



Overall M&A activity within the Consumer Staples sector increased 12% over the last twelve months (LTM) ending September 30, 2005 with 161 deals reported compared with 144 deals for the same period last year and with median valuation multiples at 1.8 x Revenue, 9.6 x EBITDA, 13.7 x EBIT and 2.2 x Book Value.

M&A TRANSACTIONS BY SUBSECTOR

For the Last Twelve Months Ended September 30,

	01		02		03		04		05	
Packaged Foods & Meats	53	37%	52	50%	56	46%	55	38%	53	33%
Household & Personal Products	15	10%	16	15%	15	12%	23	16%	23	14%
Food Retail & Distribution	33	23%	12	11%	16	13%	24	17%	21	13%
Alcoholic & Tobacco Products	10	7%	4	4%	7	6%	7	5%	19	12%
Agricultural Food Products	8	6%	8	8%	11	9%	10	7%	18	11%
Drug Retail	12	8%	6	6%	9	7%	9	6%	17	11%
Soft Drink, Coffee & Tea Products	13	9%	7	7%	7	6%	16	11%	10	6%
Total	144	100%	105	100%	121	100%	144	100%	161	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.

Strategic buyers lead the demand for U.S.-based businesses in this sector. In addition, private equity groups own or control over 499 portfolio companies and also are fueling demand. Buyers objectives include:

- ▀ Improve manufacturing flexibility and time to market
- ▀ Capitalize on economic recovery and market globalization
- ▀ Provide more convenient, higher quality and safer food products

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:

Packaged Food & Meats, including:

- ▀ Meats, Seafood, Dairies & Grains
- ▀ Edible Oils, Sweeteners & Seasons
- ▀ Bread, Bakery & Confectionary Products
- ▀ Prepared, Preserved & Frozen Foods
- ▀ Organic & Ethnic Foods

Alcohol & Tobacco Products, including:

- ▀ Beer Ale & Malt Beverages
- ▀ Wine, Spirits & Liquors
- ▀ Cider, Cocktails and Mixed Drink Mixes
- ▀ Cigarettes, Cigars, Chew, Pipes, Rolling Tobacco & Snuff

Food Retail & Distributors, including:

- ▀ Food Distributors
- ▀ Dairy Product, Supermarkets, Convenience & Health Food Stores
- ▀ Fruit, Vegetables, Meat Market, Butcher & Seafood Stores/Markets
- ▀ Candy, Nut & Confectionary Stores
- ▀ Alcohol & Tobacco Retailers
- ▀ Warehouse Clubs & Hypermarkets

Drug Retail, including:

- ▀ Drug Stores & Pharmacies

Soft Drink, Coffee & Tea Products, including:

- ▀ Bottled Water & Juices
- ▀ Carbonated and Non-Carbonated Drinks
- ▀ Chocolate, Malts and Other Hot Beverages
- ▀ Coffee, Tea & Drink Mixes

Agricultural Food Products, including:

- ▀ Field Beans, Fruits, Grains, Nuts & Vegetables

Household & Personal Products, including:

- ▀ Household Cleaning Supplies
- ▀ Personal & Feminine Hygiene Products