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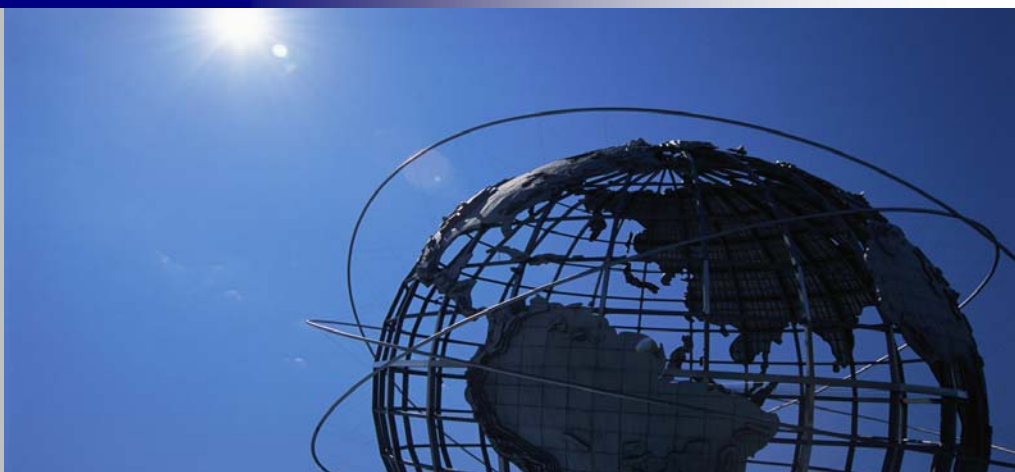
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# Global Mergers & Acquisitions Update

**Third Quarter 2007**

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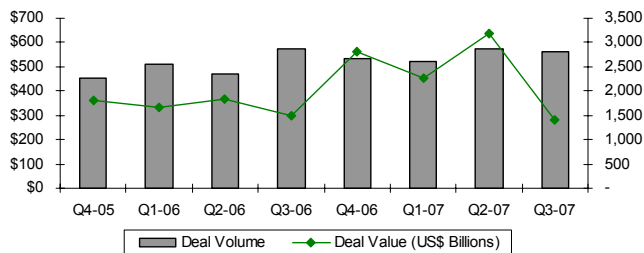
# United States & Canada

## M&A Activity

### Total M&A activity grows through 3<sup>rd</sup> quarter; Slow-down in September due to credit markets

Announced deal values in the U.S. and Canada reached US\$1.6 trillion, representing an increase of 40% over the same period in 2006. However, deal activity slowed considerably in September (especially in the US\$1 billion and above category) due to sub-prime concerns and less favorable financing conditions. It is expected that this trend will spill over into the early part of the 4<sup>th</sup> quarter.

### Announced Transactions with U.S. Involvement



Source: Thomson Financial

## Select M&A News

### Watsco to acquire HVAC distributor ACR Group

Watsco Inc., the listed US based distributor of air conditioning, heating and refrigeration equipment, has agreed to acquire ACR Group Inc., the listed US based distributor of air conditioning and heating products, for a cash tender offer of US\$6.75 per share or US\$81.4 million. ACR generated revenues of US\$239.6 million for the year ended February 28, 2007 with 503 employees. The offer price represents a multiple of 8.9x EBITDA. ACR will operate as Watsco's subsidiary under its present name and management team. The acquisition is subject to the tendering of at least 66.6% of ACR's outstanding shares as well as regulatory approvals and other customary closing requirements.

### Transcontinental to acquire PLM Group

Transcontinental Inc., the listed Canadian publishing house engaged in printing and distribution of advertising material, has agreed to acquire PLM Group Ltd., the listed Canada based commercial printing company, for a cash offer price of US\$3.3 per share and assumption of debt of US\$23.5 million, valuing the company at US\$120.8 million. The price represents a multiple of

### Aggregate U.S. M&A Activity LTM as of August 22, 2007

	Multiple of:	
	EBITDA	EBIT
Transactions Less than US\$25 million	10.3	19.4
Transactions US\$25 million to US\$100 million	8.7	12.0
Transactions US\$100 million to US\$250 million	11.0	16.4
Transactions US\$250 million to US\$1 billion	9.7	15.2
Transactions Over \$1 billion	11.0	15.9

Source: Thomson Financial Securities Data Corporation

### Aggregate U.S. M&A Activity LTM as of August 22, 2007

	Current	1 Year Ago
Leveraged Bank Loan	8.3%	8.2%
High Yield Bond Rate	8.8%	8.3%
Senior Debt/EBITDA	5.2	4.7
Total Debt/EBITDA	5.3	5.3

