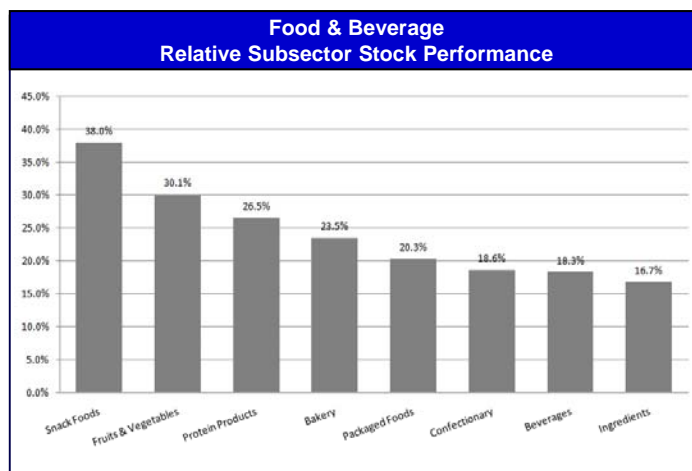
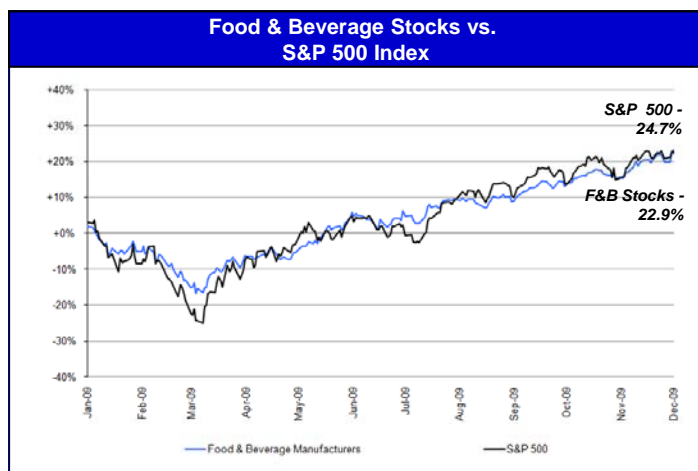


