

FOOD AND BEVERAGE SECOND HALF 2008 REVIEW



EUREKA CAPITAL MARKETS LLC, MEMBER FINRA/SIPC

PUBLIC STOCKS

- Beverage, food and food retail stocks each outperformed the S&P 500 Index for the twelve months ended December 31, 2008
 - Beverage stocks posted a 19.8% loss
 - Food stocks posted a 25.8% loss
 - Food retailer/wholesaler stocks posted a 27.4% loss
 - S&P500 posted a 37.6% loss
- Beverage stocks outperformed food and food retail stocks; however, all three sectors outperformed the S&P 500 Index for the last six months of 2008
 - Beverage stocks posted a 9.6% loss
 - Food stocks posted a 18.8% loss
 - Food retailer/wholesaler stocks posted a 21.3% loss
 - S&P500 posted a 29.7% loss



MERGERS AND ACQUISITIONS

- For the twelve months ended December 31, 2008, deal volume for U.S. and U.S. cross-border completed transactions totaled 9,272.
- Total deal volume in 2008 decreased approximately 12.3% from 2007, with the sharpest decline coming in the fourth quarter, due to:
 - Lack of credit for M&A transactions
 - Concerns over how broadly the financial crisis will impact the overall economy and acquirers' businesses
- M&A activity within the food & beverage industry for the twelve months ended December 31, 2008 totaled 255 completed transactions.
- For the last six months of 2008, transactions declined approximately 25% to 129 completed transactions, as compared to 172 for the last six months of 2007
- Lower commodity costs and prior price increases are finally providing food companies with some margin relief, but the soft economy has slightly reduced food purchases, with many consumers opting for private label over branded products
- Despite the financial market challenges, valuations for emerging brands and high growth companies where financial leverage is less critical for value creation have remained relatively strong

