

M&A Quarterly

PLASTICS & PACKAGING

THIRD QUARTER 2011

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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 alliance goals.

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Q3 YTD 2011 Market Summary and Outlook

The M&A market for plastics and packaging continues to show a high level of activity; however, there are some indications that dealmaking has cooled from record levels experienced in 2010 and Q1 2011. 2010's record levels of plastics M&A were fueled, in part, by large cash savings among strategic buyers and pent up demand across financial investors eager to complete quality acquisitions. Q3 2011's activity, with 74 deals, is down 20 transactions from Q3 2010 and reflects strong buying and selling activity at a more normalized level versus the pace set in 2010. With these dynamics in mind, 2011 is likely to be another solid year for plastics and packaging M&A with total deal activity down 5% to 10% from 2010's record levels.

2011 year to date activity has showcased financial buyers, who are completing 39% of transactions versus 35% through the first three quarters of 2010. Q3 2011, however, showed the smallest percentage of financial buyers (35% of deals) in the year, which reflects the continued aggressiveness of strategic buyers and potentially the slightly lower levels of total debt allowed by lending sources. Despite executing a lower level of transaction volume than in previous quarters, financial buyers did remain very active in the space and completed a significant number of platform (17) and add-on transactions (9).

In reviewing the year to date M&A activity, injection molding, film and sheet and thermoforming sectors all showed increasing deal volume as consolidation continued to be prevalent among these processors. Blow molding, a more consolidated sector, was down by the highest percentage year over year due to a lack of quality acquisition opportunities versus a lack of buyer interest - which we believe remains strong.

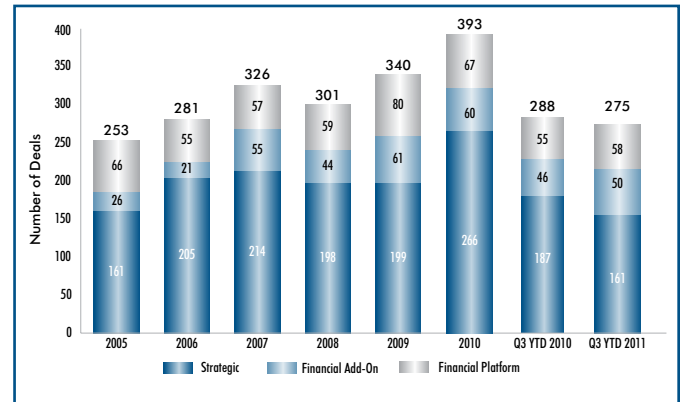
This decrease in blow molding activity was reflected in year over year packaging M&A trends. Packaging deals through the first three quarters of 2010 totaled 103, versus 88 through the first three quarters of 2011. The difference of 15 deals is nearly half comprised of a decline in bottling packaging activity. By comparison, rigid and flexible packaging activity remained robust with a healthy level of quality acquisition targets and a multitude of interested financial and strategic buyers.

2011's overall trends have been impacted, in part, by several domestic and global economic challenges:

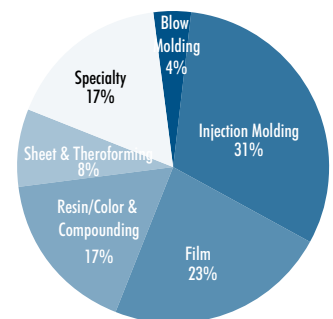
- The European debt crisis has created uncertainty and posed a threat of a global recession
- Lackluster US GDP growth has tempered some buyers' enthusiasm and aggressiveness for M&A
- US government budget stalemates and large deficit have lowered the debt rating and added to uncertainty of the economic outlook

Despite these headwinds, we believe the remainder of 2011, and the first quarters of 2012, will continue to support strong levels of plastics and packaging M&A activity given the following variables:

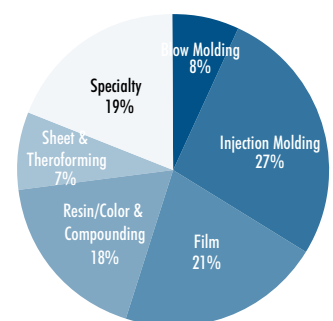
- Availability of lending to complete quality transactions
- Continued higher valuations for sellers driving supply
- Industry fragmentation and record levels of undeployed strategic and private equity capital



Transactions by Product Segment
Q3 YTD 2011



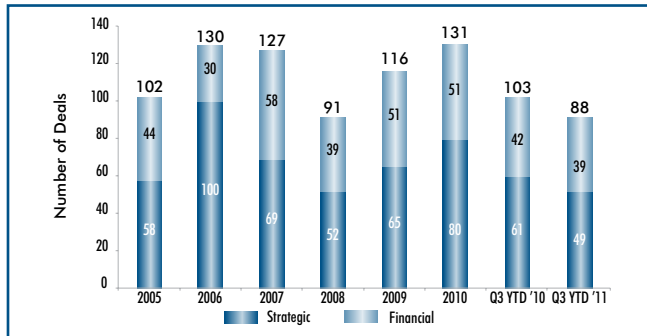
Q3 YTD 2010



Sector	2009	2010	Q3 YTD '10	% of Total	Q3 YTD '11	% of Total	'10 - '11 Change	% Change
Blow Molding	22	27	22	8%	13	4%	-9	-41%
Injection Molding	87	106	78	27%	84	31%	6	8%
Film	62	78	61	21%	62	23%	1	2%
Resin/Color & Compounding	58	71	53	18%	47	17%	-6	-11%
Sheet & Thermoforming	33	25	20	7%	21	8%	1	5%
Specialty	78	86	54	19%	48	17%	-6	-11%
Total	340	393	288	100%	275	100%	-13	-5%