# EUREKA CAPITAL MARKETS, LLC

## FOOD & BEVERAGE – 2009 YEAR END AND 4<sup>TH</sup> QUARTER REPORT

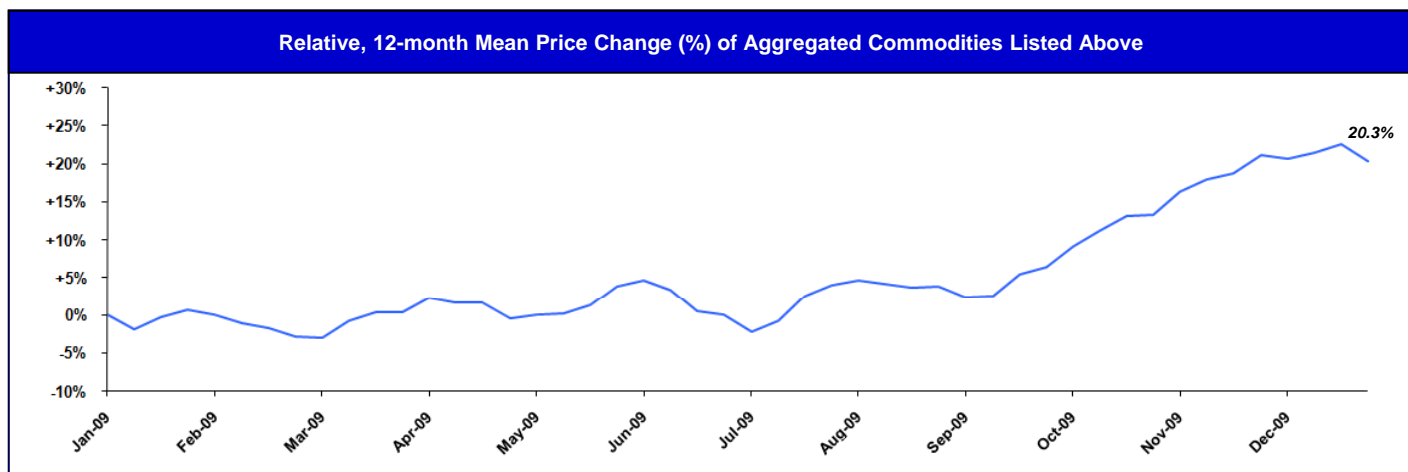
### PUBLIC STOCK PERFORMANCE – TWELVE MONTHS ENDING DECEMBER 31, 2009



Note: Food & Beverage Index is a custom, market-weighted index created from the public companies listed on Pages 2 & 3 of this report.

### COMMODITY PRICES AND TRENDS

	12/30/2009	52-week			12/30/2009 Close Price % Δ from:		
	Close Price	High	Low	Median	High	Low	Median
Butter, AA Chicago, lb.	1.33	1.53	1.10	1.23	-13.2%	20.7%	8.4%
Cheddar Cheese - Blocks	145.00	171.75	104.00	122.50	-15.6%	39.4%	18.4%
Corn - No. 2 Yellow	3.74	4.30	3.01	3.56	-13.0%	24.5%	5.1%
Milk, Nonfat Dry, Chicago	140.00	140.00	85.00	88.00	0.0%	64.7%	59.1%
Cocoa, Ivory Coast, \$ per metric ton	3,722	3,827	2,608	3,021	-2.7%	42.7%	23.2%
Eggs, Large White Chicago, dozen	1.05	1.18	0.57	0.85	-11.1%	83.3%	22.6%
Flour, Hard Winter Kansas, cwt	13.70	18.30	12.70	15.30	-25.1%	7.9%	-10.5%
Sugar, Cane Raw, World, lb. fob	27.61	27.61	12.69	16.71	0.0%	117.6%	65.3%
Beef - Select	119.35	137.04	115.40	122.79	-12.9%	3.4%	-2.8%
Chicken - Dressed A	0.83	0.89	0.82	0.86	-7.3%	1.1%	-4.3%
Pork - Hogs, Iowa South	60.78	63.42	46.49	57.09	-4.2%	30.7%	6.5%



