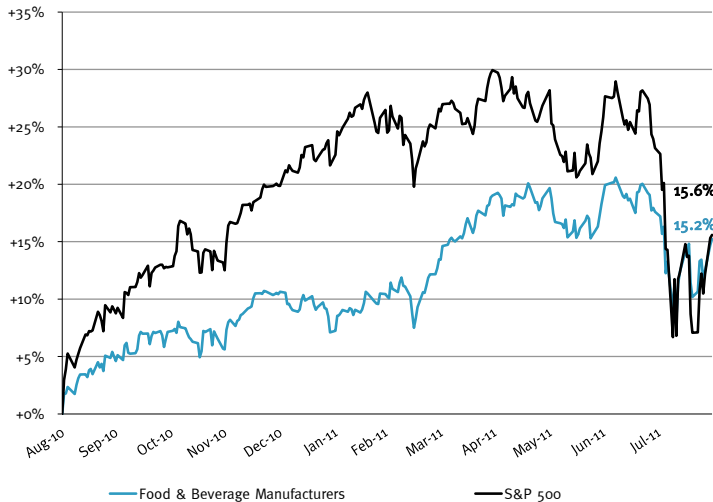


CONFECTIONERY BULLETIN – AUGUST 2011

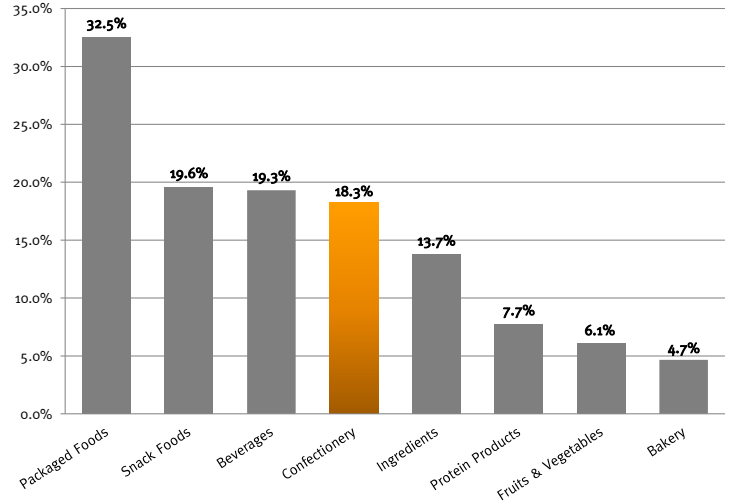
PUBLIC STOCK PERFORMANCE – LATEST TWELVE MONTHS ENDING AUGUST 31, 2011

Food & Beverage Stock vs. S&P 500 Index



Food Products Index is a customized, market-weighted index of food & beverage stocks.

Food & Beverage Relative Subsector Stock Performance

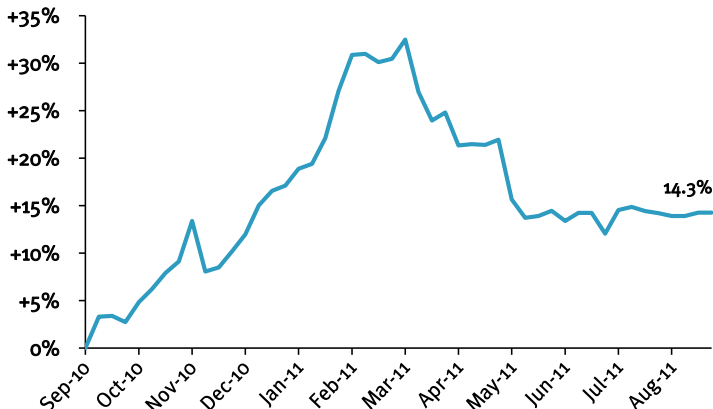


EXCHANGE LISTED COMMODITY TRENDS

	Month		52-week		Close Price % Δ from:		
	Close Price	High	Low	Median	High	Low	Median
Milk, Nonfat Dry, Chicago	\$161.00	\$180.00	\$123.00	\$161.00	-10.6%	30.9%	0.0%
Cocoa, Ivory Coast, \$ per metric ton	3,329.00	4,257.00	3,197.00	3,397.50	-21.8%	4.1%	-2.0%
Sugar, Cane Raw, World, lb. fob	31.05	38.57	25.47	32.72	-19.5%	21.9%	-5.1%
Palm Oil, Malaysia \$ per metric ton	1,053.30	1,300.30	878.80	1,109.20	-19.0%	19.9%	-5.0%

