

M&A Quarterly

PLASTICS & PACKAGING

2010 YEAR IN REVIEW

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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 growth objectives.

Investment Banking Services:

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2010 Market Summary and Outlook

2010 proved to be a marquee year for plastics and packaging M&A as pent up demand for deal making drove transactions in the industry to their highest level since 2007. In contrast to the total deal count reached in 2009, a volume level inflated in part by record levels of distressed transactions, 2010 transaction mix was characterized by quality deal flow and a low level of distressed transactions. Our research of the industry shows an increase in volume over 2009 of 52 deals, or 15%. Perhaps more significantly when comparing 2010 to 2007, the last year before the recession, deal volume has increased by 66 transactions (20%).

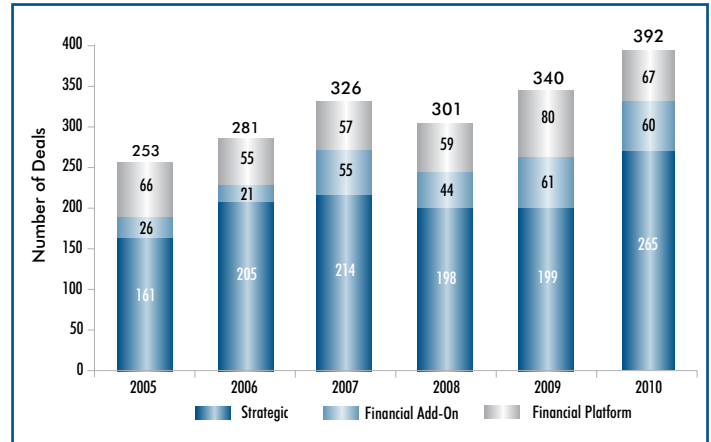
PMCF's data illustrates a decrease in new financial buyer platforms (down 13 deals) and effectively flat volume levels for financial buyer add-ons (up 1 deal). The decline in new financial buyer platforms does not reflect lower interest from private equity in the plastics industry, but rather a more normalized level of buying activity for quality opportunities (2009 was inflated with distressed activity). In fact, if you were to compare 2009 to 2010 without distressed activity, financial platform deal volume showed a modest increase.

The primary reason for the large increase in 2010 M&A activity in plastics lies with the strategic buyers. Strategics moved decisively with the momentum of the economic recovery, increasing their buying activity in the plastics industry by 52 transactions and comprising 100% of the growth in M&A volume. We believe the following factors contributed to strategic buyers' active 2010 consolidation strategies:

- Strategic businesses that successfully navigated the recession made fundamental changes to their infrastructure, significantly lowering costs which resulted in significant cash accumulation
- As the recession subsided, strategics were pressured by shareholders to deliver growth and many turned to acquisitions to fuel growth
- Lenders to these large corporations became more aggressive as the credit markets improved
- Increased demand for acquisitions by both financial and strategic buyers resulted in higher valuations which prompted more sellers of quality businesses to pursue a transaction. In some cases, strategic buyers were able to be more aggressive on transactions due to potential synergies and easier access to debt financing which helped them be more competitive than financial buyers

Based on the current economic environment we expect a continued increase in M&A transactions in the Plastics and Packaging industry in 2011. While we do not believe the level of increase will match 2010's gains over 2009, we view the following trends as supporting a high level of plastics and packaging M&A in 2011:

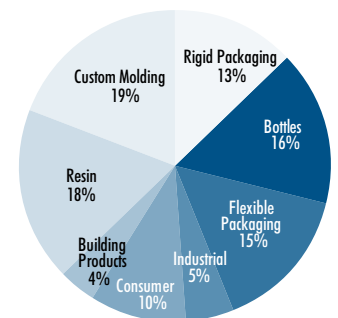
- Strategic buyers have accumulated significant cash reserves and debt capacity and are expected to continue to execute M&A growth strategies
- Credit markets for M&A transactions improved throughout 2010 and are expected to remain favorable
- Private equity groups are sitting on record amounts of committed capital and have shown increased interest in the plastics and packaging industry
- Industry remains highly fragmented overall and competitive pressures continue to support consolidation
- Valuations have increased and are expected to stay at attractive levels



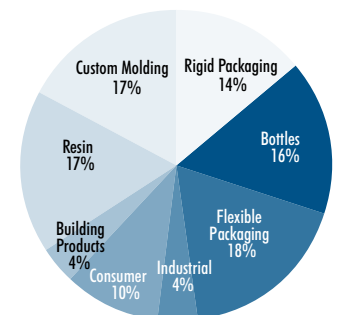
Sector	2008	2009	% of Total	2010	% of Total	'09 - '10 Change	% Change
Blow Molding	17	22	6%	27	7%	5	23%
Injection Molding	79	87	22%	106	27%	19	22%
Film	54	62	19%	78	20%	16	26%
Resin/Color & Compounding	51	58	17%	70	18%	12	21%
Sheet & Thermoforming	28	33	12%	25	6%	-8	-24%
Specialty	72	78	24%	86	22%	8	10%
Total	301	340	100%	392	100%	52	15%

