
Dividend and Debt Policy Study

Dividend and Leverage Metrics for U.S. Public Companies
with Revenues of \$25 Million to \$500 Million

2008

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MPI SECURITIES, INC.

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Enclosed are our 2008 dividend and debt policy studies. We examine herein dividend payout and leverage metrics for publicly traded U.S. companies with sales of \$25 million to \$500 million.

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Executive Summary

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Executive Summary

Dividend Policy:

- According to Standard & Poor's:
 - Of the 7,000 public companies reporting dividends to the Standard & Poor's Dividend Record, 1,857 increased dividends in 2007, 5.7% fewer than 2006.
 - Howard Silverblatt of Standard & Poor's attributes the drop in dividend increases to a trend favoring stock buybacks. Given current economic conditions we expect the decrease to be larger in 2008. In addition we expect an increase in the number of negative actions resulting in the lowering or elimination of dividend payments.
- For companies considering a change in dividend policy, the material in this presentation will provide useful benchmarks for decision making.
- MPI Securities analyzed the dividend policies of 1,839 U.S. companies with sales from \$25 million - \$500 million. Our study included companies in six industry sectors: Basic Materials, Communications, Consumer Cyclical, Consumer Non-Cyclical, Industrial and Technology. We further divided the study set into two groups based on revenue (\$25 million - \$150 million and \$150 million - \$500 million).

Executive Summary (cont'd.)

- We identified 209 dividend paying companies, representing 11.3% of the study set. Of these companies, 40 were excluded because data was not readily available, not meaningful or the company had multiple classes of stock.
- The sector breakdown of the remaining 169 dividend paying companies is as follows:

Sector	Revenue Size	
	\$25MM to \$150MM	\$150MM to \$500MM
Basic Materials	4	7
Communications	5	14
Consumer, Cyclical	11	22
Consumer, Non-Cyclical	14	28
Diversified (a)	0	1
Industrial	16	33
Technology	5	9
Totals	55	114

Note: (a) Not included in sector data.

Executive Summary (cont'd.)

- To complete this presentation, we primarily relied on information provided by Bloomberg Finance L.P., a leading source of financial data.
- Our analysis included the following five dividend metrics for companies in the two revenue groups, presented in aggregate and sorted by industry sector later herein:
 - Current Indicated Annual Dividend as a Percent of Latest Twelve Month Net Income;
 - Current Indicated Annual Dividend as a Percent of Latest Twelve Month Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”);
 - Current Indicated Annual Dividend Divided by Latest Shareholders’ Equity (“Book Value”);
 - Current Indicated Annual Dividend Yield; and
 - Dividend Frequency.

Executive Summary (cont'd.)

Debt Policy Study:

- We analyzed the debt policies of the 169 companies identified for our dividend policy study.
- We looked at the following two leverage metrics for companies in the two revenue groups, presented in aggregate and sorted by industry sector later herein:
 - Net Debt to Adjusted Market Value (net debt equals short term and long term debt less cash, cash equivalents and short term investments; and adjusted market value equals the aggregate market value of the equity plus net debt); and
 - Net Debt to EBITDA.

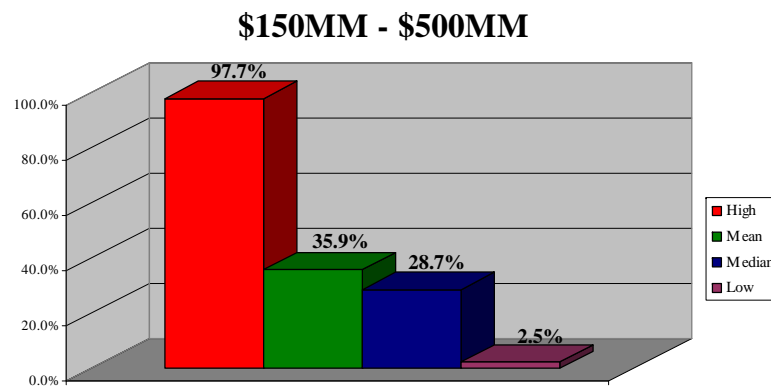
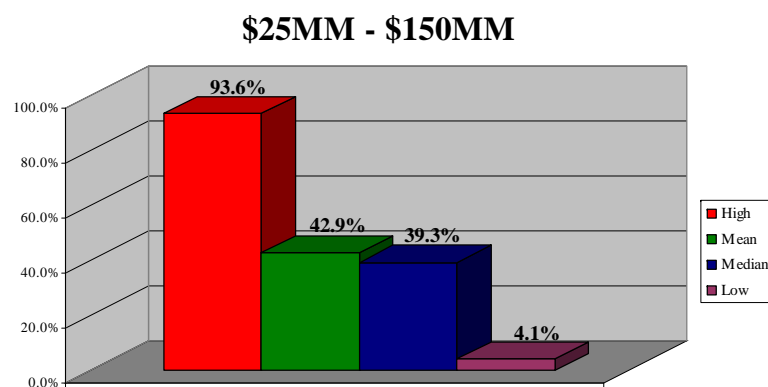
Aggregate Data

