
Investment Banking



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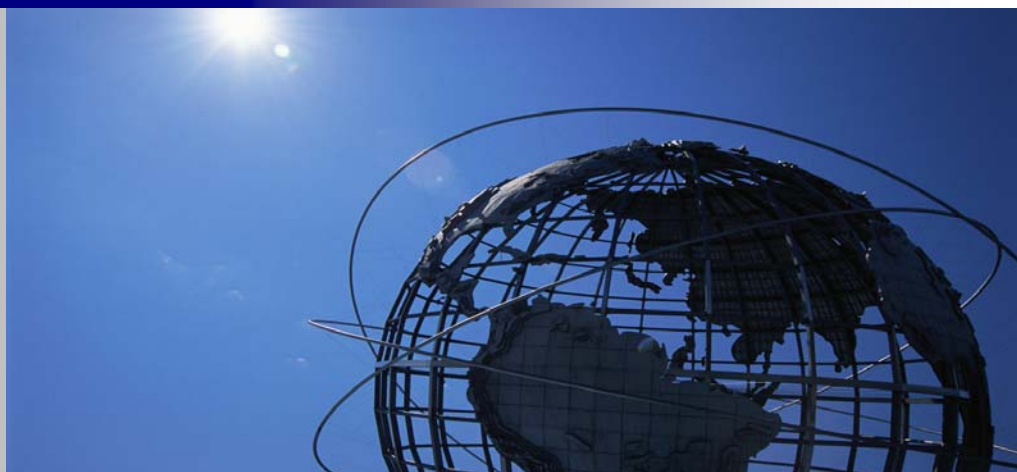
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Global Mergers & Acquisitions Update

First Quarter 2008

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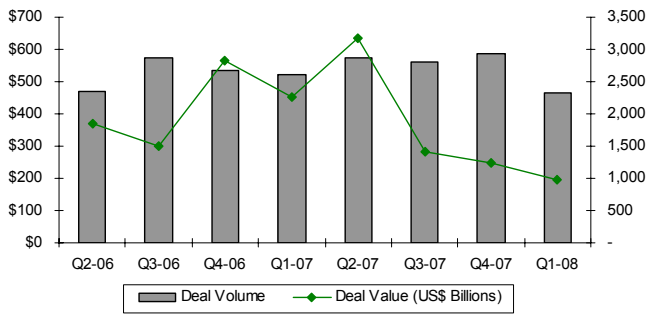
United States & Canada

M&A Activity

Announced U.S. Activity Declines for Third Straight Quarter

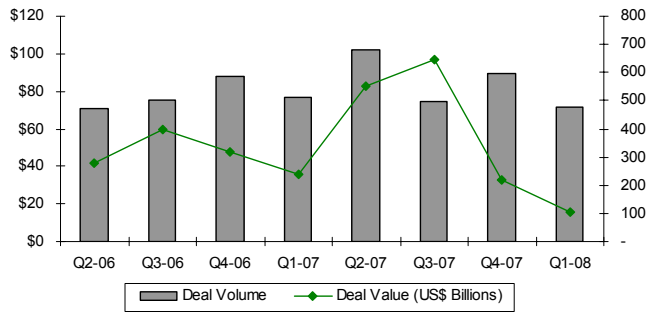
Announced merger & acquisition activity in the first quarter of 2008 totaled just under US\$200 billion. The total represents a 51% decrease from the same period in 2007 and the third consecutive quarterly decline. The decrease in total M&A volume is reflective of a much more significant decrease in financial sponsor activity. Leveraged buyout volumes decreased almost 90% from the same period last year, caused mainly by the deteriorating credit environment in the second half of 2007 and early 2008. It is expected that U.S. companies will attract foreign investment as the U.S. dollar continues to struggle against foreign currencies.

Announced U.S.-Target Transactions



Source: Thomson Financial

Announced Canadian-Target Transactions



Source: Thomson Financial

Select M&A News

• Kongsberg acquires Teleflex subsidiary GMS

Kongsberg Automotive Holding ASA, the Norwegian automotive company, has acquired Global Motion Systems (GMS), the U.S. automotive division of Teleflex Incorporated, the listed U.S. designer, manufacturer, and distributor of specialty engineered products for commercial, medical, and aerospace industries, for a cash consideration of US\$560 million. The purchase price represents a multiple of approximately 0.7x revenue and 6.8x EBITDA.

