart@pmcf.com

Matthew G. Jamison
248.223.3368
matt.jamison@pmcf.com

Ryan R. Shuchman
248.603.5372
ryan.shuchman@pmcf.com

William L. Blake III
248.603.5328
william.blake@pmcf.com

Mitchel G. Nakken
248.603.5226
mitchel.nakken@pmcf.com

About P&M Corporate Finance

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 and Packaging Group has deep industry knowledge and covers a wide range of processes including thermoforming, extrusion, blow molding, injection molding, and resin and color compounding. Offering a breadth of advisory services, the Plastics and Packaging Group has helped clients worldwide meet their sale, acquisition, financing, and strategic alliance goals.

Investment Banking Services:

- Mergers and Acquisitions
- Sales and Divestitures
- Capital Raising
- Strategic Assessments
- Fairness Opinions

CHICAGO

225 W. Washington Street, Suite 2700
Chicago, IL 60606
312.602.3600

DETROIT

26300 Northwestern Highway, Suite 120
Southfield, MI 48076
248.223.3300

Q3 2010 Market Summary

Plastics and packaging transaction volumes experienced strong growth through Q3 YTD 2010 benefitting from significant consolidation efforts among plastic processors and the continuation of a healthier environment for M&A. Transaction activity reached 286 deals globally through the first three quarters of 2010, an increase of nearly 19%, or 45 deals, over volumes experienced through the third quarter of 2009. When evaluating year over year trends excluding the impact of distressed transactions, which reached a peak in 2009, the additional deal volume is even more pronounced showing an increase of 35%. Examining Q3 2010 alone, the total number of transactions declined slightly (by 6 deals) from Q2 2010 as buyers focused on completing larger, higher quality transactions versus multiple smaller ones.

This activity has been supported by slow but steady signs of economic recovery with Q2 and Q3 U.S. GDP growth of 1.7% and 2.5%, respectively. While potentially a slower recovery rate than expected, particularly when starting from the GDP low reached at the depth of the recession, this indicator has combined with positive metrics from other economic signals to drive optimism among buyers. Within plastics, increased buying activity appears to be most strongly reflected among strategic buyers who are responsible for nearly 100% of the increase in transaction volume year over year. This is not to say financial buyers haven't been active, they simply have changed their purchasing mix and are executing larger deals including billion dollar plus "mega deals."

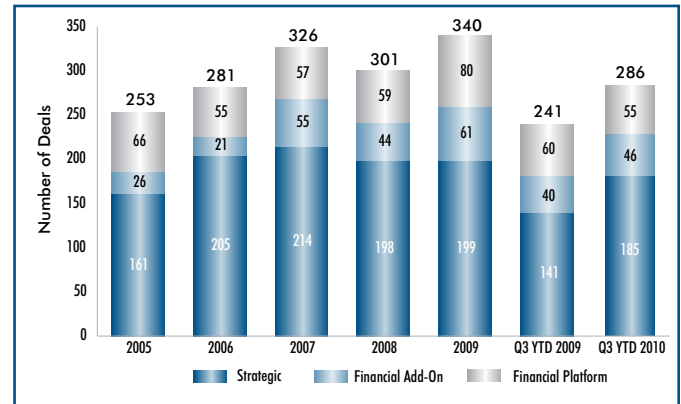
Additional notable factors and trends through the third quarter include the following:

- Injection molding and film transactions were among those growing most rapidly versus 2009 with both showing double digit increases
- Sheet and thermoforming transaction activity was characterized by several large deals which illustrated strong trends in the space, but experienced an overall decrease in M&A volume
- Packaging transactions continued to draw strong interest from buyers increasing 23% year over year
 - Acquisition of flexible packaging and bottle manufacturers led the increase in volume
 - The involvement of public, strategic buyers increased as a percentage of total transactions
- M&A activity among custom injection molders increased as a percentage of overall non-distressed transaction volume

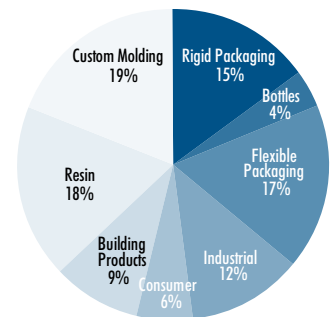
Looking forward, through the end of the year and into 2011, we see the following variables as supporting continued strength in plastics and packaging M&A:

- Strategic player's continued focus on acquisitions and industry consolidation
- Private equity aggressively competing, against one another and strategic buyers, to deploy record levels of committed investment capital which in some cases must otherwise be returned
- Continued support from the credit markets and a sustained trend of attractive valuations
- Additional corporate divestitures being brought to market

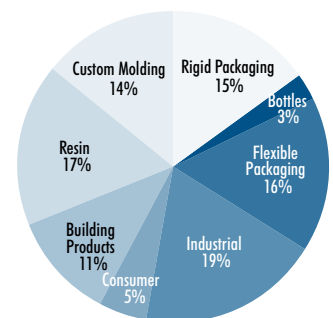
These positive plastics and packaging M&A trends appear to have overcome lackluster 2010 economic recovery metrics and more general investor skepticism as reflected by the S&P 500's relatively flat return year to date. While acknowledging this apparent disconnect, we believe factors specific to plastics and packaging will continue to support a healthy M&A environment if low but steady domestic and international growth continues.