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Dividend Policy Aggregate Data

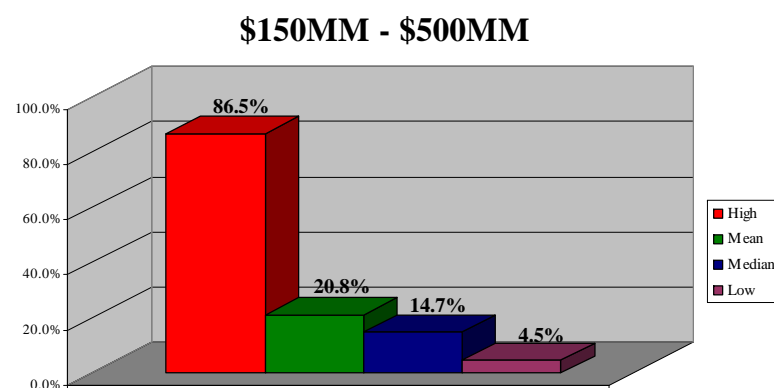
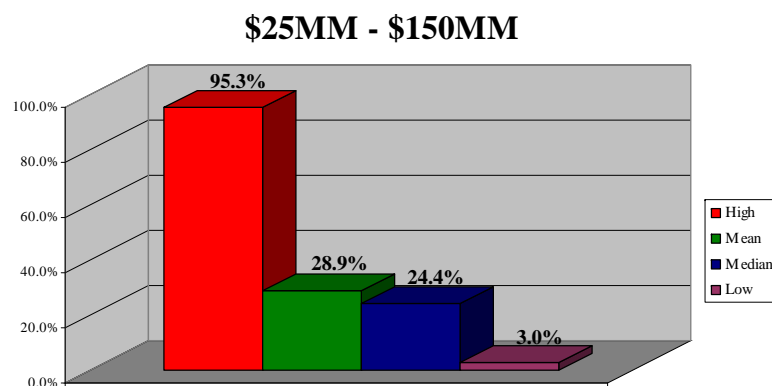
Current Indicated Annual Dividend as a Percent of Latest Twelve Month Net Income ⁽¹⁾



Notes: (1) Data excludes negative ratios (implying negative reported net income) and ratios greater than 100%.

Dividend Policy Aggregate Data

Current Indicated Annual Dividend as a Percent of Latest Twelve Month EBITDA ⁽¹⁾

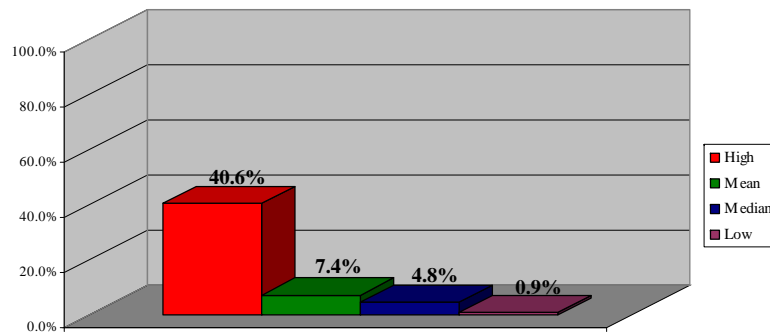


Notes: (1) Data excludes negative ratios (implying negative reported EBITDA) and ratios greater than 100%.