• Finning International acquires Collicutt Energy Services

Finning International Inc., the listed Canadian industrial equipment dealer, has acquired Collicutt Energy Services Ltd., the listed Canadian provider of maintenance, repair, and refurbishing services for natural gas compression and power generation equipment, for consideration of approximately US\$99.3 million. The offer price represents a premium of about 77% over the closing price one day prior to the announcement

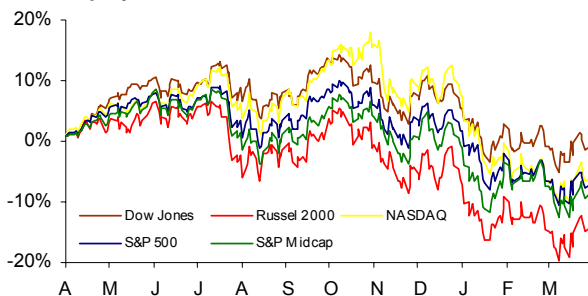
date and 67% over the closing date one month prior to the announcement date. The transaction value represents a multiple of 1.0x revenue and 11.1x EBITDA. The acquisition will enable Finning to gain access to highly skilled and experienced workers and expand its operations in Western Canada.

• New Motion acquires online media provider Traffix

New Motion Inc., the listed U.S. digital entertainment company has acquired Traffix Inc., the listed U.S. interactive media and advertising company, for a revised equity consideration of US\$186.7 million, on a fully diluted basis. The transaction value represents a multiple of 2.2x revenue and 29.7x EBITDA. New Motion hopes to leverage the strong technology, proprietary content, and advertising platform of Traffix. The merger of the two entities is expected to create a vertically integrated mobile entertainment network maximizing the yield of Traffix's online advertising media while decreasing New Motion's average cost per new subscriber, thus increasing the profitability of the combined entity.

Market Trends

LTM Equity Market Performance



Source: Yahoo! Finance

Treasury & Government Issue Yields

	United States		Canada	
	26-Mar	1 Year Ago	26-Mar	1 Year Ago
3 Month	1.20%	4.93%	1.72%	4.17%
6 Month	1.55%	4.88%	2.20%	4.19%
1 Year	1.35%	4.93%	2.55%	4.18%
5 Year	2.34%	4.48%	2.93%	4.00%
10 Year	3.39%	4.58%	3.46%	4.11%

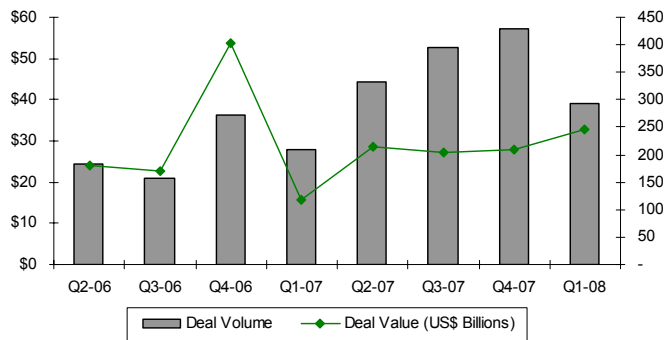
Source: Bankrate.com and Bank of Canada

M&A Activity

Select Latin American Interest Rates

Announced merger & acquisition activity in the first quarter of 2008 totaled approximately US\$33 billion. The total represents a 111% increase from the same period in 2007 and a 17% increase over the previous quarter. The increase is driven mainly by continued robust activity in Brazil and Mexico.

Announced Latin American-Target Transactions



Source: Thomson Financial

Select Latin American Interest Rates

Most Recent as of March 27, 2008

	Current		1 Year Ago	
	3-month	10-year	3-month	10-year
Argentina	10.44%	NA	9.63%	NA
Brazil	11.18%	6.16%	12.68%	6.16%
Chile	6.48%	3.79%	5.04%	5.11%
Colombia	9.53%	5.74%	7.60%	6.08%
Mexico	7.43%	7.49%	7.03%	7.58%
Venezuela	14.36%	6.55%	10.09%	6.55%

Source: The Economist

Other Economic Indicators

% Change on Year Ago

	Consumer Prices		Gross Domestic Product		
	Latest	1 Year Ago	Q4	2007F	2008F
Argentina	+8.4 Feb	+9.6	+9.1	+5.7	+4.5
Brazil	+4.6 Feb	+3.0	+6.2	+4.3	+4.1
Chile	+8.1 Feb	+2.7	+4.0	+4.0	+4.6
Colombia	+6.4 Feb	+5.3	+6.6	+4.5	+4.0
Mexico	+3.7 Feb	+4.1	+3.8	+1.9	+3.0
Venezuela	+25.2 Feb	+20.4	+8.5	+5.5	+4.6