Transactions by Product Segment
Q3 YTD 2010



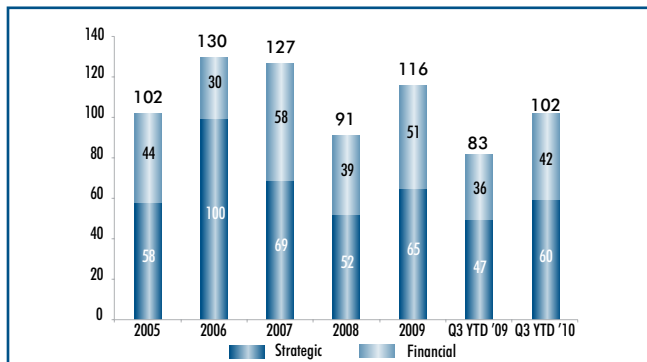
Q3 YTD 2009



Sector	2008	2009	Q3 YTD '09	% of Total	Q3 YTD '10	% of Total	'09 - '10 Change	% Change
Blow Molding	17	22	13	5%	22	8%	9	69%
Injection Molding	79	87	54	22%	78	27%	24	44%
Film	54	62	46	19%	60	21%	14	30%
Resin/Color & Compounding	51	58	41	17%	52	18%	11	27%
Sheet & Thermoforming	28	33	30	12%	20	7%	-10	-33%
Specialty	72	78	57	24%	54	19%	-3	-5%
Total	301	340	241	100%	286	100%	45	19%

Global Plastic Packaging M&A

Transactions by Buyer Type



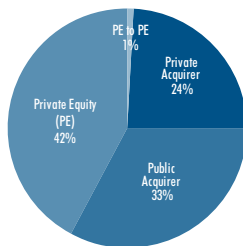
Transactions by End Market

	Q3 YTD '09	Q3 YTD '10
Food and Beverage	32	45
Industrial	21	17
Consumer	20	28
Construction	-	-
Medical	10	10
Automotive	-	-
Transportation	-	-
Electronics	-	2
Total	83	102

Trends in Plastic Packaging M&A:

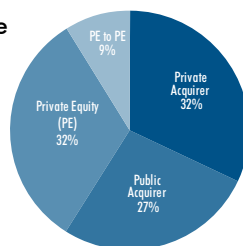
- Transaction activity in Q3 2010 increased slightly versus Q3 2009 while deal volumes increased 23% during Q3 YTD 2010 on a year over year comparison. YTD M&A activity within the packaging space has witnessed a return of significant “mega deals” as well as active industry consolidation.
- Consolidation among manufacturers of packaging products for the food & beverage and consumer products segments continue to drive activity within this space as transaction volumes increased 41% and 40%, respectively, during Q3 YTD 2010 versus Q3 YTD 2009.
- Manufacturers of flexible packaging solutions continue to comprise the highest percentage of transaction activity, a trend expected to continue as consumer preferences for resealable technology, convenience, and single serve portions within food & beverage are expected to drive demand.

Q3 YTD 2009



Q3 YTD 2010

Buyer Type



Packaging Transaction Detail

	Q3 YTD '09		Q3 YTD '10	
	#	% Total	#	% Total
Rigid	36	43%	42	41%
Flexible	40	48%	48	47%
Bottling	7	8%	12	12%
Total	83	100%	102	100%

Industry News:

- July 2010** — The Consumer Goods Forum launched a global initiative among several companies operating in the U.S. and European Union to work toward establishing a common set of guidelines related to sustainability and packaging. The initiative, referred to as the “Global Packaging Project,” includes the development of software systems, such as COMPASS 2.0, which are being developed to rate package designs against a common set of environmental factors to gauge consistency among eco-conscious packaging.
- August 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 in part by plastic’s unique advantages over other packaging materials including its lighter weight, lower cost, and environmentally friendly attributes.

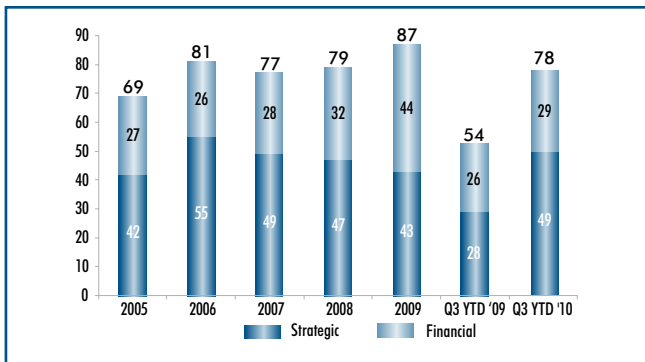
Featured Sector Transactions

August 2010 — Illinois-based Pactiv Corp. (NYSE: PTV) was acquired by Reynolds Group Holdings, a holding of financial investor Rank Group Ltd. of New Zealand. Rank was successful in the acquisition of Pactiv, out bidding private equity firm Apollo Global Management and paper and packaging company Georgia-Pacific, LLC. The transaction is valued at \$6.1 billion; 1.8x revenue; 8.6x EBITDA. Reynolds and Pactiv will have estimated combined revenue exceeding \$7.2 billion and EBITDA in excess of \$1.5 billion.