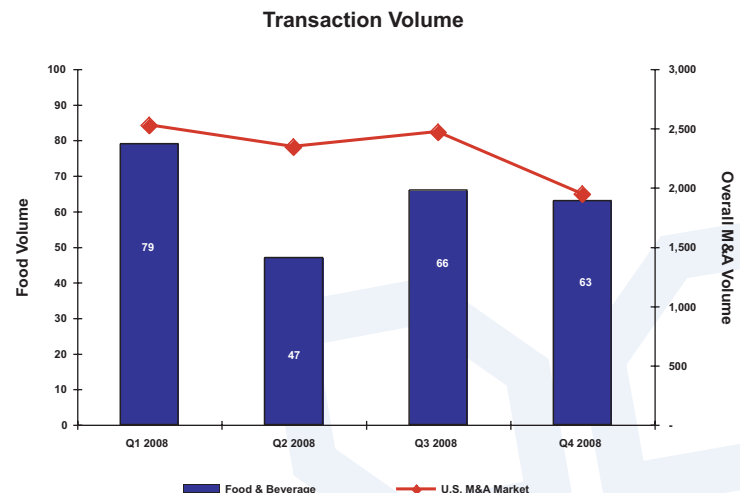


Chart Source: Capital IQ

TRAILING TWELVE-MONTH PUBLIC FOOD & BEVERAGE VALUATION MULTIPLES

Ticker	Company Name	Sector	Equity Value*	Enterprise Value*	LTM Revenue*	EBITDA Margin	EV / Revenue	EV / EBITDA	Est. 1-yr Growth**
BFB	Brown-Foreman Corp.	Beverage	7,494	8,367	2,631	27.8%	3.18	11.4	30.4%
KO	Coca-Cola Co.	Beverage	98,835	102,275	32,149	31.0%	3.18	10.3	1.1%
PEP	Pepsico, Inc.	Beverage	78,013	83,799	42,868	21.2%	1.95	9.2	1.6%
TAP	Molson Coors Co.	Beverage	7,397	9,067	5,635	18.2%	1.61	8.9	-42.6%
STZ	Constellation Brands, Inc.	Beverage	3,177	7,778	3,804	20.0%	2.04	10.2	-5.7%
MEDIAN						21.2%	2.04	10.2	1.1%
CPB	Campbell Soup Co.	Food	10,913	13,606	8,063	19.0%	1.69	8.9	-0.4%
CAG	ConAgra Foods, Inc.	Food	7,646	11,183	12,363	10.8%	0.90	8.4	3.5%
DF	Dean Foods Co.	Food	2,977	7,588	12,606	6.5%	0.60	9.2	-2.4%
DLM	Del Monte Foods Co.	Food	1,317	3,168	3,929	11.6%	0.81	7.0	-9.9%
FLO	Flowers Foods, Inc.	Food	1,993	2,280	2,267	10.3%	1.01	9.8	17.8%
GIS	General Mills, Inc.	Food	19,392	26,913	14,385	17.0%	1.87	11.0	4.4%
HAIN	Hain Celestial Group, Inc.	Food	616	927	1,108	9.6%	0.84	8.7	12.8%
HNZ	HJ Heinz Co.	Food	11,477	16,283	10,495	17.7%	1.55	8.8	-2.5%
HRL	Hormel Foods Corp.	Food	4,013	4,308	6,755	9.4%	0.64	6.8	5.3%
HSY	Hershey Foods Corp.	Food	8,467	10,469	5,133	20.0%	2.04	10.2	2.5%
K	Kellogg Co.	Food	16,676	21,541	12,683	18.7%	1.70	9.1	5.8%
KFT	Kraft Foods	Food	41,209	61,065	42,684	15.0%	1.43	9.5	1.1%
LANC	Lancaster Colony Corp.	Food	1,018	1,033	1,001	9.5%	1.03	10.8	7.8%
MKC	McCormick & Co., Inc.	Food	4,169	5,369	3,130	15.6%	1.72	11.0	5.1%
NTY	Nature's Bounty, Inc.	Food	1,162	1,644	2,179	14.1%	0.75	5.4	20.8%
RAH	Ralcorp Holdings, Inc.	Food	3,337	4,962	3,777	12.6%	1.31	10.4	4.5%
SFD	Smithfield Foods, Inc.	Food	1,704	5,155	12,276	3.8%	0.42	11.1	7.2%
SJM	JM Smucker Co.	Food	5,347	6,369	4,381	16.5%	1.45	8.8	10.7%
SLE	Sara Lee Corp.	Food	7,090	9,112	13,507	11.9%	0.67	5.6	-1.4%
TR	Tootsie Roll Industries, Inc.	Food	1,313	1,277	496	16.2%	2.58	15.9	0.2%
TSN	Tyson Foods, Inc.	Food	3,342	6,190	26,907	2.1%	0.23	10.8	3.8%
MEDIAN						12.6%	1.03	9.2	4.4%
ADM	Archer-Daniels-Midland, Inc.	Ingredients	17,564	23,084	78,148	5.2%	0.30	5.6	-3.5%
BG	Bunge Limited	Ingredients	5,223	10,335	54,103	5.8%	0.19	3.3	-3.7%
CPO	Corn Products International, Inc.	Ingredients	1,724	2,356	3,938	14.6%	0.60	4.1	-2.1%
SXT	Sensient Technologies Corp.	Ingredients	1,039	1,513	1,260	16.3%	1.20	7.4	4.3%
MEDIAN						10.2%	0.45	4.9	-2.8%
BKC	Burger King Corporation	Restaurants	2,996	3,853	2,527	17.8%	1.52	8.5	7.2%
BOBE	Bob Evans Farms Inc.	Restaurants	539	830	1,762	10.7%	0.47	4.4	0.3%
BWLD	Buffalo Wild Wings Inc.	Restaurants	400	355	393	14.1%	0.91	6.4	28.2%
CAKE	Cheesecake Factory, Inc.	Restaurants	518	790	1,612	10.5%	0.49	4.7	-0.2%
CMG	Chipotle Mexican Grill	Restaurants	1,575	1,367	1,276	14.0%	1.07	7.6	17.4%
CPKI	California Pizza Kitchen	Restaurants	250	297	678	10.5%	0.44	4.2	0.4%
EAT	Brinker International Inc.	Restaurants	1,117	1,957	4,085	10.3%	0.48	4.7	-17.1%
MCD	McDonald's Corp.	Restaurants	64,666	73,057	23,522	32.0%	3.11	9.7	-2.5%
PFCB	P.F. Chang's China Bistro	Restaurants	422	604	1,203	10.0%	0.50	5.0	2.1%
PNRA	Panera Bread Co.	Restaurants	1,440	1,412	1,242	13.6%	1.14	8.3	9.4%
RT	Ruby Tuesday, Inc.	Restaurants	66	624	1,306	9.7%	0.48	4.9	-10.4%
WEN	Wendy's/Arby's Group, Inc.	Restaurants	2,369	3,064	3,702	11.3%	0.83	7.3	-0.2%
MEDIAN						11.0%	0.66	5.7	0.3%
MEDIAN - ALL COMPANIES						13.8%	1.02	8.8	1.9%

NOTES

Source: Public filings and analyst estimates.