Transactions by Product Segment

2010

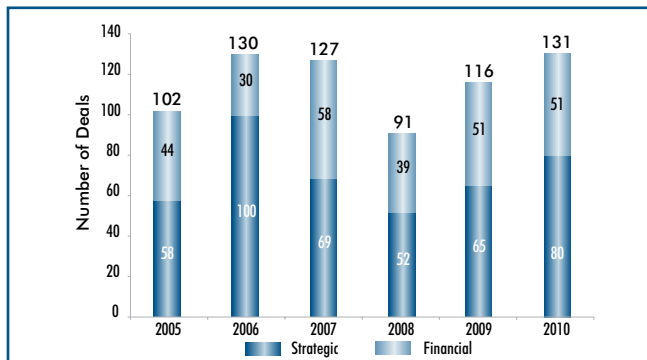


2009



Global Plastic Packaging M&A

Transactions by Buyer Type

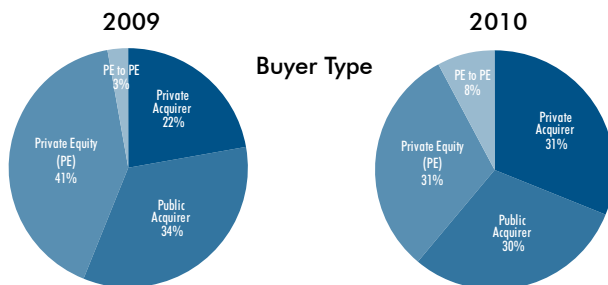


Transactions by End Market

	2009	2010
Food and Beverage	50	57
Industrial	30	26
Consumer	25	35
Construction	-	-
Medical	10	10
Automotive	-	-
Transportation	-	-
Electronics	1	3
Total	116	131

Trends in Plastic Packaging M&A:

- Plastic packaging transactions have increased 13% from 2009 to 2010, or 15 transactions. This increase was led by both mega deals and a large increase in smaller food and beverage and consumer transactions.
- Financial buyer transaction volume was flat year over year and represented 39% of transactions, versus 23% growth for strategic buyers and 62% of transactions.
- The breakdown of rigid, flexible, and bottling packaging deals was similar to 2009. Flexible packaging experienced the highest volume growth at 17%.
- The increase in plastic packaging transactions during 2010 reflects strong, on-going industry consolidation, driven by active buyers, steady growth in demand, and supplier fragmentation.



Packaging Transaction Detail

	2009		2010	
	#	% Packaging	#	% Packaging
Rigid	47	40%	53	40%
Flexible	54	47%	63	48%
Bottling	15	13%	15	12%
Total	116	100%	131	100%

Industry News:

- **November 2010** – In a recent interview with *Plastics News*, consulting firm Alix Partners stated that they anticipate a significant increase in foreign buyer activity within plastic packaging M&A. Alix anticipates that large, cash heavy, packaging businesses from India and China will use U.S.-based packaging companies as a way to gain relationships with global consumer retail operations such as Wal-Mart (NYSE: WMT). These acquisitions would drive key relationships with these large retailers and potentially bridge to opportunities supplying within their home countries.
- **October 2010** – Demand for caps and closures within the U.S. is projected to grow 4% annually to \$9.5 billion in 2014 (Freedonia Group). Sales growth within the caps and closures market is expected to be supported by an increased use of complex dispensing closures, child-resistant closures, and continued use of single-serve containers within the beverage market. Plastic caps and closures accounted for nearly 80% of total U.S. caps and closures demand in 2009 and are expected to grow at an annual rate of 4.5% to nearly \$8.0 billion in 2014. A major growth trend driving plastic caps and closures is continued material substitution of containers to plastic from legacy materials which were paired with caps and closures made from different materials.

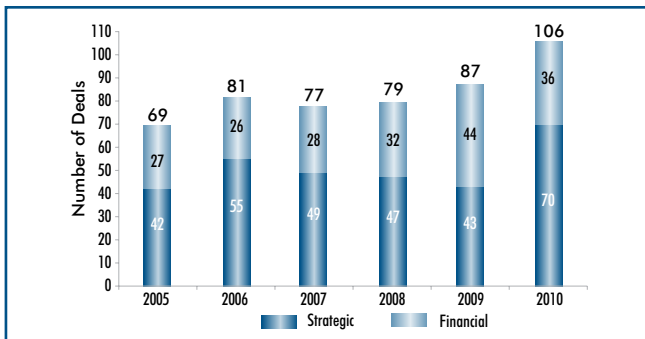
Featured Sector Transactions

December 2010 – Private equity firm, Mid Oaks Investments, LLC acquired Plastic Packaging Technologies, LLC from private equity firms Tech Investments, LLC and Stonehenge Partners, Inc. for an undisclosed amount. Plastic Packaging Technologies is a film converter who specializes in manufacturing printed and laminated substrates which are then converted into flexible packaging pouches for food, pet food, consumer, and industrial end markets.

December 2010 – London-based packaging conglomerate RPC Group plc. (LSE: RPC) agreed to acquire Denmark-based Superfos Industries a/s from private equity firms Ratos AB (OM: RATO B) and IK Investment Partners for \$317 million at 0.8x revenue, and 4.6x EBITDA. Superfos is one of Europe's leading manufacturers of injection molded plastic packaging. Superfos manufactures its products primarily for the food & beverage and pharmaceutical markets. The combined business is expected to be the second largest European manufacturer of rigid plastic packaging behind Austria-based Alpla Werke.

