



Overall M&A activity within the Automobiles & Components sector decreased 4% over the last twelve months (LTM) ending September 30, 2005 with 53 deals reported compared with 55 deals for the same period last year and with median valuation multiples at 0.9 x Revenue, 3.9 x EBITDA, 7.4 x EBIT and 1.6 x Book Value.

M&A TRANSACTIONS BY SUBSECTOR

For the Last Twelve Months Ended September 30,

	01		02		03		04		05	
Under-The-Hood Components & Parts	27	61%	18	51%	20	53%	33	60%	30	57%
Auto & Motorcycle Manufacturers	12	27%	10	29%	9	24%	12	22%	13	25%
Exterior Auto Equipment & Parts	4	9%	6	17%	8	21%	9	16%	8	15%
Tires & Rubber Products	1	2%	1	3%	1	3%	1	2%	2	4%
Total	44	100%	35	100%	38	100%	55	100%	53	100%

Based upon Mosaic Capital research and subject to qualifications found on our website. Valuation multiples include public transactions and premiums for control, which can vary significantly between public and private companies. Private company transactions also typically include valuation discounts for limited liquidity, due to a lack of a public market.

Large national and international buyers lead the demand for U.S.-based businesses in this sector. In addition, private equity groups own or control over 75 portfolio companies and also are fueling demand. Buyers seek to:

- ▶ Increase market share
- ▶ Augment product lines
- ▶ Optimize channel distribution

About Mosaic Capital

Mosaic Capital LLC is a leading national investment banking firm specializing in merger and acquisition and related corporate finance transactions, as well as business valuations for middle-market companies. The private placement of debt and equity securities is provided through affiliate Mosaic Capital Securities LLC - member NASD/SIPC. Mosaic Capital is a member of International Merger & Acquisition Partners (www.imap.com), an exclusive global partnership of leading M&A advisory firms with 98 offices in 24 countries, the partners of which have completed 1,000 middle market transactions exceeding \$18 billion in value since 2000.

Mosaic Capital seeks introductions to owners and management teams in the following lines of business:

Exterior Auto Equipment & Parts, including:

- Motor Vehicle Lighting Equipment
- Motor Vehicle Safety & Security Systems
- Motor Vehicle Windows and Windshields
- Motor Vehicle Accessories & Trailer Hitches
- Motor Vehicle Automotive Maintenance

Auto & Motorcycle Manufacturers, including:

- Passenger Motor Vehicles
- Recreational Motor Vehicles
- Safety & Rescue Motor Vehicles
- Moped & Scooters
- Motorized Cycles
- Motorcycles

Under-The-Hood Components & Parts, including:

- Motor Vehicle Engines & Engine Parts
- Brakes & Wheel Bearings
- Cooling, Defrosting & Defogging Systems
- Exhaust & Emission Controls
- Gaskets, Hoses & belts
- Motor Vehicle Gauges, Filters, PC Valves,
- Ignition Components & Fuel Components
- Steering & Suspension System Components

Tires & Rubber Products, including:

- Passenger Car, Light Truck & SUV Tires
- Heavy Duty Truck & High Performance Tires
- Tire Tubes & Valve Stems