Global Plastic Packaging M&A

Transactions by Buyer Type



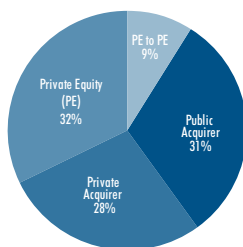
Transactions by End Market

	Q3 YTD '10	Q3 YTD '11
Food and Beverage	45	34
Industrial	18	15
Consumer	28	32
Construction	-	1
Medical	10	6
Automotive	-	-
Transportation	-	-
Electronics	2	-
Total	103	88

Trends in Plastic Packaging M&A:

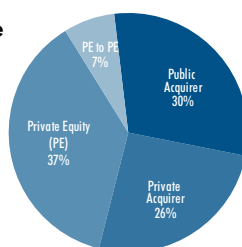
- YTD 2011 plastic packaging transaction volume declined approximately 15% compared to 2010 as M&A activity among rigid packaging and bottle manufacturers declined 14% and 50%, respectively.
- Packaging suppliers to consumer product end markets experienced strong interest from acquirers as deal activity rose nearly 13% during the comparison period. Transaction activity among food & beverage and medical packaging manufacturers slowed although interest among acquirers remains strong within these segments.
- Strategic buyer acquisition activity in 2011 has backed off 2010's record pace. Financial buyers remain aggressive resulting in relatively flat transaction volume during the comparison period.

Q3 YTD 2010



Q3 YTD 2011

Buyer Type



Packaging Transaction Detail

	Q3 YTD '10		Q3 YTD '11	
	#	% Total	#	% Total
Rigid	42	41%	36	41%
Flexible	49	47%	46	52%
Bottling	12	12%	6	7%
Total	103	100%	88	100%

Industry News:

- *July 2011* — The global market for green and sustainable packaging solutions is projected to reach \$107.7 billion by the end of 2011, according to a report by London-based research and consulting firm Visiongain titled “The Sustainable & Green Packaging Market 2011-2021”. Visiongain cites rising concerns over environmental hazards, eco-friendly packaging, carbon emissions, and waste reduction targets by governments as key drivers behind the increasing trend toward green packaging. The report finds the sustainable and green market was relatively immune to the recent economic downturn and projects consistent growth through 2021.
- *September 2011* — According to “The Indian Flexible Packaging Market 2011,” a new report published by the England-based PCI Films Consulting Ltd., the flexible packaging market in India is currently \$3 billion and expected to grow 15 percent annually. PCI Films cites the retail sector as a key driver of flexible packaging growth in India. Further, the emergence of an increasingly sophisticated food processing industry has created opportunities for packaging companies, especially for companies that are able to provide packaging solutions to the underserved regions outside the major cities. The report estimates an organized market of nearly 60% of the country is served by about 40 packaging companies, including multinationals in Germany and Italy, while the rest of India relies on smaller, less organized flexible packagers.

Featured Sector Transactions

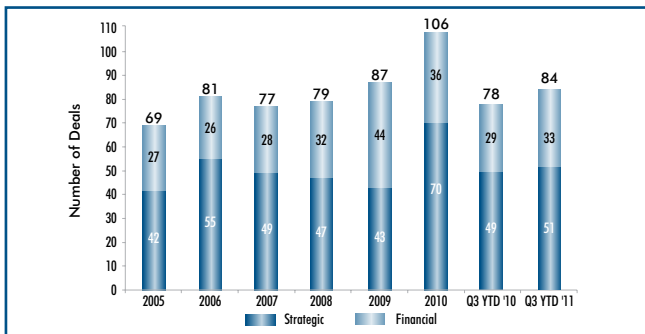
August 2011 — Neenah, WI-based flexible packaging manufacturer Bemis Company, Inc. (NYSE:BMS) acquired Hong Kong-based Mayor Packaging Enterprises Ltd. for \$93 million. Mayor Packaging manufactures consumer and specialty flexible packaging materials in rolls and pre-formed pouches for the food and beverage and chemical industries. The acquisition enhances Bemis' current presence in the Asia-Pacific region where it currently operates three flexible packaging plants through its subsidiaries.

August 2010 — Bloomfield Hills, MI-based TriMas Corporation (NasdaqGS:TRS) agreed to acquire specialty closures manufacturer Innovative Molding for \$27 million. Innovative Molding manufactures plastic closures for bottles and jars with applications in the food and nutrition industries. TriMas announced that the acquisition, which includes two 80,000 sq. ft. plants in Arkansas, will be integrated with its subsidiary, Rieke Packaging Systems, to expand upon its current products for food applications. Innovative Molding had annual sales of more than \$20 million.

