

Mergers & Acquisitions Update

Overall M&A activity within the Consumer Durables, Textiles & Apparel sector increased 40% over the last twelve months (LTM) ending December 31, 2004, with 187 deals reported compared with 134 deals for the same period last year and with median valuation multiples at 0.7 times Revenue, 6.2 times EBITDA, 7.8 times EBIT and 2.1 times Book Value.

M&A Transactions - By Consumer Durables, Textiles & Apparel Subsector

For the Last Twelve Months Ended December 31,

	00	01	02	03	04
Apparel, Accessories & Luxury Goods	29 23%	29 25%	14 19%	29 22%	41 22%
Textile Mills & Products	40 31%	26 22%	14 19%	25 19%	41 22%
Leisure Equipment & Products	18 14%	21 18%	13 18%	27 20%	38 20%
Home Furnishings	15 11%	15 13%	13 18%	17 12%	25 14%
Consumer Electronics	16 13%	10 9%	2 3%	16 12%	19 10%
Homebuilding	5 4%	8 7%	14 19%	13 10%	11 6%
Footwear	5 4%	5 4%	3 4%	6 4%	8 4%
Housewares & Specialty Products	0 0%	2 2%	0 0%	1 1%	4 2%
Total	128 100%	116 100%	73 100%	134 100%	187 100%

Based on Mosaic Capital research and data provided by S&P, Thomson Financial, Dow Jones and Reuters. Data includes some diversified targets that focus on more than one Subsector.

Large national and international strategic buyers lead the demand for U.S.-based businesses in order to:

- reduce overcapacity and gain market share
- capitalize on improved consumer spending and overall economic recovery
- expand production and distribution reach

About Us

Mosaic Capital LLC is a leading West Coast Investment Banking firm specializing in the sale of middle-market companies, and it provides broker/dealer services through affiliate Mosaic Capital Securities, LLC - member NASD and SIPC. Mosaic Capital is the local member of International Merger & Acquisition Partners (www.imap.com), an exclusive global partnership of leading M&A advisory firms with 90 offices in 22 countries, and whose partners have completed 1,000 middle market transactions exceeding \$18 billion in value since 2000.

Mosaic Capital is presently working with over 422 buyers of \$10 to \$300 million revenue businesses in this sector, and we are seeking introductions to owners and management teams in the following lines of businesses:

Textile Mills & Products, including:

- Textile, Broadwoven Fabric, Knitting, Yarn & Thread Mills
- Narrow Fabric & Other Smallware Mills
- Dying and Finishing Textiles
- Fabrics, Fibers, Leather, Thread and Yarn Products
- Canvas, Fur & Linen Products

Housing & Specialty Products, including:

- Kitchen Houseware
- Home & Electrical Appliances
- Collectibles, Awards & Seasonal Goods

Leisure Equipment & Products, including:

- Musical Instruments
- Sporting, Recreational & Photo Products

Apparel, Accessories & Luxury Goods, including:

- Apparel & Accessories
- Luggage & Handbags
- Jewelry, Timepieces & Gemstones

Homebuilding, including:

- Single Family Houses
- Multi-Family Houses
- Buildings

Consumer Electronics, including:

- Video, Audio, Security & Others

Home Furnishings

Footwear

Sales & Divestitures ♦ Mergers & Acquisitions ♦ Valuations ♦ Financing

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