Source: The Wall Street Journal and LCD Comps

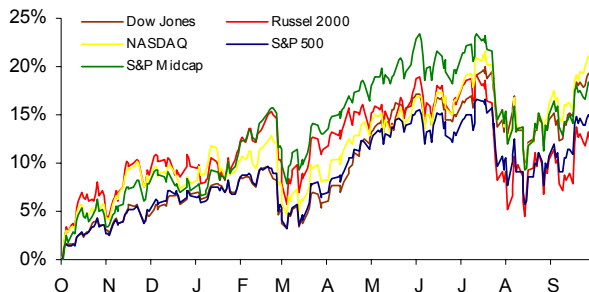
8.3x EBITDA. The acquisition of PLM is in line with Transcontinental's growth strategy, mainly in fast growing direct marketing segment and digital printing, and will enhance its presence in the Ontario market. PLM Group has about 470 employees in four factories and had annual sales of US\$107.6 million. The agreement, which involves a break up fee in certain situations, is subject to regulatory approvals, deposit of 66.6% of outstanding shares, customary closing conditions and is expected to close in October 2007.

### Thomas & Betts to acquire Lamson & Sessions

Thomas & Betts Corporation, the listed U.S. based manufacturer of electrical components, has agreed to acquire Lamson & Sessions Co, the listed U.S. based manufacturer of electrical components, for a cash consideration of US\$452.3 million. The purchase price represents a multiple of 6.0x EBITDA. This acquisition is in line with Thomas's expansion strategy to enhance its product portfolio and leverage its business infrastructure.

## Market Trends

### LTM Equity Market Performance



Source: Yahoo! Finance

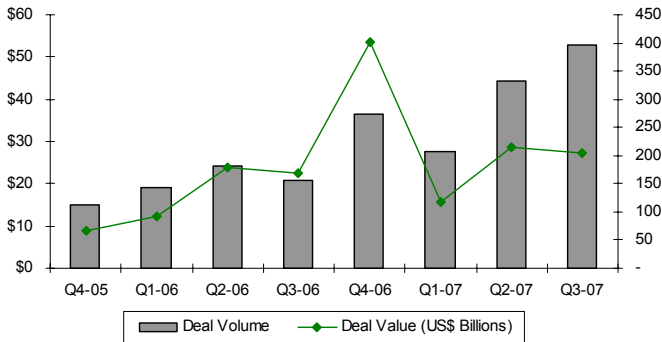
### Treasury & Government Issue Yields

	United States		Canada	
	Current	1 Year Ago	Current	1 Year Ago
3 Month	3.84%	4.76%	3.98%	4.15%
6 Month	4.00%	4.82%	4.21%	4.13%
1 Year	4.05%	4.90%	4.23%	4.12%
3 - 5 Year	4.26%	4.56%	4.23%	3.86%
5 - 10 Year	4.61%	4.60%	4.31%	3.92%

Source: Bankrate.com and Bank of Canada

## M&A Activity

### Announced Transactions with Latin American Involvement



Source: Thomson Financial

### Select Latin American Interest Rates

	Current		1 Year Ago	
	3-month	10-year	3-month	10-year
Argentina	12.94%	na	10.19%	na
Brazil	11.18%	6.16%	14.16%	na
Chile	5.88%	5.10%	5.16%	na
Colombia	8.77%	6.10%	6.29%	na
Mexico	7.19%	7.85%	7.05%	na
Venezuela	11.00%	6.55%	10.13%	na

Source: The Economist

### Other Economic Indicators

	Consumer Prices		Gross Domestic Product		
	Current	1 Year Ago	Current	2007F	2008F
Argentina	+8.7	+10.7	+8.7	+7.7	+5.7
Brazil	+4.2	+3.8	+5.4	+4.7	+4.5
Chile	+5.8	+2.8	+6.1	+6.1	+5.1
Colombia	+5.0	+4.6	+6.9	+6.6	+5.8
Mexico	+4.0	+3.5	+2.8	+2.9	+3.2
Venezuela	+15.3	+15.3	+8.9	+6.7	+4.0

Source: The Economist

## Select M&A News

### • CIE DESC Automotive acquires Duroplast plant

CIE DESC Automotive, S.A. de C.V., the Mexico based manufacturer of stamping technology and other components for the automotive industry has agreed to acquire the Ramos Arizpe plant of Duroplast Holding de Mexico, S.A. de C.V., the Mexican automotive components manufacturer, for a consideration of US\$31.2 million. The Ramos Arizpe plant manufactures commercialized plastic injection molded parts and assemblies for the auto industry and generated revenues of US\$55 million in the year 2006. Through this transaction, CIE DESC will be able to strengthen its position in niche markets while expanding its presence as a provider of components and integral automotive solutions. The transaction is subject to customary closing conditions.

