

The Wrap

Piper Jaffray Middle Market Mergers & Acquisitions*The Wrap*: April 2005 (Issue 27)

The Wrap is a monthly newsletter published by the Middle Market Mergers & Acquisitions Group at Piper Jaffray. Topics related to the current M&A packaging industry are highlighted in each month's issue.

To subscribe/unsubscribe, please visit www.piperjaffray.com/thewrap.

SPOTLIGHT ON RAW MATERIALS

This month Piper Jaffray examines recent trends for selected raw materials in various segments of the packaging market. Raw materials represent the single largest input cost of packaging companies' total production as well as a significant portion of total sales. In recent years, several raw material costs have been increasing, presenting many companies with the challenge of passing through these cost increases to customers in order to maintain profitability.

Plastic Resins

Overall, resin prices have increased significantly over the past 12 to 18 months. Resin prices are impacted by oil and natural gas prices which have continued to increase. Since January 2004, PET resin prices have increased nearly 30%. PET resin prices have increased 6.3% in 2005. Prices for HDPE and LDPE have increased significantly since the beginning of 2004, rising 21.3% and 13.6%, respectively; however, HDPE and LDPE prices have fallen slightly in the first quarter of 2005. Although LLDPE prices have decreased 9.2% since the beginning of 2005, they have increased 16.9% since January 2004 and remain significantly higher than in the same period last year. PP prices reached a five-year high in March 2005, increasing 47.1% since January 2004 and 2.7% in the first quarter of 2005. PS and PVC prices have increased 44.3% and 35.6%, respectively, since January 2004, although have remained relatively stable in 2005.

Selected Paper Materials

Paper material prices have increased slightly over the past 12 to 18 months. Uncoated and coated freesheet prices have increased 24.4% and 13.3%, respectively, since January 2004 and 2.8% and 5.5%, respectively, in the first quarter of 2005. Linerboard prices have increased 38.1% since the beginning of 2004 and 11.1% in the first quarter of 2005. Coated and uncoated recycled prices increased 8.9% and 6.3% since January 2004, although have remained flat in 2005. Unbleached kraft prices have increased 10.5% since 2004 and have remained stable in 2005.

The Piper Jaffray Middle Market M&A Group recently examined raw material prices and other packaging M&A trends in our report entitled *Mergers & Acquisitions in the Packaging Industry—2004 Year in Review and 2005 Outlook*. To request a copy of this report, please contact Doug Lawson at douglas.j.lawson@pjc.com or 312 920-2139.

PACKAGING INDUSTRY M&A CONTACTS (www.piperjaffray.com/packaging)**Doug Lawson**

Principal
312 920-2139
douglas.j.lawson@pjc.com

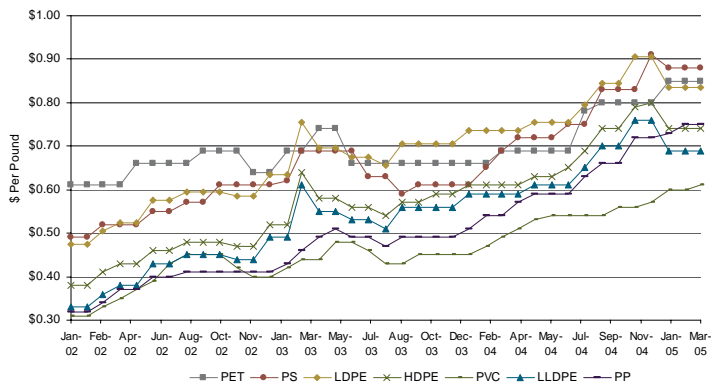
Chad Bell

Associate
312 920-2149
chad.e.bell@pjc.com

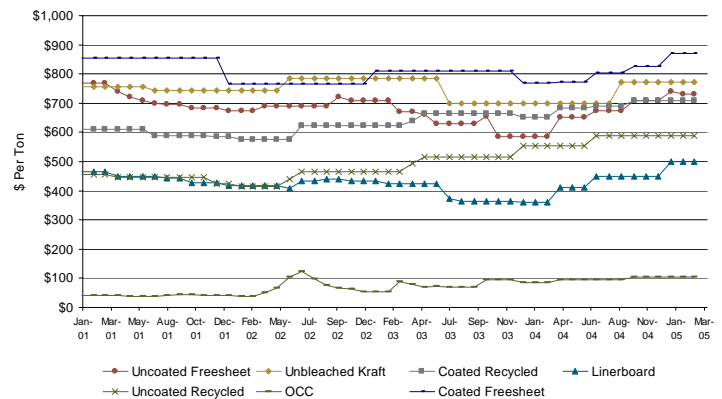
Andrew Schwartz

Analyst
312 920-3273
andrew.h.schwartz@pjc.com

Since 1895. Member SIPC and NYSE. Securities products and services are offered in the United Kingdom through Piper Jaffray Ltd., which is authorized and regulated by the Financial Services Authority.