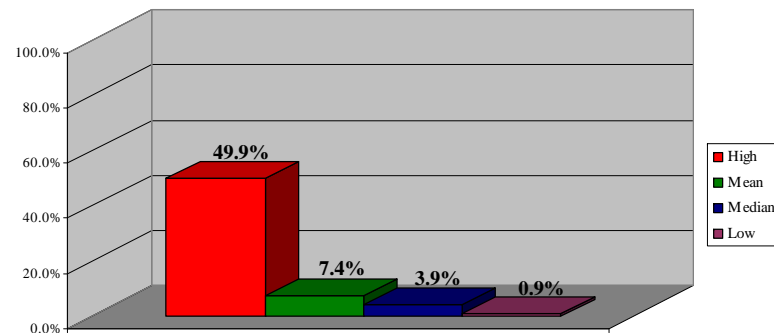
Dividend Policy Aggregate Data

Current Indicated Annual Dividend as a Percent of Latest Book Value

\$25MM - \$150MM



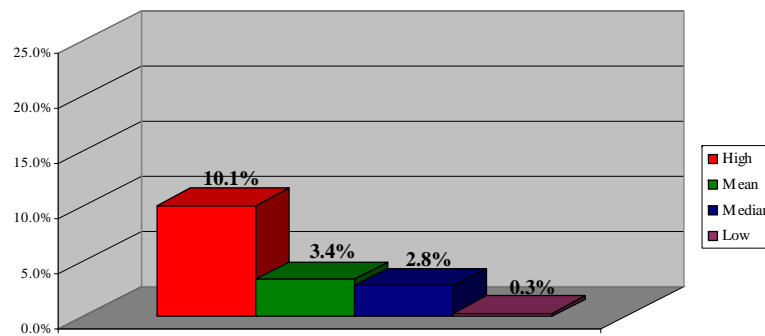
\$150MM - \$500MM



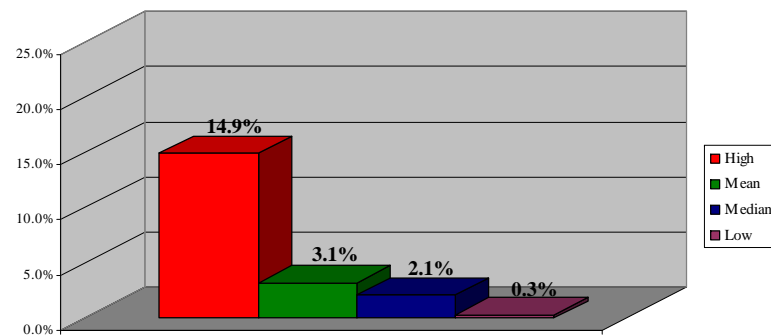
Dividend Policy Aggregate Data

Current Indicated Annual Dividend Yield

\$25MM - \$150MM

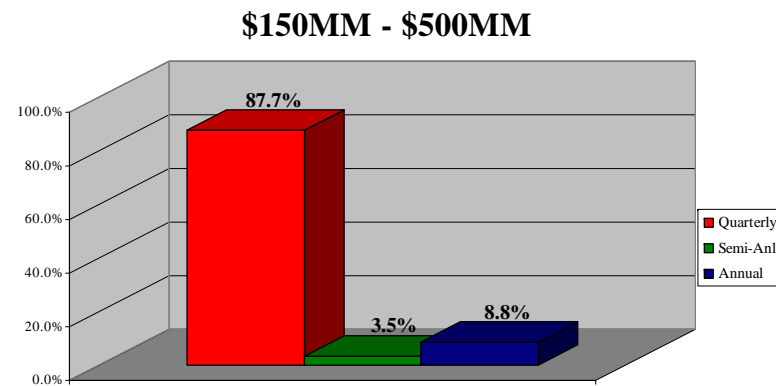
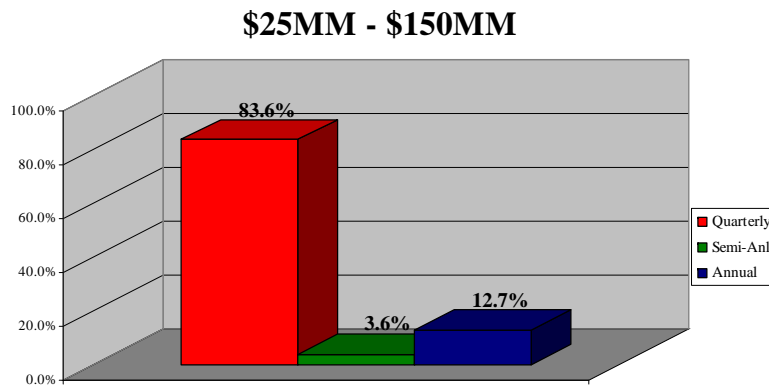