August 2010 — New York, NY-based private equity firm Wellspring Capital Management, LLC acquired Jen-Coat, Inc. from Atlanta-based private equity firm CGW Southeast Partners IV, LP. for an undisclosed amount. Jen-Coat specializes in the manufacturing of specialty coatings and laminated flexible packaging for the food, healthcare, and industrial end markets. Wellspring Capital plans to use Jen-Coat as a platform for growth through facility and capacity expansion, continued development of innovative technologies, and synergistic acquisitions going forward.

Global Injection Molding M&A

Transactions by Buyer Type



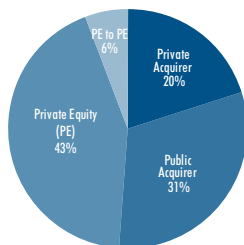
Transactions by End Market

	Q3 YTD '09	Q3 YTD '10
Food and Beverage	3	4
Industrial	12	20
Consumer	5	9
Construction	1	3
Medical	11	16
Automotive	19	23
Transportation	-	-
Electronics	3	3
Total	54	78

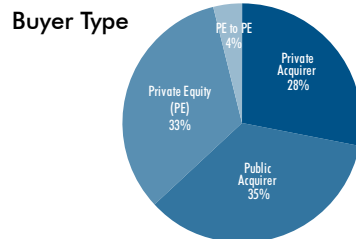
Trends in M&A:

- Transaction activity among injection molders increased approximately 45% during Q3 YTD 2010 versus Q3 YTD 2009 with heightened transaction volumes experienced in nearly every end market.
- Q3 YTD 2010 deal volumes among strategic acquirers rose 75%, versus the same period last year, driving the majority of the increase in transactions.
- While overall cross-border M&A activity during 2010 has remained relatively consistent with 2009, transaction volumes between foreign-based manufacturers increased nearly 55% compared to the same period last year.
- M&A activity involving distressed assets has remained lower throughout 2010, highlighting overall economic progress and financial stabilization among injection molders.

Q3 YTD 2009



Q3 YTD 2010



Sector Deal Statistics

	Q3 YTD '09	Q3 YTD '10
U.S.-to-U.S.	19	24
U.S.-to-Foreign	3	5
Foreign-to-U.S.	1	1
Foreign	31	48
Total	54	78
Distressed	15	9

Industry News:

- *August 2010* — The market for microtechnology, driven by electronics demand, is growing substantially and increasing the need for micro/nano injection molding. Micro/nano molding can be difficult to execute given technical issues including structural integrity of very small parts. However, several manufacturers are investing and adding the capability to their product portfolio to increase their valuation and differentiate themselves against competition.
- *September 2010* — The U.S. automotive industry is continuing to show signs of growth. Major auto manufacturers, including GM, are reporting profitability and Ford witnessed its sixth consecutive profitable quarter this September. Automotive suppliers are beginning to benefit from this financial stability in the form of returning demand. In one example, Ford recently announced a \$400 million investment in its new line of Explorer SUVs and expects to create more than 1,800 automotive related jobs as a result of the program.

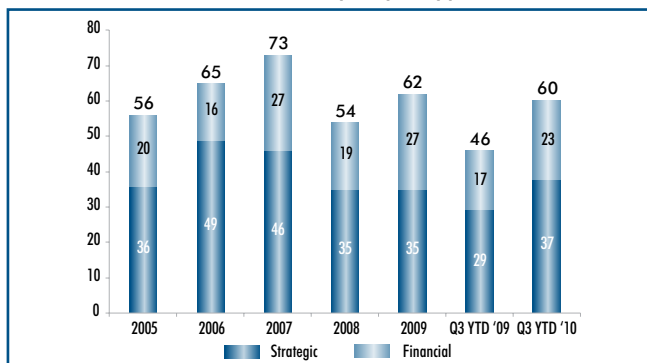
Featured Sector Transactions

July 2010 — Swedish manufacturer and developer Nolato AB (OM: NOLA.B) acquired the assets of Contour Plastics, Inc. from owner Barry Grant for \$22 million; 1.0x revenue; 7.7x EBITDA. As a result of the acquisition, Contour Plastics will operate as Nolato Contour. Baldwin, WI-based Contour Plastics manufactures custom plastic and silicone injection molded products for the medical, electronics, consumer, and commercial end markets. The acquisition gives Nolato a presence in the region between Minneapolis and Chicago, one of four key North American medical technology regions identified by Nolato.

September 2010 — Two Canadian private investment firms, Novacap Investments, Inc. and Fonds de solidarité FTQ, acquired IPL, Inc. (TSX: IPLA) in a take-private transaction. Quebec-based IPL was acquired from the Metivier family for \$128 million; 0.8x revenue; 6.9x EBITDA. IPL is a manufacturer of injection molded rigid food and industrial bulk packaging products as well as extruded plastic products for the automotive, telecommunications, and furniture industries.

