

M&A Quarterly

PLASTICS & PACKAGING

2009 YEAR IN REVIEW

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

Lindsay M. Pattison
248.223.3302
lindsay.pattison@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 CFI. 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

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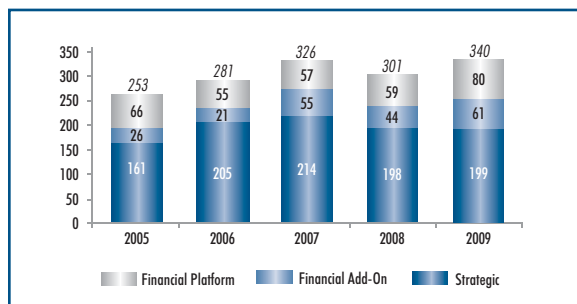
225 W. Washington St., Suite 2700
Chicago, IL 60606
312.602.3600

DETROIT

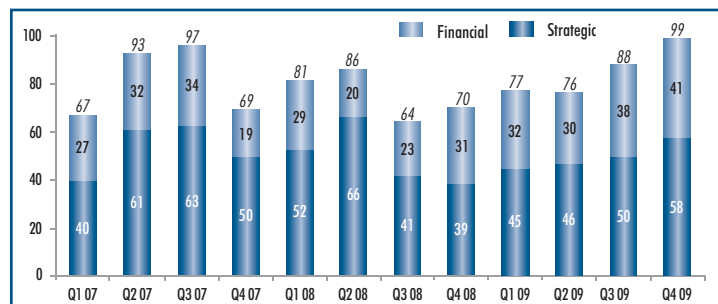
26300 Northwestern Highway, Suite 120
Southfield, MI 48076
248.223.3300

2009 Market Summary and Outlook

Global Plastics & Packaging Transactions



Global Transactions: Quarterly Detail



2009 was a challenging year for global M&A in all sectors. The plastics and packaging industry was no different despite transaction statistics which show deal activity increasing in 2009 compared to 2008. Our research shows 340 transactions globally in the plastics and packaging industry for 2009 compared to 301 for 2008, a 13% increase. In reviewing the data, it initially appears that plastics and packaging was not impacted by the slowdown in M&A that occurred globally. However, the reality is that there was a significant increase in distressed deals in 2009 compared to 2008 which primarily drove an increase in transactions year over year.

PMCF's data research shows distressed activity of 59 transactions, or 17% of the total transactions in 2009, compared to 17 transactions or 6% of the total transactions in 2008. What we saw in plastics and packaging M&A in 2009 was an increase in distressed transactions and a small decrease in quality/non-distressed transactions. The reasons for the decrease in quality/non-distressed transactions in 2009 can be summarized by the following:

- Credit markets were effectively closed for the first part of the year and bank lending for transactions decreased dramatically
- The global recession had many strategic buyers hoarding cash with a wait and see approach to acquisitions
- Private equity buyers were reluctant to bridge valuation gaps that resulted from the lack of credit or low debt availability
- Valuations were adversely impacted and many sellers decided to wait until their earnings increased or pricing improved

However, there were still a large number of quality transactions that occurred in plastics and packaging in 2009 despite the highly unfavorable market conditions. We noted 281 non-distressed transactions, which represent a strong level of transaction activity given the market conditions. Our analysis of the quality deal activity is as follows:

- A number of healthy companies took advantage of what was deemed a buyer's market
- There was a higher percentage of smaller transactions, which are easier to complete in a challenging M&A environment
- The industry remains highly fragmented and trends toward consolidation continue even through unfavorable conditions
- The second half of 2009 saw an uptick in transaction activity due to credit market improvement and economic stabilization

We expect an increase in non-distressed, quality transactions in the plastics and packaging industry in 2010. We believe the positive signs shown in the second half of 2009 will continue in 2010 with the major variables being continued economic recovery and credit market improvement. We view the following trends as supporting industry M&A in 2010:

- Strategic businesses, now finished with navigating the worst of the recession, have a pent-up demand for acquisitive growth
- Credit market improvement will spur increased private equity activity, as many investment firms are sitting on significant levels of capital that need to be deployed
- Valuations will increase as the credit markets and economy continue to improve, which will prompt seller interest
- The second half of 2009 saw several significant transactions occur between industry leaders. Some notable examples were Bemis and Amcor purchasing Alcan Packaging, Berry purchasing Pliant, Jarden purchasing Total/Mapa Spontex, and A. Schulman's acquisition of ICO, Inc.