Source: Wall Street Journal

## TRAILING TWELVE-MONTH VALUATION MULTIPLES FOR PUBLIC FOOD & BEVERAGE COMPANIES

Company (\$ mm)	Ticker	Price 12/31/09	Price Performance		Equity Value	Firm Value	1 Yr Est. Growth Rate	EV / LTM		EV / 1 Yr Forward		EBITDA Margin
			CY 08	LTM				Sales	EBITDA	Sales	EBITDA	
<b>Bakery</b>												
Aryzta AG	YZA	25.70	9.8%	29.0%	2,029	2,736	NA	0.9x	8.0x	NA	NA	10.6%
Canada Bread Co.	CBY	52.25	10.6%	10.7%	1,328	1,308	0.4%	0.8x	7.2x	0.8x	7.6x	10.6%
CSM nv	CSM	18.38	67.4%	99.9%	1,191	1,691	NA	0.6x	9.7x	NA	NA	6.6%
Flowers Foods	FLO	23.76	-2.5%	3.7%	2,186	2,436	8.1%	0.9x	8.5x	1.0x	8.8x	10.8%
George Weston	WN	66.92	11.6%	11.0%	8,638	13,101	-0.8%	0.4x	7.3x	0.4x	6.7x	5.5%
Grupo Bimbo SA	BIMBO A	87.41	49.9%	80.8%	102,777	136,199	44.0%	1.3x	9.7x	1.2x	8.9x	12.9%
Ralcorp Holdings	RAH	59.71	2.2%	2.3%	3,386	4,679	2.7%	1.2x	9.8x	1.2x	7.3x	12.6%
Sara Lee	SLE	12.18	24.4%	23.5%	8,493	10,122	-6.1%	0.8x	6.3x	0.8x	6.3x	12.6%
Tasty Baking	TSTY	6.73	98.5%	72.1%	58	154	4.1%	0.9x	15.2x	NA	NA	5.6%
Average			30.2%	37.0%			7.5%	0.9x	9.1x	0.9x	7.6x	9.8%
Median			11.6%	23.5%			2.7%	0.9x	8.5x	0.9x	7.5x	10.6%
<b>Beverages</b>												
Boston Beer	SAM	\$46.60	64.1%	81.5%	\$664	\$619	4.6%	1.5x	9.4x	1.5x	8.6x	16.1%
Brown Forman	BF.B	53.57	4.0%	16.2%	7,868	8,542	23.2%	3.6x	11.1x	2.7x	10.8x	32.0%
Coca Cola	KO	57.00	25.9%	35.1%	132,079	134,635	-3.6%	4.4x	14.0x	4.2x	12.9x	31.4%
Constellation Brands	STZ	15.93	1.0%	14.2%	3,530	7,713	-7.5%	2.3x	11.8x	2.3x	8.2x	19.3%
Cott	BCB	8.66	462.3%	434.6%	704	1,001	-3.6%	0.6x	7.0x	0.6x	6.1x	9.0%
Dr. Pepper Snapple Group	DPS	28.30	74.2%	77.5%	7,191	9,951	-3.5%	1.8x	8.3x	1.8x	8.0x	21.6%
Foster's Group	FGL	5.50	0.0%	3.4%	10,617	13,378	NA	2.9x	10.3x	NA	NA	27.7%
Hansen Natural	HANS	38.40	14.5%	16.5%	3,421	3,074	8.6%	2.8x	14.2x	2.8x	9.4x	19.6%