Source: P&M Corporate Finance

Global Injection Molding M&A

Transactions by Buyer Type



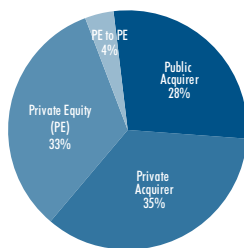
Transactions by End Market

	Q3 YTD '10	Q3 YTD '11
Food and Beverage	4	3
Industrial	20	21
Consumer	9	24
Construction	3	3
Medical	16	10
Automotive	23	20
Transportation	-	-
Electronics	3	3
Total	78	84

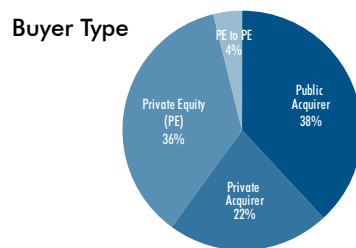
Trends in M&A:

- Acquisitions of injection molders increased approximately 8% during the comparison period driven by sustained interest among strategic buyers and a 14% uptick in financial acquirer activity.
- Cross-border transaction activity in and out of the U.S. rose nearly 117% as acquirers sought exposure to new markets and enhancement of their international manufacturing footprint.
- Suppliers to consumer product end markets have experienced strong interest from strategic and financial acquirers as M&A activity has grown almost 167% during the first three quarters of 2011 compared to the same time period in 2010.

Q3 YTD 2010



Q3 YTD 2011



Sector Deal Statistics

	Q3 YTD '09	Q3 YTD '10
U.S.-to-U.S.	24	26
U.S.-to-Foreign	5	10
Foreign-to-U.S.	1	3
Foreign	48	45
Total	78	84
Distressed	1	1

Industry News:

- *August 2011* — Sabic Innovative Plastics announced plans to launch an all-plastic steering wheel in Asia by the end of 2011. The newly developed injection molded steering wheel is produced with a Lexan copolymer core, which will replace typical steering wheels that mold polyurethane over steel or magnesium cores. The steering wheel is 20% lighter than traditional steering wheels and meets all safety standards. In addition to weight savings, the use of plastic allows automakers to incorporate new electronics and heating and cooling systems within the steering wheel. The new product is easier to manufacture and avoids key environmental drawbacks of existing technologies which utilize materials that can be difficult to recycle and involve hazardous waste products during production.
- *September 2011* — During an interview at the recent Asiamold trade fair, Israeli housewares molder Starplast Industries Ltd. indicated interest in a future expansion of its operations to a production facility in the United States. The injection molder, which currently has 110 presses at its factory in Israel, manufactures plastic housewares, storage containers, and outdoor play equipment to customers which include Wal-Mart and Target. Starplast views a potential U.S. facility as a means to service growing North American demand while cutting lead times and transportation costs from its current facility.

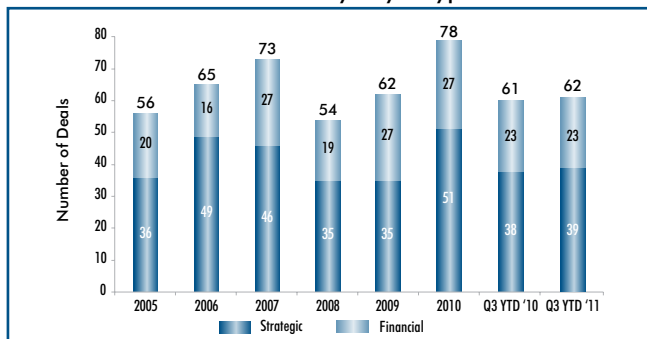
Featured Sector Transactions

August 2011 — Hudson, WI-based Phillips Plastics Corporation, a portfolio company of private equity group Kohlberg & Company, LLC, agreed to acquire medical injection molder Medisize Corporation for \$143 million or 7.9x EBITDA from Swedish private equity group Ratos AB. Medisize, based in Finland, manufactures injection molded plastic devices and packaging for medical and pharmaceutical industries. Medisize, which had annual sales of \$170 million in 2010, makes Phillips one of the medical industry's largest global providers of outsourced medical design and manufacturing services. The transaction includes 132 injection presses and 27 blow molding machines across Medisize's six European manufacturing facilities.

August 2011 — Baraboo, WI-based injection molder Flambeau, Inc. agreed to acquire Mastercraft Companies for an undisclosed amount. Mastercraft operates through two entities, Polycraft Industries and Mastercraft Mold, which have a combined 58,000 sq. ft. in manufacturing space and approximately \$12 million in annual sales. The acquisition also includes a Class 7 clean room, which Mastercraft utilizes for the production of its medical products. Mastercraft's Phoenix, AZ location will act as the centerpiece of Flambeau's newly formed medical products group.