2009 Global M&A by Process Type

	2008	% of Total	2009	% of Total	'08-'09 Variance	Variance %
Blow Molding	17	6%	22	6%	5	29%
Injection Molding	79	26%	87	26%	8	10%
Film	54	18%	62	18%	8	15%
Resin Supplier	51	17%	58	17%	7	14%
Sheet & Thermoforming	28	9%	33	10%	5	18%
Specialty	72	24%	78	23%	6	8%
Total	301	100%	340	100%	39	13%

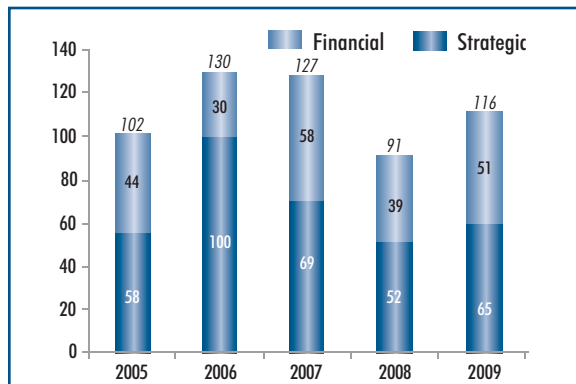
2009 Global M&A by Product Segment

	2008	% of Total	2009	% of Total	'08-'09 Variance	Variance %
Rigid Packaging	36	12%	47	14%	11	31%
Flexible Packaging	43	14%	54	16%	11	26%
Industrial	53	18%	62	18%	9	17%
Consumer	14	5%	12	4%	-2	-14%
Building Products	48	16%	35	10%	-13	-27%
Bottles	12	4%	15	4%	3	25%
Resin	51	17%	57	17%	6	12%
Custom Molding	44	14%	58	17%	14	32%
Total	301	100%	340	100%	39	13%

Source: P&M Corporate Finance

Global Plastic Packaging M&A

Transactions by Buyer Type

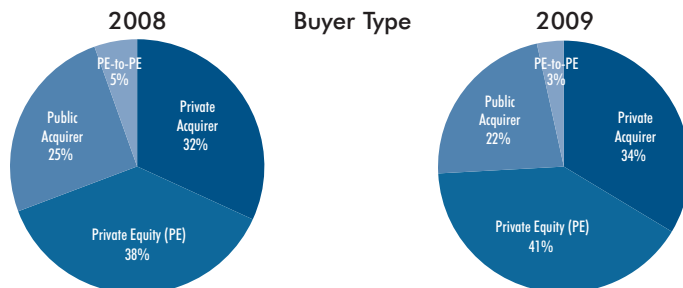


Transactions by End Market

	2008	2009
Food and Beverage	37	50
Industrial	20	30
Consumer	17	25
Construction	2	-
Medical	9	10
Automotive	1	-
Transportation	1	-
Electronics	4	1
Total	91	116

Trends in Plastic Packaging M&A:

- Plastic packaging transactions have increased 27% from 2008 to 2009, or 25 transactions. This increase was led by a number of marquee transactions announced in the space and a large uptick in food and beverage, industrial, and consumer transactions.
- Financial buyer transaction volume experienced 31% growth year over year and represented 44% of transactions, versus 25% growth for strategic buyers and 56% of transactions.
- The relative breakdown of rigid, flexible, and bottling packaging transactions stayed consistent from 2008 to 2009, with rigid packaging experiencing the highest volume growth at 31%. Both flexible and bottling transactions also experienced meaningful growth, at 26% and 25%, respectively.
- The increase in plastic packaging transactions during Q4 2009 alone (54% growth over Q4 2008) suggests that momentum is strong for further industry consolidation in 2010, driven by additional financial buyer interest, steady growth in demand, and supplier fragmentation.



	2008		2009	
	#	% Packaging	#	% Packaging
Rigid	36	40%	47	40%
Flexible	43	47%	54	47%
Bottling	12	13%	15	13%
Total	91	100%	116	100%

Sector Deal Statistics

	2008	2009
Distressed	4	11

Industry News:

- December 2009** — Amcor Ltd.'s recently announced \$2 billion acquisition of Alcan Packaging from Rio Tinto plc has achieved a significant milestone after gaining approval from the European Commission. The Commission approved the acquisition of the European arm of the Alcan unit, which comprises approximately 70 percent of the company. The approval was granted weeks after Amcor proposed divesting two pharmaceutical and food packaging plants in Spain to assuage anti-trust fears and is a major step toward closing the transaction.

Featured Sector Transactions

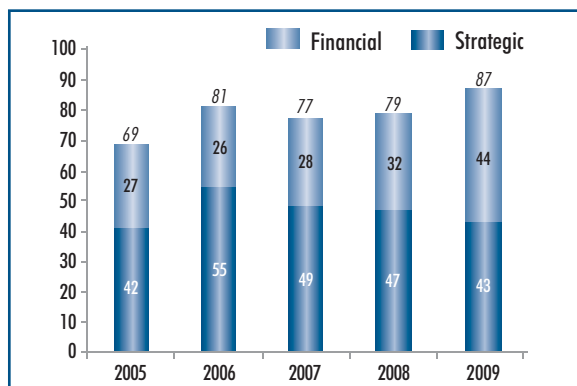
December 2009 — Transilwrap Company, Inc. acquired Quest Films Inc., a manufacturer and supplier of thermal laminating films to the graphic arts, bindery, converting, packaging, and print finishing industries in the United States and internationally. The terms of the transaction were not disclosed. The acquisition solidifies Transilwrap's leading market position by adding Quest's growing specialty film business. Transilwrap Company is a portfolio holding of private equity firm Nicolet Capital.

November 2009 — Berry Plastics Corp. signed a definitive agreement to acquire Superfos Packaging Inc., a Cumberland, MD injection molder of rigid open-top containers and other packaging products. Superfos Packaging is a subsidiary of European company Superfos A/S. Berry and its private equity owner Apollo Management LP will pay \$82 million for the Company. Superfos Packaging had 2008 sales of \$46.8 million and employs 180. The deal is scheduled to close by the middle of February 2010.