Global Film M&A

Transactions by Buyer Type



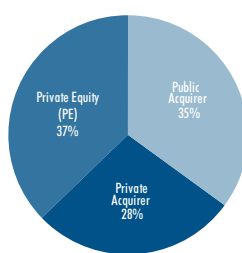
Transactions by End Market

	Q3 YTD '09	Q3 YTD '10
Food and Beverage	16	22
Industrial	13	11
Consumer	11	13
Construction	2	-
Medical	1	7
Automotive	-	3
Transportation	1	-
Electronics	2	4
Total	46	60

Trends in M&A:

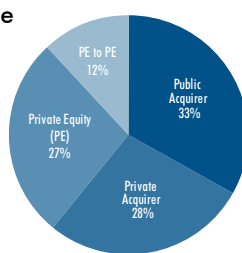
- Overall deal volume increased approximately 30% year over year driven by active financial and strategic buyers including additional deals with a private equity buyer and seller.
- 2010 cross-border M&A activity has quadrupled compared to the first three quarters of 2009 as U.S.-based manufacturers have shown an appetite for capacity abroad and exposure to international markets.
- Acquirers continue to buy into medical end markets as aging patient populations are expected to surge and industry performance trends continue to prove to be non-cyclical.

Q3 YTD 2009



Q3 YTD 2010

Buyer Type



Sector Deal Statistics

	Q3 YTD '09	Q3 YTD '10
U.S.-to-U.S.	14	18
U.S.-to-Foreign	-	6
Foreign-to-U.S.	2	3
Foreign	30	33
Total	46	60
Distressed	4	3

Industry News:

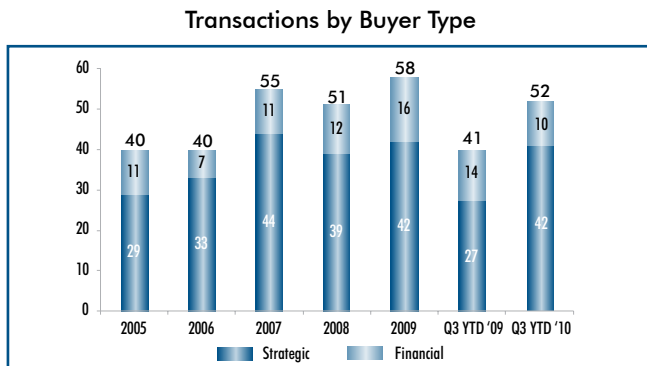
- *August 2010* — The market for solar energy has grown substantially in recent years with environmentally conscious businesses and consumers driving growth in the space. In response, DuPont Co. (NYSE: DD) has developed its second line of photovoltaic films to be sold under the Tedlar brand. The president of DuPont's Electronics and Communications unit believes the new product line will address the strong demand for solar panel backsheet material. Fortune 500 companies, including Wal-Mart (NYSE: WMT) with a solar power campaign in over 30 stores throughout California and Arizona, have made dedicated efforts to add solar power systems to their facilities.
- *September 2010* — Mitsubishi Plastics, Inc. announced plans to build a new \$288 million PET film plant in China, its first manufacturing facility in the country. The plant will be dedicated to the production of film for use in the rapidly growing market for television and computer flat panel displays. The new film plant will have a single line capacity of 22,500 metric tons with an additional line scheduled for completion by April 2015 which will double capacity to 45,000 metric tons.

Featured Sector Transactions

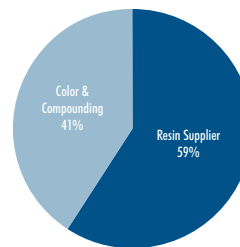
July 2010 — Appleton, WI-based specialty paper manufacturer, Appleton Papers, Inc. sold its Performance Packaging business to NEX Performance Films, Inc., a newly formed company owned by private equity firm Mason Wells, for \$58 million. The divestiture is a strategic move to consolidate Appleton's offerings allowing it to focus on its core specialty paper manufacturing business. In December 2009, Appleton completed the sale of film converter C&H Packaging Co., Inc. to Wilkesboro, NC-based InterFlex Group, Inc. for an undisclosed amount.

September 2010 — Delaware-based Printpack, Inc., a manufacturer of flexible packaging products primarily for the consumer and medical end markets, acquired Amcor Ltd.'s (ASX: AMC) Medical Flexible Packaging Plant (Marshall Flexibles) for an undisclosed amount. Marshall Flexibles manufactures sterilizable pouches and forming films for the medical device packaging industry. The divestiture was a requirement by the Department of Justice stemming from anti-trust issues associated with Amcor's acquisition of Alcan Packaging.

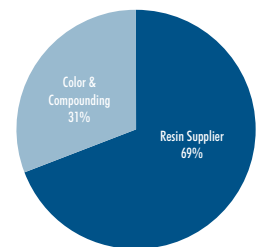
Global Resin and Color & Compounding M&A



**Sector Detail
Q3 YTD 2009**



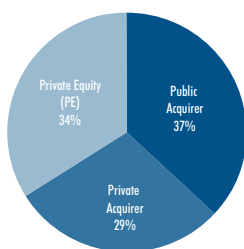
**Sector Detail
Q3 YTD 2010**



Trends in M&A:

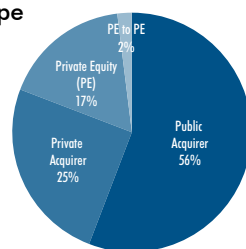
- A steady rise in resin pricing and overall demand in 2010, versus 2009, has benefitted resin suppliers sector M&A activity, and helped in reducing distressed transaction activity.
- Strategic buyer activity rose approximately 56% through Q3 YTD 2010 versus 2009, driving an increase in overall deal volume of nearly 27% in the comparison period.
- Acquisition activity among financial buyers trails other plastics sectors accounting for only approximately 20% of total deal volume.
- Transactions involving foreign targets nearly doubled through the comparison period, as U.S. buyers sought capacity abroad and foreign markets continued their on-going consolidation efforts.