Heineken	HEIA	33.27	51.9%	42.4%	16,264	25,842	NA	1.7x	9.6x	NA	NA	17.9%
Pepsi	PEP	60.80	11.0%	20.1%	94,875	99,796	0.0%	2.3x	10.7x	2.3x	10.4x	21.9%
Molson Coors	TAP	45.16	-7.7%	6.3%	8,354	9,836	-29.2%	3.3x	16.8x	2.8x	10.4x	19.9%
SABMiller Plc	BF.B	53.57	4.0%	16.2%	7,868	8,542	23.2%	3.6x	11.1x	2.7x	10.8x	32.0%
Average			58.8%	63.7%			1.2%	2.6x	11.2x	2.4x	9.6x	22.4%
Median			12.8%	18.3%			-1.7%	2.6x	10.9x	2.5x	9.9x	20.7%
<b>Confectionery</b>												
Barry Callebaut AG	BARN	\$653.00	-5.2%	20.9%	\$3,371	\$4,323	NA	0.9x	10.1x	NA	NA	8.8%
Cadbury Plc	CBRY	7.98	32.5%	41.7%	10,951	12,721	NA	2.2x	15.0x	NA	NA	14.8%
Chocoladefabriken Lindt	LISP	27,966.53	30.6%	15.0%	6,331	6,020	NA	2.1x	13.3x	NA	NA	15.6%
Halloren Schokoladenfabrik	H2R	5.95	9.2%	33.7%	27	50	NA	1.3x	10.9x	NA	NA	12.0%
Hershey Foods	HSY	35.79	3.0%	2.4%	8,152	9,820	3.4%	1.9x	9.3x	1.9x	9.5x	20.0%
Natra SA	NAT	2.30	-43.1%	-45.8%	106	500	NA	1.1x	NM	NA	NA	6.5%
Petra Foods	P34	0.72	89.5%	71.4%	548	1,146	NA	1.0x	20.4x	NA	NA	4.7%
Tootsie Roll Industries	TR	27.38	6.9%	16.3%	1,525	1,482	1.4%	2.9x	15.6x	2.9x	NA	18.8%
Average			15.4%	19.5%			2.4%	1.7x	13.5x	2.4x	9.5x	12.7%
Median			8.0%	18.6%			2.4%	1.6x	13.3x	2.4x	9.5x	13.4%
<b>Fruits &amp; Vegetables</b>												
Calavo Growers	CVGW	\$17.00	47.8%	30.1%	\$247	\$268	18.3%	0.8x	10.9x	0.7x	NA	7.2%
Chiquita Brands	CQB	18.04	22.1%	31.0%	808	1,300	-5.4%	0.4x	6.6x	0.3x	4.9x	5.7%
Dole Food Company	DOLE	12.41	NA	NA	1,085	3,298	NA	0.5x	7.9x	NA	NA	6.0%
Fresh Del Monte	FDP	22.10	-1.4%	-8.5%	1,406	1,704	-2.0%	0.5x	6.8x	0.5x	6.5x	7.3%
Average			22.8%	17.5%			3.6%	0.5x	8.0x	0.5x	5.7x	6.6%
Median			22.1%	30.1%			-2.0%	0.5x	7.3x	0.5x	5.7x	6.6%
<b>Ingredients</b>												
Archer Daniels	ADM	\$31.31	8.6%	16.3%	\$20,112	\$25,227	-8.0%	0.4x	9.7x	0.4x	7.1x	4.1%
Bunge	BG	63.83	23.3%	37.9%	8,558	13,952	-19.5%	0.3x	NM	0.3x	20.1x	1.2%