Source: P&M Corporate Finance

Global Injection Molding M&A

Transactions by Buyer Type

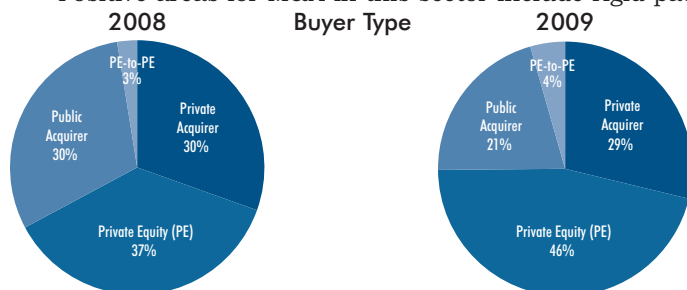


Transactions by End Market

	2008	2009
Food and Beverage	7	6
Industrial	26	21
Consumer	8	7
Construction	5	2
Medical	13	14
Automotive	11	28
Transportation	3	-
Electronics	6	9
Total	79	87

Trends in M&A:

- Transactions involving plastic injection molders increased 10% from 2008 to 2009, driven by distressed deals.
- Financial buyer transactions have gained in deal flow from strategic buyers in 2009, representing 51% of injection molding transactions versus 41% in 2008. Financial buyers have also experienced 38% growth in deal volume, whereas strategic buyers have dropped 9% year over year.
- Automotive transactions experienced significant growth in deal volume (155%), with the majority of the increase driven by distressed transactions.
- Transactions between foreign parties represented the majority of injection molding deals, at 54% in 2009 versus 47% in 2008. Foreign transactions also experienced 27% growth in volume, while transactions between U.S. parties continued to decline throughout the year, dropping 24% as compared to 2008.
- Positive areas for M&A in this sector include rigid packaging, medical, and contract manufacturing.



Sector Deal Statistics

	2008	2009
U.S.-to-U.S.	34	26
U.S.-to-Foreign	3	9
Foreign-to-U.S.	5	5
Foreign	37	47
Distressed	7	23

Industry News:

- *November 2009* — Congress is considering an excise tax on the medical device industry to help pay for health care reform. The excise tax was first proposed at \$40 billion over 10 years in the Senate. However, after significant lobbying, the House of Representatives' version of the tax, worth \$20 billion, is more likely to prevail. If passed, analysts indicate major industry players such as Abbott Laboratories, Baxter International, and Hospira, Inc. would be less affected than many of their competitors and smaller companies that are more dependent on medical devices.
- *October 2009* — As the North American automotive industry continues to experience depressed volumes and tight credit conditions, Chinese automotive suppliers are likely players as major consolidators of automotive parts manufacturers. As a recent example of this trend, China-based BeijingWest Industries Co. Ltd. acquired assets of Delphi Corp.'s brake and suspension businesses for approximately \$100 million. The sale occurred before Delphi exited Chapter 11 bankruptcy protection.

Featured Sector Transactions

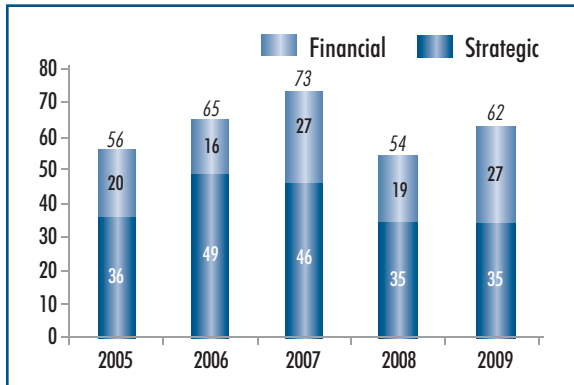
December 2009 — Jarden Corp. (NYSE: JAH) agreed to acquire MAPA Spontex, SNC from Total SA (ENXTPA: FP) for approximately \$500 million in cash, 0.6x revenue and 6.2x EBITDA. MAPA Spontex is a manufacturer of consumer and household cleaning products, some of which are injection molded. Upon closing of the transaction, the Mapa Spontex business will be reported within Jarden's Branded Consumables segment.

October 2009 — Spartech Corporation (NYSE: SEH) has sold its wheels division to private equity firm Hamilton Robinson Capital Partners, along with management and co-investors. The new company, which will be named Custom Wheels Inc., is the largest North American manufacturer of custom engineered, non-pneumatic wheels for lawn and garden products and wheelchairs. P&M Corporate Finance served as exclusive financial advisor to Spartech Corporation on the divestiture.