Global Injection Molding M&A

Transactions by Buyer Type

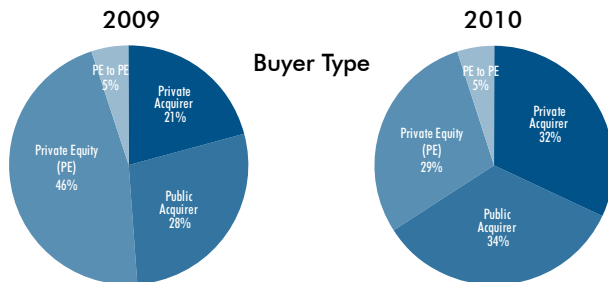


Transactions by End Market

	2009	2010
Food and Beverage	6	7
Industrial	21	28
Consumer	7	11
Construction	2	3
Medical	14	18
Automotive	28	34
Transportation	-	-
Electronics	9	5
Total	87	106

Trends in M&A:

- Transactions involving plastic injection molders increased 22% from 2009 to 2010, despite a sharp decrease in distressed activity.
- Strategic buyers now comprise a significant majority of sector M&A, representing 66% of injection molding transactions versus 49% in 2009.
- Automotive transactions experienced steady growth in deal volume (21%) with a notable return in healthy deal flow.
- Transactions between foreign parties continued to represent the majority of injection molding deals, at 58% in 2010.
- Hot end markets for injection molding M&A include rigid packaging, medical, and contract manufacturing.



Sector Deal Statistics

	2009	2010
U.S.-to-U.S.	26	32
U.S.-to-Foreign	9	9
Foreign-to-U.S.	5	3
Foreign	47	62
Total	87	106
Distressed	23	10

Industry News:

- *December 2010* – London-based packaging giant Rexam plc. (LSE: REX) announced that it is considering a divestiture of its beverage and specialty closures assets. The potential transaction is expected to include the entire business including assets the company acquired in 2007 from Owens-Illinois. Results from an internal audit concluded that the unit has been under-performing in recent years with sales declines attributable to soft demand for beverage closures. A final decision regarding the division will be made following the results of a third party audit expected to be completed during the first quarter of 2011.
- *October 2010* – Michigan-based Tier One automotive supplier, Visteon Corp. announced that it has completed its reorganization and emerged from Chapter 11 bankruptcy protection. Investment bank Goldman Sachs Group and hedge funds Oak Hills Advisors and Silver Point Capital recently acquired control of Visteon, recapitalizing over \$1.6 billion in outstanding debt. Most recently, Visteon announced that its shares have resumed trading on the New York Stock Exchange. After spinning off some of its plastic injection molding and blow molding operations back to Ford, the company is operating a leaner and more efficient organization which was recognized with final approval to resume trading during January of 2011.

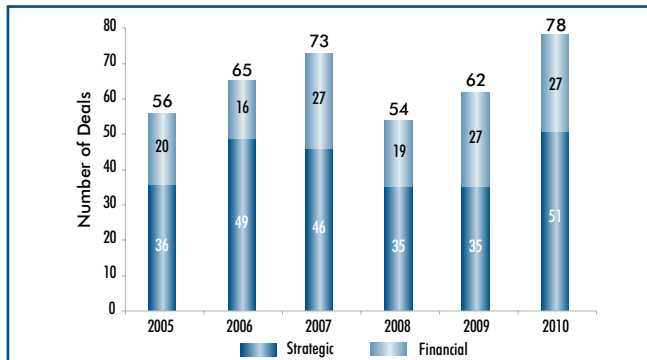
Featured Sector Transactions

December 2010 – Mount Kisco, New York-based private equity firm Kohlberg & Company, LLC acquired Phillips Plastics Corporation for an undisclosed amount. Phillips Plastics, based in Hudson, WI, is a manufacturer of highly engineered injection-molded plastic and metal products with annual sales of over \$250 million. Phillips supplies its products to a variety of industries including medical, automotive, consumer, and defense.

October 2010 – Georgia-based manufacturer of metal and rigid plastic containers BWAY Holding Company acquired Plastian, Inc. for an undisclosed amount. The acquisition of Plastian is a direct result of BWAY's recent take private deal by Madison Dearborn Partners, LLC and the implementation of an acquisition growth strategy typical of private equity ownership. Plastian, headquartered in Leominster, MA, operates four manufacturing plants located in Leominster, MA; Macon, GA; Dallas, TX; and Phoenix, AZ. Plastian manufactures plastic pails used for industrial and consumer packaging. The Company generated net sales of \$90 million in 2009.

