LIQUIDATION ANALYSIS

A. INTRODUCTION

Pursuant to section 1129(a)(7) of the Bankruptcy Code (often called the "Best Interests Test"), Holders of Allowed Claims must either (a) accept the Plan or (b) receive or retain under the Plan property of a value, as of the Plan's assumed Effective Date, that is not less than the value such non-accepting Holder would receive or retain if the Debtors were to be liquidated under chapter 7 of the Bankruptcy Code ("Chapter 7").

In determining whether the Best Interests Test has been met, the first step is to determine the dollar amount that would be generated from a hypothetical liquidation of the Debtors' assets under Chapter 7. The Debtors, with the assistance of their financial advisors, have prepared this hypothetical liquidation analysis (the "Liquidation Analysis") in connection with the Disclosure Statement. The Liquidation Analysis reflects the estimated cash proceeds, net of liquidation-related costs, that would be available to the Debtors' creditors if the Debtors were to be liquidated pursuant to a Chapter 7 liquidation as an alternative to continued operation of the Debtors' business under the Plan. Accordingly, asset values discussed herein may be different than amounts referred to in the Plan. The Liquidation Analysis is based upon the assumptions discussed herein and in the Disclosure Statement. All capitalized terms not defined in this Liquidation Analysis have the meanings ascribed to them in the Disclosure Statement.

UNDERLYING THE LIQUIDATION ANALYSIS ARE NUMEROUS ESTIMATES AND ASSUMPTIONS REGARDING LIQUIDATION PROCEEDS THAT, ALTHOUGH DEVELOPED AND CONSIDERED REASONABLE BY THE DEBTORS' MANAGEMENT AND ITS ADVISORS, ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, REGULATORY AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES BEYOND THE CONTROL OF THE DEBTORS AND THEIR MANAGEMENT. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE VALUES REFLECTED IN THE LIQUIDATION ANALYSIS WOULD BE REALIZED IF THE DEBTORS WERE, IN FACT, TO UNDERGO SUCH A LIQUIDATION, AND ACTUAL RESULTS COULD MATERIALLY DIFFER FROM THE RESULTS SET FORTH HEREIN.

B. SIGNIFICANT ASSUMPTIONS

Hypothetical recoveries to stakeholders of the Debtors in a Chapter 7 liquidation were determined through multiple steps, as set forth below.

The basis of the Liquidation Analysis is the Debtor's unaudited consolidated balance sheet as of December 28, 2008 (except as noted otherwise). The Liquidation Analysis also assumes that the liquidation of the Debtors would commence under the direction of a court-appointed Chapter 7 trustee. The Liquidation Analysis reflects the wind-down and liquidation of substantially all of the Debtors' remaining operations over a nine-month period (the "Wind-Down Period"), during which time all of the Debtors' major assets would be sold and the cash proceeds, net of liquidation-related costs, would be distributed to satisfy Claims.

C. ESTIMATE OF NET PROCEEDS

Estimates were made of the cash proceeds that might be received from the liquidation of the Debtors' assets listed on the balance sheet. After consideration of the effects that a Chapter 7 liquidation would have on the ultimate proceeds available for distribution, including (i) the increased costs and expenses of a liquidation under Chapter 7 arising from fees payable to a trustee in bankruptcy and advisors to such trustee (see below) and (ii) the potential erosion in value of assets in a Chapter 7 case in the context of the expedited liquidation required under Chapter 7.

In this Liquidation Analysis, liquidation values were assessed for general classes by estimating percentage recoveries of the gross book value of the asset that a Chapter 7 trustee might achieve through the disposition. Proceeds are net of holding costs, including insurance, taxes, utility, security and maintenance, which are assumed to be incurred until a sale is concluded. The Liquidation Analysis does not reflect any potential recoveries that might be realized by the Chapter 7 trustee's potential pursuit of any avoidance actions, as the Debtors believe that any such potential recoveries are highly speculative in light of, among other things, the various defenses that would likely be asserted. Similarly, the Liquidation Analysis does not reflect any recoveries that might be realized from any current or future potential litigation initiated by the Debtors.