Corn Products	CPO	29.23	1.3%	14.6%	2,188	2,743	-8.1%	0.8x	7.4x	0.7x	6.7x	10.2%
Sensient Technologies	SXT	26.30	10.1%	17.2%	1,287	1,720	-4.8%	1.5x	8.6x	1.5x	8.8x	16.8%
Average			10.8%	21.5%			-10.1%	0.7x	8.6x	0.7x	10.7x	8.1%
Median			9.4%	16.7%			-8.1%	0.6x	8.6x	0.6x	8.0x	7.2%
<b>Packaged Foods</b>												
B&G Foods	BGS	\$9.18	70.0%	105.4%	\$435	\$860	3.1%	1.7x	8.4x	1.7x	8.3x	20.4%
Campbells Soup	CPB	33.80	12.6%	11.7%	11,591	14,491	4.2%	1.9x	9.1x	1.8x	8.6x	21.2%
ConAgra Foods	CAG	23.05	39.7%	30.5%	10,210	13,204	-2.0%	1.1x	7.9x	1.1x	8.0x	13.3%
Dean Foods	DF	18.04	0.4%	-6.1%	3,256	7,595	-10.7%	0.7x	7.8x	0.7x	8.1x	8.7%
Del Monte Foods	DLM	11.34	58.8%	62.2%	2,247	3,837	NA	1.0x	6.0x	NA	7.3x	16.9%
General Mills	GIS	70.81	16.6%	19.4%	23,335	29,421	0.8%	2.0x	8.8x	2.0x	9.6x	22.5%
Green Mountain Coffee Roasters	GMCR	81.47	215.8%	207.0%	3,557	3,346	57.7%	4.2x	NM	2.6x	17.5x	12.8%
Hain Celestial Group	HAIN	17.01	-10.9%	8.0%	694	919	-14.1%	0.9x	11.6x	0.9x	8.1x	7.4%
HJ Heinz	HNZ	42.76	13.7%	22.0%	13,497	18,016	4.8%	1.8x	10.1x	1.7x	9.6x	17.7%
JM Smucker	SJM	61.75	42.4%	39.8%	7,350	8,400	21.4%	1.9x	11.6x	1.8x	8.4x	16.5%
Kellogg	K	53.20	21.3%	20.3%	20,185	24,960	-1.7%	2.0x	10.1x	2.0x	10.5x	19.6%
Kraft Foods	KFT	27.18	1.2%	-5.2%	40,149	57,935	-4.0%	1.4x	9.2x	1.5x	9.4x	15.6%
Lancaster Colony	LANC	49.68	44.8%	54.2%	1,400	1,347	-1.4%	1.3x	7.6x	1.3x	NA	17.0%
McCormick & Co.	MKC	36.13	13.4%	18.7%	4,729	5,847	1.2%	1.8x	10.5x	1.8x	10.4x	17.5%
Seneca Foods	SENE.A	23.87	15.3%	11.6%	256	557	NA	0.4x	5.5x	NA	NA	7.8%
Smart Balance, Inc.	SMBL	6.00	-11.8%	-24.2%	376	436	9.9%	1.8x	NM	1.7x	13.3x	7.1%
Treehouse Foods	THS	38.86	42.7%	44.1%	1,241	1,713	1.1%	1.1x	10.5x	1.1x	10.0x	10.8%
Average			34.5%	36.4%			4.7%	1.6x	9.0x	1.6x	9.8x	14.9%
Median			16.6%	20.3%			1.1%	1.7x	9.1x	1.7x	9.4x	16.5%