\$150MM - \$500MM



Dividend Policy Aggregate Data

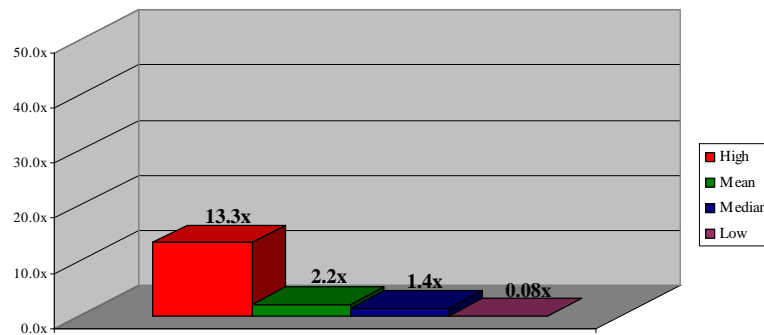
Dividend Frequency



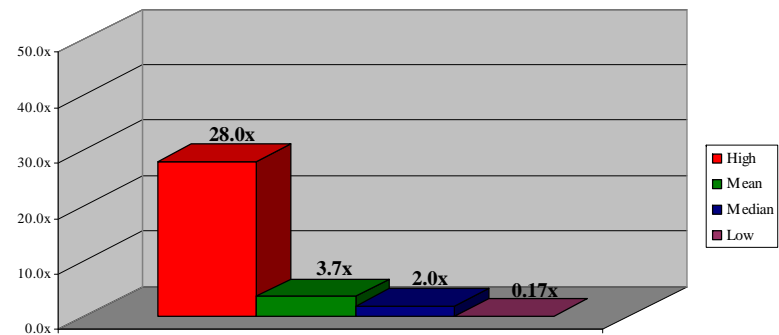
Debt Policy Aggregate Data

Net Debt to EBITDA ⁽¹⁾

\$25MM - \$150MM



\$150MM - \$500MM

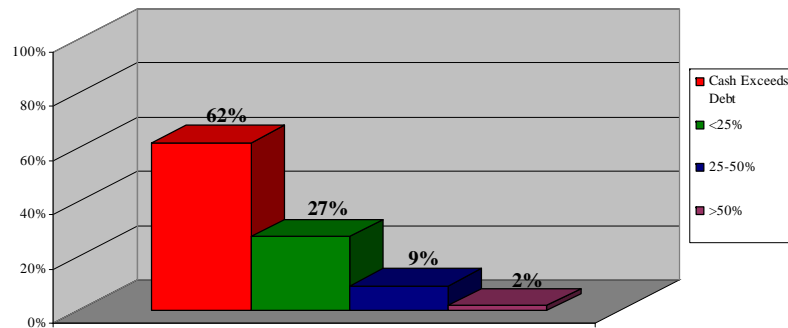


Notes: (1) Data excludes negative ratios (implying negative reported EBITDA or negative net debt).