Global Film M&A

Transactions by Buyer Type

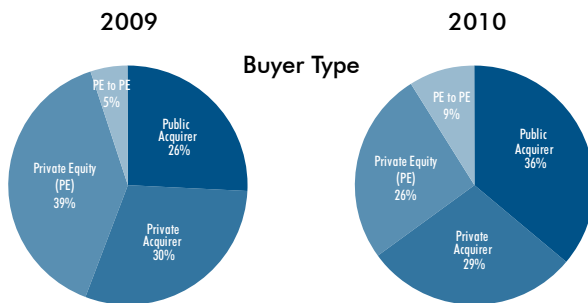


Transactions by End Market

	2009	2010
Food and Beverage	23	28
Industrial	18	17
Consumer	14	17
Construction	2	1
Medical	1	7
Automotive	-	3
Transportation	1	-
Electronics	3	5
Total	62	78

Trends in M&A:

- Transactions involving film extruders, converters, and suppliers increased by 16 transactions, or 26% in 2010. The increase was driven 100% by strategic buyer activity as financial buyer transactions were flat year over year.
- Food and beverage, consumer, and electronics end markets showed year over year increases, with the remaining end markets showing lower or flat deal volume as compared to 2009.
- Cross-border activity in and out of the U.S. sharply increased, reflecting stronger U.S. buyers and an improved outlook domestically.



Sector Deal Statistics

	2009	2010
U.S.-to-U.S.	20	22
U.S.-to-Foreign	1	6
Foreign-to-U.S.	3	7
Foreign	38	43
Total	62	78
Distressed	6	5

Industry News:

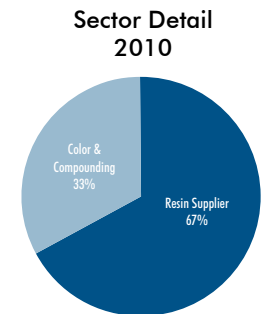
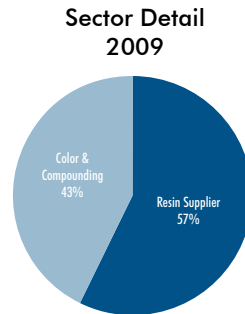
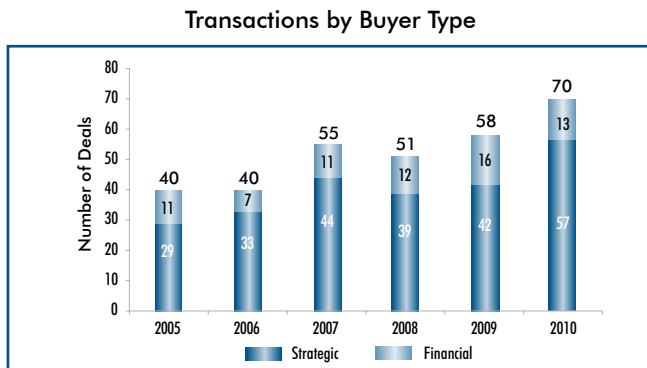
- *December 2010* – Global demand for medical disposables, including all flexible plastic applications, is expected to increase 5.6% annually to nearly \$164 billion by 2014 (Freedonia Group). Diagnostic and laboratory disposables is forecasted to be the fastest growing product sector within medical disposables followed by diabetes testing supplies, drug delivery devices, and catheters. The market for diagnostic and laboratory devices is projected to grow 7.1% annually to nearly \$22.4 billion by 2014. Asia/Pacific is expected to be the most rapidly growing geographic region with an annual growth rate of over 7.3% through 2014.
- *November 2010* – Los Alamos National Laboratory recently developed an organic-based thin polymer solar film that can be used in various consumer applications to gather solar energy to help power individual residences, appliances, and automobiles. The film can be applied to patio tables or car hoods creating miniature solar power generating surfaces. The organic-based material has potential to be produced inexpensively and could turn almost any surface into an efficient, cost effective solar cell.

Featured Sector Transactions

November 2010 – Stamford, Connecticut-based manufacturer of custom labels and commercial printing services, Cenveo Inc. (NYSE: CVO) acquired Impaxx, Inc. from private equity group, Aurora Capital Group and other investors for \$20 million at 1.0x revenue. Headquartered in Croydon, PA Impaxx, Inc. is a manufacturer of full body shrink sleeves (“FBSS”), tamper evident neck bands, and medical and electronic tubing for the personal care, pharmaceutical, nutraceutical, energy drink, and general food & beverage industries.

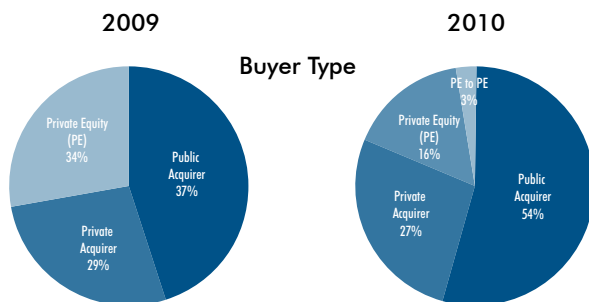
October 2010 – Delaware-based Printpack, Inc., a manufacturer of flexible packaging products primarily for the consumer and medical end markets, acquired Amcor Ltd.’s (ASX: AMC) Medical Flexible Packaging Plant (Marshall Flexibles) for an undisclosed amount. The divestiture was a requirement by the Department of Justice following an anti-trust review associated with Amcor’s acquisition of Alcan Packaging. Marshall Flexibles, located in Marshall, N.C., is a medical packaging plant that was acquired in Amcor’s acquisition of Alcan’s Medical Flexibles business. Marshall Flexibles manufactures packaging films that are converted into header bags and forming films for sterilizable medical devices.