Notes:

NA = Data Not Available

LTM = Last Twelve Months

NM = Data Not Meaningful

CY = Calendar Year

## TRAILING TWELVE-MONTH VALUATION MULTIPLES FOR PUBLIC FOOD & BEVERAGE COMPANIES – cont.

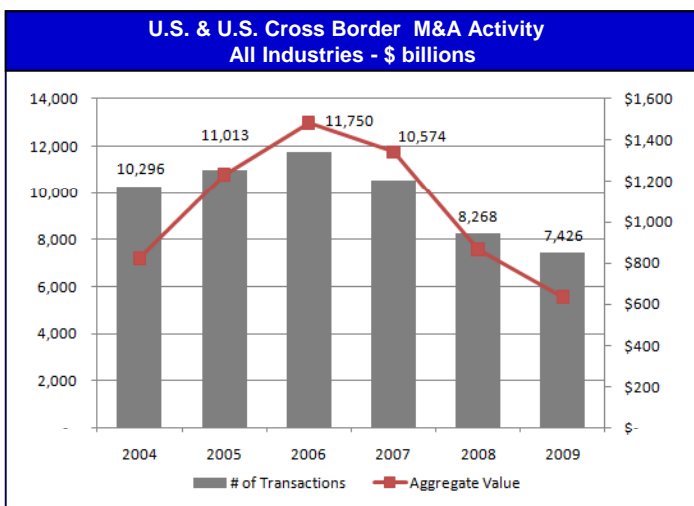
Company (\$ mm)	Ticker	Price 12/31/09	Price Performance		Equity Value	Firm Value	1 Yr Est. Growth Rate	EV / LTM		EV / 1 Yr Forward		EBITDA Margin
			CY 08	LTM				Sales	EBITDA	Sales	EBITDA	
<b>Protein Products</b>												
Hormel Foods	HRL	\$38.45	23.7%	26.3%	\$5,138	\$5,103	3.8%	0.8x	7.7x	0.8x	7.3x	10.1%
Sanderson Farms	SAFM	42.16	22.0%	20.8%	858	954	6.7%	0.5x	5.3x	0.6x	5.5x	10.0%
Seaboard Corp	SEB	1,349.00	13.0%	27.9%	1,669	1,382	NA	0.4x	9.8x	NA	NA	3.7%
Smithfield Foods	SFD	15.19	8.0%	26.5%	2,519	5,130	-8.1%	0.4x	NM	0.5x	NM	0.7%
Tyson Foods	TSN	12.27	40.1%	41.7%	4,620	7,266	1.9%	0.3x	8.5x	0.3x	5.6x	3.2%
Average			21.3%	28.6%			1.1%	0.5x	7.8x	0.5x	6.1x	5.6%
Median			22.0%	26.5%			2.8%	0.4x	8.1x	0.5x	5.6x	3.7%
<b>Snack Foods</b>												
Diamond Foods	DMND	\$35.54	76.4%	42.6%	\$591	\$696	4.8%	1.3x	10.9x	1.2x	10.6x	11.5%
Golden Enterprises Inc.	GLDC	3.66	69.8%	93.2%	43	50	NA	0.4x	7.8x	NA	NA	5.0%
John B Sanfilippo & Son Inc.	JBSS	15.60	189.4%	199.4%	166	243	NA	0.4x	6.4x	NA	NA	6.9%
J&J Snack Foods	JJSF	39.96	11.4%	16.2%	735	637	3.0%	1.0x	6.8x	1.0x	NA	14.4%
Lance	LNCE	26.30	14.6%	33.4%	843	938	7.5%	1.0x	10.7x	0.9x	8.5x	9.7%
The Inventure Group	SNAK	2.36	44.8%	31.8%	43	66	8.5%	0.5x	6.6x	0.5x	6.3x	8.3%
Average			67.7%	69.4%			6.0%	0.8x	8.2x	0.9x	8.5x	9.3%
Median			57.3%	38.0%			6.2%	0.8x	7.3x	1.0x	8.5x	9.0%