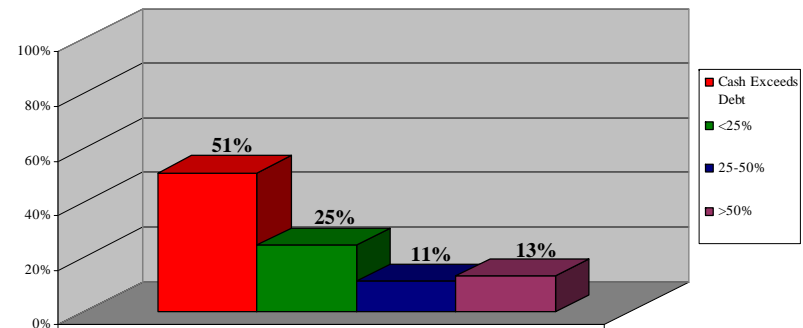
Debt Policy Aggregate Data

Net Debt to Adjusted Market Value

\$25MM - \$150MM



\$150MM - \$500MM



Sector Data

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Communications Sector

\$25MM - \$150MM

Dividend Policy:

Dividend Frequency -

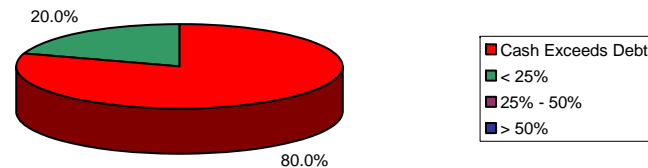
Quarterly	80.0%
Semi-Annual	0.0%
Annual	20.0%

	Range	Mean	Median
Current Indicated Annual Dividend as a % of LTM Net Income	9.8% - 59.8%	37.4%	39.9%
Current Indicated Annual Dividend as a % of LTM EBITDA	10.5% - 54.5%	30.6%	32.1%
Current Indicated Annual Dividend as a % of Latest Book Value	2.0% - 16.6%	8.7%	5.0%
Current Indicated Annual Dividend Yield	1.2% - 10.1%	4.0%	2.6%

Debt Policy:

Net Debt to EBITDA - After excluding companies with excess cash, only one of the five companies included in this group remained, with a ratio of 0.07x.

Net Debt to Adjusted Market Value -



Communications Sector

\$150MM - \$500MM

Dividend Policy:

Dividend Frequency -

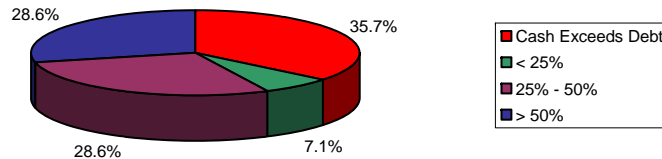
Quarterly	100.0%
Semi-Annual	0.0%
Annual	0.0%

	<u>Range</u>	<u>Mean</u>	<u>Median</u>
Current Indicated Annual Dividend as a % of LTM Net Income	2.5% - 97.7%	42.4%	30.3%
Current Indicated Annual Dividend as a % of LTM EBITDA	10.4% - 86.5%	32.2%	25.8%
Current Indicated Annual Dividend as a % of Latest Book Value	3.3% - 49.9%	15.4%	6.1%
Current Indicated Annual Dividend Yield	1.6% - 14.9%	5.7%	5.0%

Debt Policy:

Net Debt to EBITDA	0.27x - 9.59x	3.97x	3.51x
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Net Debt to Adjusted Market Value -



Technology Sector

\$25MM - \$150MM

Dividend Policy:

Dividend Frequency -

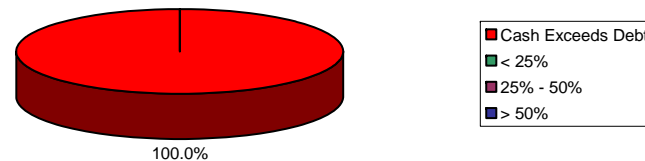
Quarterly	100.0%
Semi-Annual	0.0%
Annual	0.0%

	Range	Mean	Median
Current Indicated Annual Dividend as a % of LTM Net Income	38.5% - 93.6%	66.1%	66.1%
Current Indicated Annual Dividend as a % of LTM EBITDA	26.8% - 74.2%	55.0%	59.5%
Current Indicated Annual Dividend as a % of Latest Book Value	3.6% - 40.6%	17.1%	14.0%
Current Indicated Annual Dividend Yield	2.1% - 7.8%	4.6%	3.4%

Debt Policy:

Net Debt to EBITDA - All of the companies in this group reported excess cash, resulting in negative ratios.