Plastic Resin Pricing

Source: Plastics News

Selected Paper Materials Pricing

Source: Pulp and Paper Weekly

The Wrap

Piper Jaffray Middle Market Mergers & Acquisitions

The Wrap: April 2005 (Issue 27)

ACQUIRER FOCUS: SEALED AIR CORPORATION

In each issue Piper Jaffray highlights an active acquirer in the packaging industry.



Our Products Protect Your Products®

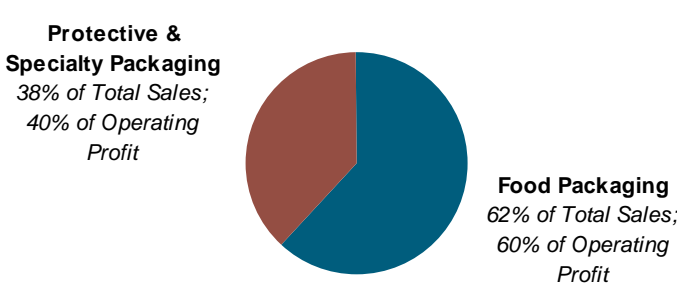
LTM Sales:	\$3.8 billion	EBIT Margin:	14.1%	Total Net Debt:	\$1.7 billion
LTM EBIT:	\$536 million	EBITDA Margin:	18.8%	Total Net Debt/EBITDA:	2.4x
LTM EBITDA:	\$716 million	EBITDA-CapEx Margin:	16.1%		

Profile

Headquarters: Saddle Brook, NJ
Ownership: Public-NYSE: SEE
Description: Sealed Air manufactures food and protective packaging products in two segments, food packaging and protective packaging. The food segment produces flexible materials and packaging equipment systems for various perishable foods, poultry, meats, cheeses, sauces and soups. The Company's principal food packaging offerings are bags, films and laminates. Sealed Air's flexible packaging food applications are manufactured under the Cryovac® brand name. The protective packaging segment provides cushioning, surface protection and void fill. Protective packaging products are manufactured under the Bubble Wrap®, Instapak® and Fill-Air® brand names. Sealed Air's end markets include grocery/food, recreation, consumer, industrial, electronics, specialty and health care.

Key Statistics

Product Segments



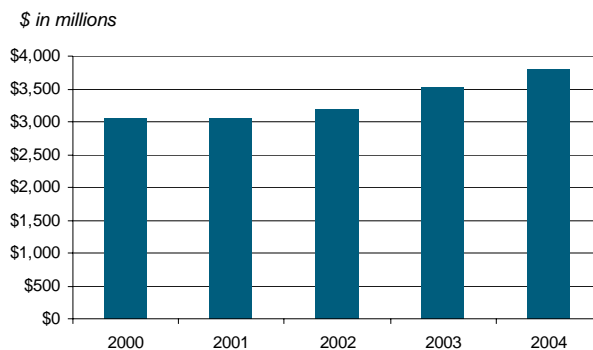
Source: Company filings

Acquisition History

Sealed Air has made three mergers or acquisitions in recent years.

Date	Target Name Business Description	Target Sales (\$ million)
Dec-00	Shanklin Corporation Mnfr of shrink film packaging equipment	NA
Jun-00	Dolphin Packaging PLC Mnfr plastic packaging products for the food industry	\$118
Mar-98	Cryovac Mnfr flexible packaging products for the food market	NA

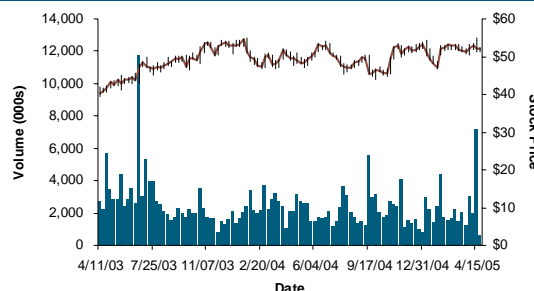
Historical Sales Growth



Source: Company filings

Two-Year Stock Price Graph

Market Capitalization:	\$4.4 billion
Enterprise Value:	\$6.1 billion
EV/Revenue:	1.6x
EV/EBIT:	11.3x
EV/EBITDA:	8.5x
EV/EBITDA - CapEx:	9.9x



Since 1895. Member SIPC and NYSE. Securities products and services are offered in the United Kingdom through Piper Jaffray Ltd., which is authorized and regulated by the Financial Services Authority.

