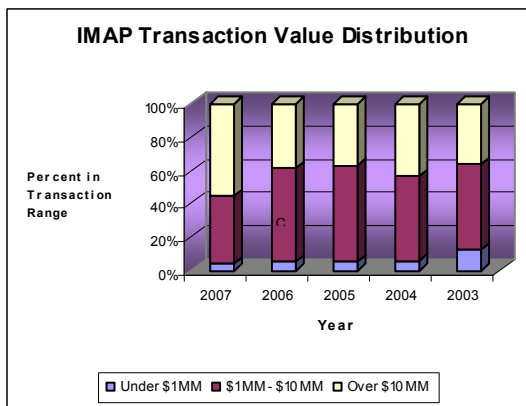


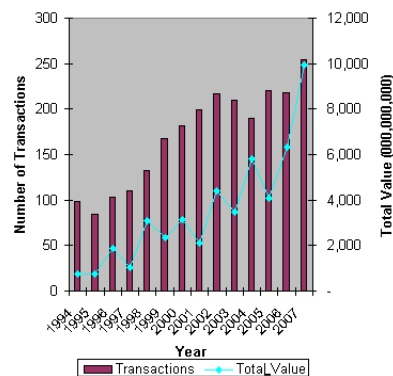
IMAP Ranked 4th by Thomson Financial in Global Middle Market M&A for 2007

Annual IMAP Survey Results

Results for 2007 show IMAP placed fourth for global deals with a value greater than \$50 million, up from fifth last year. It maintained sixth place for completed transactions of up to \$100 million. Core Capital's Electronic and Semiconductor Group has seen a similar trend, but on a smaller scale. "Over the past few years, we've really seen a rise



IMAP Worldwide Transactions



in our domestic and international activity — both in number of deals and value. Many mid-size companies are still very active and producing strong results," said Loren Lancaster, head of the group.

According to the annual IMAP member survey for North America, 2007 was an active year across the board. Forty-two percent said they had more buyers,

58 percent had the same number and no one reported fewer buyers. On the sell side, 100 percent of respondents had the same number or more sellers in 2007. Access to financing has become somewhat more challenging for 58 percent of respondents, compared to 42 percent saying access to financing was easier or the same as 2006.

Looking ahead, IMAP members are a little more pessimistic about 2008. Thirty-three percent of respondents expect fewer buyers compared to 17 percent who expect more and 50% expecting the number of buyers to stay the same as 2007. On the sell side, 17 percent expect fewer sellers, compared to 25% who expect more sellers and 58% expecting the number of sellers to match 2007 levels.

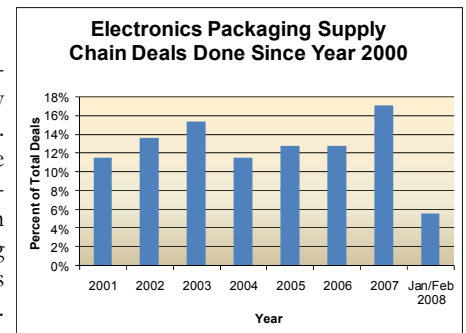
(See page 2, col. 1)

M&A Activities and the Electronic Packaging Industry Supply Chain

Editor's Note: Loren Lancaster, head of Core Capital Group's Electronic and Semiconductor Group was recently a key presenter at the International Microelectronics and Packaging Society Global Business Council in Scottsdale, AZ. Here is a synopsis of his presentation.

Despite the headlines, we are in a highly active deal era driven by an abundance of low cost capital and a strong global economy. Yes deal activity has softened in 2008, but remains at historical highs. This is particularly true in the Electronics Packaging Supply Chain where consolidation is driven by 17% of the participants according to a recent study by the Electronic and Semiconductor Group at Core Capital Group.

The study found that the Electronics and Packaging Supply Chain is undergoing rapid consolidation driven by private equity and strategic interests. Competitive barriers are building and supply chain channels are narrowing, which is impacting a large percent of businesses in the segment.



Deal flow in this segment has generally followed the market. Companies from the study reported a record year in 2007, with deal flow reaching 17% of total deals completed since 2000. This year is on pace to match the 2007 levels, however the economic conditions are raising uncertainties.

Approximately 15% of the consolidation is being driven by private equity investors. Private Equity Groups (PEGs) now have over \$2 trillion in total funds and that number will likely double by 2009. (See page 2, col. 2)



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Core Capital Group focuses on providing a full range of M&A services to middle market companies within the technology sector. We are a member company of the International Network of M&A Partners (IMAP), a global partnership of leading merger & acquisition advisory firms with over 79 offices located in 34 countries worldwide. We encourage you to visit our web site at www.esgibank.com to learn more about us and how we might be of service to you now or in the future. If you wish to subscribe to, or unsubscribe from, this newsletter please send an email to info@esgibank.com stating your name and your request.