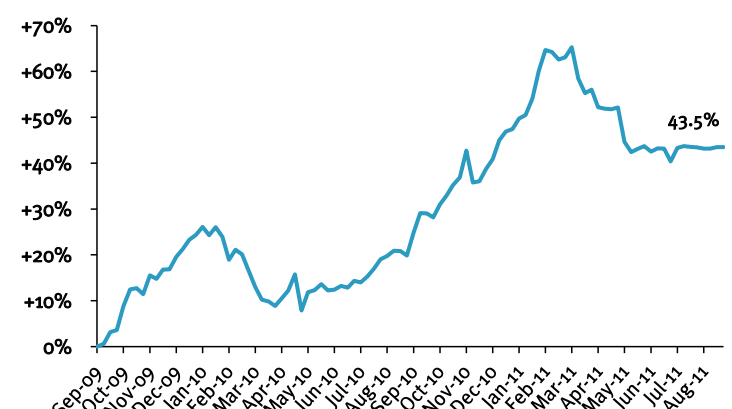
Source: Wall Street Journal, International Monetary Fund

Relative, 1-year Mean Price Change of Aggregated Commodities Above



Source: Wall Street Journal

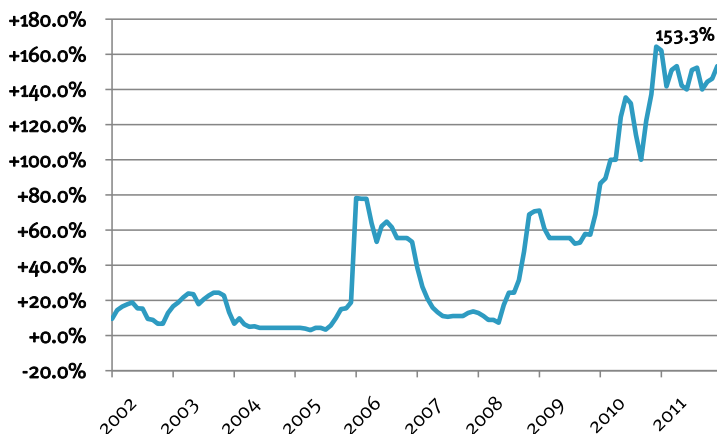
Relative, 2-year Mean Price Change of Aggregated Commodities Above



Source: Wall Street Journal

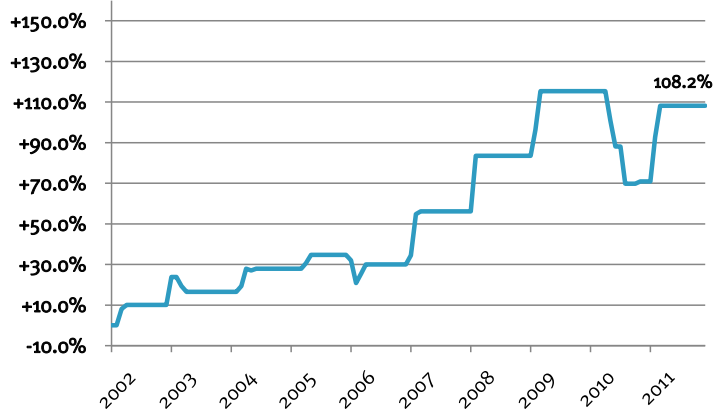
NON-EXCHANGE LISTED COMMODITY TRENDS

Relative, 10-year Mean Price Change of Refined Beet Sugar



Source: USDA Economic Research Service

Relative, 10-year Mean Price Change of High Fructose Corn Syrup



Source: USDA Economic Research Service

TRAILING TWELVE MONTH VALUATION MULTIPLES FOR PUBLIC CONFECTIONERY COMPANIES

Market Data (Given in \$Millions)

Company (\$ mm)	Ticker	Price 08/31/11	Price Performance LTM	Equity Value	Firm Value	1 Yr Est. Growth Rate	EV / LTM		EBITDA Margin
							Sales	EBITDA	
Confectionery									
Barry Callebaut AG	BARN	\$953.98	37.7%	\$4,928	\$6,121	NA	1.1x	12.4x	8.7%
Chocoladefabriken Lindt	LISN	37,236.56	40.8%	8,005	7,266	NA	2.4x	14.3x	16.9%
Halloren Schokoladenfabrik	H2R	9.02	4.3%	41	91	NA	1.1x	11.8x	9.5%
Hershey Foods	HSY	58.65	26.2%	13,339	14,433	6.9%	2.4x	11.6x	21.1%
Natra SA	CATS:NAT	1.59	-31.8%	75	493	NA	1.1x	NM	1.8%
Petra Foods	P34	1.48	40.2%	905	1,422	NA	0.8x	11.5x	7.2%
Tootsie Roll Industries	TR	25.34	10.5%	1,428	1,384	NA	2.6x	18.1x	14.6%
Average			18.3%			6.9%	1.7x	13.3x	11.4%
Median			26.2%			6.9%	1.1x	12.1x	9.5%