The Wrap

Piper Jaffray Middle Market Mergers & Acquisitions

The Wrap: April 2005 (Issue 27)

Page 3

SELECT MARCH TRANSACTIONS

In each issue Piper Jaffray highlights recent transactions in the packaging industry.

Zeus Packaging announced it has acquired Dublin-based **AC Tape & Packaging** for approximately \$15 million. Zeus supplies a range of packaging products to the Irish market including the retail, catering, health care, pharmaceutical and industrial packaging sectors. Zeus generates annual sales of approximately \$9 million.

Alcan Inc. has agreed to sell **Guardian Espanola S.A.** to its current management team. Located in Spain, Guardian Espanola produces flexible packaging and promotional items such as rub-on tattoos. The Company recorded sales of approximately \$6.7 million in 2004.

Pactiv Corporation has purchased **Newspring Industrial Corp.**, a New Jersey-based manufacturer of plastic packaging containers for food and beverage applications including soups, nuts, cups and lids. The acquisition enhances Pactiv's food-service segment and complements its existing container manufacturing operations for supermarkets, carry-out restaurants and delicatessens.

International Paper Co. has agreed to sell its industrial specialty papers business to **Kohlberg & Co.** for approximately \$180 million. The sale includes two paper mills in Wisconsin; the Akrosil business, with paper-converting facilities in Wisconsin, Ohio and the Netherlands; and Thilmany Packaging, located at one of the Wisconsin mills. The specialty papers business generated approximately \$450 million in sales in 2004.

Tetra Pak has agreed to sell four "through-the-wall" blow molding plants to **Graham Packaging Co.** The Tetra Pak plants, which are located in Brazil, Belgium, Turkey and Missouri, manufacture HDPE plastic bottles for nutritional and value-added dairy beverages. The four sites had collective sales of approximately \$21 million in 2004.

Audus Noble has acquired **Dines Plastics Ltd.**, a European-based provider of packaging solutions for markets including the worldwide confectionary, food, personal care/toiletries and health care. The deal will form one of the UK's largest manufacturers of PET plastic jars.

ABM AMRO Capital has announced it will acquire Denmark-based **Glud & Marstrand**. Glud & Marstrand manufactures metal packaging products including round and shaped food cans, aluminum fish cans, beverage cans, decorative cans, tobacco tins and peel off lids.

Masthead Equities Ltd. has announced a takeover bid for **Vertex Group Holdings** for \$44.4 million. Vertex manufactures plastic packaging products in New Zealand through six divisions including Case Ready Systems, Dairy Packaging, Food Trays, Household Products, Design and Tooling, and Industrial Containers and Technical Injection.

Date Announced	Acquirer Name	Target Name	Target Business Description	Enterprise Value (\$ mil)	Enterprise Value/ Sales	EBIT	EBITDA
3/18/2005	Zeus Packaging	AC Tape and Packaging	Mnfr packaging products	\$15.0	1.7x		
3/16/2005	Investor Group	Guardian Espanola S.A.	Mnfr flexible packaging and promotional items				
3/15/2005	Pactiv Corporation	Newspring Industrial Corp.	Mnfr plastic packaging products	\$98.0	1.6x		6.0x
3/14/2005	Kohlberg & Co.	International Paper Co. - Industrial Specialty Papers Business	Mnfr lightweight and pressure sensitive packaging papers	\$180.0	0.4x		
3/10/2005	Graham Packaging Co.	Tetra Pak Blow Molding Plants	Extrusion blow molding plants				
3/8/2005	Audus Noble	Dines Plastics Ltd.	Mnfr PET plastic jars				
3/7/2005	ABN AMRO Capital	Glud & Marstrand	Mnfr metal packaging products				
3/1/2005	Masthead Equities Ltd.	Vertex Group Holdings	Mnfr plastic packaging products	\$44.4	0.7x	6.1x	3.7x

Since 1895. Member SIPC and NYSE. Securities products and services are offered in the United Kingdom through Piper Jaffray Ltd., which is authorized and regulated by the Financial Services Authority.