D. ESTIMATE OF COSTS

Proceeds from a Chapter 7 liquidation would be reduced by administrative costs incurred during the wind-down of the operations, the disposition of assets and the reconciliation of claims. These costs include professional (including attorneys, financial advisors, appraisers and accountants) and trustee fees, commissions, salaries, severance and retention costs, certain occupancy costs, the estimated holding costs for each plant over the relevant period and the estimated costs of shutting down the plants. Actual administrative costs may exceed the estimate included in this Liquidation Analysis, particularly if the wind-down of operations, disposition of assets and reconciliation of claims takes longer than the Wind-Down Period.

E. DISTRIBUTION OF NET PROCEEDS UNDER ABSOLUTE PRIORITY

The amount of cash available would be the sum of the proceeds from the disposition of the Debtors' assets and the cash held by the Debtors at the commencement of their Chapter 7 cases. Under the absolute priority rule, no junior creditor would receive any distribution until all senior creditors are paid in full, and no equity holder would receive any distribution until all creditors are paid in full. As such, prior to delivering any proceeds to holders of General Unsecured Claims, available cash and asset liquidation proceeds would first be applied to Secured Claims and amounts necessary to satisfy any Chapter 7 Administrative Expense Claims (including any incremental Administrative Expense Claims that may result from the termination of the Debtors' business and the liquidation of the Debtors' assets) and other Priority Claims under section 507 of the Bankruptcy Code as required under section 726 of the Bankruptcy Code. Any remaining cash and asset liquidation proceeds after satisfaction of Secured Claims, Administrative Expense Claims and Priority Claims, to the extent they exist, would be available for distribution to holders of General Unsecured Claims in accordance with the distribution hierarchy established by section 726 of the Bankruptcy Code.

The Term Facility Credit Agreement lenders have first priority liens on all of the Debtors' domestic property (other than accounts receivable and inventory) (the "PP&E"), and 65% of the equity interests of the Debtors' first tier foreign subsidiaries and second priority liens on the Debtors' domestic accounts receivable and inventory (the "AR & Inventory"). The ABL Credit Agreement lenders have first priority liens on the Debtors' AR & Inventory. Accordingly, the proceeds from the liquidation of the PP&E would be applied to satisfy the claims of the Term Facility Credit Agreement lenders until such claims are paid in full. The proceeds from the AR & Inventory would be applied to satisfy the claims of the ABL Credit Agreement lenders until such claims are paid in full.

The allocation of the liquidation proceeds from the PP&E, AR & Inventory to the ABL Credit Agreement lenders and the Term Facility Credit Agreement lenders in the attached distribution summary is based on the categorization of assets for accounting purposes. As such, the recoveries of the ABL Credit Agreement lenders and the Term Facility Credit Agreement lenders from the assets in which they have a security interest will likely differ from an allocation based on the asset categorization for accounting purposes.

After consideration of the effects that a Chapter 7 liquidation would have on the ultimate proceeds available for distribution to creditors, the Debtors have determined, as summarized in the charts below and the "Best Interest of Creditors" section of the Disclosure Statement, that Debtors' proposed Plan will provide creditors with a recovery that is not less than creditors would receive pursuant to a liquidation of the Debtors' assets under Chapter 7.

The following Liquidation Analysis should be reviewed with the accompanying notes.

Hypothetical Liquidation Analysis

		Book Value Dec. 28, 2008[a]	Hypothetical Percentage Recovery	Estimated Liquidation Value
Cash and Equivalents	(b)	$39.3	100.0%	$39.3
Domestic Accounts Receivable	(c)	120.8	85.0%	102.7
Domestic Inventory	(d)	239.1	55.0%	131.5
		$399.2		$273.5
Less: Allocated Fees and Expenses	(e)			(27.8)
Net Estimated Liquidation Proceeds	(f)			$245.7
Plant, Property & Equipment	(g)	$100.7	50.0%	$50.4
Intangible Assets	(h)	507.3	25.0%	126.8
		$608.0		$177.2
Less: Allocated Fees and Expenses	(e)			(21.0)
Net Estimated Liquidation Proceeds	(f)			$156.2
Foreign Equity	(i)			$153.7

