

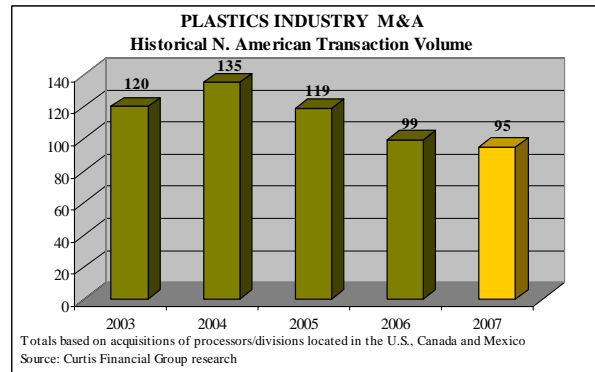
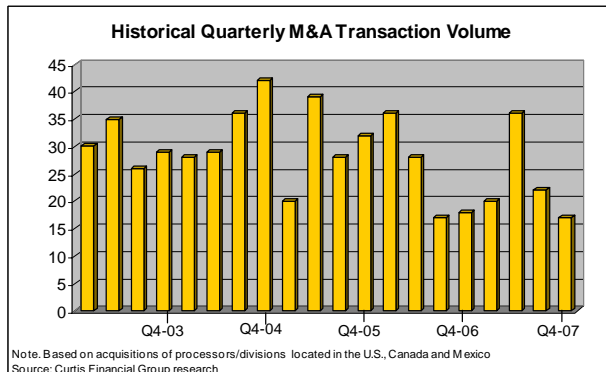
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2007 Plastics Industry M&A Steady Activity at 95 Processor Transactions

Philadelphia, PA – February 19, 2008 – Plastics Industry processor M&A activity in 2007 totaled 95 deals in North America – compared to 99 in 2006 – according to middle market investment banking firm Curtis Financial Group.

Although problems in the housing and subprime mortgage markets during the third and fourth quarters impacted certain segments of the plastics industry, such as building products, overall processor M&A activity was fairly consistent throughout the year. Our data highlights that M&A activity among plastics processors has been relatively consistent over the past six quarters after beginning to moderate in the middle of 2006 from the historic highs during the 2003-2005 period.



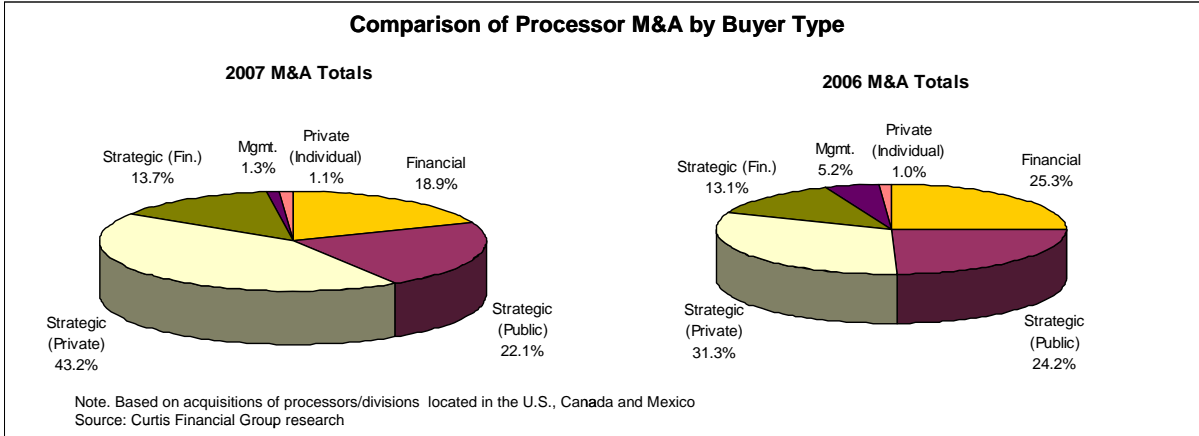
We looked at the rationale driving acquisitions this year for the first time to provide deeper insight into the motivation of buyers and why processors are really being acquired. This new analysis highlights the shift in focus from platform investments in 2006 to more product and operations focused rationales in 2007. Reasons such as product line expansion, adding new product lines and increasing market share by acquiring competitors were increasingly cited by acquirers in 2007.

The majority of processor acquisitions have been middle market sized deals of less than \$1 billion in volume which have, to date, been less affected by the current uncertainty in credit market conditions. With the exception of a few high profile deals such as the still-delayed going private acquisition of Myers Industries by Goldman Sachs Capital Partners and management, few processor transactions were predicated on highly leveraged loans and 'covenant lite' loan structures.