Source: P&M Corporate Finance

Global Film M&A

Transactions by Buyer Type

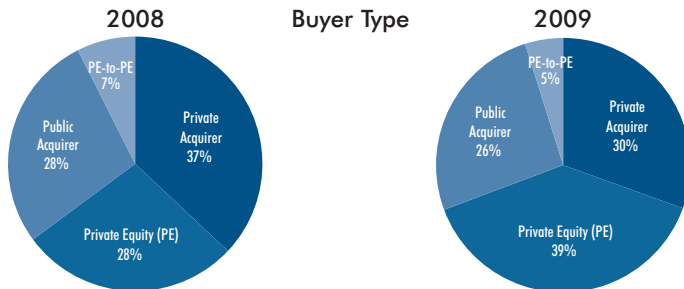


Transactions by End Market

	2008	2009
Food and Beverage	20	23
Industrial	12	18
Consumer	8	14
Construction	5	2
Medical	4	1
Automotive	3	-
Transportation	1	1
Electronics	1	3
Total	54	62

Trends in M&A:

- Transactions involving film extruders, converters, and suppliers increased by eight transactions, or 15% from 2008 to 2009. While strategic buyer activity remained flat, financial buyer transactions experienced 42% volume growth year over year, highlighting improved credit conditions throughout the year.
- Food and beverage, industrial, consumer, and electronics end markets showed year over year increases, with the remaining end markets showing lower or flat deal volume as compared to 2008.
- Foreign transactions continued to represent the vast majority of film transactions in 2009, representing 61% of transaction volume. This trend supports recent studies highlighting that growth in flexible packaging will be greatest in the developing regions of Asia, Latin America, and Eastern Europe.



Sector Deal Statistics

	2008	2009
U.S.-to-U.S.	12	20
U.S.-to-Foreign	3	1
Foreign-to-U.S.	7	3
Foreign	32	38
Distressed	2	6

Industry News:

- *November 2009* — Indiana-based MonoSol LLC announced plans to increase capacity for its water-soluble films product line by more than 20 percent in 2010 and an additional 20 percent in 2011. The company highlighted demand growth within unit dose packaging, composite fabricating, and dust abatement markets. MonoSol manufactures water-soluble packaging films, mold-release films, transfer printing, embroidery support films, water-soluble laundry bags, and edible films.
- *November 2009* — Two recent global studies by Pira Intl. and the Freedonia group indicate recent advancements have allowed flexible packaging to maximize convenience, quality, functionality, and value, significantly gaining market share against rigid packaging. The recent Pira study forecasts that the global flexible packaging market will grow from \$127 billion in 2009 to \$137 billion in 2014.

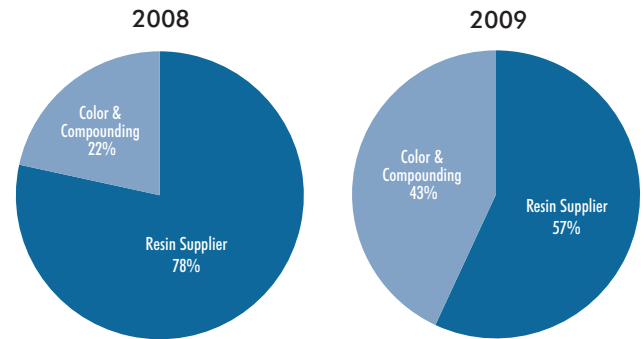
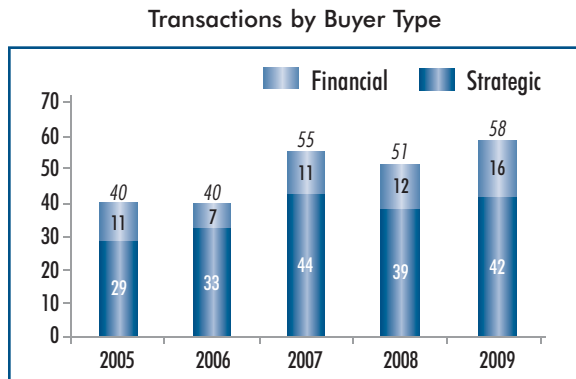
Featured Sector Transactions

October 2009 — Berry Plastics, owned by private equity groups Apollo Management and Graham Partners, has announced its intention to acquire 99.99% of Pliant Corporation upon Pliant's emergence from bankruptcy. Pliant's film and flexible packaging products will enhance Berry's current offering within the personal care, medical, food, industrial, and agricultural markets. The transaction significantly diversifies Berry's primarily rigid packaging product offerings.

October 2009 — One Equity Partners LLC agreed to acquire a 75% stake in Constantia Packaging AG (WBAG: COV) from Constantia Packaging B.V. for approximately \$1.7 billion, 0.7x revenue and 4.7x EBITDA. One Equity Partners will become the majority shareholder and plans to support the current divisions Duropack, Constantia Flexibles, and AMAG while pursuing other organic growth platforms.

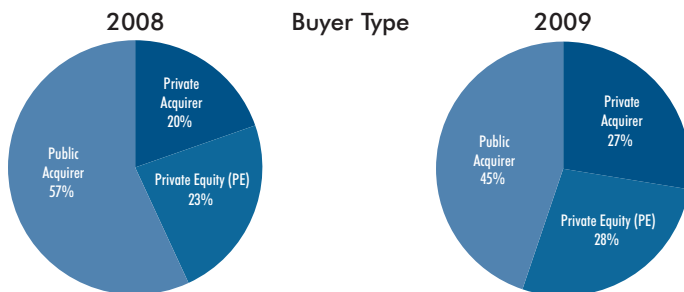
Source: P&M Corporate Finance

Global Resin and Color & Compounding M&A



Trends in M&A:

- Transaction activity in the plastics raw materials segment experienced a moderate improvement from 2008 to 2009, an increase of seven transactions or 14%; however, color and compounding deals experienced significant growth, up over 120%, versus a 17% decline in resin supplier deals.
- Activity in color and compounding is reflective of the fragmentation in the space, particularly among mid- and small-sized suppliers.
- The percentage of distressed transactions grew from 2% of total volume during 2008 to 14% in 2009, an increase of seven deals.
- Foreign transactions fell in the raw materials space, representing 61% in 2008 versus 45% in 2009. Cross-border transactions for both foreign and U.S. targets rose during the same time period.
- Transactions involving a public acquirer decreased 12% as a percentage of overall deals from 2008 to 2009, while private acquirers' shares increased 7%. Financial buyer activity also increased slightly year over year relative to overall transactions.