Calculation of Equity Interests of Foreign Subsidiaries

		Book Value Dec. 28, 2008[a]	Hypothetical Percentage Recovery	Estimated Liquidation Value
Cash and Equivalents	(b)	$61.4	100.0%	$61.4
Foreign Accounts Receivable	(c)	225.6	75.0%	169.2
Foreign Inventory	(d)	173.8	55.0%	95.6
Plant, Property & Equipment	(g)	102.7	50.0%	51.4
Intangible Assets	(h)	216.5	25.0%	54.1
Total Assets		$780.0		$431.7
Less: Secured Debt	(j)	(53.1)		(53.1)
Less: Accounts Payable	(k)	(118.6)		(118.6)
		$608.4		$260.0
Less: Allocated Fees and Expenses	(e)			(23.5)
Net Estimated Liquidation Proceeds				$236.5
Times: % to Term Lenders				65.0%
Total Available to Term Facility Credit Agreement Lenders				$153.7

Calculation of Fees and Expenses

Chapter 7 Trustee Fees and Expenses	(l)	$18.3
Chapter 7 Professional Fees and Expenses	(m)	9.0
Employee Expenses/Wind-down Costs	(n)	45.0
		$72.3

NOTES TO LIQUIDATION ANALYSIS

Note A - Book Values as of December 28, 2008

The book values used in the Liquidation Analysis for cash and cash equivalents, accounts receivable, inventories, property, plant and equipment and intangible assets, which are used as a reference point for the analysis and are assumed to be representative of the Debtors' assets.

Note B - Cash and Cash Equivalents

Cash and cash equivalents consist of all cash or liquid investments with maturities of three months or less in banks or operating accounts and are assumed to be fully recoverable.

Note C - Accounts Receivable

Estimated proceeds realizable from short-term and long-term accounts receivable are based on management's assessment of the ability of the Debtors to collect on their accounts, taking into consideration the credit quality and aging of the accounts. The Liquidation Analysis for accounts receivable is based on estimated recoveries of aging receivables using a declining scale of recoveries. These estimates take into account the inevitable difficulty in collecting receivables and any concessions that might be required to facilitate the collection of certain accounts receivable.

Note D – Inventory

Estimated inventory recoveries are based on the stage of production. This estimate assumes spoilage as well as diminished market demand for product volumes and a general discount for liquidation.

Note E – Allocated Fees and Expenses

All fees and expenses are allocated on a pro rata basis.

Note F – Net Estimated Liquidation Proceeds

The Term Facility Credit Agreement lenders have first priority liens on all of the Debtors' domestic property (other than accounts receivable and inventory) (the "PP&E"), and 65% of the equity interests of the Debtors' first tier foreign subsidiaries and second priority liens on the AR & Inventory. The ABL Credit Agreement lenders have first priority liens on the Debtors' AR & Inventory. Accordingly, the proceeds from the liquidation of the PP&E would be applied to satisfy the claims of the Term Facility Credit Agreement lenders until such claims are paid in full. The proceeds from the AR & Inventory would be applied to satisfy the claims of the ABL Credit Agreement lenders until such claims are paid in full.

Note G – Property, Plant and Equipment

Property, plant and equipment includes (x) the sum of (i) land, buildings and improvements (ii) machinery, equipment, and other and (iii) construction in progress less (y) accumulated depreciation. The hypothetical recovery rates across all fixed asset classes was based on recovery rates for *gross* book values.

Note H – Intangible Assets

Intangible Assets includes (x) the sum of (i) goodwill (ii) tradenames (iii) proprietary technology and (iv) customer relationships less (y) accumulated amortization. The hypothetical recovery rates were based on recovery rates for *gross* book values.

Note I – Foreign Equity

Foreign equity consists of retained earnings, dividends and unrealized gains/losses on long-term intercompany transactions as well as currency translation adjustments.

Note J – Foreign Secured

A majority of the foreign secured debt consists of real estate leases for the European distribution center located in Germany.

Note K – Accounts Payable

Included in accounts payable are trade payables including AR Right of Offset EITF 00-25 and non-trade payables related to customer agreements.