Source: Capital IQ and Company Documents

Except per share data, presented in \$ millions

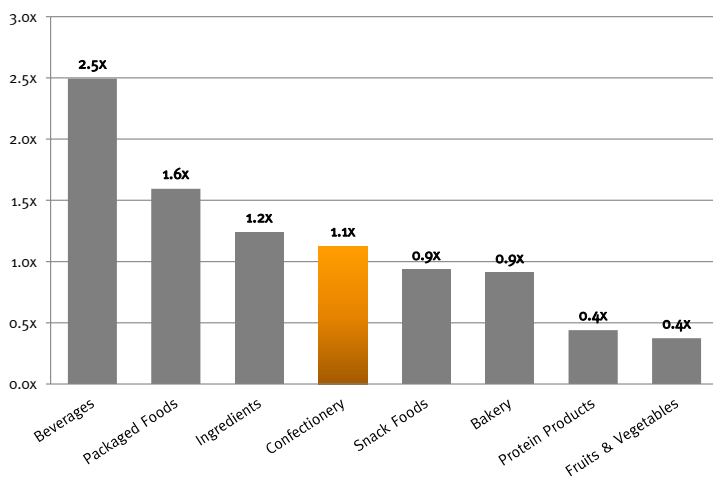
EBITDA = Earnings before interest, taxes, depreciation and amortization

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

NA = Not Available

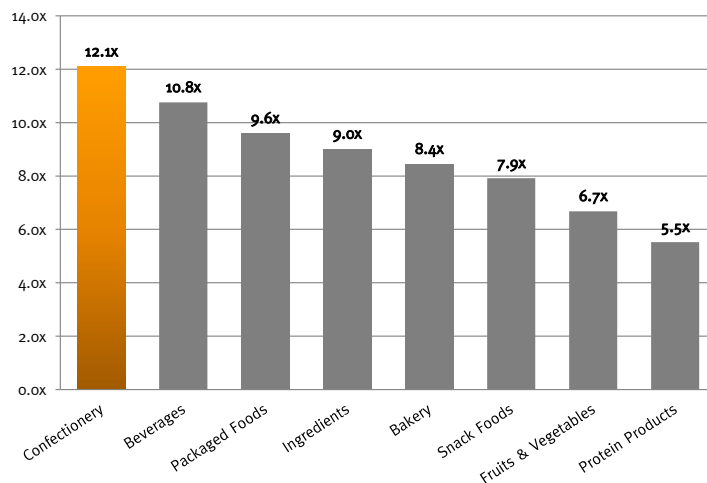
TRAILING TWELVE MONTH CONFECTIONERY VALUATION MULTIPLES RELATIVE TO OTHER FOOD SECTORS

Relative LTM
EV / Revenue Multiples by Subsector



Source: Capital IQ and Company Documents

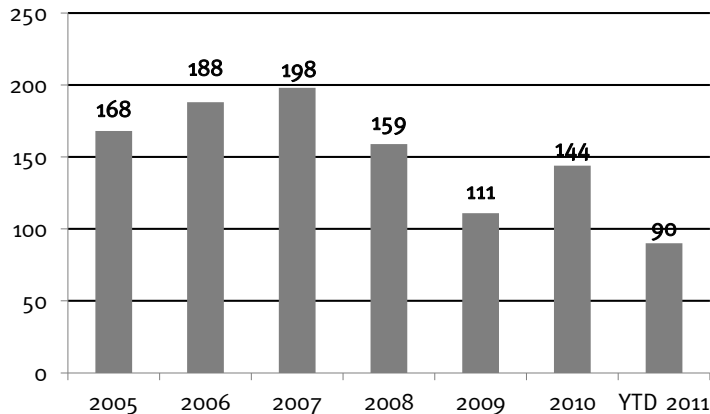
Relative LTM
EV / EBITDA Multiples by Subsector