Global Resin and Color & Compounding M&A



Trends in M&A:

- Transaction activity in the plastics raw materials segment experienced a strong increase of 12 transactions or 21%, driven by consolidation among resin suppliers.
- Distressed transactions were all but eliminated with only one recorded deal.
- Foreign transactions increased significantly, representing 66% in 2010 versus 45% in 2009. Cross border transactions for both foreign and U.S. targets rose slightly during the same time period.
- Transactions involving a public acquirer increased 10% as a percentage of overall deals from 2009 to 2010, while private acquirers' share was flat. Financial buyer activity decreased to 19% of overall transactions.



Sector Deal Statistics

	2009	2010
U.S.-to-U.S.	19	8
U.S.-to-Foreign	7	9
Foreign-to-U.S.	6	7
Foreign	26	46
Total	58	70
Distressed	8	1

Industry News:

- **November 2010** – The U.S. PET resin market experienced significant consolidation in 2010 as major industry players, including Eastman Chemicals and Invista, divested their PET businesses. Both sellers cited declining profits and low growth outlook as catalysts driving the divestitures. The transactions have lowered the number of major U.S. suppliers within the industry from five to three leaving M&G group, DAK Americas (acquired Eastman's division), and Indorama (acquired Invista's division). Trends within the PET market are due in part to rising raw material costs, end users resistance to reduce margins, and lightweighting of plastic bottles and other packaging which was noted as a "major component" of recent margin pressure according to PET market consultant John Maddox.
- **October 2010** – Domestic manufacturers are experiencing rising competition from overseas resin compounders. TPE markets within the U.S. are reaching maturity and commodity pricing trends have been squeezing margins within the U.S.; opening the door for low cost production countries such as China to win business with lower prices. One approach, according to industry professional Bob Eller at TPE Topcon, is for U.S. firms to grow in domestic and emerging markets with smaller, specialized product lines.

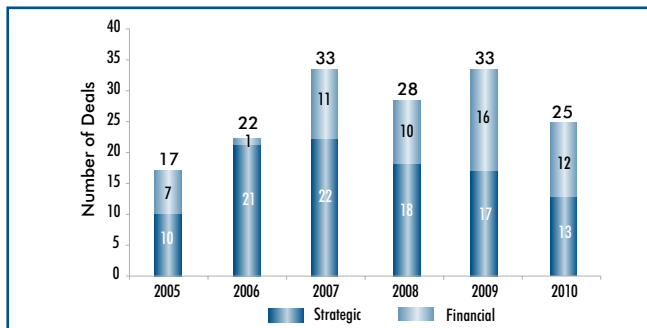
Featured Sector Transactions

December 2010 – Mexican chemicals giant, Mexichem S.A.B.de C.V. (BMV: MEXCHEM) agreed to acquire AlphaGary Corporation from Rockwood Specialties, Inc. for \$300 million at 1.3x revenue. AlphaGary Corporation, based in Leominster, MA, is a manufacturer of specialty PVC and TPE compounds, including flexible PVC and PVC elastomer alloys, styrenic-based, and olefinic-based elastomers. AlphaGary is one of Mexichem's 12 acquisitions within the U.S. and Latin America since 2003.

October 2010 – North Carolina-based manufacturer of terephthalic acids, polyethylene terephthalate resins, and polyester staple fibers DAK Americas acquired Eastman Chemical's (NYSE: EMN) Performance Polymers PET Business for \$600 million at 0.8x revenue. The acquisition strengthens DAK Americas position within the North American PTA and PET resin markets. Eastman Chemical Co.'s, Performance Polymers PET Business manufactures polyethylene terephthalate and purified terephthalic acid with capacity totaling 1.28m tons/year. The business is located in South Carolina and is made up of three integrated locations (two PET units and one PTA unit).

Global Sheet and Thermoforming M&A

Transactions by Buyer Type

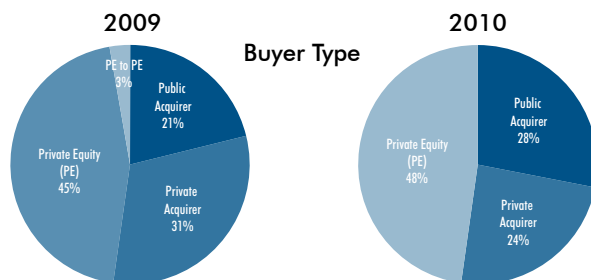


Transactions by End Market

	2009	2010
Food and Beverage	8	9
Industrial	4	3
Consumer	8	7
Construction	6	2
Medical	4	3
Automotive	-	-
Transportation	3	-
Electronics	-	1
Total	33	25

Trends in M&A:

- Sheet extrusion and thermoforming deal volume declined 8 deals or 25% in 2010 reflecting the low level of fragmentation in sheet as well as the lack of distressed activity which inflated the 2009 totals.
- Financial and strategic buyers were equally active, attracted in particular to thermoformed packaging as it is less cyclical than other end markets while offering steady growth.
- Domestic activity was flat year over year, while foreign transactions declined.
- Food and beverage and consumer transactions represented the most active end markets in 2010, reflecting their packaging exposure.