Note L - Trustee Fees & Expenses

Compensation for the Chapter 7 trustee will be limited to fee guidelines in section 326(a) of the Bankruptcy Code. The Debtors' management has assumed trustee fees of 3% of the gross proceeds (excluding cash) in the liquidation.

Note M - Other Professional Fees & Expenses

Compensation for the Chapter 7 trustee's counsel and other legal, financial and professional services during the Chapter 7 proceedings is estimated to be approximately $1 million per month beginning at the commencement of the liquidation proceedings throughout the Wind-Down Period.

Note N - Employee Expenses / Wind-Down Costs

The Debtors assume the Chapter 7 liquidation process will take nine months to complete. Corporate payroll and operating costs during liquidation are based on the assumption that certain functions would be required during the liquidation process in order for an orderly wind-down of the business and the plants. Costs would include costs associated with shutting down the production lines as well as salaries of certain operating and maintenance employees, severance and bonus pay that would be incurred during a Chapter 7 liquidation. These expenses are estimated to be approximately $5 million a month.

Distribution Summary

Net Estimated Proceeds from Cash, A/R and Inventory		$245.7
ABL Credit Agreement Claim	(o)	$167.0
Recovery Amount		167.0
% of Claim		*100.0%*
Net Estimated Proceeds from Domestic PP&E and Intangibles, Equity in Foreign Subs and 2nd on A/R and Inventory		$156.2
Term Facility Credit Agreement Claim	(p)	$1,388.0
Recovery Amount from Domestic PP&E and Intangibles		156.2
Recovery Amount from Equity in Foreign Subs (65%)		153.7
Recovery Amount from 2nd on A/R and Inventory		78.7
Recovery Amount		$388.6
% of Claim		*28.0%*
Term Facility Credit Agreement Deficiency Claim		$999.4
% Recovery		*7.8%*
Recovery Amount		$77.5
Total Recovery Amount		$466.1
% of Claim		*33.6%*
Net Estimated Proceeds from Equity in Foreign Subs (35%)		$82.8
Foreign Subsidiaries Accounts Payable		$142.1
% Recovery		*3.7%*
Recovery Amount		$5.3
Term Facility Credit Agreement Deficiency Claim		$999.4
% Recovery		*7.8%*
Recovery Amount		$77.5
Noteholder Claim		$1,082.2
% Recovery		*0.0%*
Recovery Amount		-
Net Estimated Proceeds from Equity in Foreign Subs (35%)		$82.8
Accounts Payable		$142.1
Term Facility Credit Agreement Deficiency Claim		999.4
Noteholder Claim		1,082.2
Total General Unsecured Claims	(q)	$2,223.6
Recovery Amount		$82.8
% of Claim		*3.7%*

NOTES TO DISTRIBUTION SUMMARY

Note O – ABL Credit Agreement Claim

The distribution analysis assumes that the ABL Credit Agreement lenders would have recovery rights with respect to proceeds from all assets categorized on the balance sheet as domestic accounts receivables and inventory, some of the assets categorized as such may fall outside the scope of the security interest of the ABL Credit Agreement lenders.

Note P – Term Facility Claim

The distribution analysis assumes that the Term Facility Credit Agreement lenders would have recovery rights with respect to proceeds from all assets categorized on the balance sheet as property, plan and equipment and intangibles; some of the assets categorized as such may fall outside the scope of the security interest of the Term Facility Credit Agreement lenders. The distribution analysis assumes that the Term Facility Credit Agreement lenders have recovery rights with respect to 65% of the equity interests of the Debtors' first tier foreign subsidiaries and second priority liens on the AR & Inventory. Additionally, the distribution analysis assumes that the Term Facility Claim will successfully enforce its rights under the Subordination Agreement and benefit from any recovery that might otherwise go towards the Noteholder Claim.

Note Q – General Unsecured Claims

These are estimated to be $2,191.4 million and include (i) $142.1 million in domestic accounts payable, (ii) Term Facility Deficiency Claim of $999.4 million and (iii) $1,082.2 million in Noteholder Claim.