Sector Deal Statistics

	2008	2009
U.S.-to-U.S.	14	19
U.S.-to-Foreign	4	7
Foreign-to-U.S.	2	6
Foreign	31	26
Distressed	1	8

Industry News:

- November 2009** — Cereplast, Inc. (OTCBB: CERP), a major manufacturer of sustainable plastic resins, is projecting the U.S. bio-plastics market to exceed \$10 billion in sales by 2020. The U.S. bio-plastics market currently accounts for \$1 billion in sales. Other estimates have projected bio-plastics to reach as high as 30% of total demand within 10 years. New government-driven regulations and consumer demand will drive an increase in renewable resin product mix, contributing to this projected growth.
- November 2009** — Cleveland, Ohio-based Ferro Corporation (NYSE: FOE) closed its offering of over 41 million shares of its common stock at \$5.60 per share. Ferro, a compounder and manufacturer of specialty chemicals, expects to receive net proceeds of nearly \$200 million from its offering. The company plans to use nearly one quarter of the proceeds to pay the costs associated with its restructuring efforts and strategic initiatives.

Featured Sector Transactions

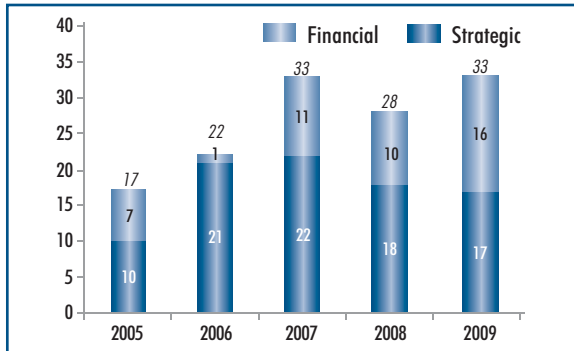
December 2009 — The Board of Directors of ICO, Inc. (Nasdaq-GS: ICOC) agreed to sell the company to compounder and distributor A. Schulman, Inc. (Nasdaq-GS: SHLM) for approximately \$200 million in cash and stock, at 0.7x revenue and 15.2x EBITDA. ICO, Inc. is a global polymer powder and plastic film concentrates producer. The transaction allows A. Schulman to expand its global presence across a variety of complementary end markets, specifically rotomolding. A. Schulman is expecting over \$15 million in run rate synergies over the next year.

December 2009 — Celanese Corp. (NYSE: CE) acquired the long-fiber reinforced thermoplastics business of Ravago Group-owned Future Advanced Composites Technology (FACT) GmbH. Headquartered in Kaiserslautern, Germany, FACT GmbH's product line will help grow Celanese's Celstran product line, while significantly expanding Celanese's industry coverage within the automotive and general industrial markets.

Source: P&M Corporate Finance

Global Sheet and Thermoforming M&A

Transactions by Buyer Type

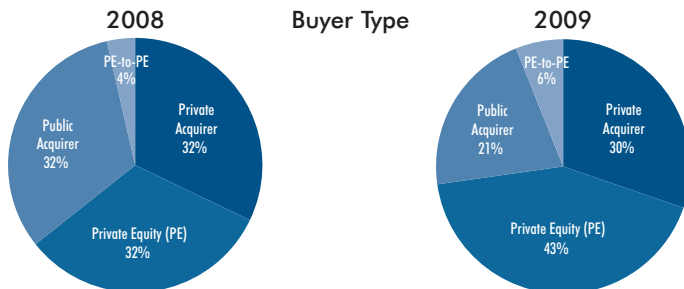


Transactions by End Market

	2008	2009
Food and Beverage	5	8
Industrial	9	4
Consumer	4	8
Construction	5	6
Medical	1	4
Automotive	2	-
Transportation	1	3
Electronics	1	-
Total	28	33

Trends in M&A:

- Sheet extrusion and thermoforming deal volume increased 18% in 2009 versus 2008, led largely by an increase in financial buyer activity in both volume and as a percentage of overall transactions, a trend seen across global plastic packaging transactions in 2009.
- Financial buyers are attracted to packaging as it is less cyclical than other end markets while offering steady growth.
- Distressed transactions represented 18% of deal volume in 2009, with no distressed transactions recorded in 2008.
- Domestic activity increased 60% year over year, while cross-border transactions continued at very low levels.
- Food and beverage and consumer transactions represented the most active end markets in 2009, with eight transactions announced in each sector. Industrial, automotive, and electronics transactions all experienced a year over year decline, with other major end markets showing growth.