Q3 YTD 2009



Q3 YTD 2010

Buyer Type



Sector Deal Statistics

	Q3 YTD '09	Q3 YTD '10
U.S.-to-U.S.	14	7
U.S.-to-Foreign	5	8
Foreign-to-U.S.	4	3
Foreign	18	34
Total	41	52
Distressed	6	1

Industry News:

- *July 2010* — According to Pira International the global market for plastic additives and barrier coatings is expected to experience impressive growth over the next four years, growing at a compound annual growth rate of 4.6% and reaching \$752 million by 2014. Demand within plastic packaging for resins that optimize product shelf life and provide better transparency is steadily increasing, driving growth within the market for additives and barrier resins, and pushing demand past rates expected for the overall packaging market.
- *September 2010* — The number of high density polyethylene bottles recycled in 2009 increased nearly 5% over 2008, marking the second year in a row that volumes have increased. Similar trends were apparent in the recycling markets for PET and PP, both of which showed increases. Overall bottle lightweighting and higher concentrated products are viewed as the catalysts behind the bottle high-volume, low total pound trends within plastics recycling.

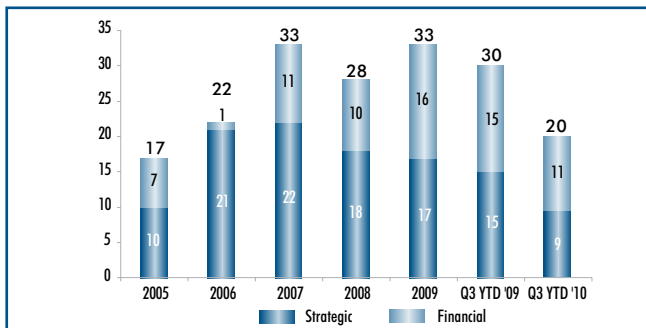
Featured Sector Transactions

September 2010 — Fairlawn, OH-based OMNOVA Solutions Inc. (NYSE: OMN) agreed to acquire Eliokem SAS from AXA Private Equity for \$300 million; 1.1x revenue; 6.0x EBITDA. OMNOVA is a manufacturer of emulsion polymers, specialty chemicals, and decorative and functional surfaces for a variety of end markets. The acquisition of Eliokem, a global manufacturer of specialty polymers and chemicals, is expected to significantly add to OMNOVA's market share and diversify its overall product offerings.

September 2010 — Teknor Apex Company acquired the Sarlink-brand thermoplastic vulcanizate business of DSM Elastomers B.V. in a cross-border transaction within color & compounding. Teknor acquired the Sarlink brand name and product lines for an undisclosed amount. The Sarlink brand can be used in the form of pelletized TPVs for automotive sealing, pipe sealing, wire and cable, and wine cork applications. The acquisition makes Teknor one of the most diversified independent compounders of TPEs.

Global Sheet and Thermoforming M&A

Transactions by Buyer Type

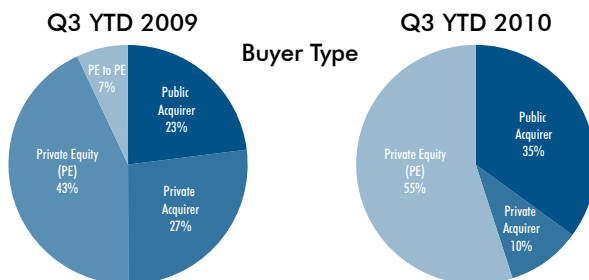


Transactions by End Market

	Q3 YTD '09	Q3 YTD '10
Food and Beverage	7	8
Industrial	3	1
Consumer	7	6
Construction	6	2
Medical	4	2
Automotive	-	-
Transportation	3	-
Electronics	-	1
Total	30	20

Trends in M&A:

- While highlighted by several large deals illustrating consolidation trends, overall M&A activity among thermoformers and sheet manufacturers declined 33% through Q3 2010 versus the same time period last year.
- Transaction activity among suppliers to the construction, medical, and transportation markets led declines while food & beverage and consumer remained relatively stable.
- Deal volumes between foreign buyers declined almost 60% in 2010 versus 2009, while cross-border M&A remained at low levels.
- There has been no distressed activity year-to-date reflecting a healthy base of suppliers across current demand.



Sector Deal Statistics

	Q3 YTD '09	Q3 YTD '10
U.S.-to-U.S.	15	12
U.S.-to-Foreign	1	2
Foreign-to-U.S.	-	1
Foreign	14	5
Total	30	20
Distressed	6	-

Industry News:

- *July 2010* — The use of bioplastics, like many plastic processes, has become an industry standard among thermoforming processors. However, an in-depth analysis conducted by Plastic Custom Research Services (PCRS) suggests that bioplastics are expensive and may not offer the most economical solution among sustainable resin options. As a result of the slow market recovery, both consumers and manufacturers of plastic packaging have shown a resistance to paying a premium for bioplastics packaging. Companies are instead manufacturing and purchasing products comprised of recycled commodity resins such as PET. Less than 15% of the companies polled in PCRS's recent survey are actually processing biopolymers or believe the resins have a favorable future.
- *August 2010* — Nova Chemicals developed a new resin additive that creates a stronger, more durable line of plastic packaging that can be used to reduce warpage and creates a thinner more economically conscious package. The new additive, UPES, also facilitates a more efficient manufacturing process that enhances part definition, reduces start-up time, and lowers scrap rates resulting in reduced costs along the supply chain. UPES was developed for Tray-Pak Corporation's produce packaging line.