Net Debt to Adjusted Market Value -



Technology Sector

\$150MM - \$500MM

Dividend Policy:

Dividend Frequency -

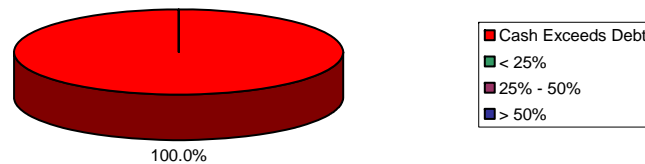
Quarterly	100.0%
Semi-Annual	0.0%
Annual	0.0%

	<u>Range</u>	<u>Mean</u>	<u>Median</u>
Current Indicated Annual Dividend as a % of LTM Net Income	15.9% - 76.0%	51.2%	57.6%
Current Indicated Annual Dividend as a % of LTM EBITDA	13.1% - 49.1%	29.2%	24.9%
Current Indicated Annual Dividend as a % of Latest Book Value	2.0% - 30.0%	8.9%	4.8%
Current Indicated Annual Dividend Yield	0.9% - 6.1%	2.1%	1.4%

Debt Policy:

Net Debt to EBITDA - All of the companies in this group reported excess cash, resulting in negative ratios.

Net Debt to Adjusted Market Value -



Consumer Cyclical Sector

\$25MM - \$150MM

Dividend Policy:

Dividend Frequency -

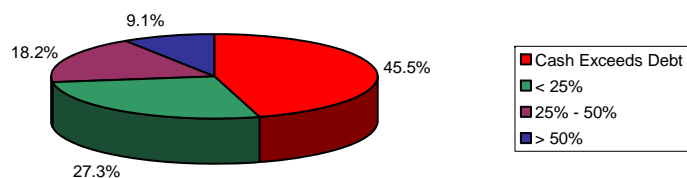
Quarterly	81.8%
Semi-Annual	0.0%
Annual	18.2%

	Range	Mean	Median
Current Indicated Annual Dividend as a % of LTM Net Income	14.6% - 78.0%	37.2%	34.2%
Current Indicated Annual Dividend as a % of LTM EBITDA	4.9% - 95.3%	33.1%	24.4%
Current Indicated Annual Dividend as a % of Latest Book Value	0.9% - 74.0%	11.8%	5.5%
Current Indicated Annual Dividend Yield	1.3% - 8.6%	4.7%	5.0%

Debt Policy:

Net Debt to EBITDA	0.38x - 5.12x	1.92x	1.65x
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Net Debt to Adjusted Market Value -



Consumer Cyclical Sector

\$150MM - \$500MM

Dividend Policy:

Dividend Frequency -

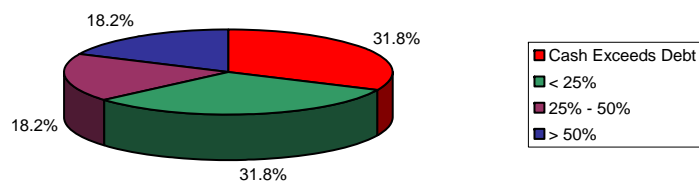
Quarterly	81.8%
Semi-Annual	0.0%
Annual	18.2%

	<u>Range</u>	<u>Mean</u>	<u>Median</u>
Current Indicated Annual Dividend as a % of LTM Net Income	6.4% - 81.0%	34.9%	30.4%
Current Indicated Annual Dividend as a % of LTM EBITDA	6.5% - 50.7%	17.6%	12.7%
Current Indicated Annual Dividend as a % of Latest Book Value	1.0% - 10.1%	3.8%	3.0%
Current Indicated Annual Dividend Yield	0.8% - 7.1%	3.0%	2.6%

Debt Policy:

Net Debt to EBITDA	0.72x - 28.03x	6.47x	2.58x
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Net Debt to Adjusted Market Value -



Consumer Non-Cyclical Sector

\$25MM - \$150MM

Dividend Policy:

Dividend Frequency -

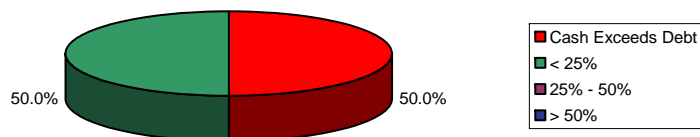
Quarterly	92.9%
Semi-Annual	7.1%
Annual	0.0%

