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# Global Mergers & Acquisitions Update

**Fourth Quarter 2008**

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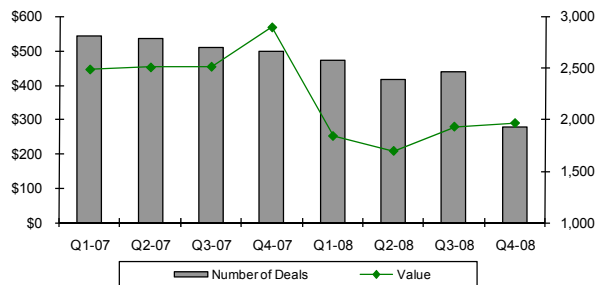
# United States & Canada

## M&A Activity

### U.S. and Canada Deal Volume Slows as Liquidity Dries Up

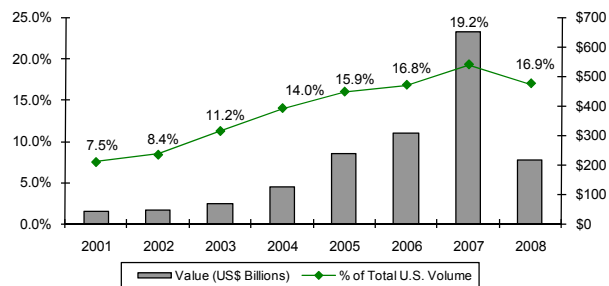
Completed deal volume in the U.S. & Canada in the fourth quarter of 2008 fell 27% compared to the same period in 2007. Completed deal value in the fourth quarter of 2008 reached US\$288 billion. Full year figures show a 37.2% decline in overall deal value from US\$1.6 trillion in 2007 to \$986.3 billion in 2008. Lack of liquidity in the credit markets continues to hamper deal activity as 2008 saw record levels of withdrawn M&A transactions. Private Equity firms continue to remain on the sidelines, with volume and deal value levels decreasing from record levels in 2007.

### Completed U.S. & Canada-Target Transactions



Source: Thomson Financial

### Historical Private Equity Involvement



Source: Thomson Financial

## Select M&A News

### Electro Scientific Industries acquires Zygo Corporation

Electro Scientific Industries Inc. (ESI), the listed U.S. developer and supplier of photonics microengineering solutions and laser systems, has agreed to acquire Zygo Corporation, the listed U.S. manufacturer of optical systems and components, at an offer price of US\$10.30 per share, valuing Zygo's entire share capital at US\$173 million, representing a multiple of 17.3x EBITDA and .9x Revenue. The offer price of US\$10.30 per share represents a 36% premium over Zygo's closing price per share on the last trading day before the deal was announced. ESI will agree to pay a break-up fee of US\$6.6 million. The transaction is in line with ESI's strategy to integrate Zygo into its differentiated laser microengineering technologies.

### Johnson & Johnson acquires Omrix Biopharmaceuticals

Johnson & Johnson, the listed U.S. health care products manufacturer, acquired Omrix Biopharmaceuticals, a listed U.S. developer and marketer of biosurgical and immunotherapy products, for approximately US\$350 million. The transaction value represents a multiple of 48.3x EBITDA and 5.6x Revenue.

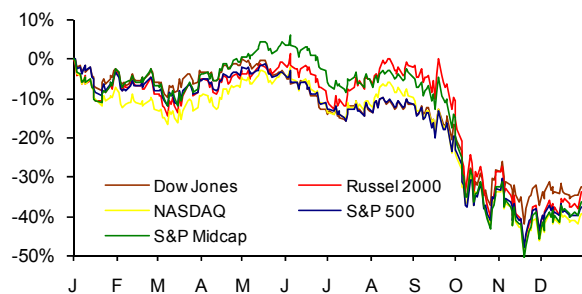
The acquisition will provide ETHICON, a Johnson & Johnson subsidiary, with an opportunity to strengthen its presence in active, biologic-based hemostats and convergent products for various surgical applications.