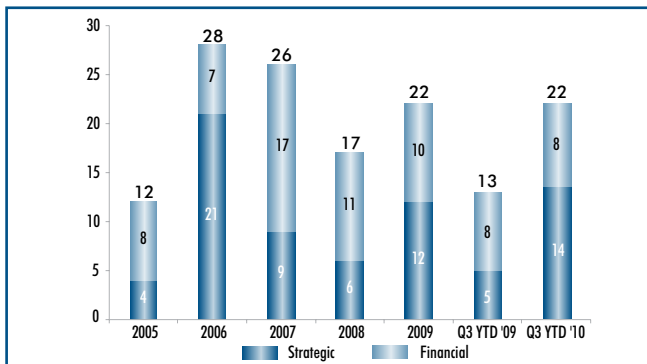
Featured Sector Transactions

August 2010 — Medical Action Industries, Inc. (NASDAQ: MDCI), a Brentwood, NY-based manufacturer and distributor of disposable medical devices, acquired Toano, VA-based AVID Medical, Inc. for \$62.5 million or 0.5x revenue. AVID Medical, a supplier of procedure trays and other surgical products, is expected to compliment and expand Medical Action's product portfolio allowing the combined entity to better service healthcare providers in acute care facilities and surgery centers. The transaction is expected to be accretive during the fiscal year ending March 31, 2011.

September 2010 — London, United Kingdom-based food packaging distributor Bunzl plc. (LSE: BNZL) acquired Oxnard, CA-based Cool-Pak, LLC from the Weber Family Trust, for an undisclosed amount. Cool-Pak is a leading manufacturer and distributor of thermoformed plastic packaging for the fresh produce market in the United States. Bunzl's acquisition of Cool-Pak is a notable expansion by a primarily distribution-based business into manufacturing. This acquisition gives Bunzl the opportunity to expand within the rapidly growing U.S. produce packaging industry.

Global Blow Molding M&A

Transactions by Buyer Type



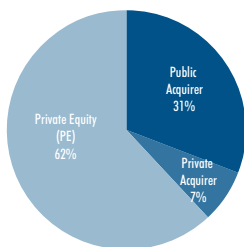
Transactions by End Market

	Q3 YTD '09	Q3 YTD '10
Food and Beverage	6	11
Industrial	3	1
Consumer	3	9
Construction	-	-
Medical	1	-
Automotive	-	1
Transportation	-	-
Electronics	-	-
Total	13	22

Trends in M&A:

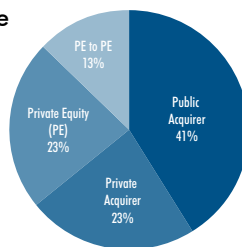
- Strategic buyer activity nearly tripled during the first three quarters of 2010 as strategic acquirers sought to consolidate, enhance capabilities, and add capacity. This activity drove an overall increase in deal volumes of nearly 70%.
- M&A activity among foreign buyers doubled through Q3 YTD 2010 compared to 2009 as consolidation abroad continues to occur among suppliers to the consumer and food & beverage markets.
- Although financial buyer activity remained flat several large, marquee financial buyer transactions were completed and financial buyer interest in the space remains strong.

Q3 YTD 2009



Q3 YTD 2010

Buyer Type



Sector Deal Statistics

	Q3 YTD '09	Q3 YTD '10
U.S.-to-U.S.	4	6
U.S.-to-Foreign	2	2
Foreign-to-U.S.	-	1
Foreign	7	13
Total	13	22
Distressed	2	1

Industry News:

- *July 2010* — Graham Packaging (NYSE: GRM) recently announced plans to grow its Asian operations, primarily through acquisitions, over the next five years. Graham Packaging cited extensive growth opportunities for blow molded packaging within the Chinese market. Graham's current Asian operations have less than \$20 million in annual revenue and the Company expects to grow the division to over \$300 million within five years including acquisitions.
- *September 2010* — Plastic bottle demand within the medical packaging market is expected to reach \$3.8 billion by 2014, growing at a compound annual growth rate of 4.5% over the next four years (Freedonia). This impressive growth is expected to be driven by an expected rise in the amount of over-the-counter medicines sold in tablet and capsule quantities of 50 or more.

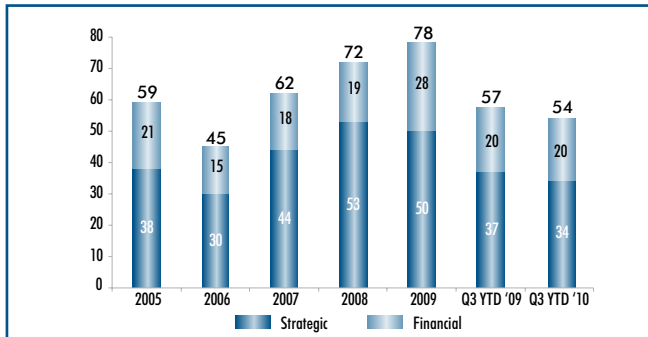
Featured Sector Transactions

August 2010 — New York-based private equity firm Irving Place Capital (IPC) along with Alpha's current management team, acquired Alpha Packaging from Stonebridge Partners and Castle Crow & Company, LLC for an undisclosed amount. 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.