Sector Deal Statistics

	2009	2010
U.S.-to-U.S.	16	15
U.S.-to-Foreign	1	2
Foreign-to-U.S.	-	1
Foreign	16	7
Total	33	25
Distressed	6	1

Industry News:

- *December 2010* – High-speed rail and urban subway infrastructure projects in emerging markets have driven several years of rapid growth for sheet. These large systems are expected to drive further demand for lightweight, plastic sheet that will be used to manufacture interiors for railcars. Transportation trends are also creating opportunities for plastics in trucking, aerospace, and industrial rail, as manufacturers desire to lightweight vehicles and increase efficiency.
- *October 2010* – U.S. demand for plastic cups and lids are expected to grow nearly 4.5% per year to \$8.2 billion in 2014 (Freedonia Group). Increased demand for sustainable drinking cups, which are manufactured from higher-value biodegradable resins or recycled content will be a primary catalyst driving growth. Although drinking cups will dominate in overall product category size, packaging cups are expected to grow at faster rates as markets for yogurt, ice cream, and dry instant coffee grow due to the functionality provided by portion control and ease-of-use features.

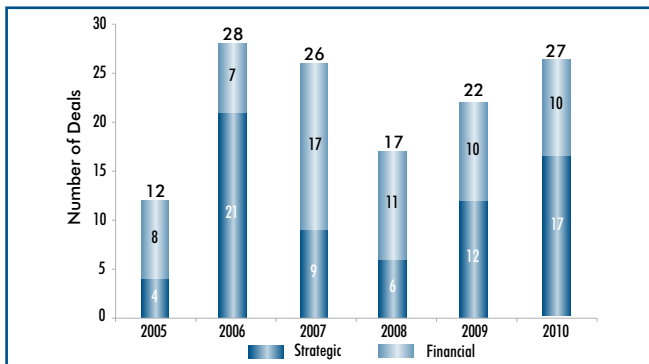
Featured Sector Transactions

December 2010 – Lenni, PA-based Westlake Plastics, Co., a manufacturer of extrusion and compression molded thermo-plastic components, acquired its partner's 50 percent share in Westlake United Corp. for an undisclosed amount. Based in Mayfield, PA, Westlake United Corp. extrudes plastic sheet from materials such as polypropylene, polycarbonate, and other resins ranging in thickness of one-quarter inch to four inches.

November 2010 – New Washington, OH-based Creative Plastics International, Inc., a subsidiary of Wurm's Woodworking, Co., has acquired the thermoforming business of SeaGate Plastics for an undisclosed amount. Creative Plastics plans to relocate the manufacturing operations from SeaGate's plant in Tecumseh, MI to Creative's thermoforming plant in Jackson Center, OH. The acquired division manufactures thick gauge thermoformed products for the medical, agricultural, and transportation industries.

Global Blow Molding M&A

Transactions by Buyer Type

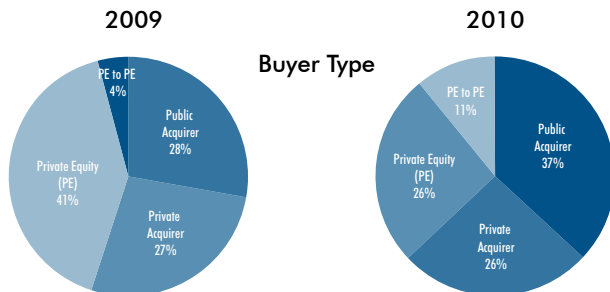


Transactions by End Market

	2009	2010
Food and Beverage	13	13
Industrial	4	3
Consumer	4	10
Construction	-	-
Medical	1	-
Automotive	-	1
Transportation	-	-
Electronics	-	-
Total	22	27

Trends in M&A:

- Blow molding transactions increased 22%, or 5 transactions, in 2010. This transaction activity highlights strategic companies making active moves off the sidelines to execute strategic plans.
- Food and beverage transactions represented the majority of blow molding deals, at 48%, with strong growth in consumer end market transactions.
- Transactions between foreign parties and parties in the U.S. drove transaction growth amid declining cross-border activity involving the U.S.



Sector Deal Statistics

	2009	2010
U.S.-to-U.S.	5	7
U.S.-to-Foreign	4	2
Foreign-to-U.S.	-	1
Foreign	13	17
Total	22	27
Distressed	4	1

Industry News:

- *December 2010* – The plastic & packaging industry experienced significant consolidation via ongoing M&A activity which continued through 2010. Reviewing the historical trend, consolidation among North American blow molded container manufacturers has been extensive, significantly altering the competitive landscape. By way of example, a review of the top 20 blow molders as of 2006 shows that 12 of these manufacturers were either bought out, changed ownership, or acquired a competitor. With active financial and strategic buyers the blow molding leadership structure should expect continued change through 2011 via M&A.
- *October 2010* – Plastic PET packaging was a major topic at the International Brewing Convention in Manchester, UK. Widespread utilization of PET could become a reality as carbon footprint, shipping costs, and material functionality become increasingly important in the global market for beer packaging. PET has greater functionality when compared to glass and aluminum, while also providing strong recyclability characteristics. Companies such as Petainer, a recent spin-off of Rexam, plc. (LSE: REX), have taken concept to production with the development of a line of PET bottles and kegs for use in beer and other beverage markets.