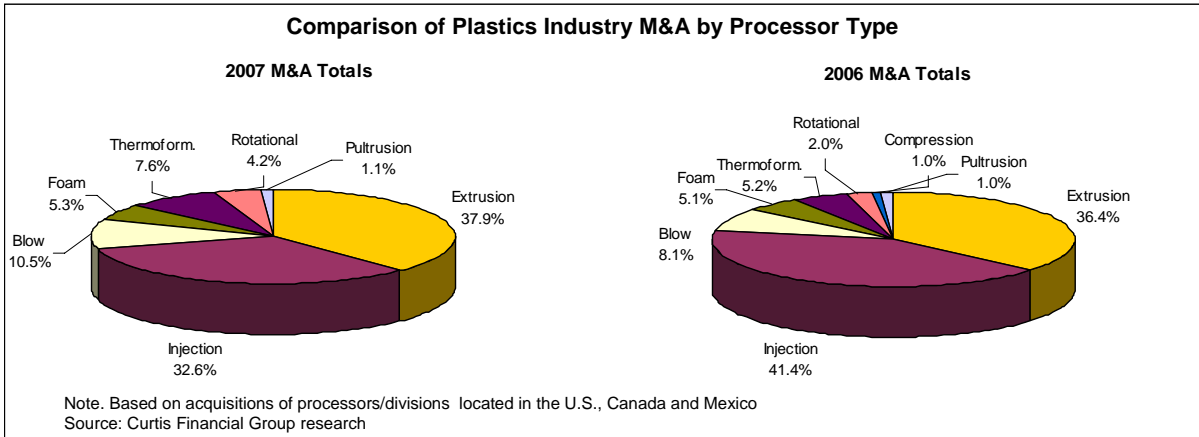
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Who's Buying and What They're Buying

Various analyses of processor M&A activity for 2007 and 2006 are shown in the following tables. The data is presented to highlight who is making acquisitions (M&A by Buyer Type), and who is being acquired (M&A by Processor Type).



For the first time in the last five years, the extrusion segment was the most active segment of all the processor types accounting for almost thirty eight percent all M&A activity in 2007. Additionally, blow molding, thermoforming and rotational molding all increased from 2006, at the expense of injection molding which, at almost thirty three percent of all deals, still represents a very active segment.

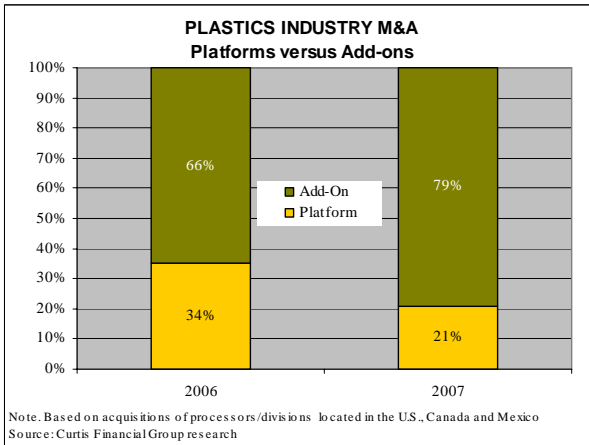


Why Processors Are Being Acquired

In 2007, twenty one percent of all processor transactions were for the purpose of a platform company acquisition with the remaining seventy nine percent being driven by a variety of other strategic and operating reasons. These totals represent a significant change from 2006 when thirty four percent of all processor transactions were for the purpose of making a platform company acquisition. A review of the data show that a number of processors that were acquired as platforms in 2006 began making add-on acquisitions in 2007 thereby contributing to the shift.

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Examining the data more closely shows that in 2007, there was an increased focus on expanding existing product lines with complementary products, acquiring new product lines, and adding manufacturing capacity at the expense of new platform acquisitions and international buyers establishing a U.S. presence. In 2006, platform acquisitions and acquisitions driven to establish a U.S. presence accounted for 43.5% of all transaction rationales before declining to 26.5% in 2007.



	<u>2006</u>	<u>2007</u>
Platform	34.3%	21.1%
Product Line Expansion	9.1%	21.1%
Market share/competitor	7.1%	11.6%
New product line	8.1%	10.5%
Geographic: Intra US	9.1%	9.5%
Manufacturing Capacity	6.1%	6.3%
New end markets	8.1%	5.3%
New processing capabilities	3.0%	5.3%
Geographic: US presence	7.1%	3.2%
Geographic: Canadian presence	1.0%	2.1%
Plant consolidation	6.1%	2.1%
Geographic: Intra Canada	0.0%	1.1%
Geographic: Mexico presence	<u>1.0%</u>	<u>1.1%</u>
	100.0%	100.0%

Note. The Curtis Plastics Industry M&A Database includes change-of-control acquisitions of North American based processors and excludes transactions involving manufacturing plants and assets, recyclers, compounders, converters, distributors, and equipment manufacturers.

Curtis Financial Group, LLC advises middle market companies on mergers, acquisitions, divestitures, raising capital, and provides fairness opinions, business valuations, and related corporate finance services. Our professionals have completed merger and acquisitions with over \$1.6 billion in transaction value, financing transactions of over \$1 billion, and over 150 fairness opinions and 1,500 valuations.

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