Global Film M&A

Transactions by Buyer Type



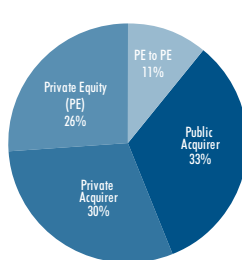
Transactions by End Market

	Q3 YTD '09	Q3 YTD '10
Food and Beverage	22	22
Industrial	12	17
Consumer	13	19
Construction	-	1
Medical	7	1
Automotive	3	-
Transportation	-	1
Electronics	4	1
Total	61	62

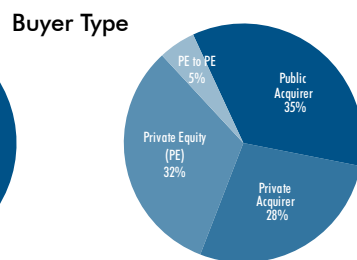
Trends in M&A:

- M&A activity among plastic film manufacturers has remained at elevated levels through the first three quarters of 2011 as interest among both financial and strategic acquirers remains strong.
- Lower deal volumes during the comparison period among suppliers to medical, automotive, and electronics end markets were offset by strong growth in transaction activity among manufacturers of products with applications in industrial and consumer end markets.
- Foreign M&A activity increased 18% during the comparison period as foreign manufacturers sought to expand international capabilities and capacity. YTD 2011 U.S. cross-border transaction volume remained flat compared to 2010 while U.S. domestic activity declined nearly 28% despite a strong third quarter that included 7 transactions.

Q3 YTD 2010



Q3 YTD 2011



Sector Deal Statistics

	Q3 YTD '10	Q3 YTD '11
U.S.-to-U.S.	18	13
U.S.-to-Foreign	6	5
Foreign-to-U.S.	4	5
Foreign	33	39
Total	61	62
Distressed	-	-

Industry News:

- August 2011** — According to a recent report published by Netherlands-based SolarPlaza BV, Italy is expected to become the world's largest market for solar photovoltaics (PV) by the end of the year as a result of tariff incentives aimed to promote the sourcing of installation costs within the European Union. Through the first half of 2011, Italy installed approximately three times the volume of solar power of the current leader Germany, which accounted for 50 percent of the global market in 2010. SolarPlaza expects solar energy markets in the Philippines, Israel, Canada, and South Africa to also become more prominent in the future.
- July 2011** — A recent decision by the Supreme Court of India to ban plastic packaging for gutka, an Indian product similar to chewing tobacco, has left film producers with as much as 220 million pounds of inventory. By some estimates, nearly 25 percent of all film laminate sales in India are accounted for in the packaging of small sachets of gutka forcing film manufacturers to seek other markets for their products. Indian manufacturers have offered the excess PET film to the world marketplace at low costs, causing disruptions up and down the film supply chain. For the next five years PET film capacity is expected to be more than enough to meet demand, despite projections in a recent report by PCI Consulting Group Ltd., which sees demand increasing at 8.7 percent annually through 2015. During that period, capacity is expected to increase by 1.1 billion pounds more than demand.

Featured Sector Transactions

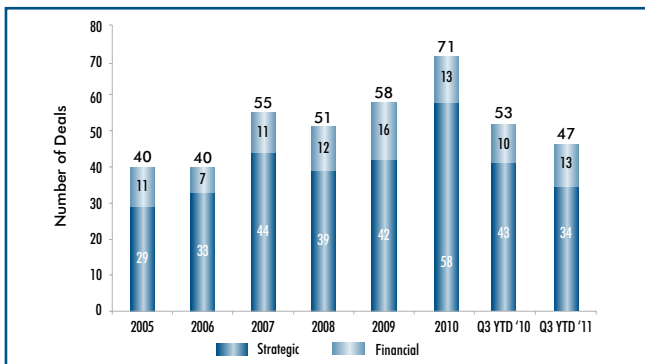
August 2011 — Aurora, OH-based Saint-Gobain Performance Plastics Corporation agreed to acquire the Bekaert Specialty Films division of Bekaert Corporation for an undisclosed amount. Bekaert, based in San Diego, CA, manufactures specialty films for solar panel, safety windows, and other industrial applications. Bekaert Specialty Films division operates under the name Solar Gard, with plants in California and Belgium and 2010 global sales of \$150 million. The acquisition aligns well with Saint-Gobain's strategic focus of enhancing its presence in ecological home products. Saint Gobain Performance Plastics is a unit of the Paris-based Cie de Saint-Gobain (ENXTPA:SGO).

September 2011 — Evansville, IN-based Berry Plastics Corporation, backed by private equity groups Apollo Global Management, LLC, Graham Partners and W.P. Carey & Co., LLC, acquired Linpac Packaging Filmco, Inc. from Linpac USA Holdings for \$19 million or 0.6x revenue. Linpac Packaging Filmco, Inc., based in Aurora, OH, manufactures stretch films for fresh meat, produce, mushroom, freezer, and specialty items in the food industry. Filmco's premium films complement Berry's current product offerings for the North American case-ready and in-store packaging markets. Filmco had sales of \$37 million in 2010.

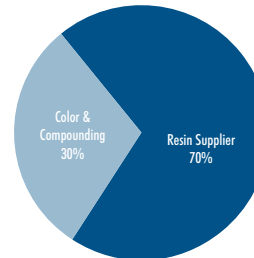
Source: P&M Corporate Finance

Global Resin and Color & Compounding M&A

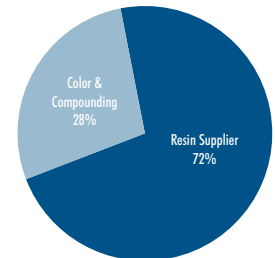
Transactions by Buyer Type



Sector Detail
Q3 YTD 2010



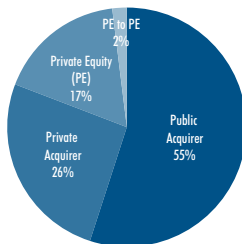
Sector Detail
Q3 YTD 2011



Trends in M&A:

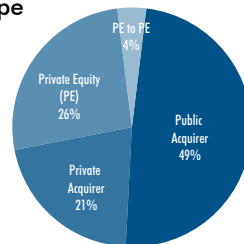
- Raw materials transactions involving financial buyers increased 30% during the first three quarters of 2011 versus 2010 and are on pace to potentially exceed record levels experienced in 2009.
- Despite accounting for nearly 62% of resin and color & compounding activity during the first three quarters of 2011, foreign-based M&A activity declined 17% during the comparison period. YTD 2011 U.S.-based and cross-border M&A activity remained flat versus 2010.
- YTD 2011 resin and color & compounding deal volume declined slightly from 2010 levels driven by tempered interest among strategic acquirers. Transactions involving resin suppliers increased as a percentage of total resin and color & compounding M&A activity.

Q3 YTD 2010



Q3 YTD 2011

Buyer Type



Sector Deal Statistics

	Q3 YTD '10	Q3 YTD '11
U.S.-to-U.S.	7	7
U.S.-to-Foreign	8	8
Foreign-to-U.S.	3	3
Foreign	35	29
Total	53	47
Distressed	-	-

Industry News:

- *July 2011* — Whitmore Lake, MI-based manufacturer of polypropylene compounds and color concentrates Rheteck received accreditation from the U.S. Department of Agriculture to use the BioPreferred product label. Rheteck is one of the first 100 companies to receive such accreditation, which is granted following a two month certification process according to the ASTM International D6866 standard. The USDA label further reinforces the company's commitment to the environment through its color concentrate and additives for the automotive, truck electronics, construction, and consumer markets.
- *July 2011* — Burton, OH-based manufacturer of polymer compounds and engineered products Hexpol Group is seeking to expand its plastics manufacturing capacity through acquisitions of compounders. Through strategic acquisitions, Hexpol Group has grown to be the largest rubber compounder in the world with sales over \$1 billion, however, it is also interested in expanding its plastics compounding business. The Hexpol Group would like to acquire a thermoplastic elastomer compounder and is also interested in companies that compound engineering resins. The company is reportedly already in talks with several potential targets as it continues to explore a potential acquisition.

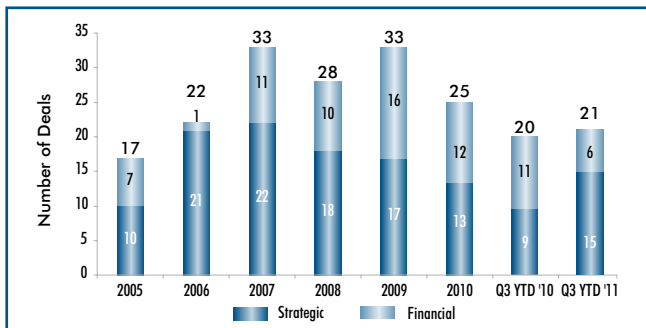
Featured Sector Transactions

September 2011 — Houston, TX-based Braskem America, Inc. acquired the global polypropylene business of The Dow Chemical Company for \$340 million or 6.7x EBITDA. Dow's polypropylene unit is comprised of four manufacturing plants with annual production capacity of 2.3 billion pounds. The acquisition, which includes plants in the U.S. and Europe, is Braskem's second in the U.S. and is expected to realize synergies of \$140 million while enhancing its presence in Europe. Braskem America is a subsidiary of Sao Paulo, Brazil-based Braskem SA (BOVESPA:BRKM5).

August 2011 — Private equity group HIG European Capital Partners GmbH acquired polyurethane foam additives manufacturer Haltermann Products for an undisclosed amount. The acquisition includes Haltermann's Speyer, Germany plant, which generates approximately \$200 million in annual revenue. HIG Europe considers the acquisition an extension of its continued strategy to invest in corporate carve-out transactions. Haltermann, based in Hamburg, Germany, was formerly a unit of the Dow Chemical Company.

Global Sheet and Thermoforming M&A

Transactions by Buyer Type

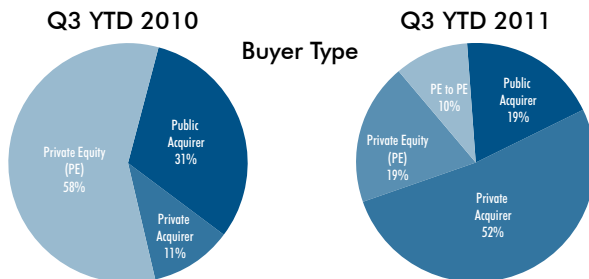


Transactions by End Market

	Q3 YTD '10	Q3 YTD '11
Food and Beverage	8	4
Industrial	1	5
Consumer	6	5
Construction	2	2
Medical	2	1
Automotive	-	2
Transportation	-	2
Electronics	1	-
Total	20	21

Trends in M&A:

- YTD 2011 M&A activity involving sheet and thermoformed product suppliers remained flat compared to 2010 supported by strong interest among strategic acquirers and a 200% increase in foreign-based transaction volume.
- Strategic buyers executed aggressive M&A strategies driving a 67% increase in deal volume during the comparison period. Strategic acquirer activity accounted for approximately 71% of total deal volume, a 26% increase versus 2010, and is on pace to reach levels experienced in 2008.
- PE-to-PE deal activity accounted for 10% of total YTD 2011 deal volume despite accounting for zero transactions during the first three quarters of 2010.



