



Overall M&A activity within the Containers and Packaging sector increased 10% over the last twelve months (LTM) ending September 30, 2005 with 34 deals reported compared with 31 deals for the same period last year and with median valuation multiples at 1.2 x Revenue, 7.1 x EBITDA, 16.3 x EBIT and 2.3 x Book Value.

**M&A TRANSACTIONS BY SUBSECTOR**

For the Last Twelve Months Ended September 30,

	01	02	03	04	05
Plastic Packaging	4 15%	3 16%	5 23%	8 26%	9 26%
Converted Paper & Paperboard Products	7 26%	4 21%	5 23%	8 26%	8 24%
Glass & Metal Packaging	6 22%	5 26%	6 27%	5 16%	5 15%
Diversified Containers & Packaging	6 22%	3 16%	3 14%	2 6%	6 18%
Paperboard Containers & Boxes	4 15%	4 21%	3 14%	8 26%	6 18%
<b>Total</b>	<b>27 100%</b>	<b>19 100%</b>	<b>22 100%</b>	<b>31 100%</b>	<b>34 100%</b>

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 strategic buyers lead the demand for U.S.-based businesses in this sector. In addition, private equity groups own or control over 72 portfolio companies and also are fueling demand. Buyers objectives include:

- ▶ Reduce energy and resin material related production costs
- ▶ Reduce overcapacity
- ▶ Become more efficient and globally competitive
- ▶ Strengthen competitive position in fragmented containers and packaging markets
- ▶ Expand market share

**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:

**Glass & Metal Packaging, including:**

- ▣ Glass Containers
- ▣ Glass Bottles
- ▣ Metal Cans
- ▣ Metal Shipping Barrels
- ▣ Metal Shipping Drums
- ▣ Metal Shipping Kegs
- ▣ Metal Shipping Pails
- ▣ Metal Boxes
- ▣ Foil Materials
- ▣ Foil Containers
- ▣ Aerosol Packaging

**Paperboard Containers & Boxes, including:**

- ▣ Setup Paperboard Boxes
- ▣ Corrugated and Solid Fiber Boxes
- ▣ Fiber Cans, Tubes and Drums
- ▣ Sanitary Food Containers
- ▣ Folding Paperboard Boxes

**Converted Paper & Paperboard Products, including:**

- ▣ Uncoated Paper & Multiwall Bags
- ▣ Die-Cut Paper, Paperboard & Cardboard
- ▣ Pasted, Lined & Laminated Paperboard
- ▣ Surface-Coated Paperboard

**Plastic Packaging, including:**

- ▣ Plastic Bottles
- ▣ Plastic Packaging
- ▣ Plastic Film
- ▣ Plastic Sheet
- ▣ Plastic Bags
- ▣ Plastic Sausage Casings

**Diversified Containers & Packaging**