

**Mergers & Acquisitions Update**

Overall M&A activity within the Metals, Mining & Construction Materials sector increased 33% over the last twelve months (LTM) ending December 31, 2004, with 129 deals reported compared with 97 deals for the same period last year and with median valuation multiples at 1.3 times Revenue, 9.3 times EBITDA, 22.2 times EBIT and 2.3 times Book Value.

**M&A Transactions - By Metals, Mining & Construction Subsector**

For the Last Twelve Months Ended December 31,

	00	01	02	03	04
Diversified Metals & Mining	46 37%	34 34%	29 41%	41 42%	59 46%
Steel	17 14%	21 21%	25 36%	22 23%	25 19%
Gold, Aluminum & Precious Metals	14 11%	10 10%	5 7%	16 16%	25 19%
Construction Materials	48 38%	34 35%	11 16%	18 19%	20 16%
<b>Total</b>	<b>125 100%</b>	<b>99 100%</b>	<b>70 100%</b>	<b>97 100%</b>	<b>129 100%</b>

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.

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

- access and replenish greenfield metal deposits
- capitalize on growing demand for construction materials, including steel and concrete
- capitalize on profitable mining opportunities due to rising commodity prices
- capitalize on the imbalance between hedged and unhedged producers
- achieve product focus in a specific metal

**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](http://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 129 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:

**Construction Materials, including:**

- Gypsum & Sandstone
- Limestone, Marble, Granite, Slate
- Dimension, Crushed & Broken Stone
- Construction, Industrial Sand
- Construction, Industrial Gravel
- Flat Glass & Glass Materials
- Ready Mixed Concrete
- Dry Mixture Concrete
- Concrete Blocks, Pipes and Brick
- Cement, Hydraulic
- Kaolin, Ball, Brick and Structural Clay Tile
- Slumped Brick
- Structural Clay Products & Refractories

**Diversified Metals & Mining, including:**

- Coal Mining and Production
- Diversified Metal Ores
- Smelting/Refining of Diversified Metals
- Rolling, Drawing and Extruding
- Fabricated Structural Metal Products
- Coatings, Engravings & Allied Services

**Steel, including:**

- Iron and Ferroalloy Ores
- Steel Works, Blast Furnaces & Coke Ovens
- Steel Wire Drawing, Nails and Spikes
- Rolling Mills, Iron & Steel Forging and Foundries
- Hot Rolling Purchased Steel
- Electrometallurgical Products

**Gold, Aluminum & Precious Metals:**

- Gold, Silver, Platinum, Palladium & Rhodium Ores
- Diamond, Emerald, Sapphire & Ruby Mining
- Gem Cutting & Lapidary Work
- Nonmetallic Mineral Mining
- Geophysical Surveying
- Primary Aluminum Production
- Secondary Aluminum Smelting
- Aluminum Refining
- Aluminum Rolling, Drawing & Extruding
- Aluminum Foundries
- Aluminum Castings

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

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