Source: The Economist

Select M&A News

• ED&F Man Group acquires Tate & Lyle's minority stake in Mexican sugar mill operator

ED&F Man Group plc, the U.K. supplier of agricultural ingredients, has agreed to acquire a 49% stake in Grupo Industrial Azucarero de Occidente S.A. de C.V., the Mexican sugar mills operator, from Tate & Lyle Mexico S.A. de C.V., the Mexican subsidiary of Tate & Lyle plc, the listed U.K. manufacturer of renewable food and industrial ingredients, for consideration of approximately US\$93 million. The transaction is a part of the Tate & Lyle strategy of reshaping its business and reducing the impact of exposure to volatile raw material and commodity markets. The consideration will be used to reduce Tate & Lyle group debt.

• Brazil's CCDI increases stake in residential developer

Camargo Correa Desenvolvimento Imobiliario S.A. (CCDI), the listed Brazilian residential and commercial real estate developer, and subsidiary of Camargo Correa SA, the Brazilian contractor and industrial conglomerate, has acquired a 25.7% stake in

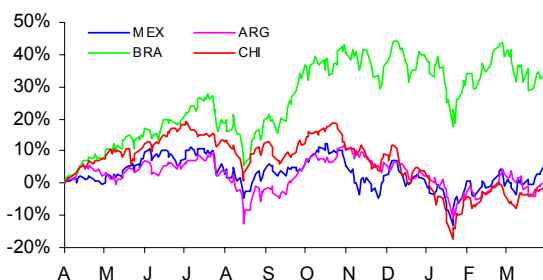
HM Engenharia e Construcões SA (HM), the Brazilian developer and builder of residential units for a consideration of approximately US\$42.7 million. CCDI also purchased an option to purchase another 4.3% of HM and plans to exercise the option in the second quarter of 2008. After the completion of the transaction, CCDI owns a total 76.7% stake in HM. The transaction will strengthen HM's cash position and accelerate its growth in the low income real estate market.

• Brascan Energetica acquires Zona da Mata Geracao

Brascan Energetica S.A., the Brazilian developer and operator of hydroelectric plants for energy generation and a subsidiary of Brookfield Asset Management Inc., the listed Canadian asset management company, has agreed to acquire the entire share capital of Zona da Mata Geracao S.A., the Brazilian owner of 11 Hydroelectric Power Stations, from ENERGISA S.A., the listed Brazilian electricity generation company, for total consideration of approximately US\$153.8 million. The acquisition is expected to accelerate Brookfield's geographical expansion and strengthen its position in the hydroelectric power generation market.

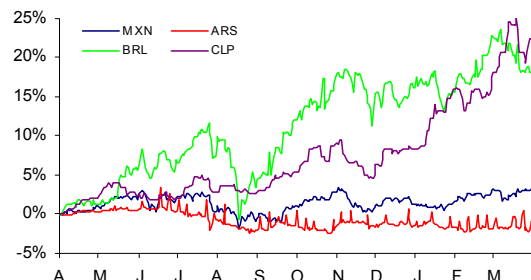
Market Trends

LTM Equity Market Performance



Source: Yahoo! Finance

LTM Currency Performance Versus U.S. Dollar



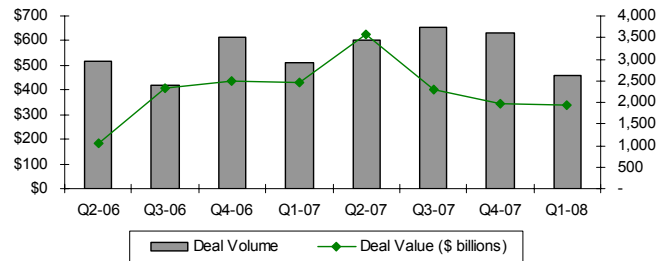
Source: OANDA Corporation

M&A Activity

Announced European Activity Continues to Slow

European merger & acquisition activity fell to US\$394 billion in the first quarter of 2008 representing a 25.5% decrease from the same period last year. The 2008 total is further inflated by Altrias's \$113 billion spinoff of Switzerland-based Philip Morris International. While European M&A activity continues to outpace the United States, financial sponsor activity in the region has also been negatively effected by the credit crisis.