Enterprise Value (EV) - Market value of equity + Interest-bearing debt - cash

Equity Value - Market value of equity as of January 30, 2008

EBITDA - Earnings before interest, taxes, depreciation and amortization

Nmf - Not meaningful figure

na - Not Available

* (\$ millions)

** Net income growth

SELECT SECOND HALF 2008 M&A TRANSACTIONS

Date	Target	Target Business Description	Acquirer Type
Jul-08	Amalfitano's Italian Bakery	A leading producer of specialty Italian-style breads and rolls in the Philadelphia market.	Strategic/Financial
Jul-08	Ann's House of Nuts, Inc.	A manufacturer of private label & branded snack nut and trail mix products.	Financial
Jul-08	Lawry's	Manufactures and sells a variety of marinades and seasoning blends under the Lawry's and Adolph's brands in grocery stores.	Strategic
Jul-08	Max & Erma's Restaurants Inc.	Owns and operates 79 casual dining full-service restaurants under the Max & Erma's name and 27 franchised restaurants.	Financial
Jul-08	Palermo Italian Foods, LLC	An Italian food importer and distributor based in Miami, Florida, primarily serving the southern Florida markets.	Strategic
Jul-08	ConAgra Foods, Inc. - Pemmican brand	Beef jerky products sold under the Pemmican brand; transaction includes related production equipment.	Strategic
Jul-08	Redhook Ale Brewery	Merger with Widmer Brothers Brewing forming a new company called Craft Brewers Alliance; brews include Redhook's ESB and Widmer's Hefeweizen.	Strategic
Jul-08	RestaurantsToGo	Seattle-based restaurant food delivery service working with Rubios, Claim Jumper, California Pizza Kitchen, Cheesecake Factory & BJs Restaurants.	Strategic
Jul-08	Season-All	Seasoned salt product line, including original, garlic, spicy, 25% less sodium and crusting blend products.	Strategic
Jul-08	Union Beverage Co.	Markets and distributes wine, spirits and malt beverage products in Illinois.	Strategic
Jul-08	Wythe-Will Distributing	Distributor of value-added specialty food, branded and private label gourmet foods and confections.	Financial
Jul-08	Powerchow LLC's Nu-Kitchen	Prepares and delivers meals designed to promote weight management and healthy living in the New York city metropolitan region.	Strategic
Aug-08	ButterKrust Bakery	Sells bread & rolls under the Country Hearth, Rich Harvest & Sunbeam brands.	Strategic
Aug-08	CEMAC Foods Corp.	Philadelphia cheesecake makers, including private label and custom flavors.	Strategic
Aug-08	Cushman Fruit Co.	Packs and sells oranges, grapefruits and other fruits as well as salads, gourmet foods, baked goods, custom gift/fruit baskets and gifts through catalogs.	Strategic
Aug-08	Houston Harvest Inc & Gift Products, Inc.	A leading supplier of seasonal food gifts and popcorn tins to mass retailers, including Wal-mart, Target and Kmart.	Strategic
Aug-08	INDYBAKE Products, LLC & Brownie Products Inc.	Contract manufacturer of crackers, cookies and frozen dough products.	Strategic
Aug-08	Inflight Logistic Services	Provides onboard catering and other retail solutions and logistics to low-fare carriers.	Strategic
Aug-08	Kraft Foods - Post Cereal brand	Branded, ready-to-eat cereals, including Honey Bunches of Oats, Pebbles, Post Selects, Spoon Size Shredded Wheat, Grape-Nuts and Post Raisin Bran.	Strategic
Aug-08	Pyramid Breweries, Inc.	A leading brewer of specialty, full flavored beers under Pyramid & MacTarnahan brands and a family of unfiltered wheat beers.	Strategic
Aug-08	Pure of Holland	Developer and marketer of certified organic, raw, vegan and unprocessed gluten/dairy/soy free nutrition bars.	Strategic
Aug-08	Rockfish Seafood Grills	Operates 14 casual dining restaurants.	Financial
Aug-08	Tampico Beverage Inc.	A Chicago based producer of refrigerated juice drinks and supplier of value-added juice drink concentrates.	Strategic
Sep-08	BUCA, Inc.	Italian family-style restaurants under the name of Buca di Beppo.	Strategic
Sep-08	Damon's Grill	Full-service casual dining restaurants, consisting of 65 sports-themed restaurants in 15 states.	Strategic
Sep-08	Healthy Handfuls	Organic snack food company, including cookies and crackers in snack boxes and pouches.	Strategic
Sep-08	General Mills - Pop Secret brand	Microwave popcorn business including 100 calorie and snack size packages, as well as a variety of flavors such as Butter, Home style and Kettle Corn.	Strategic