### GreenHunter Energy acquires L&L Holdings

GreenHunter Energy Inc., the listed U.S. company engaged in acquisition and management of a portfolio of renewable energy and clean fuels assets, has agreed to acquire L&L Oil and Gas Services LLC, the U.S. supplier of fuel and lubricants for marine, commercial and industrial customers and a 25% interest in Highland Marine LLC, the U.S. based tug and barge operator from Aspire Oil Services Limited, the U.K. oil and gas supply chain support services business, for a cash consideration of US\$27.5 million. The transaction value represents a multiple of 3.4x EBITDA and 0.1x Revenue. The purchase is in line with GreenHunter's strategy to become a fully integrated biofuel company and strengthen its distribution network in the Gulf Coast region.

## Market Trends

### LTM Equity Market Performance



Source: Yahoo! Finance

### Treasury & Government Issue Yields

	United States		Canada	
	1/2/2009	1 Year Ago	1/2/2009	1 Year Ago
3 Month	0.08%	3.26%	0.84%	3.78%
6 Month	0.28%	3.32%	0.86%	3.83%
1 Year	0.40%	3.17%	0.86%	3.78%
5 Year	1.72%	3.28%	1.83%	3.76%
10 Year	2.46%	3.91%	2.83%	3.91%

Source: U.S. Department of Treasury and Bank of Canada

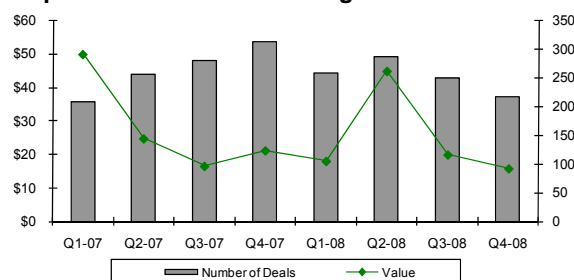
# Latin America

## M&A Activity

### Latin American M&A Activity Flat in 2008

Completed deal volume in Latin America through the fourth quarter of 2008 decreased 30% from the same period in 2007. Total deal volume for 2008 decreased 4% below 2007 levels, with deal activity trending downward from a peak in the fourth quarter of 2007. M&A activity is not projected to halt completely in the region, as a weak global economy may force mergers or reveal opportunities to buy assets at low relative values. Brazil is likely to continue leading the region in M&A activity, where many family-owned industrial companies could be tempting targets for foreign companies desiring to establish a presence in the Latin American market.

### Completed Latin American-Target Transactions



Source: Thomson Financial

## Select M&A News

- **Corporacion Interamericana de Entretenimiento acquires Grupo Cinemex**

Corporacion Interamericana de Entretenimiento (CIE), the listed Mexican entertainment company, has agreed to acquire Grupo Cinemex S.A. de C.V., the Mexican operator of cinemas and theaters, from AMC Entertainment Inc., the listed U.S. operator of multiplex cinemas and exhibition centers, for a consideration of US\$315 million. Under the terms of the agreement, CIE would also assume net debt of US\$77.5 million from Cinemex. The agreement also contains a termination obligation of US\$50 million.

- **Monsanto acquires Aly Participacoes**

Monsanto Company, the listed U.S. provider of technology based solutions and agricultural products, has agreed to acquire Aly

### Select Latin American Interest Rates

Most Recent as of January 3, 2009

	Current		1 Year Ago	
	3-month	10-year	3-month	10-year
Argentina	19.56%	N/A	14.06%	N/A
Brazil	13.66%	6.16%	11.18%	6.16%
Chile	8.28%	2.85%	6.48%	4.25%
Colombia	9.82%	6.86%	9.15%	5.85%
Mexico	7.97%	8.00%	7.43%	8.20%
Venezuela	17.24%	6.55%	12.88%	6.55%

Source: The Economist

### Other Economic Indicators

% Change on Year Ago

	Consumer Prices		Gross Domestic Product		
	Latest	1 Year Ago	Q3	2008F	2009F
Argentina	+7.9 Nov	+8.5	+6.2	+6.2	+2.2
Brazil	+6.4 Nov	+4.2	+6.8	+5.3	+2.4
Chile	+8.9 Nov	+7.4	+4.8	+3.9	+1.0
Colombia	+7.7 Nov	+5.4	+3.7	+3.2	+2.0
Mexico	+6.2 Nov	+3.9	+1.6	+1.8	-0.2
Venezuela	+32.7 Nov	+20.7	+4.6	+4.2	-3.0

