



**In This Issue:**

- Private Equity Helping Companies During Credit Crisis

**Portfolio Company Updates:**

- Oliver Medical
- Coating Excellence International, LLC

## Private Equity Investments Help Companies During Credit Crisis

As banks tighten lending standards and scrutinize credit lines, even robust businesses face financial obstacles that may stymie growth initiatives well into 2009. The reduction of available credit comes at a time when the economy is already struggling with a plummeting housing market, increased unemployment rates, and decreased consumer spending. For many businesses, mounting turmoil in the credit market means a substantial increase in borrowing costs and possible postponement or even cancellation of expansion plans and hiring.

But there's an alternative funding source for CEOs who are serious about growing their companies. Private equity firms continue to successfully raise capital to invest in businesses.

While the Federal Reserve has lowered interest rates aggressively to encourage the flow of money and spur economic activity, many financial institutions continue operating cautiously, holding on to their dollars while raising borrowing costs for corporations.

A recent Federal Reserve study found that companies sold off by private equity firms increased in enterprise value at an annual compounded rate of 24% during the time they were in a PE firm's portfolio, double the rate of the comparable publicly-traded companies. Buyout firms also increased the earnings before interest, taxes, depreciation, and amortization (EBITDA) of these portfolio companies 33% faster than their

publicly-traded counterparts did. Finally, these companies had productivity levels 33% higher than publicly-traded company benchmarks.

The reason behind this outperformance is simple: disciplined PE firms such as Mason Wells focus their portfolio companies on specific initiatives to increase growth and improve margins. These efforts are all designed to create sustainable increases in the value of the companies.

Even in this challenging M&A environment Mason Wells is still getting deals done. Two add-on acquisitions were completed in Q4 of 2008 and several new deals are in progress.

Mason Wells is always looking for new prospects. In particular, we believe the current market presents opportunities for over-leveraged companies in need of restructuring as well as divestitures from companies seeking to reduce leverage.

Please let us know if you are aware of any companies that are constrained by the current credit environment. They may need growth capital that would otherwise be available in a "normal" market, or they may simply be over-leveraged. With help from the right PE firm, companies can bring better systems into the organization that are designed to help with operational improvements. Whatever the scenario, Mason Wells may be the solution.

For previous editions visit: [www.masonwells.com](http://www.masonwells.com)

## Portfolio Company Updates



Oliver Medical, a subsidiary of Oliver Products Company, recently received the 2009 Flexible Packaging Achievement Award for its Osurance Zone Coated Lids. The entry was honored at the Flexible Packaging Achievement Award dinner on February 25, 2009, in Naples, Florida.

Oliver Medical has also expanded its operations in both the Grand Rapids, Michigan, and Venray, Netherlands facilities. Recent additions in the Grand Rapids facility include a new slitter and a new hot-melt waste-reducing coating system. A new pouch machine will also be installed in the Grand Rapids location. Oliver Medical's Venray, Netherlands facility recently constructed a new cleanroom.

With the recent acquisition of TOLAS Healthcare Packaging located in Feasterville, Pennsylvania, Oliver Medical has increased its presence in the market, broadened the product line, and expanded coating and manufacturing operations. Combining both hot-melt and water-based adhesive technologies provides a wide range of solutions from a single source. Integration of the two operations is currently taking place.



**Coating Excellence International** Coating Excellence International, LLC recently received a nomination for the 21st annual Wisconsin Manufacturer of the Year award. CEI was nominated for the Sustainability Award. The Company was named Manufacturer of the Year in the medium-sized company category in 2003 and received a "Revenue Growth" award in 2000.

CEI makes packaging from a wide assortment of materials. It produces all of the readily recognizable pink paper packets for Sweet 'N Low for example, but the company is proudest of its woven recyclable bags made of 100% polypropylene, which it calls SuperTube.

CEI has recently launched a new website in support of its SuperTube polypropylene woven bag products used in the packaging of pet food, animal feed, cat litter, lawn care, bulk foods, and charcoal. CEI's woven bags are tear-resistant, durable, printed with water-based inks, and moisture-free maximizing the product's shelf appeal and allowing it to stand out from other forms of packaging. The new website includes a sustainability comparator calculator that allows a user to compare the energy used in manufacturing and transportation, greenhouse gas emissions, and the overall durability of CEI's woven bags to traditional multi-wall bags. The URL of the new website is [www.super-tube.com](http://www.super-tube.com).

CEI continually takes a contrarian approach to remaining competitive. When many companies look overseas for suppliers, offshore their operations, or shutdown and relocate older plants, Coating Excellence has taken an opposite approach resulting in a 20% growth even as the economy has slowed. The Company has invested in the technology to increase productivity and efficiency. Another factor is CEI's plant location near the country's major printing suppliers. It also benefits from a workforce that is well-schooled in printing and equipment techniques, with an employee's average printing industry and press operation experience being 15 to 20 years.

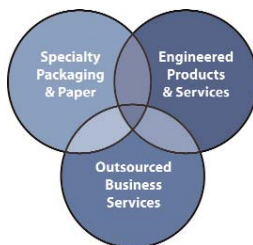
### Investment Criteria

Mason Wells is a leading private equity firm with over \$500 million under management. For 25 years the principals of Mason Wells have been successfully investing in Midwest-based middle-market companies.

#### FINANCIAL SIZE

- Company Revenue: \$25 – \$250 Million
- EBITDA: \$5 – \$30 Million

#### TARGETED INDUSTRIES



#### HEADQUARTERED IN MIDWEST REGION



#### TYPES OF TRANSACTIONS

- Buyout of Family-Owned Business
- Owner Recapitalization
- Buyout of Non-Core Corporate Division
- Buyout of a Public Company