Sector Deal Statistics

	2008	2009
U.S.-to-U.S.	10	16
U.S.-to-Foreign	1	1
Foreign-to-U.S.	-	-
Foreign	17	16
Distressed	-	6

Industry News:

- *December 2010* — Wisconsin-based Prent Corp. has moved into a new plant in Shanghai, more than doubling its capacity in China and increasing its number of Class 8 clean rooms in China from one to three. Medical is expected to be the fastest-growing segment of its China business, accounting for more than 50 percent of the company's sales globally. Prent manufactures custom plastic, rigid thermoformed packaging for medical, electronics, and consumer industries.
- *November 2009* — Two additional northern California cities have banned the use of polystyrene (PS) takeout food service packaging. Effective January 1, 2010, the city of Pacifica, located between San Francisco and Half Moon Bay, barred all city restaurants, food vendors, and grocery stores from using any type of PS food service ware for prepared foods. Effective May 1, 2010, San Jose banned the use of PS takeout containers and beverages at large events with more than 1,000 people that are held on city property.

Featured Sector Transactions

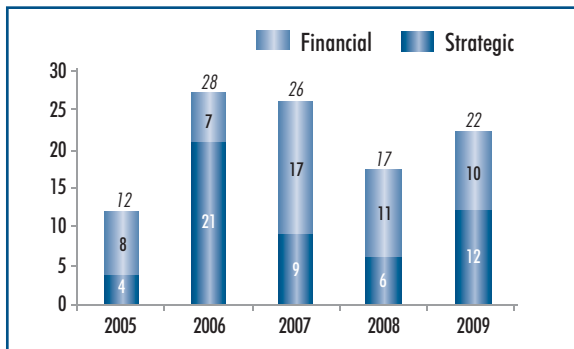
November 2009 — Private equity firm Mid Oaks Investment, LLC added to its plastics packaging portfolio with the acquisition of C&M Fine Pack Inc. from food-packaging maker Chuo Kagaku Co. Ltd. and Mitsubishi Corporation. Mid Oaks already owns Wilkinson Industries Inc. and Dispoz-o Products LLC. Mid Oaks will integrate the three packaging firms, which will have combined annual sales in excess of \$300 million. C&M manufactures thermoformed premium disposable foodservice products including plates, trays, bowls, and lids.

November 2009 — Alto Manufacturing Pty Ltd., a subsidiary of Pact Group Pty Ltd., acquired the rigid plastic consumer goods packaging business from Huhtamaki Australia Pty Limited for €33 million. The acquired operations include three manufacturing units in Australia and had combined revenues of €50 million for the year ending 2008. Huhtamaki will continue its foodservice, molded fiber, and flexibles operations in Australia following the transaction. The divestiture follows the sale of Huhtamaki's Latin America operations earlier in 2009.

Source: P&M Corporate Finance

Global Blow Molding M&A

Transactions by Buyer Type

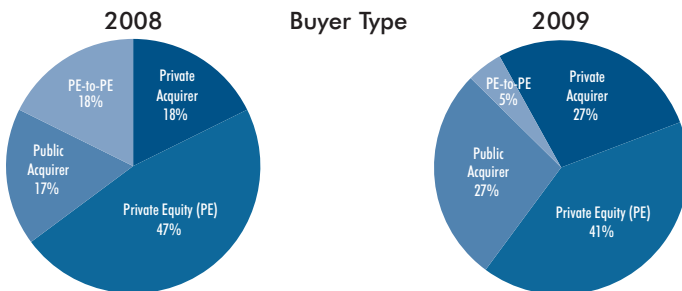


Transactions by End Market

	2008	2009
Food and Beverage	9	13
Industrial	2	4
Consumer	4	4
Construction	-	-
Medical	2	1
Automotive	-	-
Transportation	-	-
Electronics	-	-
Total	17	22

Trends in M&A:

- 2009 blow molding transactions increased 29%, or five transactions, versus 2008. This trend highlights strategic companies making selective and cautious moves off the sidelines, with a continued uptick in activity anticipated in 2010.
- Food and beverage transactions continue to represent the majority of blow molding deals, at 59%, while industrial, consumer, and medical markets continue with M&A at lower volumes.
- Transactions between foreign parties represented 59% of total blow molding activity in 2009 and experienced 160% volume growth versus 2008.
- Demand for blow molded rigid packaging continues to increase, a factor driving M&A and the low level of distressed activity in the space.



Sector Deal Statistics

	2008	2009
U.S.-to-U.S.	6	5
U.S.-to-Foreign	5	4
Foreign-to-U.S.	1	-
Foreign	5	13
Distressed	1	4

Industry News:

- *December 2009* — Nestle Waters North America (SWX: NESN), a market leader within the green packaging industry, has exceeded its internal goal for using over 15% less plastic over the 2008 to 2009 period. The company will expand its light-weighted 9.3-gram, half-liter Eco-Shape bottle across all of its brands throughout 2010 and has intentions to develop a bottle made entirely from recycled materials or renewable resources by 2020.
- *November 2009* — Graham Packaging Co. has announced plans to file an initial public offering and plans to use the proceeds to repay debt. The York-based blow molder, and holding of private equity firm Blackstone Group LP, hopes to raise \$350 million through the stock offering. In August 2009, Graham canceled a separate deal that would have resulted in the company becoming publicly traded via a \$3.2 billion deal with Hicks Acquisition Co. Inc.