Source: The Economist

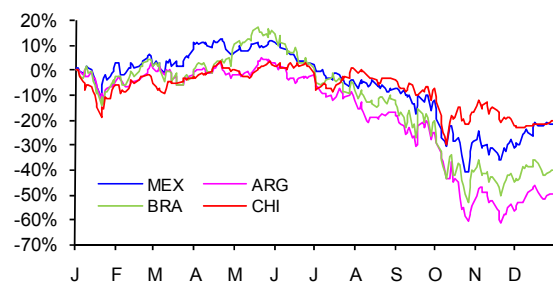
Participacoes Ltd., the Brazilian operator of the sugarcane breeding and technology companies, CanaVialis S.A. and Alelly S.A. from Grupo Votorantim, the Brazilian conglomerate, for a cash consideration of US\$290 million. This transaction represents a long term investment for Monsanto in research and development and breeding within the Brazilian agriculture market.

- **Nutrexpa acquires Cuetara**

Nutrexpa S.A., the Spanish food group, has agreed to acquire Cuetara S.A., the Mexican biscuits manufacturer, from SOS Cuetara S.A., the listed Spanish food group, for a consideration of US\$264 million. The acquisition is in line with SOS Cuetara's strategy to concentrate on businesses which are suitable for international development, such as its globally-branded vegetable oil and rice businesses.

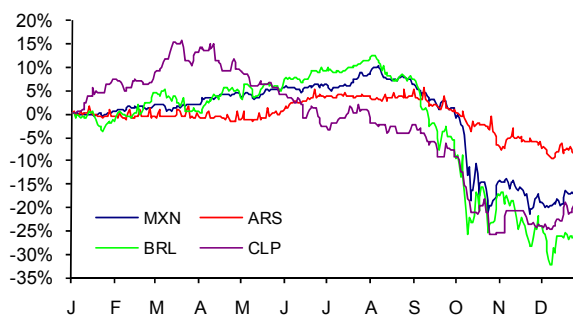
## Market Trends

### LTM Equity Market Performance



Source: Yahoo! Finance

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



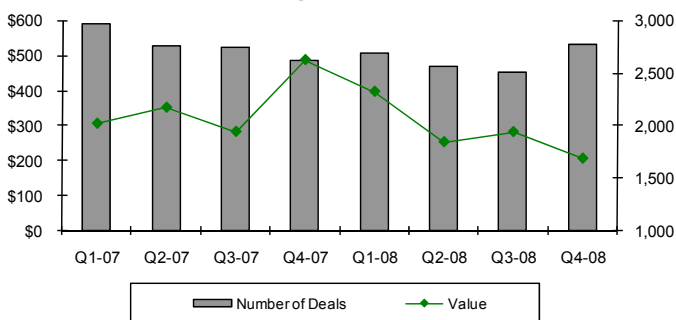
Source: OANDA Corporation

## M&A Activity

### Full Year European M&A Activity Down from 2007

Completed deal volume in Europe in the fourth quarter of 2008 increased 6% from the same period in 2007. Total deal volume for the year was down 5% from 2007. Reported deal value declined 20% as deteriorating capital markets reduce the likelihood and confidence in completing larger deals. While other regions of the world maintain robust balance sheets with ample cash reserves, the European region in general has less capacity to finance transactions. Deal activity should increase in 2009, with larger strategic acquirers finding it difficult to resist buying discounted or troubled assets.

### Completed European-Target Transactions



Source: Thomson Financial

## Select M&A News

### Esterline Technologies acquires Racal Acoustics

Esterline Technologies Corporation, the listed U.S. manufacturing company serving the aerospace and defense markets, has agreed to acquire Racal Acoustics Limited, the U.K. manufacturer of personal communications equipment for the defense and avionics sectors, from ECI Partners LLP, the U.K. private equity firm, for a consideration of US\$174 million. The transaction value represents a multiple of 10.5x EBITDA. The acquisition is in line with Esterline's strategy to build its secure communications and sophisticated combat troop support products.