Notes:

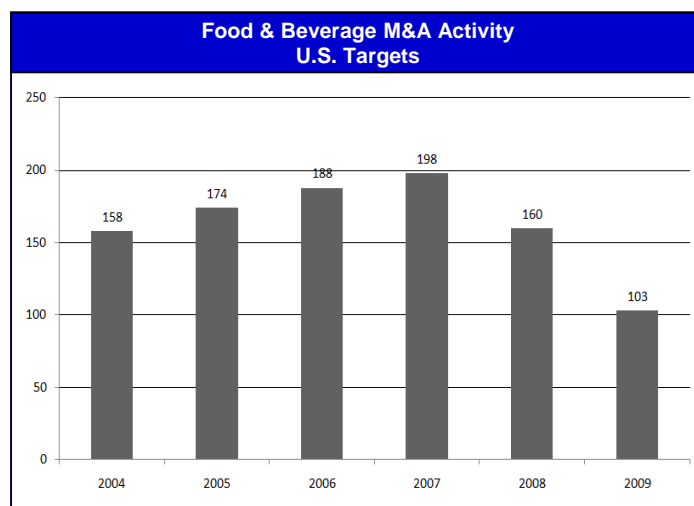
NA = Data Not Available  
 NM = Data Not Meaningful

LTM = Last Twelve Months  
 CY = Calendar Year

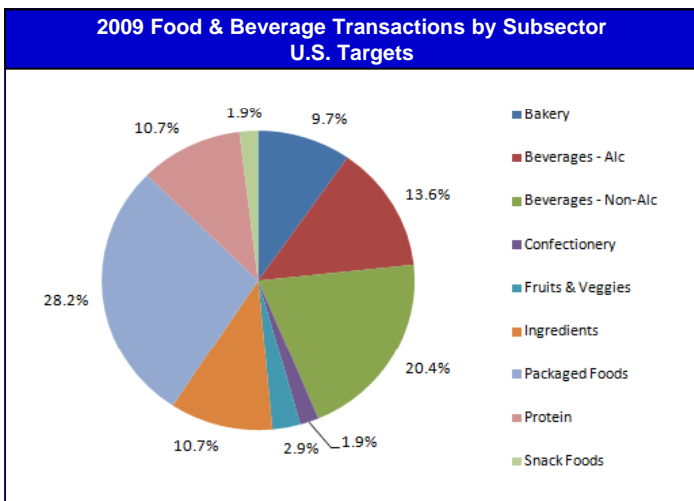
## MERGER & ACQUISITION OVERVIEW



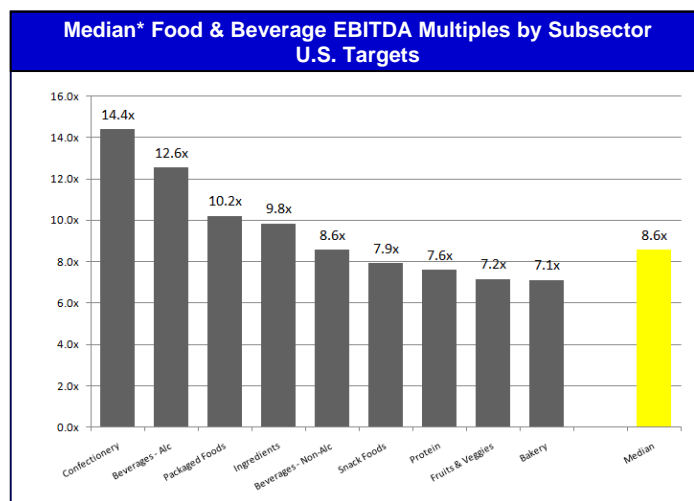
Source: Mergerstat



Source: Capital IQ & Eureka research



Source: Capital IQ and Eureka research



Source: Capital IQ & Eureka research.  
 \* - Represents median from 2004 - 2009

## SELECT FOURTH QUARTER 2009 FOOD & BEVERAGE MERGERS AND ACQUISITIONS

Closed Date	Announced Date	Target	Total Transaction Value (\$mm)	Buyers	Sellers	Subsector	Target Business Description
10/5/2009	10/5/2009	Superior Quality Foods, Inc.	-	Southeastern Mills, Inc.	-	Protein	Engages in the production, packaging, refrigeration and dry warehousing, and sale of beef, chicken, vegetable, clam, lobster, ham, and other protein products.
10/14/2009	4/13/2009	Heartland Farms Inc.	\$90.0	Dean Foods Co. (NYSE:DF)	Stater Bros. Markets, Inc.	Dairy	Produces and distributes dairy products in Southern California and Nevada.
10/15/2009	10/15/2009	Meridian LLC	-	The Hain Celestial Group, Inc. (NasdaqGS:HAIN)	-	Non-Alc Beverages	Produces and commercializes fermented tea in the United States.
10/26/2009	10/26/2009	Rocky Roaster, LLC	-	The Supreme Bean, Inc.	-	Non-Alc Beverages	Engages in roasting, blending, and distributing coffee.
10/26/2009	9/15/2009	Callaway Consumer Products, LLC	-	Food Collective Inc.	The Preserve Capital Group; Sea Change Management, LLC	Packaged Food	Offers healthier eating alternatives for metabolic syndrome patients. It focuses on various markets, including preventive medicine, and women's health and nutritional science.
10/28/2009	6/11/2009	Sonoma Cider Mill	\$0.3	REEDS, Inc. (NasdaqCM:REED)	The North Bay Angels	Non-Alc Beverages	Offers organic apple juices, and natural pear, peach, and raspberry juices, as well as organic lemonades.
11/2/2009	11/2/2009	Cohutta Water, Inc.	-	Crystal Springs Water Co.	-	Non-Alc Beverages	Provides bottled spring water in Georgia, Tennessee, Alabama, and Florida.
11/3/2009	10/31/2009	Sapphire Wines LLC	\$12.0	Saint James Company (OTCBB:STJC)	-	Alc - Beverages	Operates as a wine and spirits production company.
11/13/2009	11/13/2009	Timothy's Coffees of the World, Inc.	\$157.0	Green Mountain Coffee Roasters Inc. (NasdaqGS:GMCR)	Sun Capital Partners, Inc.	Non-Alc Beverages	Manufactures specialty coffee in North America. It offers coffee, tea, and hot chocolates.
11/13/2009	10/5/2009	United Malt Holdings, LP	\$662.6	GrainCorp. Ltd. (ASX:GNC)	CHAMP Private Equity; Castle Harlan, Inc.; CHAMP Ventures	Ingredients	Produces malt for brewing and distilling industries.
11/16/2009	11/16/2009	Vande Rose Farms, LLC	-	Tigerhawk Proteins, LLC	Source Verified Foods, LLC	Protein	Processes and markets pork and beef related products.