### • RPAR Holding to acquire 70.7% stake in Magnesita

RPAR Holding SA, the acquisition vehicle of listed Brazil based private equity firm GP Investments Ltd. and Brazil based investment firm Gavea Investimentos, has agreed to acquire a 70.7% stake in Magnesita S.A., the listed Brazil based manufacturer of clay refractory components, from Partimag S.A., the Brazilian company controlled by the Pentagna Guimaraes

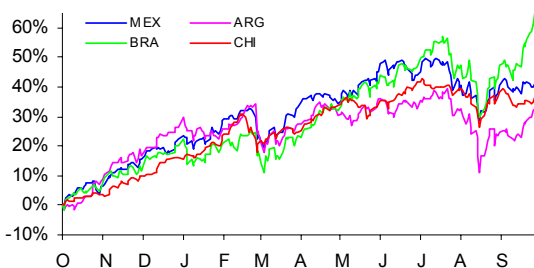
family, at an offer price of US\$39.57 per share, valuing the stake at approximately US\$637.3 million. The price represents a multiple of 7.7x EBITDA. With this transaction, GP Investments can support Magnesita's activities to explore growth opportunities in local and international markets and in turn benefit from Magnesita's market position, management expertise and technological know-how. After the completion of this transaction, GP Investments will make a tender offer to acquire the common shares held by minority shareholders. The completion of this transaction is subject to customary closing conditions.

### • Compania General de Electricidad acquires Empresas Emel from PPL Corporation

Compania General de Electricidad, the Chilean listed energy company, has agreed to acquire a 95.4% interest in Empresas Emel S.A., the Chilean listed electricity company, from PPL Corporation, the U.S. listed energy company, for US\$660 million. The purchase price represents a multiple of 13.5x EBITDA. In March of 2007, PPL expressed its intention to sell its Latin American operation and already sold electricity delivery companies in El Salvador and Bolivia. The transaction is expected to close by mid November 2007.

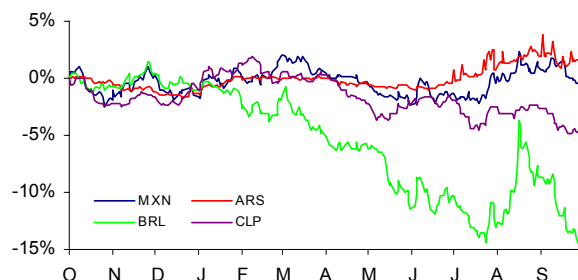
## Market Trends

### LTM Equity Market Performance



Source: Yahoo! Finance

### LTM Currency Performance Versus U.S. Dollar



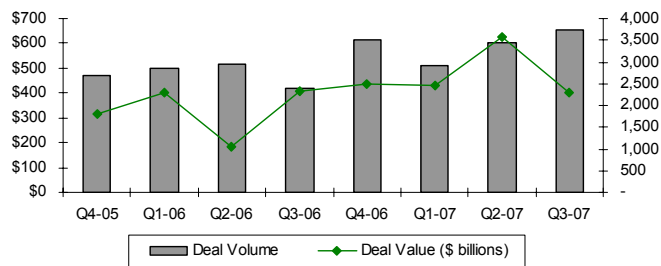
Source: OANDA Corporation

## M&A Activity

### YTD 2007 M&A activity reaches total 2006 activity; Falls short in 3<sup>rd</sup> quarter

Announced European deal value totaled over US\$1.4 trillion through the first nine months of 2007, reaching the record breaking total deal value set through twelve months in 2006. News of the extraordinary pace was dampened by a weak third quarter (down by 45% compared to 2006) caused by the credit crunch.

### Announced Transactions with European Involvement



Source: Thomson Financial

## Select M&A News

- **La Seda de Barcelona acquires Amcor's European PET business**

La Seda de Barcelona SA, the listed Spanish chemicals and textiles company, has agreed to acquire European PET business from Amcor Limited, the listed Australian packaging company, for an estimated consideration of US\$579 million. The price represents an estimated multiple of 7.1x EBITDA. The deal will be financed from bank debt and from the proceeds of the capital increase currently underway. Proceeds of the transaction will be redeployed into specified growth market segments as well as used to strengthen existing market positions to deliver improved earnings and returns.