Source: Capital IQ and Company Documents

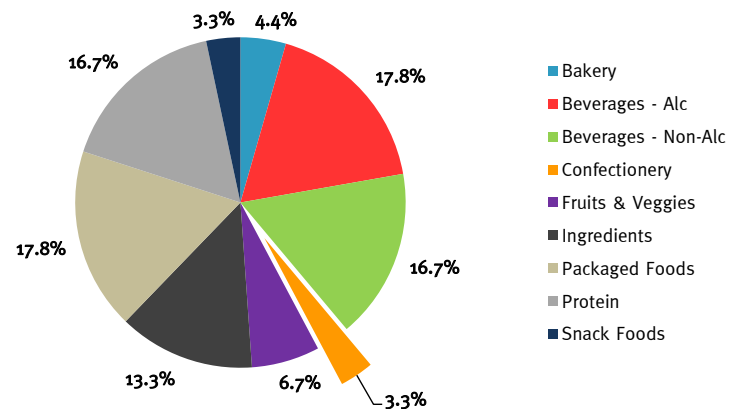
FOOD AND BEVERAGE M&A HISTORICAL DATA

Historical Transaction Volume
U.S. Targets



Source: Capital IQ and Eureka's Proprietary Database (2004 to YTD 2011)

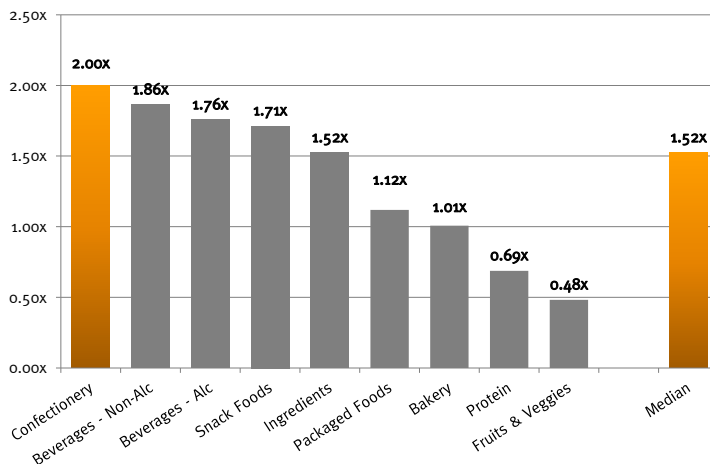
YTD 2011 M&A U.S. Activity by Subsector



Source: Capital IQ and Eureka's Proprietary Database (2004 to YTD 2011)

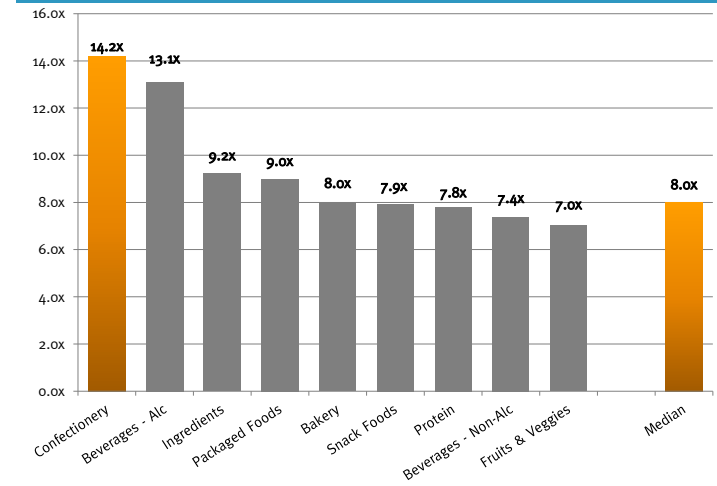
M&A CONFECTIONERY VALUATION MULTIPLES RELATIVE TO OTHER FOOD SECTORS

Historical M&A
EV / Revenue Multiples by Subsector



Source: Capital IQ and Eureka's Proprietary Database (2004 to YTD 2011)

Historical M&A
EV / EBITDA Multiples by Subsector



Source: Capital IQ and Eureka's Proprietary Database (2004 to YTD 2011)

RECENT MERGERS AND ACQUISITIONS

Announced Date	Target	Total Transaction Value (\$mm)	Buyers	Sellers	Target Business Description
08/22/2011	Pearson's Candy Company	-	Brynwood Partners	-	Pearson's Candy Company manufactures candy products. It offers nut goodie bars, salted nut rolls, mint patties, and bun bars.
08/17/2011	Mary of Puddin Hill, Inc.	-	Legends Food Corporation (OTCPK:LJWY)	-	Mary of Puddin Hill, Inc. manufactures and sells gourmet products. It offers chocolates and candies, pies, assorted fruit cakes, cookies, and sugar free goodies.
08/08/2011	ZAPPI Brands, Inc.	0.44	Xylitol Canada Inc. (TSXV:XYL)	Progressive Holdings, LLC	ZAPPI Brands, Inc. produces and packages sugar free chewing gums.

Source: Capital IQ and Proprietary Database

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