August 2010 — Graham Packaging Company, Inc. (NYSE: GRM) acquired West Chicago, IL-based blow molder Liquid Container, LP and its subsidiaries for \$568 million; 1.5x revenue; 8.6x EBITDA from private equity group Mid Oaks Investments. 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.

Additional Global Specialty Sector Activity

Transactions by Buyer Type



Transactions by End Market

	Q3 YTD '09	Q3 YTD '10
Food and Beverage	-	1
Industrial	17	13
Consumer	4	5
Construction	24	23
Medical	7	6
Automotive	3	2
Transportation	1	2
Electronics	1	2
Total	57	54

Trends in M&A:

- Overall M&A activity in specialty sectors of the plastics industry including rotational molding, foam, pipe & tube, and profile extrusion declined slightly during Q3 YTD 2010 versus Q3 YTD 2009. Excluding distressed transactions, deal activity increased over 6% in the comparison period.
- Cross-border transaction volumes, through the first three quarters of 2010, are six times higher than 2009, highlighting efforts among specialty processors to create international manufacturing footprints and add capacity abroad.

KEY TRANSACTIONS

Extrusion

- *July 2010* — The MedTech Group, Inc., a New Jersey-based contract manufacturer of medical devices and components, acquired Advanced Polymers, Inc. for an undisclosed amount. Salem, NH-based Advanced Polymers manufactures and develops minimally invasive medical devices and medical technology, including a proprietary line of heat shrink tubes and medical balloons used in angioplasty operations. The transaction allows MedTech to expand its presence in interventional markets by combining Advanced Polymers with its subsidiary TDC Medical, creating a comprehensive offering that includes full scale design and development capabilities and a global contract manufacturing footprint for complex components and devices.

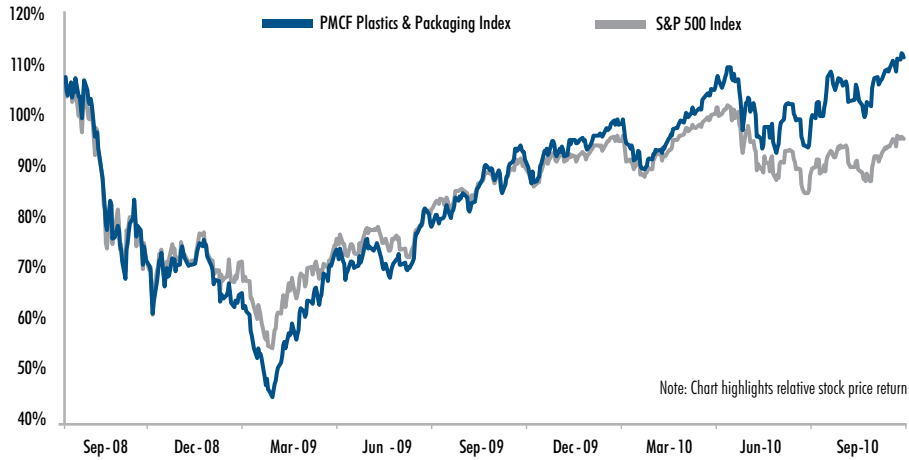
Foam

- *August 2010* — Portage, MI-based medical device and instrument manufacturer Stryker Corp. (NYSE: SYK) entered into an agreement to acquire Gaymar Industries from private equity firms Nautic Partners and Norwest Equity Partners for \$150 million; 1.9x revenue. Gaymar Industries manufactures temperature and pressure ulcer management devices in the form of specialty foam mattresses and therapeutic warming and cooling systems. The acquisition was executed to assist Stryker in the expansion of its market position within the pressure ulcer management and surface support market.

Rotomolding

- *August 2010* — Denver, CO-based Rotonics Manufacturing, Inc., announced the sale of its tank manufacturing division to Norwesco, Inc. and Snyder Industries, Inc. for an undisclosed amount. Rotonics, owned by private equity group Spell Capital Partners, is a rotational molder with a diverse product line sold to a variety of industries including commercial, agriculture, and healthcare. The sale of this particular set of assets comes as a result of Rotonics' strategy to shed non-core assets and leverage its strong position in other business segments. The deal represents a major consolidation of the largest segment of the rotomolding space. Owned by private equity firm Olympus Partners, Norwesco and Snyder Industries are ranked as Plastic News' 4th and 5th largest rotomolders in North America, respectively.
- *September 2010* — Middle market New York-based private equity firm American Securities announced the acquisition of Hillard, OH-based Advanced Drainage Systems, Inc. ("ADS") for an undisclosed amount from private equity firm Berkshire Partners. ADS is the largest producer of corrugated polyethylene pipe products in the world serving a variety of markets including sewers, mining, agriculture, recreation, timber, residential and commercial drainage, waste management, and road drainage. ADS currently has 48 manufacturing facilities and 22 distribution centers with estimated revenue of \$850 million.