- **Northcliffe Media acquires Trinity Mirror**

Northcliffe Media Limited, the UK based newspaper publisher and a subsidiary of Daily Mail & General Trust plc (DMGT), the listed UK based media company, has agreed to acquire the regional newspaper business of Trinity Mirror plc, the listed UK based publishing company, for a total deal value equal to US\$129 million. This represents a multiple of 8.8x EBITDA. Under the

## Select European Interest Rates

	Current		1 Year Ago	
	3-month	10-year	3-month	10-year
Britain	6.20%	4.99%	5.02%	4.52%
France	4.79%	4.44%	3.45%	3.65%
Germany	4.79%	4.33%	3.45%	3.65%
Italy	4.79%	4.58%	3.45%	3.65%
Spain	4.79%	4.43%	3.45%	3.65%

Source: The Economist

## Other Economic Indicators

	Consumer Prices		Gross Domestic Product		
	Current	1 Year Ago	Current	2007F	2008F
Britain	+1.8	+2.5	+3.1	+2.9	+2.1
France	+1.2	+1.9	+1.3	+1.8	+2.0
Germany	+2.5	+1.0	+2.5	+2.7	+2.2
Italy	+1.7	+2.1	+1.8	+1.8	+1.5
Spain	+2.2	+3.7	+4.0	+3.7	+2.7

Source: The Economist

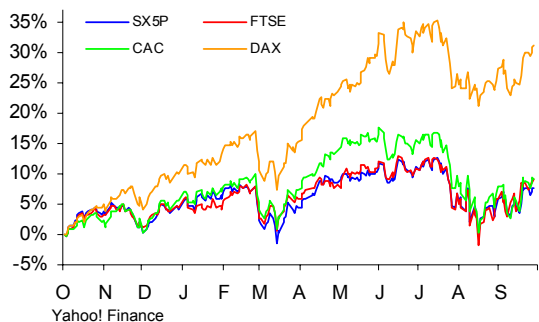
terms of the agreement, Northcliffe will acquire Kent Regional Newspapers, East Surrey and Sussex Newspapers and Blackmore Vale Publishing, which consists of 25 titles and are based in the South East of the UK. All the acquired units will be combined with Northcliffe's South East division, excluding Blackmore, which will be part of Northcliffe's South West Weeklies unit.

- **Acheson & Glover acquires precast concrete business of Readymix**

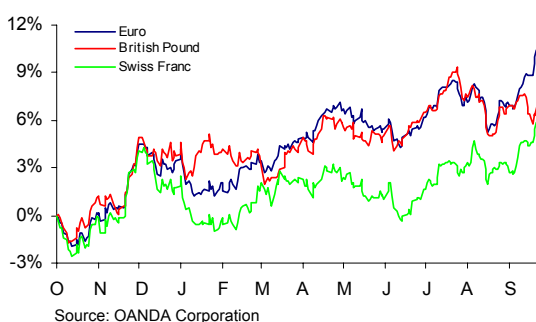
Acheson & Glover Ltd., the UK based manufacturer of construction materials, has agreed to acquire the precast concrete business of Readymix PLC, the listed Irish manufacturer of ready mix concrete, for a cash consideration of US\$67 million. The purchase price represents a multiple of 6.8x EBITDA. The disposal is in line with Readymix's strategy to develop and use proceeds in their core businesses. The acquisition will enhance the market position of Acheson, increase its turnover to over US\$200 million and increase its employee strength to 800.

