

Overall M&A activity within the Industrial Machinery sector increased 39% over the last twelve months (LTM) ending December 31, 2004, with 129 deals reported compared with 93 deals for the same period last year and with median valuation multiples at 1 times Revenue, 9 times EBITDA, 10.7 times EBIT and 2.3 times Book Value.

M&A Transactions - By Industrial Machinery Subsector

For the Last Twelve Months Ended December 31,

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Distribution, Rental & Leasing of Machinery	33 24%	28 24%	9 16%	17 18%	29 22%
Diversified Machinery	20 15%	19 16%	10 18%	13 14%	22 17%
Truck & Marine Transportation Equipment	5 4%	4 3%	2 4%	3 3%	12 9%
Material Handling Equipment	4 3%	5 4%	4 7%	2 2%	12 9%
Chemical, Paper & Printing Machinery	10 7%	4 3%	2 4%	3 3%	11 9%
Hydraulic Pumping Equipment	10 7%	11 9%	5 9%	6 6%	9 7%
Metalworking & Mining Equipment	5 4%	9 8%	8 14%	11 12%	9 7%
Construction & Agricultural Equipment	12 9%	11 9%	7 12%	11 12%	8 6%
Industrial Heating, Cooling & Air Equipment	23 17%	11 10%	5 7%	16 18%	7 7%
Machinery Components	11 8%	8 7%	4 7%	8 9%	7 5%
Service Industry Machinery	3 2%	8 7%	1 2%	3 3%	3 2%
Total	136 100%	118 100%	57 100%	93 100%	129 100%

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:

- achieve production efficiencies and to expand customer, geographic and market reach
- reduce overcapacity and become more efficient and globally competitive

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 173 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:

Chemical, Paper & Printing, including:

- ▣ Rubber, Plastics & Molding Equip.
- ▣ Packaging, Sawmill, Paper/Woodwork
- ▣ Printing Machinery & Equip.

Construction & Agricultural, including:

- ▣ Construction, Scaffold & Ladder Equip.
- ▣ Agricultural & Farming Mach. & Equip.
- ▣ Tractors, Farm Conveyors, Elevators, Bale Throwers, Stackers & Other Equip.

Diversified Industrial Machinery

Distribution, Rental & Leasing of Machinery

Material Handling Equipment, including:

- ▣ Conveyors/Conveying, Lifting & Handling
- ▣ Elevators, Moving Stairways & Escalators
- ▣ Overhead Cranes, Hoists & Monorails
- ▣ Warehousing & Storage Equip. & Supplies
- ▣ Cargo Containers, Tanks & Cylinders

Truck & Marine Transportation, including:

- ▣ Trucks, Tractors, Industrial Trucks & Trailers
- ▣ Ship and Boat Building, Scaling & Repairing

Metalworking & Mining Equipment, including:

- ▣ Cutting & Forming, Die Sets, Jigs & Molds
- ▣ Rolling Mill, Welding & Soldering Equipment
- ▣ Metal, Mineral & Mining Machinery & Equip.

Hydraulic Pumping Equipment, including:

- ▣ Fluid Power Cylinders, Actuators, Pumps, Motors, Valves, Hoses & Fittings

Industrial Heating, Cooling & Air, including:

- ▣ Boilers, Water Heaters & Radiant Heaters
- ▣ AC, Cooling, Freezer & Refrigeration Equip.
- ▣ Fans, Blowers, Steam, Gas & Air Related

Machinery Components, including:

- ▣ Ball/Roller Bearings & Other Components

Service Industry Machinery, including:

- ▣ Commercial Laundry & Dry Cleaning
- ▣ Automatic Vending Machinery

Sales & Divestitures ♦ **Mergers & Acquisitions** ♦ **Valuations** ♦ **Financing**

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