Sector Deal Statistics

	Q3 YTD '10	Q3 YTD '11
U.S.-to-U.S.	12	4
U.S.-to-Foreign	2	1
Foreign-to-U.S.	1	1
Foreign	5	15
Total	20	21
Distressed	-	-

Industry News:

- *July 2011* — A recent partnership between the Society of the Plastics Industry (SPI) and the National Association for PET Container Resources (NAPCOR) launched an initiative to increase the recycling of thermoformed PET packaging. As part of the initiative, SPI has provided a \$100,000 grant to fund a potential model recycling program developed by plastic processors, which the groups anticipate will be chosen by the end of October. In addition to the grant, NAPCOR and SPI will both provide technical assistance to the model program chosen, which the initiative believes will provide recycling data to evaluate by next July.
- *September 2011* — Stephen Murrill, president, CEO, and owner of Profile Plastics, Inc. was named 2011 Thermoformer of the Year by the Society of Plastics Engineers. The award was announced during SPE's 20th annual Thermoforming Conference in Schaumburg, IL. Since acquiring the Lake Bluff, IL-based Profile Plastics in 1987, Murrill has maintained an active role in the thermoforming space serving as a board member to SPE's Thermoforming Division from which he won a Lifetime Achievement Award in 2001. According to the latest thermoforming rankings by Plastics News, Profile Plastics has estimated sales of \$25 million.

Featured Sector Transactions

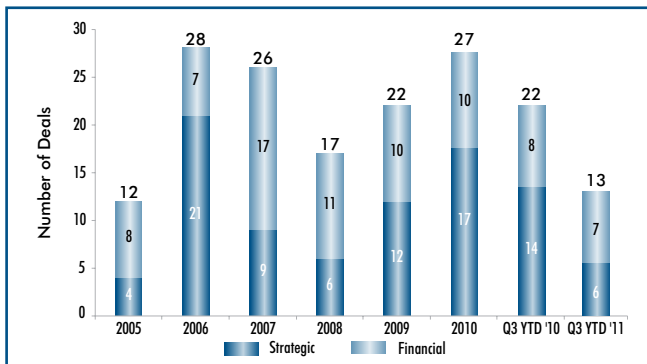
July 2011 — Findlay, OH-based extruder Rowmark, LLC, a portfolio company of Clearview Capital, LLC, acquired the assets of Southtech Plastics, Inc. for an undisclosed amount. Southtech specializes in film and sheet lamination and the production of decorative plastic sheet with marine, automotive, and signage applications. Rowmark plans to merge New Bern, NC-based Southtech's operations with a former Southtech plant located in Trenton, NC that it acquired in 2009. Rowmark expects to realize several cost synergies as a result of the acquisition. Southtech will operate under the name Southtech Decorative Laminations.

July 2011 — Willowbrook, IL-based plastic container manufacturer National Container Group agreed to acquire Maider IBC Srl for an undisclosed amount. Maider IBC, headquartered in Villastellone, Italy, is a manufacturer of plastic packaging for the food, chemical, cosmetic, pharmaceutical, and petrol industries. National Container Group, a subsidiary of German industrial packaging manufacturer Mauser AG, believes the acquisition drives the company's growth initiatives to expand its European presence while supporting its strategy to provide sustainable solutions to customers by reducing its overall carbon footprint.

Source: P&M Corporate Finance

Global Blow Molding M&A

Transactions by Buyer Type



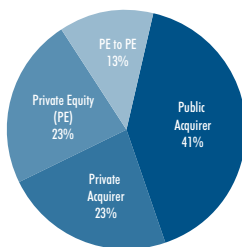
Transactions by End Market

	Q3 YTD '10	Q3 YTD '11
Food and Beverage	11	5
Industrial	1	1
Consumer	9	5
Construction	-	1
Medical	-	-
Automotive	1	1
Transportation	-	-
Electronics	-	-
Total	22	13

Trends in M&A:

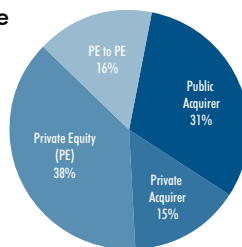
- YTD 2011 global blow molding deal volume declined nearly 41% versus 2010 as sector M&A activity is on pace to reach levels similar to those experienced in 2008.
- Transaction activity among financial buyers accounted for approximately 54% of total YTD 2011 deal volume, rising from 36% one year ago, as strategic acquirers integrated 2010 acquisitions and private equity groups remained active in the deployment of unused capital.
- The drop in blow molding deal volume is primarily due to the limited number of acquisition opportunities as the pool of financial and strategic buyers remains active.