11/23/2009	11/12/2009	Balance Bar Company	-	Brynwood Partners	Kraft Foods Inc. (NYSE:KFT)	Packaged Food	Engages in the development and marketing of branded natural food and beverage products in balanced nutritional formulations.
12/3/2009	12/3/2009	Green Meadows Foods, LLC	-	Trega Foods Ltd.	-	Dairy	Processes milk and offers American and Italian cheeses.
12/3/2009	12/3/2009	Whitaker Foods, Inc.	-	Advance Food Company, Inc.	-	Packaged Food	Produces and supplies frozen food products in the United States.
12/10/2009	10/8/2009	Monterey Gourmet Foods Inc.	\$45.7	Pulmuone Wildwood, Inc.	-	Packaged Food	Produces and markets a range of branded, gourmet refrigerated pastas, including borsellini, ravioli, tortelloni, tortellini, pasta sauces, salsas, bruschettas, dips, hummus and spreads.
12/11/2009	12/11/2009	Yorktown Bakery	-	David's Cookies	-	Bakery	Produces thaw and serve cinnamon rolls.
12/11/2009	12/11/2009	U.S. Mills, Inc., Farina Mills Brand Assets	-	Malt-O-Meal Company	U.S. Mills, Inc.	Packaged Food	Farina Mills Brand Assets comprises rights and formula to the Farina Mills brand and current on-hand inventory.
12/14/2009	12/14/2009	U.S. Mills, Inc., Uncle Sam and Erewhon Cereal Brands	-	Attune Foods, Inc.	U.S. Mills, Inc.	Packaged Food	Uncle Sam and Erewhon cereal brands of U.S. Mills, Inc. operate as cereal brands.
12/16/2009	12/11/2009	OWaters LLC	-	DS Waters of America, Inc.	Celerity Partners	Non-Alc Beverages	Delivers home and office bottled water. The company also provides blend coffee, dark roast coffee, green tea, peach tea, vitamin fitness water, and juices.
12/16/2009	12/16/2009	Authentic Mexican, Inc.	-	M&S Fine Foods, Inc.	-	Packaged Food	Produces natural, cooked, and ready to eat food under the Authentic Mexican and Authentico brands.
12/23/2009	11/18/2009	Birds Eye Foods, Inc.	\$1,478.5	Pinnacle Foods Finance LLC	Vestar Capital Partners; Pro Fac Cooperative Inc.	Packaged Food	Manufactures and markets processed foods. It offers flavors and toppings, frozen and fresh vegetables, pie fillings and toppings, snacks, chips, soups, chili and chili ingredients, and salad dressings.
12/23/2009	12/23/2009	Appetizers And, Inc.	-	Golden County Foods, Inc.	HJ Heinz Co. (NYSE:HNZ)	Packaged Food	Manufactures and markets frozen hors d'oeuvres and cold canapés in the United States.
12/28/2009	9/16/2009	Pilgrim's Pride Corporation (NYSE:PPC)	\$2,869.0	JBS USA Holdings, Inc.	-	Protein	Produces poultry products in the United States, Mexico, and Puerto Rico.
12/29/2009	11/19/2009	Vitality Foodservice, Inc.	-	Nestle Professional	Goldner Haw n Johnson & Morrison, Inc.; MVC Capital	Non-Alc Beverages	Manufactures dispensing and packaging systems, and beverage products.

Source: Capital IQ and Eureka research

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