The Wrap

Piper Jaffray Middle Market Mergers & Acquisitions

The Wrap: April 2005 (Issue 27)

Page 4

PIPER JAFFRAY M&A INSIGHTS

Packaging-focused Reports

The following reports focus on important M&A issues in the packaging industry:

- Mergers and Acquisitions in the Packaging Industry—2004 Year in Review and 2005 Outlook
- Corrugated Containers: A Mergers and Acquisitions Review
- Mergers and Acquisitions in the Packaging Industry—2003 Year in Review and 2004 Outlook
- Mergers and Acquisitions Value Drivers for Companies in the Packaging Industry
- Packaging Industry Valuation Considerations: Capital Expenditures
- Caps and Closures: A Mergers and Acquisitions Review
- Valuations in the Packaging Industry
- Mergers and Acquisitions in the Packaging Industry—2002 Year in Review
- Packaging Industry Public Company Acquirers—Earnings Per Share Accretion/Dilution Considerations
- Plastics Industry

Past Issues of *The Wrap*

Recent topics examined and acquirers highlighted in *The Wrap* include:

Date	Spotlight	Acquirer
Mar 05	Packaging Valuations	Huhtamaki
Feb 05	Cash Conversion Cycle	Mondi Packaging
Jan 05	2004 Review/2005 Outlook	Alcan/Pechiney
Dec 04	Profitability Ratios	Sonoco Products
Nov 04	Leverage Analysis	Kirtland Capital Partners
Oct 04	Rev. & EBITDA per Employee	CCL Industries
Sept 04	Corrugated Containers (II)	Packaging Dynamics
Aug 04	Corrugated Containers (I)	Smurfit-Stone
Jul 04	Public Valuation and Pricing	Clondalkin Group
Jun 04	Pkg Purchase Agreements	Pactiv
May 04	Molded Fiber Packaging	Georgia-Pacific
Apr 04	Acquisition Trends (II)	Weyerhaeuser
Mar 04	Acquisition Trends (I)	Nashua
Feb 04	Value Drivers (II)	Multicolor
Jan 04	Value Drivers (I)	SCA North America
Dec 03	End Market Performance	Mason Wells

No password is required—visit our Web site www.piperjaffray.com/ma.

The following disclosures apply to stocks mentioned in this publication if and as indicated: (#) Piper Jaffray was making a market in the Company's securities at the time of this publication. Piper Jaffray will buy and sell the Company's securities on a principal basis. (@) Within the past 12 months, Piper Jaffray was a managing underwriter of an offering of, or dealer manager of a tender offer for, the Company's securities or the securities of an affiliate. (~) A Piper Jaffray analyst who follows this Company, a member of the analyst's household, a Piper Jaffray officer, director, or other Piper Jaffray employee is a director and/or officer of the Company.

Information contained in this publication is based on data obtained from sources we deem to be reliable, however, it is not guaranteed as to accuracy and does not purport to be complete. Nothing contained in this publication is intended to be a recommendation of a specific security or company nor is any of the information contained herein intended to constitute an analysis of any company or security reasonably sufficient to form the basis for any investment decision. Nothing contained in this publication constitutes an offer to buy or sell or the solicitation of an offer to buy or sell any security. Officers or employees of affiliates of Piper Jaffray & Co., or members of their families, may have a beneficial interest in the securities of a specific company mentioned in this publication and may purchase or sell such securities in the open market or otherwise.

Notice to customers in the United Kingdom: This publication is a communication made in the United Kingdom by Piper Jaffray & Co. to market counterparties or intermediate customers and is exclusively directed at such persons; it is not directed at private customers and any investment or services to which the communication may relate will not be available to private customers. In the United Kingdom, no persons other than a market counterparty or an intermediate customer should read or rely on any of the information in this communication.

Additional information is available upon request.

www.piperjaffray.com

Since 1895. Member SIPC and NYSE. Securities products and services are offered in the United Kingdom through Piper Jaffray Ltd., which is authorized and regulated by the Financial Services Authority.

© 2005 Piper Jaffray & Co., 800 Nicollet Mall, Minneapolis, Minnesota 55402-7020