Q3 YTD 2010



Q3 YTD 2011

Buyer Type



Sector Deal Statistics

	Q3 YTD '10	Q3 YTD '11
U.S.-to-U.S.	6	4
U.S.-to-Foreign	2	-
Foreign-to-U.S.	1	1
Foreign	13	8
Total	22	13
Distressed	1	-

Industry News:

- **August 2011** — 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.
- **July 2011** — Plymouth, MI-based blow molder Plastipak Packaging, Inc. launched the first step of a multi-year expansion plan of its Clean Tech plastic recycling facility in Dundee, Michigan. Plastipak manufactures bottles and rigid plastic packaging for food and beverage, household cleaners, health, and personal care applications through operations in the Americas and Europe. The expansion plan is part of a five year recycling initiative through which Plastipak plans to increase the number of plastic bottles it recycles annually from its current rate of 5 billion bottles to 10 billion plastic bottles recycled per year.

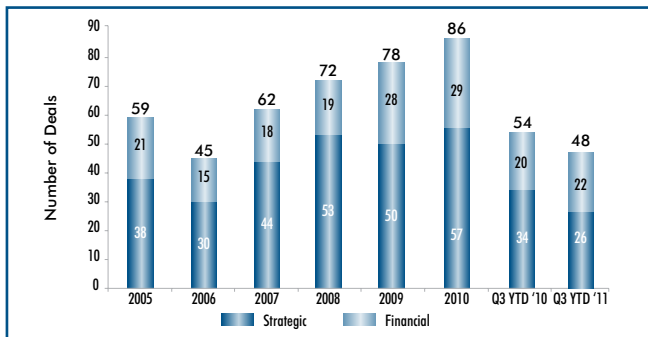
Featured Sector Transactions

August 2011 — Japan-based Mitsubishi Corporation (TSE:8058) announced plans to acquire a majority stake in plastic food packager Chuo Kagaku Co., Ltd. (JASDAQ:7895) for approximately \$44 million, or 4.1x EBITDA. Chuo Kagaku is based in Japan and manufactures plastic packaging products for food including sauce bottles and heat and oil resistant containers. Chuo Kagaku had sales of \$840 million in 2010. Mitsubishi acquired an additional 43.57% to increase its total stake to 52.94%.

August 2011 — Kleintettau, Germany-based HEINZ-GLAS GmbH acquired a majority stake in Böhm Plastics Group for an undisclosed amount. Böhm, also headquartered in Germany, manufactures plastic packaging for cosmetics, personal care, industrial, chemical, medical, and pharmaceutical markets. Its products include injection stretch blow molded (ISBM) PET bottles, jars, and closures as well as specialty parts for medical markets. The transaction includes 170 employees and three plants in Germany. HEINZ-GLAS manufactures plastic and glass decorative bottles for cosmetic, food, and chemical markets.

Additional Global Specialty Sector Activity

Transactions by Buyer Type



Transactions by End Market

	Q3 YTD '10	Q3 YTD '11
Food and Beverage	1	-
Industrial	13	13
Consumer	5	4
Construction	23	25
Medical	6	2
Automotive	2	3
Transportation	2	1
Electronics	2	-
Total	54	48

Trends in M&A:

- M&A activity in specialty sectors of the plastics industry including rotational molding, foam, pipe & tube, and profile extrusion declined slightly during the first three quarters of 2011 versus 2010, dropping 11% or 6 transactions.
- Specialty transactions within construction and industrial end markets continue to account for a significant majority of M&A activity, comprising 79% of total YTD 2011 deal volume, a 12% increase versus 2010.
- Strategic buyers were less active versus historical ratios as financial buyers aggressively pursued specialty sector deals.

KEY TRANSACTIONS

Extrusion

- *July 2011* — Atlanta, GA-based custom extruder Pexco, a portfolio company of Saw Mill Capital, agreed to acquire AllWest Plastic Inc., a custom profile extruder based in Huntington Beach, CA, for an undisclosed amount. AllWest manufactures a variety of interior components for the airline industry serving customers such as Boeing, Airbus, Bombardier, and Embraer. The acquisition is Pexco's third deal in four months as the company continues to seek expansion of its presence in current market segments as well as new global geographies. AllWest has 32 employees and a 22,500 sq. ft. plant in Huntington Beach.
- *July 2011* — Private equity firm Graham Partners acquired Oakmont, PA-based Chelsea Building Products, a PVC window extruder, from Belgium-based chemical company Tessenderlo Group. Chelsea is one of the largest domestic extruders of windows and doors and provides Graham Partners with a strong platform for growth as it actively seeks acquisitions in the plastic building products space. Terms of the transaction were not disclosed.