Sep-08	Sara Lee - Foodservice sauces brand	Food service sauces and dressings, including salad dressing, mayonnaise and barbeque sauce for national restaurant and foodservice distribution customers.	Strategic/Financial
Sep-08	Specialty Cereals Pty Limited	Manufactures natural ready-to-eat cereals, including Vogels, Wild Oats, and Cerevite brands.	Strategic
Sep-08	Wilsey and Sons	Manufactures botanical extracts and concentrates.	Strategic
Oct-08	Applebee's Restaurants	41 Applebee's Restaurants located in South California and Nevada.	Strategic
Oct-08	Fudge Fatale	Manufacturer of gourmet and shelf stable chocolate fudge bars and dessert sauces, selling through retailers as well as online.	Strategic
Oct-08	NDS Nutritional Products	Provides nutritional products, including weight loss, sports nutrition, and general health products.	Strategic
Oct-08	Sabroso Co.	Sources, processes and supplies fruit products for the food manufacturing and food service industries worldwide.	Strategic
Oct-08	Del Monte Foods - Star-Kist brand	Seafood business, including Star-Kist Foods, a provider of tuna products.	Strategic
Oct-08	Sunrise Bakery	Produces, markets and sells par baked and frozen bakery products, including private label and frozen bread products for stores, supermarkets, delis, restaurants, schools, hospitals, institutions and hotels.	Strategic/Financial
Oct-08	Wm. Wrigley Jr. Company	Manufacturers and markets chewing gums, mints, hard candy, and other confectionery products in the United States and internationally.	Strategic
Nov-08	Anheuser Busch	Produces and distributes domestic beer and international beer, including Budweiser, Michelob, Busch and Natural brand names. Also offers specialty beers, non-alcohol brews, and malt liquors.	Strategic
Nov-08	Brand Coffee Service	Distributor of beverage products in the United States, including various coffee products, tea, cocoa, cappuccino and cider; cold drinks/juices, as well as select foods.	Strategic
Nov-08	Campania Foods	Importer and distributor of specialty food products from Italy and the Mediterranean.	Strategic
Nov-08	Folgers Coffee	Produces and markets retail packaged coffee products under the Folgers brand name in the United States.	Strategic
Dec-08	Archway Cookies LLC	Produces and sells cookies and crackers, including 60 home style, gourmet, fat free, bag and holiday cookies.	Strategic
Dec-08	Lane Affiliated Companies, Inc.	Eighth largest Pepsi bottler in U.S., serving portions of Colorado, Arizona & New Mexico.	Strategic
Dec-08	Little Kings Cream Ale	A Pennsylvania Ale which started in 1958 as Schoenling Cream Ale	Strategic
Dec-08	Mother's Cake & Cookie Company	Trademarks and recipes of regional brand of cookies, including iced animal crackers, sandwich cookies and wire-cut cookies.	Strategic
Dec-08	Romano's Macaroni Grill	A leading Italian-style chain of casual dining restaurants with more than 220 locations through the U.S., Mexico and Canada.	Financial
Dec-08	Nestle USA, Inc - Treasures and Stixx brands	Treasures and Stixx confectionary brands.	Strategic
Dec-08	Wendy's/Arby's Group	Wendy's/Arby's Group is the third largest quick-service restaurant company, and is the franchisor of the Wendy's and Arby's restaurant systems, with more than 10,000 restaurants in 50 states and 21 countries.	Financial

Source: The Food Institute, press releases & public filings

EUREKA'S FOOD & BEVERAGE EXPERTISE

Eureka's Food & Beverage Practice is a national team of professionals dedicated to advising food and beverage companies on mergers, acquisitions, brand divestitures/acquisitions, recapitalizations/growth financings and corporate restructurings. Our professionals work with both buyers & sellers, and have developed not only a thorough understanding of the industry, but also strong relationships with leading food and beverage companies worldwide. The following is a list of food and beverage sectors where we have developed expertise.

- Baked Goods
- Brewers
- Co-packing / Private Label
- Dairy Processing
- Distilled Spirits
- Ethnic Foods
- Foodservice Distribution
- Functional Foods
- Ingredients
- Meat Processing
- Natural & Organic Foods
- Nutritional Supplements
- Poultry Processing
- Snack Food Processing



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