Featured Sector Transactions

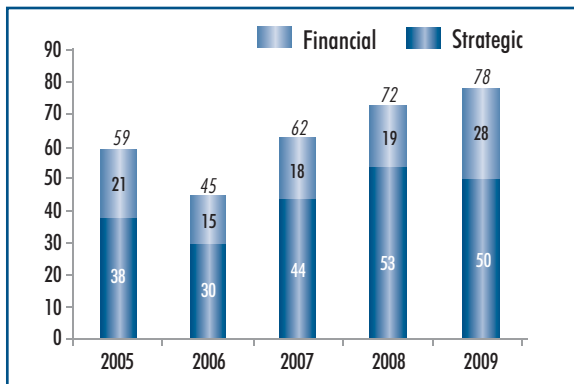
November 2009 — Rexam Petainer AB SPV, a special purpose acquisition vehicle formed by Next Wave Partners and WHEB Venture Partners, acquired Rexam Petainers AB (Petainer) from Rexam PLC (LSE: REX) for SEK 180 mil (USD 26.5 mil). Based in Sweden, Petainer is a manufacturer of PET bottles, preforms, and kegs to global beverage companies. Rexam originally announced it was seeking a buyer for its Petainer division in October 2006. The acquisition is expected to allow Petainer to expand into beverage sectors where PET packaging is beginning to replace conventional packaging.

November 2009 — U.S. bulk packaging company Greif Inc. is expanding its European presence with the acquisition of Hannells Industrier AB, a privately held manufacturer of plastic drums, pails, and bulk containers for customers in the chemical and petrochemical industries. The acquisition will allow Greif to fill one of its geographical gaps since divesting a Denmark plant earlier in 2009. The products from the newly acquired plant will be sold in the Scandinavian markets.

Source: P&M Corporate Finance

Additional Global Sector Activity

Transactions by Buyer Type



Transactions by End Market

	2008	2009
Food and Beverage	-	-
Industrial	21	24
Consumer	10	5
Construction	33	35
Medical	2	7
Automotive	4	5
Transportation	-	1
Electronics	2	1
Total	72	78

Trends in M&A:

- M&A activity in additional specialty sectors, including rotational molding, foam, pipe & tube, and profile extrusion, showed an 8% increase from 2008 to 2009, driven by distressed transactions.
- While total deal volume increased modestly versus 2008, the mix within buyer type has shifted throughout the year. Financial buyer volume increased 47% year over year, while strategic buyer volume dropped 6%. Financial buyer transactions also represented 36% of specialty deals in 2009 versus 26% during 2008.
- There were 12 reported distressed transactions in the sector during 2009, versus six distressed transactions during 2008.
- Construction and industrial end markets continued to be active during the year, while the consumer sector saw lower interest levels. Medical transactions in the specialty space have experienced growth year over year, up five transactions versus 2008 (or 250%), as medical companies are particularly attractive to acquirers given forward-looking growth trends and favorable industry dynamics.
- Domestic and foreign transaction volume increased by 41% and 22%, respectively, from 2008 to 2009. Cross-border transaction volume declined by 11 deals or 79% during the same time period.
- At 78 transactions, the various specialty sector deals represented 23% of transaction volume in 2009, consistent with 24% of volume during 2008.

KEY TRANSACTIONS

Tube and Pipe

September 2009 — Corrugated high density polyethylene pipe manufacturer Advanced Drainage Systems Inc. (ADS) has acquired the remaining 50% interest it did not already own in StormTech, LLC. Connecticut-based StormTech was created as a 50/50 joint venture between ADS and Infiltrator Systems Inc. to engineer and manufacture chambers for underground storm water retention/detention systems. The acquisition was made as part of ADS' ongoing commitment to growth in the underground storm water market.

Rotational Molding

October 2009 — Private equity firm Alliance Holdings, Inc. acquired South Dakota-based Design Tanks, LLC. Design Tanks is a fiberglass-reinforced plastic (FRP) tank manufacturing company providing engineering, design, and manufacturing processes to its customers. Terms of the transaction were not disclosed.