### Wintershall acquires Revus Energy

Wintershall Holding AG, the German oil and gas exploration and production company, launched a public offer for Revus Energy ASA, the listed Norwegian oil and gas exploration and production company. The transaction value of US\$776 million represents a 145% premium of the closing price prior to the public

### Select European Interest Rates

Most Recent as of January 31, 2009

#### Interest Rates, %

	Current		1 Year Ago	
	3-month	10-year	3-month	10-year
Britain	2.73%	3.29%	5.85%	4.55%
France	2.97%	3.40%	4.67%	4.41%
Germany	2.97%	2.94%	4.67%	4.32%
Italy	2.97%	4.25%	4.67%	4.63%
Spain	2.97%	3.82%	4.67%	4.41%

Source: The Economist

### Other Economic Indicators

% Change on Year Ago

	Consumer Prices		Gross Domestic Product		
	Latest	1 Year Ago	Q3	2008F	2009F
Britain	+4.1 Nov	+2.1	+0.3	+0.8	-1.4
France	+1.6 Nov	+2.4	+0.5	+0.9	-0.7
Germany	+1.4 Nov	+3.2	+0.8	+1.4	-1.0
Italy	+2.7 Nov	+2.4	-0.9	-0.3	-1.1
Spain	+2.4 Nov	+4.1	+0.9	+1.3	-1.1

Source: The Economist

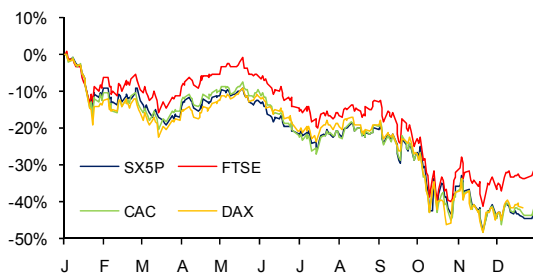
announcement. The offer was unanimously accepted by Revus' Board of Directors and has received all necessary regulatory approvals. The acquisition is in line with Wintershall's strategy to strongly improve the company's asset base in the North Sea, especially in Norway.

### Sierra Wireless acquires Wavecom

Sierra Wireless Inc., the listed Canadian provider of modems, software and other wireless solutions, has agreed to acquire Wavecom S.A., the listed French provider of wireless technology for M2M communication for a total consideration of US\$271 million. The transaction value represents a multiple of 7.2x EBITDA and a premium of 108% over its closing price one day prior to the announcement of a public offer by the losing bidder in the auction, Gemalto NV, a Dutch provider of microprocessor personal devices. The transaction is in line with Sierra's strategy to expand its global presence in the M2M market.

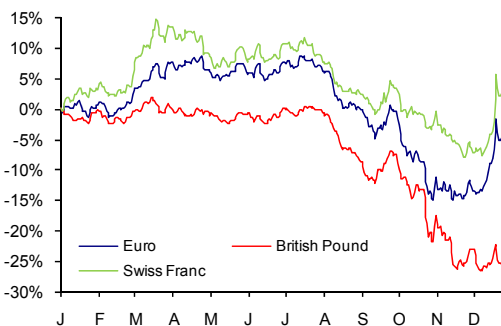
## Market Trends

### LTM Equity Market Performance



Source: Yahoo! Finance

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



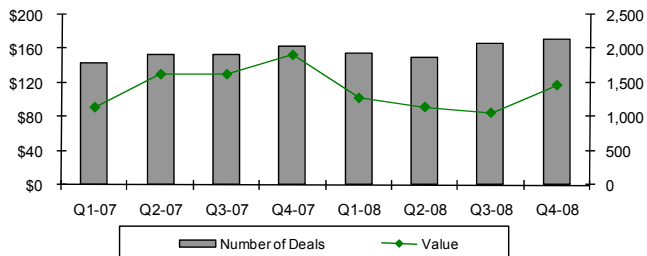
Source: OANDA Corporation

## M&A Activity

### Asian M&A Expected to Grow Slightly in 2009

Asian M&A growth, including Australia and Japan, remained flat during the first four quarters of 2008. Deal value during the quarter totaled US\$75 billion. Asian investment banking firms are cautiously optimistic that M&A levels in 2009 will exceed 2008, dominated by out-bound Chinese investment. Many Japanese firms are also considered to be acquisition ready, having used the last few years to create healthy cash reserves. The resource sector is likely to see consolidation as junior and mid-level players are too small to survive and will need cash or a larger strategic entity to help them develop future capital projects.