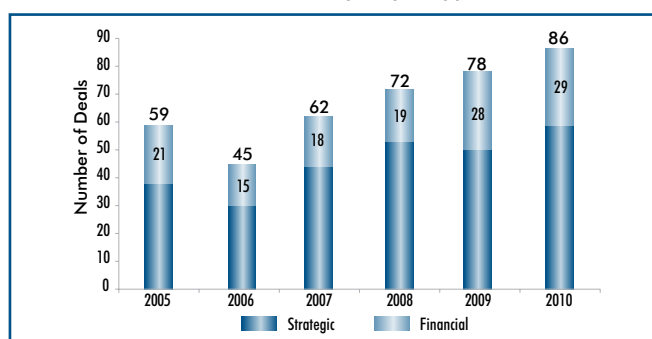
Featured Sector Transactions

December 2010 – St. Louis, Missouri-based Alpha Packaging, a leading manufacturer of HDPE and PET bottles for the nutritional supplement, pharmaceutical, and personal care industries acquired Progressive Plastics, Inc. for an undisclosed amount. Based in Cleveland, Ohio, Progressive is a leading blow molder and decorator of plastic bottles and containers primarily for the personal care, auto care, housewares, and food markets. Alpha employs approximately 525 people at six facilities in the United States and one plant in Europe and is majority owned by Irving Place Capital, a private equity firm. PMCF's Plastics & Packaging group served as Progressive's exclusive financial advisor.

October 2010 – London, United Kingdom-based manufacturer of PET beverage containers, Petainer UK Holdings Limited agreed to acquire Rostiprimpac Ab and Rostiprimpac Verpackungen GmbH from Rosti A/S for an undisclosed amount. Rosti A/S is the blow molded packaging subsidiary of A.P. Møller - Mærsk A/S (CPSE:MAERSK B). Rostiprimpac Ab and Rostiprimpac Verpackungen GmbH manufacture PET bottles for the food & beverage industry. Petainer was previously owned by Rexam plc. (LSE:REX) and is now owned by two private equity groups: KBC Private Equity and Next Wave Partners.

Additional Global Specialty Sector Activity

Transactions by Buyer Type



Transactions by End Market

	2009	2010
Food and Beverage	-	3
Industrial	24	28
Consumer	5	5
Construction	35	34
Medical	7	8
Automotive	5	4
Transportation	1	2
Electronics	1	2
Total	78	86

Trends in M&A:

- M&A activity in additional specialty sectors, including rotational molding, foam, pipe & tube, and profile extrusion, showed a 10% increase from 2009 to 2010.
- Deal volume increased modestly supported by a 14% increase in strategic buyer activity, while financial buyer transaction activity was flat increasing by one transaction.
- Distressed transactions decreased 50% year over year, representing less than 7% of total transaction volume in 2010.
- Construction and industrial end markets continued to account for the majority of deal flow, while the medical and food & beverage sectors also saw increased transaction levels.
- Domestic and foreign transaction volume decreased by 16% and 7%, respectively, from 2009 to 2010. Cross-border transaction volume increased substantially and drove the increase in overall deal volume, both foreign buyers in the U.S. and U.S. buyers experienced rapid growth during 2010 versus 2009.
- At 86 transactions, the various specialty sector deals represented 22% of transaction volume in 2010, consistent with 23% of volume during 2009.

KEY TRANSACTIONS

Pipe & Tube

- *December 2010* – New Zealand-based building materials conglomerate, Fletcher Building Ltd. (NZSE: FBU) agreed to acquire an 85.1% stake in Crane Group Ltd. (ASX: CRG) for \$886 million at 0.5x revenue and 9.1x EBITDA. Crane Group is a leading manufacturer and distributor of plastic pipeline systems and supplies in Australia and New Zealand. The Crane businesses will allow Fletcher Building to expand and diversify its presence within Australia.

Extrusion

- *December 2010* – Private equity group The Riverside Company, based in Cleveland, OH, acquired a majority stake in Sunrise Windows Ltd. from FdG Associates in a PE-to-PE transaction. The financial terms of the transaction were not disclosed. Temperance, MI-based Sunrise manufactures and distributes vinyl replacement windows. Sunrise has grown in revenue every year since 1995.
- *December 2010* – A subsidiary of Radnor Holdings Corporation, WinCup Holdings, Inc. acquired Cardinal Unijax, LLC for an undisclosed amount. Jacksonville, FL-based manufacturer Cardinal Unijax manufactures plastic straws, dental vacuum tubes, and medical pipettes. The transaction gives WinCup Holdings a stronger product portfolio, offering a full compliment of cups, lids, and straws and provides significant cross-selling opportunities.