	Range	Mean	Median
Current Indicated Annual Dividend as a % of LTM Net Income	10.2% - 93.4%	44.8%	44.2%
Current Indicated Annual Dividend as a % of LTM EBITDA	5.3% - 93.7%	27.8%	20.5%
Current Indicated Annual Dividend as a % of Latest Book Value	1.3% - 31.0%	9.1%	7.1%
Current Indicated Annual Dividend Yield	0.9% - 9.1%	2.8%	2.0%

Debt Policy:

Net Debt to EBITDA	0.27x - 13.33x	2.60x	0.86x
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Net Debt to Adjusted Market Value -



Consumer Non-Cyclical Sector

\$150MM - \$500MM

Dividend Policy:

Dividend Frequency -

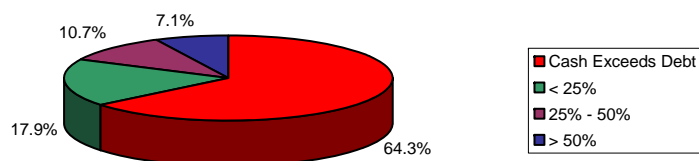
Quarterly	92.9%
Semi-Annual	0.0%
Annual	7.1%

	<u>Range</u>	<u>Mean</u>	<u>Median</u>
Current Indicated Annual Dividend as a % of LTM Net Income	10.8% - 91.6%	35.6%	28.2%
Current Indicated Annual Dividend as a % of LTM EBITDA	6.1% - 53.4%	19.3%	14.4%
Current Indicated Annual Dividend as a % of Latest Book Value	1.4% - 95.8%	11.2%	5.6%
Current Indicated Annual Dividend Yield	0.7% - 9.2%	3.0%	2.2%

Debt Policy:

Net Debt to EBITDA	0.17x - 5.29x	1.95x	1.47x
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Net Debt to Adjusted Market Value -



Basic Materials Sector

\$25MM - \$150MM

Dividend Policy:

Dividend Frequency -

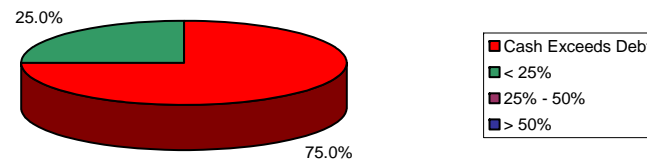
Quarterly	75.0%
Semi-Annual	0.0%
Annual	25.0%

	<u>Range</u>	<u>Mean</u>	<u>Median</u>
Current Indicated Annual Dividend as a % of LTM Net Income	9.8% - 42.2%	28.5%	33.5%
Current Indicated Annual Dividend as a % of LTM EBITDA	4.6% - 20.9%	12.1%	10.8%
Current Indicated Annual Dividend as a % of Latest Book Value	1.6% - 2.6%	2.1%	2.1%
Current Indicated Annual Dividend Yield	0.5% - 6.6%	2.2%	0.7%

Debt Policy:

Net Debt to EBITDA - After excluding companies with excess cash, only one of the four companies included in this group remained, with a positive ratio of 1.73x.

Net Debt to Adjusted Market Value -



Basic Materials Sector

\$150MM - \$500MM

Dividend Policy:

Dividend Frequency -

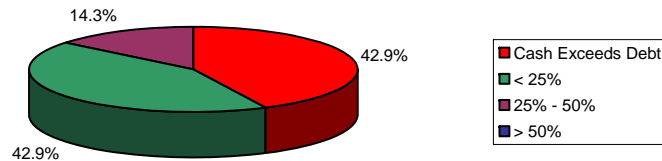
Quarterly	42.9%
Semi-Annual	42.9%
Annual	14.3%

	Range	Mean	Median
Current Indicated Annual Dividend as a % of LTM Net Income	12.3% - 59.3%	32.5%	28.0%
Current Indicated Annual Dividend as a % of LTM EBITDA	5.7% - 29.9%	16.0%	13.5%
Current Indicated Annual Dividend as a % of Latest Book Value	1.9% - 9.9%	4.3%	3.8%
Current Indicated Annual Dividend Yield	0.6% - 4.3%	2.4%	2.8%

Debt Policy:

Net Debt to EBITDA	0.80x - 1.81x	1.28x	1.24x
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Net Debt to Adjusted Market Value -



Industrial Sector

\$25MM - \$150MM

Dividend Policy:

Dividend Frequency -

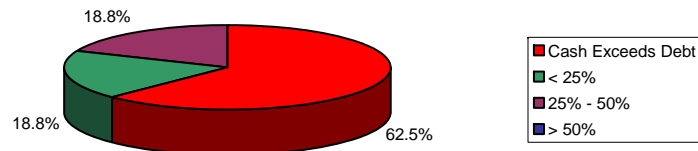
Quarterly	75.0%
Semi-Annual	6.3%
Annual	18.8%

	Range	Mean	Median
Current Indicated Annual Dividend as a % of LTM Net Income	4.1% - 93.6%	45.0%	42.1%
Current Indicated Annual Dividend as a % of LTM EBITDA	3.0% - 49.2%	23.1%	23.9%
Current Indicated Annual Dividend as a % of Latest Book Value	1.1% - 18.2%	4.9%	3.8%
Current Indicated Annual Dividend Yield	0.3% - 7.7%	2.8%	2.3%

Debt Policy:

Net Debt to EBITDA	0.16x - 5.16x	2.26x	2.01x
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Net Debt to Adjusted Market Value -



Industrial Sector

\$150MM - \$500MM

Dividend Policy:

Dividend Frequency -

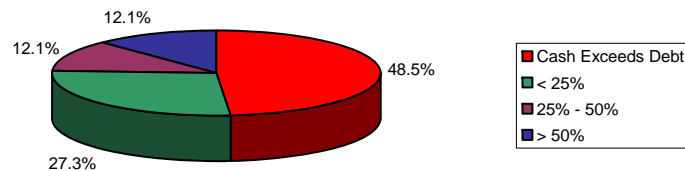
Quarterly	87.9%
Semi-Annual	3.0%
Annual	9.1%

	<u>Range</u>	<u>Mean</u>	<u>Median</u>
Current Indicated Annual Dividend as a % of LTM Net Income	7.7% - 92.6%	29.8%	24.9%
Current Indicated Annual Dividend as a % of LTM EBITDA	4.5% - 72.0%	18.2%	13.6%
Current Indicated Annual Dividend as a % of Latest Book Value	0.9% - 26.4%	6.2%	3.9%
Current Indicated Annual Dividend Yield	0.3% - 11.9%	2.7%	1.7%

Debt Policy:

Net Debt to EBITDA	0.22x - 6.86x	2.41x	1.82x
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Net Debt to Adjusted Market Value -



About MPI Securities, Inc.



MPI SECURITIES, INC.

Investment Banking Services

About MPI Securities, Inc.

MPI Securities provides merger and acquisition transaction advisory, fairness and solvency opinions, the evaluation of strategic alternatives and shareholder liquidity options, and sale/merger valuations to privately held and micro-cap public companies. We are affiliated with a leading business valuation firm, Management Planning, Inc. See the following page for a brief description of our recent assignments.

About MPI Securities, Inc.

<p>Shop-A-Snak Shop-a-Snak Food Mart, Inc. in its sale to The Pantry. The Pantry, Inc.</p>	<p>Sale advisory for a contract manufacturer of powdered beverages. Pending</p>	<p>Sale advisory for a \$175 million revenue, Florida based convenience store chain. Pending</p>	<p>Fairway Spring Co., Inc. in its sale to Fennell Spring Company, LLC.</p>
<p>Merger advisory services for a \$700 million revenue consumer products company.</p>	<p>Evaluation of strategic alternatives and shareholder liquidity options for a technology products and services business.</p>	<p>Evaluation of shareholder liquidity options for a leading regional pharmacy chain.</p>	<p>Strategic advisory for a \$1 billion revenue construction company.</p>
<p>Fairness opinion for  in connection with its repurchase of 3.6 million common shares from International Truck and Engine Corporation.</p>	<p>Fairness opinion for a specialty labeling company in connection with a self tender transaction.</p>	<p>Fairness opinion for  in connection with a \$10 million PIPE transaction.</p>	<p>Sale/merger valuation for a waste recycling company.</p>