IMAP Survey *(From page 1, col. 1)*

NAFTA—All Manufacturing Companies by Revenue

Annual Revenue	# of Trans.	Median Multiple	Inner Quartiles (A)	
			Low	High
\$50 Million +	4	7.2	5.4	9.2
\$20 - \$50 Million	12	6.6	6.1	7.8
\$10 - \$20 Million	6	6.0	5.1	6.7
Under \$10 Million	14	4.9	3.8	5.2
Total	36			

NAFTA—All Companies by Product or Type

	# of Trans.	Median Multiple	Inner Quartiles (A)	
			Low	High
Non-Proprietary Mfg. (B)	13	6.1	4.8	7.1
Proprietary Consumer Mfg.	10	7.1	5.1	9.1
Proprietary Industrial Mfg.	11	5.1	4.7	5.4
Hi-Tech, Non-Proprietary Mfg.	0	n/a	n/a	n/a
Hi-Tech, Proprietary Mfg.	2	6.5	6.4	6.6
Distribution	12	4.8	4.0	6.2
Service, InfoTech (C)	7	6.3	5.9	8.3
Service, Non-InfoTech	18	6.9	4.9	10.4
Total	73			

Europe—All Manufacturing Companies by Revenue

Annual Revenue	# of Trans.	Median Multiple	Inner Quartiles (A)	
			Low	High
\$50 Million +	3	8.2	7.9	9.1
\$20 - \$50 Million	11	8.8	7.8	9.8
\$10 - \$20 Million	15	5.8	4.2	7.8
Under \$10 Million	23	7.5	5.7	10.0
Total	52			

Europe—All Companies by Product or Type

	# of Trans.	Median Multiple	Inner Quartiles (A)	
			Low	High
Non-Proprietary Mfg. (B)	20	7.3	5.0	8.2
Proprietary Consumer Mfg.	8	7.7	5.9	10.7
Proprietary Industrial Mfg.	22	8.5	5.8	9.9
Hi-Tech, Non-Proprietary Mfg.	0	n/a	n/a	n/a
Hi-Tech, Proprietary Mfg.	2	7.8	7.7	7.9
Distribution	20	8.0	6.5	10.1
Service, InfoTech (C)	17	7.1	5.7	8.2
Service, Non-InfoTech	52	8.5	5.4	11.1
Total	141			

As seen above, among IMAP member firms, the service and industrial manufacturing segments remain most active in Europe and the NAFTA trade zone.

(A) Multiple spread within the middle 50% of completed transactions.
 (B) Contract manufacturers (e.g., stampers, molders, production fabricators).
 (C) IT consulting, integration, software development, IT staffing.

Multiples of Earnings before Interest and Taxes were used in the comparisons above. EBIT was calculated as trailing 12 months earnings before interest and taxes, adjusted for non-recurring expenses and discretionary owner distributions including compensation in excess of market rates. Seller notes, etc., were discounted to present values. To compute the multiple, one divides the purchase price plus the assumption of any interest bearing debt by the adjusted EBIT.

We recommend that this survey be used only as a general guide. Many factors influence selling price. The best insights will come from informed advisors who are currently active in mid-market transactions. What was true as recently as 6 months ago may no longer apply.

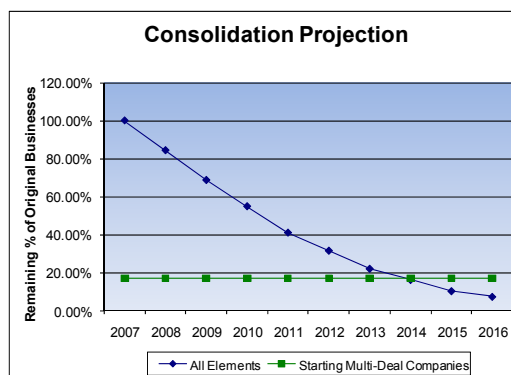
Supply Chain *(From page 1, col. 2)*

In the past PEGs viewed Electronics as being too difficult to understand and too cyclical which meant industry consolidation was on a more “natural” pace relying on company earnings for investment capital. Now that PEGs are interested in the electronics packing supply chain, the infusion of external capital has significantly increased consolidation pressure in the industry.

Of those companies researched, 52% have executed at least one strategic transaction in their lifetime. Breaking that down further, 21% have done just one deal since 2000 and 17% have completed multiple deals in that time frame.

So when will the party end?

Based on his research, Lancaster predicts that the market will be



fully consolidated in the next seven years. His projection is predicated on certain assumptions:

One deal companies will not be active; start-ups and failure rates will remain low; multi-deal companies will

continue current deal rate; and the capital markets will remain favorable.

“During this process, consolidating companies will enjoy improved pricing and profits, greater stability, higher valuation multiples due to size and broader access to lower cost capital for further acquisition activity,” according to Lancaster. “And end-product customers will also enjoy many benefits from consolidation including a more stable and efficient supply chain.”

Lancaster says that the remaining companies who have not engaged in strategic acquisitions will face many challenges. It is likely that their customers will want more “one-stop-shopping.” Additionally, they will see their negotiating power diminish and an inability to keep pace with R&D investment requirements, which will stifle innovation.

“We are counseling our clients to make decisions and act now. They need to decide to acquire or be acquired, divest non-strategic businesses or commit to build them, strengthen company financials and stop taking home money – reinvest cash above 10% EBITDA to lever the company’s value,” Lancaster concluded.

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Our website contains additional information about Core Capital Group’s Electronic and Semiconductor Group and the investment banking services we provide. Please take a moment to visit us on the web! You can also sign up to receive this newsletter by writing to info@esgibank.com.