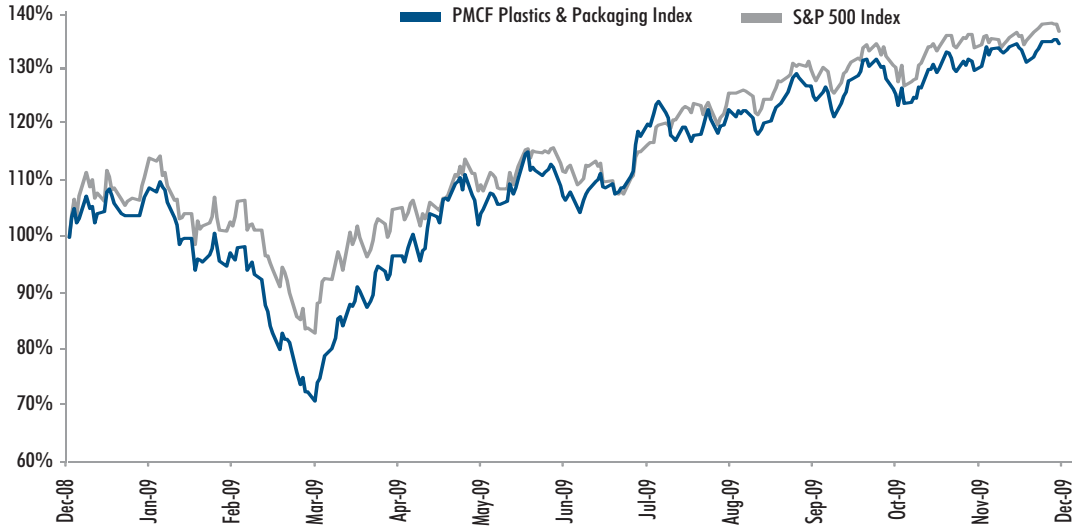
Foam

December 2009 — Supplier Hickory Springs Mfg. acquired Hi-Tech Foam Products, an Indiana-based international manufacturer of foam components for the automotive, appliance, medical, and military industries. Hickory Springs is a leading manufacturer and vendor of flexible polyurethane foam, formed steel, wire, polyester fiber and extruded polyethylene products for the furniture and bedding industries. The acquisition of Hi-Tech fits with the company's strategic goals of growth and diversification.

December 2009 — Holding Company MBB Industries AG (XTRA: MBB) acquired Germany-based Contitech Formpolster GmbH from Continental AG (DB: CON). The financial terms of the deal were not disclosed. Contitech produces polyether foams for customers in various segments, including the mattress industry, upholstered furniture producers, RV, and vehicle manufacturers. On completion of the transaction, Contitech will be renamed to CT Formpolster and will operate as a separate unit within MBB's OBO group, which manufactures polyurethane sheets for use in model, mold, and tool construction.

Source: P&M Corporate Finance

PMCF Plastics and Packaging Index



Note: Chart highlights relative stock price return

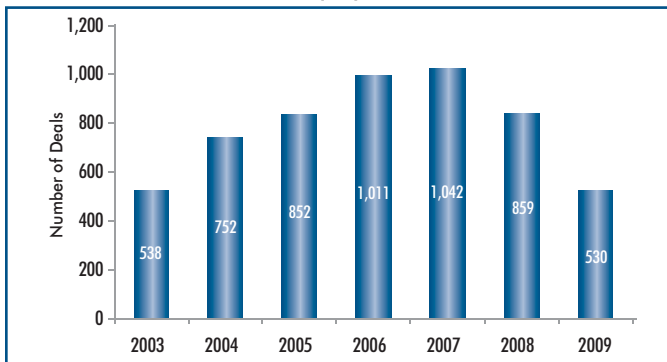
PMCF Plastics and Packaging Index Valuation

	Q1 08	Q2 08	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09
Revenue Multiple								
Average	0.8x	0.8x	0.8x	0.7x	0.6x	0.7x	0.9x	0.8x
Median	0.8x	0.7x	0.7x	0.7x	0.7x	0.8x	0.9x	0.9x
EBITDA Multiple								
Average	6.9x	6.6x	7.6x	6.4x	5.8x	6.5x	7.8x	7.1x
Median	7.2x	6.8x	7.4x	6.5x	5.6x	6.4x	7.3x	6.8x

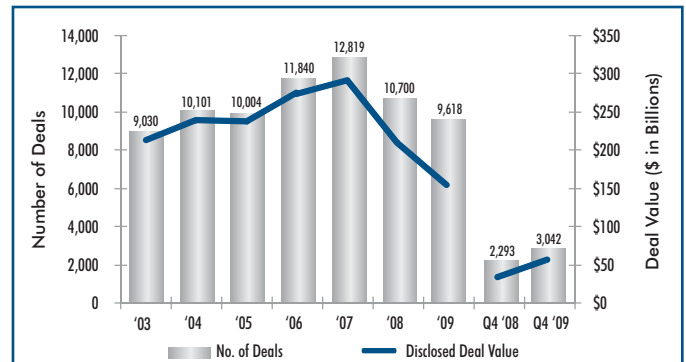
- The PMCF Plastics and Packaging Index has underperformed the S&P 500, on average, by approximately 3% since the beginning of Q4 2009. The Index has nearly doubled since early March following the S&P and signs of an economic recovery.
- Public plastics and packaging businesses averaged a 7.1x EBITDA multiple for Q4 2009, up 0.7x when compared to the Q4 2008 multiples average.

U.S. Transaction and Valuation Summary

U.S. Private Equity Deal Volume



U.S. M&A Activity
Deals < \$500M*



- Overall U.S. private equity deal volume declined 38% in 2009, with 530 transactions, versus 859 transactions during 2008.
- U.S. M&A volume for deals less than \$500 million totaled 9,618 in 2009, a 10% decrease from 10,700 deals in 2008. However, Q4 2009 reported 3,042 transactions, an increase of 33% from the activity in Q4 2008. Total deal value in 2009 dropped 27% year over year, however Q4 2009 is up 69% versus Q4 2008.

*Includes all disclosed transaction with U.S.-based targets.

Source: Buyouts, Thomson Financial, PMCF Estimates

P&M CORPORATE FINANCE, LLC

INVESTMENT BANKING FOR THE MIDDLE MARKET

Suite 120
26300 Northwestern Highway
Southfield, MI 48076

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