## Market Trends

### LTM Equity Market Performance

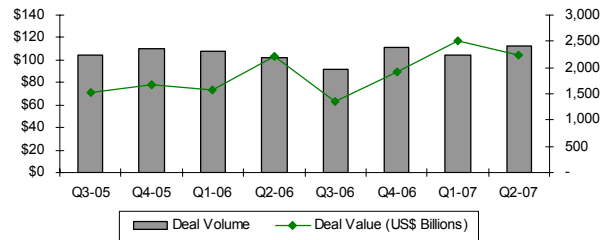


### LTM Currency Performance Versus U.S. Dollar



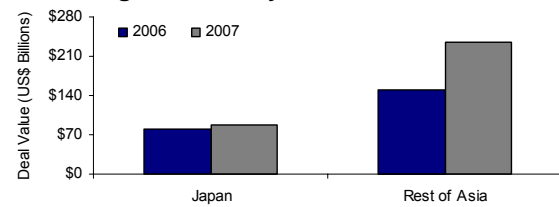
## M&A Activity

### Announced Transactions with Asian Involvement



Source: Thomson Financial

### Select Regional Activity



Source: Thomson Financial

## Select M&A News

### • Thermo Electron acquires Indian laboratory

The Indian subsidiary of Thermo Fisher Scientific Inc., the listed U.S. based manufacturer of analytical technologies, scientific and laboratory equipment, and pharmaceuticals has agreed to acquire the Qualigens Fine Chemicals (QFC) division of GlaxoSmithKline Pharmaceuticals Ltd., the listed Indian pharmaceutical company, for total consideration of US\$59.5 million. QFC offers Thermo Fisher access to local products, raw materials and manufacturing capabilities. The acquisition will enable Thermo Fisher to offer a wider range of products to a broader customer base and expand in India and other Asian countries.

### • Hitachi Maxell acquires adhesive products company

Hitachi Maxell Ltd., the Japanese battery producer, has agreed to acquire a 93.45% stake in Sliontec Corporation, the Japanese manufacturer of adhesive products, from Nomura Principal Finance, the Japanese private equity house, for a consideration

### Select Asian Interest Rates

	Current		1 Year Ago	
	3-month	10-year	3-month	10-year
China	3.85%	4.65%	3.00%	na
Hong Kong	5.19%	4.16%	4.29%	na
India	7.17%	8.29%	6.59%	na
Japan	0.73%	1.69%	0.34%	1.72%
Singapore	2.44%	2.71%	3.41%	na
South Korea	5.34%	5.53%	4.61%	na

Source: The Economist

### Other Economic Indicators

	Consumer Prices		Gross Domestic Product		
	Current	1 Year Ago	Current	2007F	2008F
China	+6.5	+1.3	+11.9	+10.5	+9.6
Hong Kong	+1.6	+2.5	+6.9	+6.2	+5.2
India	+6.5	+6.7	+9.3	+8.4	+7.9
Japan	-0.2	+0.9	+1.6	+2.0	+1.9
Singapore	+2.9	+0.7	+8.6	+7.0	+5.1
South Korea	+2.3	+2.5	+5.0	+4.9	+5.2

Source: The Economist

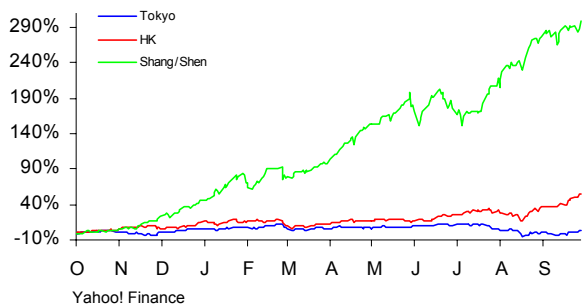
of US\$95.7 million. The two companies will establish a cooperative development system in the adhesive technology sector.

### • Yueyang Paper acquires Yongzhou based paper mill

Yueyang Paper Co. Ltd., the listed China based paper manufacturer, has agreed to acquire Hunan Yongzhou Xiangjiang Paper, the Yongzhou based paper mill, from Tiger Forest and Paper Group Co. Ltd., the China based state-owned paper maker, for a cash consideration of US\$51.3 million plus the assumption of debt. The total deal value represents a multiple of 3.2x revenue and 30.8x EBITDA. Yueyang Paper will finance the transaction from internal funds. The transaction will increase Yueyang Paper's profitability and competitiveness in the domestic market. In addition, the acquisition fits into Yueyang Paper's long-term strategy. Along with the announced transaction, Yueyang Paper will also acquire a paper manufacturing line from Tiger Forest and Paper Group for US\$3.5 million.

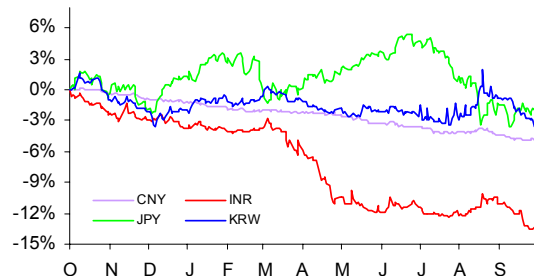
## Market Trends

### LTM Equity Market Performance



Yahoo! Finance

### LTM Currency Performance Versus U.S. Dollar



Source: OANDA Corporation

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