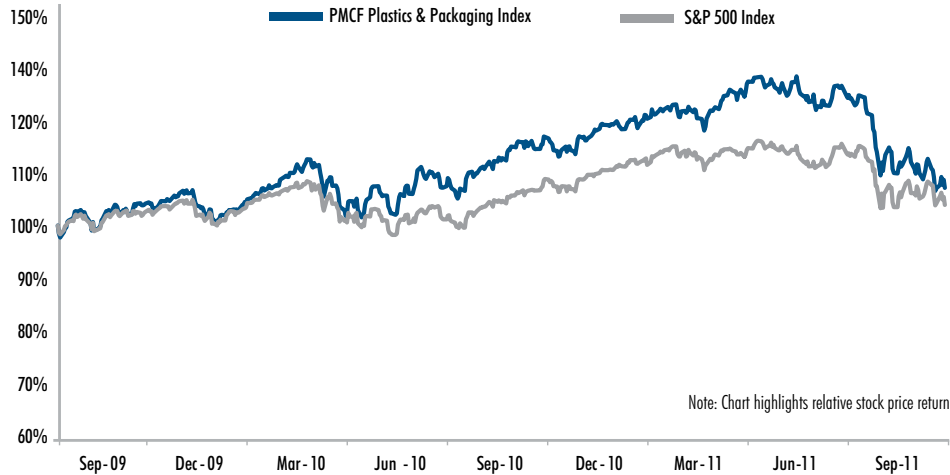
Foam

- *August 2011* — Belgium-based specialty foam extruder NMC SA agreed to acquire the European polyethylene technical foams business of Armacell International Holding GmbH for an undisclosed amount. Armacell is a leading flexible technical insulation manufacturer with 18 manufacturing plants globally and sales of EUR 427 million. NMC plans to move at least two of Armacell's four foam extrusion lines to its plant in Eynatten, Belgium while transferring Armacell's 20 employees to the facility by the end of 2011.
- *August 2011* — Sweden-based Molnlycke Health Care acquired Rynel, Inc. for an undisclosed amount. Rynel, based in East Boothbay, ME, is a manufacturer of specialty absorbent polyurethane foam products primarily utilized in medical applications. Rynel was formerly a supplier of foam products for Molnlycke's advanced wound care line. Molnlycke plans to maintain Rynel's state of the art manufacturing facility in Maine as it continues to experience strong growth.

Composites

- *July 2011* — London-based private equity firm Gresham Private Equity acquired Walker Technical Resources for an undisclosed amount. The private equity firm completed the transaction via ICR Integrity Ltd., a newly formed brand through which Gresham intends to acquire businesses in the integrity, corrosion, and repair sectors. Walker Technical Resources manufactures engineered composites used in the reinforcement and repair of equipment in the energy industry. Gresham believes the deal reinforces the firm's ongoing buy and build strategy within the oil and gas sector.

PMCF Plastics and Packaging Index



PMCF Plastics and Packaging Index Valuation

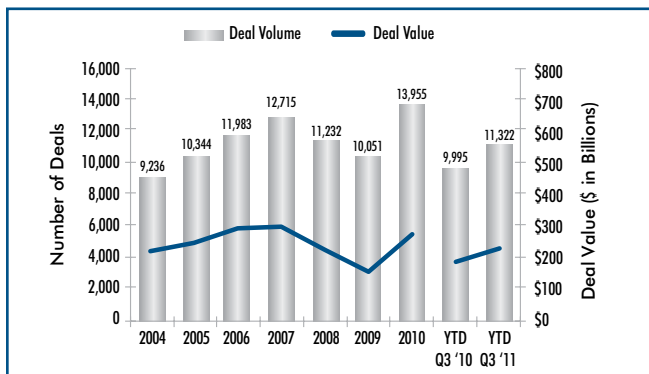
	Q3 '09	Q4 '09	Q1 '10	Q2 '10	Q3 '10	Q4 '10	Q1 '11	Q2 '11	Q3 '11
Revenue Multiple									
Average	0.8x	0.8x	0.8x	0.8x	0.8x	0.9x	0.9x	0.9x	0.7x
Median	0.9x	0.9x	0.9x	0.7x	0.9x	0.9x	0.9x	0.9x	0.7x
EBITDA Multiple									
Average	8.0x	7.2x	7.1x	6.6x	7.4x	7.7x	7.5x	7.4x	6.0x
Median	7.3x	7.1x	6.7x	6.3x	7.0x	7.4x	7.3x	7.4x	5.8x

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

- The PMCF Plastics & Packaging Index declined approximately 19% during the first three quarters of 2011 amidst concerns regarding the pace of a global economic recovery. The S&P 500 experienced a similar decline, falling 11%, as a result of on-going concerns including the European debt crisis and domestic fiscal policy.
- Average revenue and EBITDA multiples declined approximately 0.2 and 1.4 turns, respectively, driven by large declines in equity markets around the world.

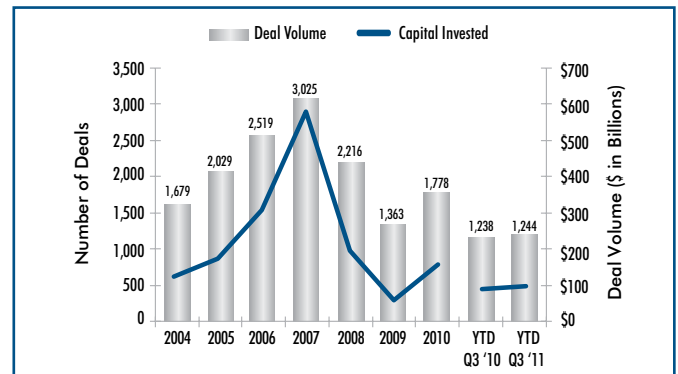
U.S. Middle Market Transaction Summary (All Industries)

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



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

Private Equity Investments



Source: Capital IQ, Pitchbook, and PMCF Estimates

- YTD 2011 middle market M&A volume increased approximately 13%, or 1,327 transactions, compared with transaction volume during the same period in 2010. 2011 middle market deal volume continues to be on pace to exceed the 7 year high in M&A activity experienced in 2010.
- U.S. private equity deal volume remained flat, increasing less than 1% or 6 transactions, during the comparison period coupled by a slight uptick in overall deal value.

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