### Completed Asian-Target Transactions



Source: Thomson Financial

## Select M&A News

### • Arrow Energy acquires Pure Energy Resources

Arrow Energy Ltd., a listed Australian oil and gas exploration company has made a public offer to acquire the remaining shares of Pure Energy Resources Ltd., the Australian coal seam gas affiliate for approximately US\$233 million. The transaction will be conducted via a cash plus share off-market bid and represents a premium of 79.5% of the closing price prior to the public announcement. The acquisition is consistent with the company's strategy to focus on gas resources capable of near term development.

### • Jupiter Telecommunications acquires Mediatti Communications

Jupiter Telecommunications Co., Ltd., the listed Japanese multiple system operator, has acquired Mediatti Communications Inc., the Japanese cable broadcasting company, owned jointly between Liberty Media Corporation and MC Investments Limited, for a total consideration of \$US306 million. The transaction

### Select Asian Interest Rates

Most Recent as of January 3, 2009

	Current		1 Year Ago	
	3-month	10-year	3-month	10-year
China	1.86%	2.70%	4.44%	4.65%
Hong Kong	1.00%	1.20%	3.40%	3.33%
India	5.43%	6.45%	7.33%	7.98%
Japan	0.62%	1.22%	0.73%	1.50%
Singapore	0.91%	2.11%	2.38%	2.66%
South Korea	3.98%	4.48%	5.80%	5.78%

Source: The Economist

### Other Economic Indicators

% Change on Year Ago

	Consumer Prices		Gross Domestic Product		
	Latest	1 Year Ago	Q3	2008F	2009F
China	+2.4 Nov	+6.9	+9.0	+9.6	+7.5
Hong Kong	+3.1 Nov	+3.4	+1.7	+3.1	-1.0
India	+10.4 Oct	+5.5	+7.6	+6.2	+6.1
Japan	+1.0 Nov	+0.6	-0.5	+0.3	-0.9
Singapore	+5.5 Nov	+4.2	-0.6	+2.2	-2.2
South Korea	+4.5 Nov	+3.5	+3.8	+4.2	-1.7

Source: The Economist

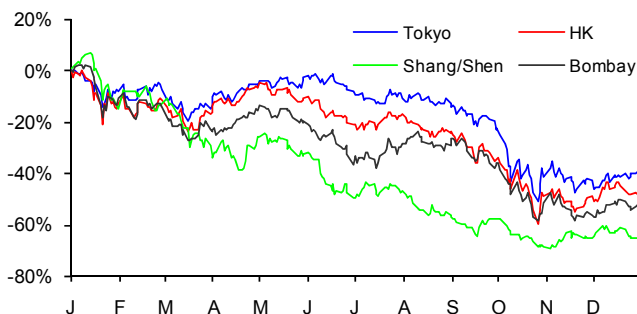
represents a multiple of 2.3x Revenue. The acquisition is in line with Jupiter Telecommunications' strategy of expanding its business and making additional investments in cable television operators as well as to obtain operational synergies such as a reduction of operational costs and more efficient sales and marketing.

### • Suntory acquires Frucor Beverages Group

Suntory Limited, the Japanese food and beverage company has agreed to acquire Frucor Beverages Group, the New Zealand non-alcoholic beverage producer, from Danone Asia Pte. Ltd., a subsidiary of Groupe Danone S.A., the listed French food and beverage company, for an estimated consideration of US\$776 million. The transaction represents a multiple of 2.9x Revenue. The transaction is in line with Danone's strategy to divest its non core operations to repay debt and focus on the growth of its main businesses.

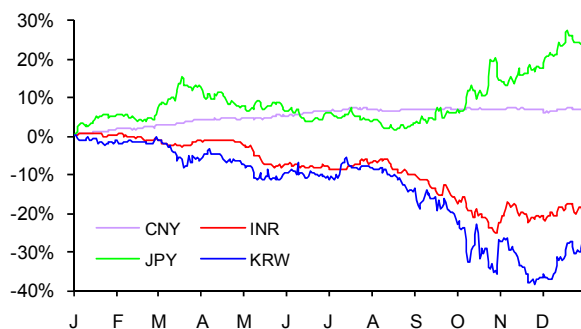
## Market Trends

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Source: Yahoo! Finance

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



Source: OANDA Corporation

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