PMCF Plastics and Packaging Index



PMCF Plastics and Packaging Index Valuation

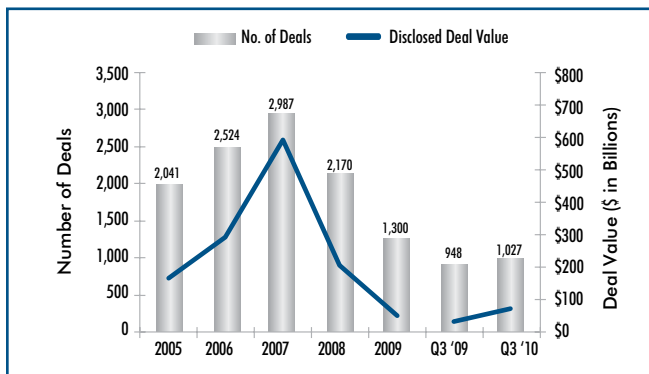
	Q3 '08	Q4 '08	Q1 '09	Q2 '09	Q3 '09	Q4 '09	Q1 '10	Q2 '10	Q3 '10
Revenue Multiple									
Average	0.8x	0.7x	0.6x	0.7x	0.8x	0.8x	0.9x	0.8x	0.9x
Median	0.7x	0.7x	0.7x	0.7x	0.9x	0.9x	0.9x	0.8x	0.9x
EBITDA Multiple									
Average	7.3x	6.5x	5.8x	6.6x	7.9x	7.1x	7.1x	6.6x	7.4x
Median	7.2x	6.4x	5.7x	6.4x	7.3x	7.0x	6.9x	6.4x	7.0x

Note: Multiples based on most recent data available as of printing

- The PMCF Plastics and Packaging Index has outpaced the S&P 500 by approximately 14% and 12% since Q3 2008 and Q4 2009, respectively, driven by strong interest in plastic packaging and improved investor sentiment toward automotive and building products end market exposure.
- Average revenue and EBITDA multiples showed improvement in Q3 2010, nearly reaching a two year high as a result of sustained, improved demand and strong margins. Looking forward, potential headwinds against continued increases include uncertainty regarding financial instability in Europe and domestic political changes and economic policies.

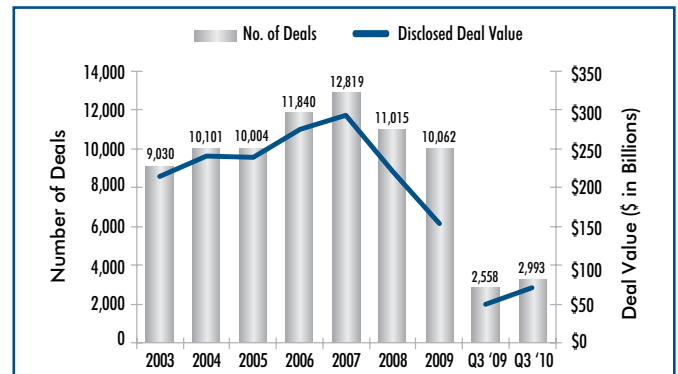
U.S. Middle Market Transaction Summary (All Industries)

U.S. Private Equity Deal Activity



Includes all disclosed transaction with at least one U.S. party

U.S. M&A Activity — Deals < \$500M



Source: Capital IQ, Pitchbook, and PMCF Estimates

- U.S.-based middle market M&A activity increased 17% in Q3 2010 versus Q3 2009, following impressive growth through the first half of 2010. Overall U.S. private equity M&A activity increased over 8%, or 79 transactions, through the first three quarters of 2010 compared to 2009.
- Plastics M&A volume increased nearly 19% during Q3 YTD 2010 compared to Q3 YTD 2009 while middle market M&A volumes increased nearly 42% during the same time period. Contributing to the growth, plastics private equity transaction volume increased roughly 15% during Q3 YTD 2010 versus Q3 YTD 2009, while overall financial deals grew just over 8% during the same time period.

P&M CORPORATE FINANCE, LLC

INVESTMENT BANKING FOR THE MIDDLE MARKET

Suite 120
26300 Northwestern Highway
Southfield, MI 48076

This market overview is not an offer to sell or a solicitation of an offer to buy any security. It is not intended to be directed to investors as a basis for making an investment decision. This market overview does not rate or recommend securities of individual companies, nor does it contain sufficient information upon which to make an investment decision.

P&M Corporate Finance, LLC will seek to provide investment banking and/or other services to one or more of the companies mentioned in this market overview.

P&M Corporate Finance, LLC, and/or the analysts who prepared this market update, may own securities of one or more of the companies mentioned in this market overview.

The information provided in this market overview was obtained from sources believed to be reliable, but its accuracy cannot be guaranteed. It is not to be construed as legal, accounting, financial, or investment advice. Information, opinions, and estimates reflect P&M Corporate Finance, LLC's judgment as of the date of publication and are subject to change without notice. P&M Corporate Finance, LLC undertakes no obligation to notify any recipient of this market overview of any such change.

The charts and graphs used in this market overview have been compiled by P&M Corporate Finance, LLC solely for illustrative purposes. All charts are as of the date of issuance of this market overview, unless otherwise noted.

The PMCF Plastics & Packing Index may not be inclusive of all companies in the plastics and packaging industry and is not a composite index of the Plastic industry sector returns. Index and sector returns are past performance which is not an indicator of future results.

This market overview is not directed to, or intended for distribution to, any person in any jurisdiction where such distribution would be contrary to law or regulation, or which would subject P&M Corporate Finance, LLC to licensing or registration requirements in such jurisdiction.