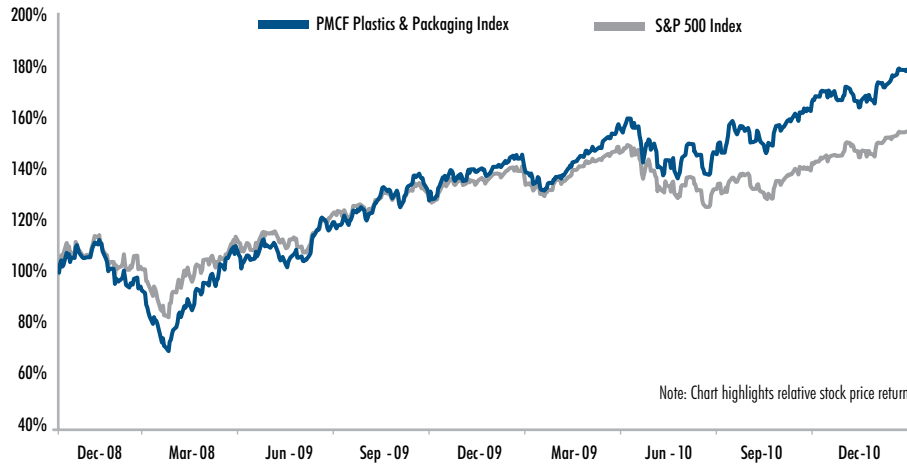
Foam

- *December 2010* – Bayer MaterialScience, LLC acquired the remaining 50% stake in BayOne Urethane Systems, LLC from its Joint Venture partner PolyOne Corporation (NYSE: POL) for an undisclosed amount. BayOne Urethane Systems manufactures and develops polyurethane systems for the production of elastomers and polyurethane foams. According to a recent press release, the acquisition will allow Bayer to focus on growth within its polyurethane specialties business within the NAFTA region.

Rotomolding

- *October 2010* – Private equity firm Olympus Partners acquired six U.S. rotomolding plants from Promens hf for an undisclosed amount. The Promens plants acquired are located throughout the Midwest and West Coast. The Promens plants manufacture products for consumer products, lawn and garden, electrical, automotive, medical furniture, recreation and sporting goods, and highway safety products industries. Olympus Partners will add the newly acquired plants to its existing rotational molding holdings of recently acquired Snyder Industries, Norwesco, and Rotonics Manufacturing which generate over \$300 million in combined sales.

PMCF Plastics and Packaging Index



PMCF Plastics and Packaging Index Valuation

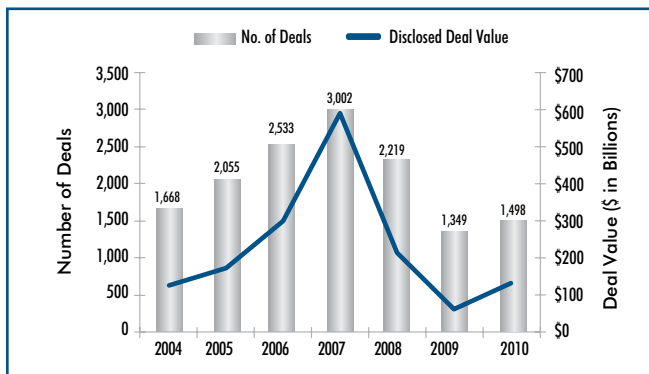
	Q4 '08	Q1 '09	Q2 '09	Q3 '09	Q4 '09	Q1 '10	Q2 '10	Q3 '10	Q4 '10
Revenue Multiple									
Average	0.7x	0.6x	0.7x	0.8x	0.8x	0.9x	0.8x	0.9x	0.9x
Median	0.7x	0.7x	0.7x	0.9x	0.9x	0.9x	0.8x	0.9x	0.9x
EBITDA Multiple									
Average	6.5x	5.8x	6.6x	7.9x	7.1x	7.1x	6.6x	7.4x	7.7x
Median	6.4x	5.7x	6.4x	7.3x	7.0x	6.7x	6.4x	7.0x	7.7x

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

- The public equity markets rallied significantly during 2010 as the S&P 500 experienced 11% growth. Publicly traded plastic businesses outpaced their S&P 500 benchmark by growing 24% during 2010. Growth within plastics was supported by a rebounding manufacturing industry as well as high growth end markets such as medical and food packaging.
- Publicly traded plastics businesses experienced a year over year increase in EV/EBITDA multiple valuation, increasing on average by over a half. The increased valuation is attributable in part to steady growth in end market demand and stronger economic outlook.

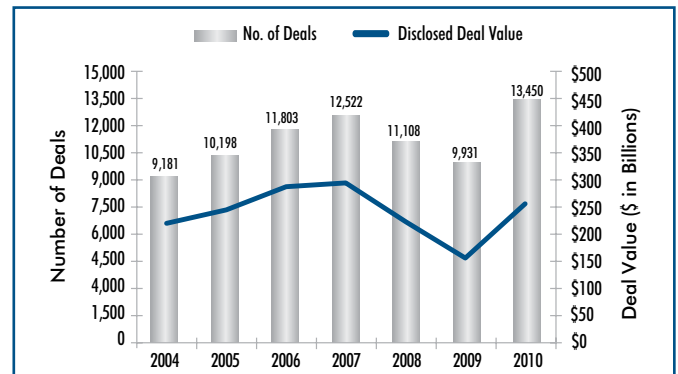
U.S. Middle Market Transaction Summary (All Industries)

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

- 2010 middle-market M&A total value and deal volume experienced growth over 2009 of 65% and 35%, respectively. The return of basic M&A fundamentals supporting this growth in M&A activity included a return of private equity buyers fueled by a significantly improved lending environment.

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