Announced European-Target Transactions



Source: Thomson Financial

Select M&A News

• La Seda acquires Amcor's European PET business

La Seda de Barcelona SA, the listed Spanish chemicals and textiles company, has agreed to acquire the European PET business of Amcor Limited, the listed Australian packaging company, for consideration of approximately US\$586 million. The transaction value represents a multiple of 0.8x revenue and 11.4x EBITDA. La Seda will finance the transaction from bank debt and from the proceeds of a recent capital raise. Proceeds from the transaction will be redeployed by Amcor into specified growth market segments and used to strengthen existing market positions to deliver improved earnings and returns.

• Prima Industrie acquires Finn-Power

Prima Industrie SpA, the listed Italian manufacturer of industrial products has agreed to acquire Finn-Power Oyj, the Finnish industrial components manufacturer and related services provider from EQT Partners AB, the Swedish private equity firm, and other minority shareholders, for an enterprise value of approximately

Select European Interest Rates

Most Recent as of March 27, 2008

	Current		1 Year Ago	
	3-month	10-year	3-month	10-year
Britain	6.01%	4.43%	5.55%	4.92%
France	4.72%	4.10%	3.91%	4.08%
Germany	4.72%	3.88%	3.91%	4.02%
Italy	4.72%	4.43%	3.91%	4.22%
Spain	4.72%	4.24%	3.91%	4.08%

Source: The Economist

Other Economic Indicators

% Change on Year Ago

	Consumer Prices		Gross Domestic Product		
	Latest	1 Year Ago	Q4	2008F	2009F
Britain	+2.5 Feb	+2.8	+2.9	+1.9	+2.0
France	+2.8 Feb	+1.0	+2.1	+1.6	+1.7
Germany	+7.0 Jan	+2.8	+1.8	+1.7	+1.9
Italy	+2.9 Feb	+1.8	+1.9	+1.0	+1.4
Spain	+4.4 Feb	+2.4	+3.5	+2.4	+2.1

Source: The Economist

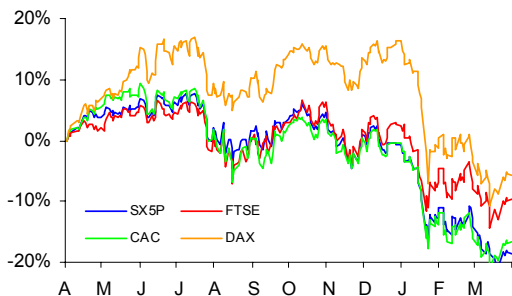
US\$253 million. The enterprise value represents a multiple of 0.7x revenue and 7.3x EBITDA. The acquisition is part of Prima Industries' strategy of promoting growth in complementary sectors and will be financed through long-term debt provided by Banca IMI/Intesa Sanpaolo and Unicredit Banca d'Impresa. The integration of the two companies is expected to give rise to operational, manufacturing and commercial synergies.

• Low & Bonar acquires Mehler Technologies

Low & Bonar Plc, the listed U.K. specialist materials group, has acquired Mehler Technologies GmbH, the German manufacturer and distributor of technical coated fabrics, for a total consideration of approximately US\$245 million on cash-free and debt-free basis. The transaction value represents a multiple of 1.4x revenue and 10.1x EBITDA. The transaction is in line with Low & Bonar's strategy to reinforce its position as a major international producer of industrial technical textiles and acquire cross-selling opportunities in the building and construction end-markets.

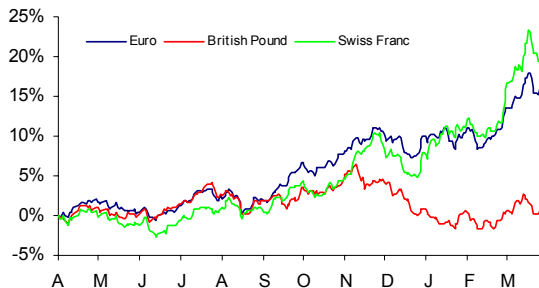
Market Trends

LTM Equity Market Performance



Source: Yahoo! Finance

LTM Currency Performance Versus U.S. Dollar



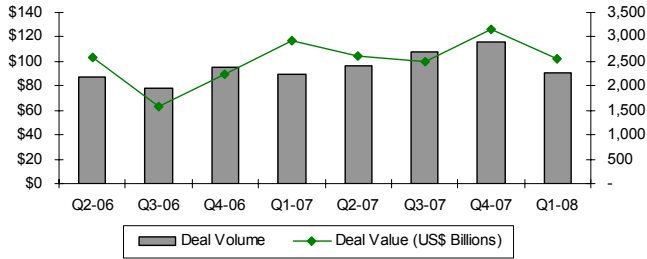
Source: OANDA Corporation

M&A Activity

Asian Activity Declines in Value; Holds Steady in Volume

Announced merger & acquisition activity fell to just over US\$100 billion in the first quarter of 2008, representing a decrease of 13% from the same period in 2007. However, the number of deals announced remained on par with the previous year. Asian M&A has remained somewhat insulated from the global credit issues due to the high level of strategic activity in the region.

Announced Asian-Target Transactions



Source: Thomson Financial

Select Asian Interest Rates

Most Recent as of March 27, 2008

	Current		1 Year Ago	
	3-month	10-year	3-month	10-year
China	4.50%	3.98%	2.86%	3.26%
Hong Kong	1.83%	2.35%	4.17%	4.02%
India	7.29%	8.09%	7.96%	8.22%
Japan	0.75%	1.26%	0.57%	1.67%
Singapore	1.38%	2.20%	3.00%	2.93%
South Korea	5.32%	5.39%	4.94%	4.86%

Source: The Economist

Other Economic Indicators

% Change on Year Ago

	Consumer Prices		Gross Domestic Product		
	Latest	1 Year Ago	Q4	2007F	2008F
China	+8.7 Feb	+2.7	+11.2	+9.8	+9.0
Hong Kong	+6.3 Feb	+0.8	+6.7	+4.0	+4.6
India	+5.5 Jan	+6.7	+8.4	+7.8	+7.2
Japan	+0.7 Jan	0	+2.0	+1.4	+1.6
Singapore	+6.5 Feb	+0.6	+5.4	+4.4	+4.7
South Korea	+3.6 Feb	+2.2	+5.5	+4.5	+4.4

Source: The Economist

Select M&A News

• Blackstone acquires Indian garment manufacturer Gokaldas Exports

Blackstone Group Holdings LLC, the listed U.S. asset manager and provider of financial advisory services, has acquired a 68% stake in Gokaldas Exports Limited, the listed Indian garment manufacturer and exporter for consideration of approximately US\$155 million through a tender offer process. The transaction value represents a multiple of 1.0x revenue and 6.6x EBITDA. The transaction is part of Blackstone Group's strategy for investing in the Asian manufacturing sector, especially in garments outsourcing businesses.

• Eaton acquires Taiwanese power supply manufacturer

Eaton Corporation, the U.S. listed engineered products manufacturer has acquired the entire share capital of Phoenixtec Power Co. Ltd., the Taiwanese listed power supply system manufacturer. The cash tender offer values the entire share

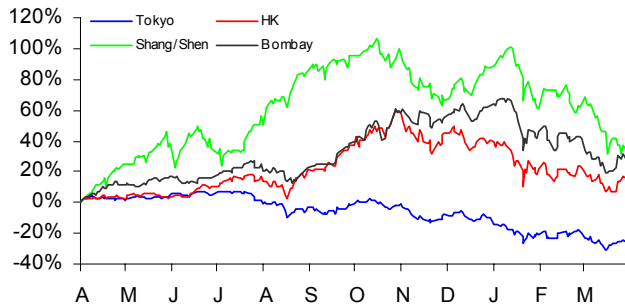
capital at approximately US\$655 million representing a premium of 56.7% over the closing price on the last trading day prior to the formal announcement and multiple of 1.6x revenue and 16.9x EBITDA. The transaction will enhance Eaton Group's leading position in the supply of electrical power distribution and control products.

• Eliokem acquires polymer business of Indian chemical manufacturer Apar

Eliokem, the French specialty chemical group, has acquired the polymers unit of Apar Industries Ltd., the listed Indian manufacturer of conductors, transformer oils and polymers for a total consideration of approximately US\$28 million. The transaction value represents a multiple of 0.8x revenue and 12.0x EBITDA. With this acquisition, Eliokem will expand its polymer footprint with additional facilities and an established polymer business.

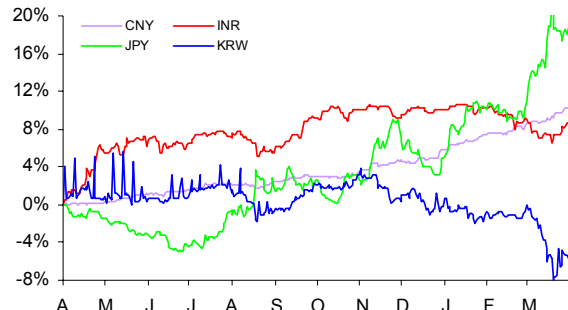
Market Trends

LTM Equity Market Performance



Source: Yahoo! Finance

LTM Currency Performance Versus U.S. Dollar



Source: OANDA Corporation

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Investment Banking Services

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