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Corporate Finance



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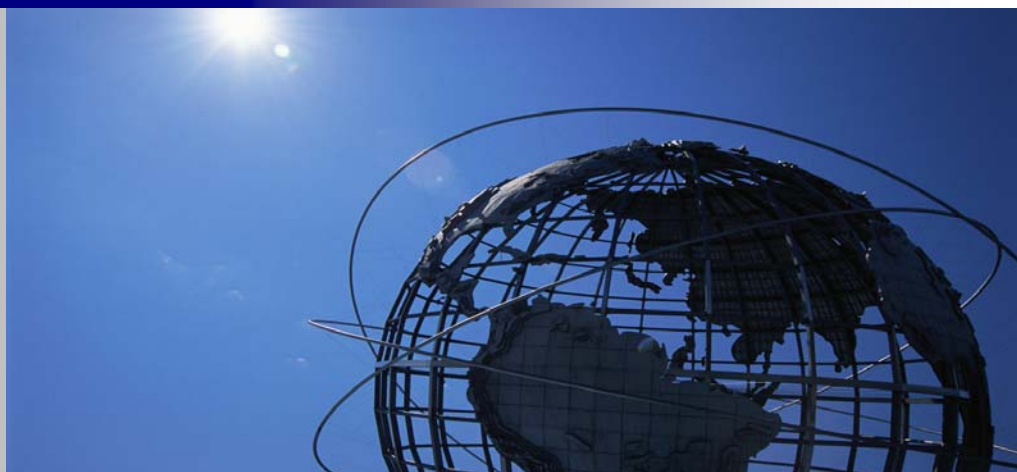
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Global Mergers & Acquisitions Update

Fourth Quarter 2007

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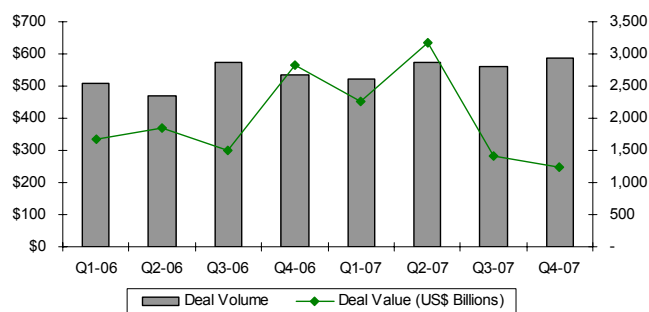
United States & Canada

M&A Activity

U.S. Financial Sponsor Activity Falls 63% in 2nd Half of 2007

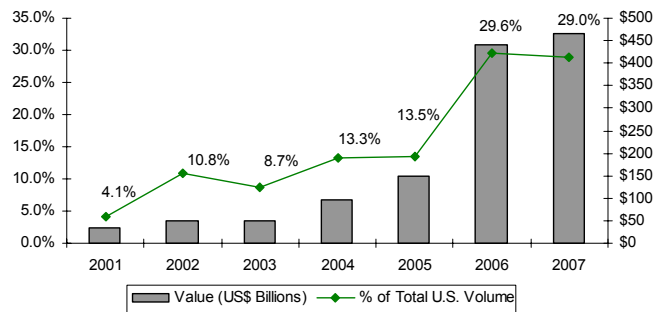
Total U.S. M&A activity in 2007 reached \$1.6 trillion despite a dramatic decrease in financial sponsor activity in the second half of the year. U.S. financial sponsor buy-side activity fell 63% through the second half of 2007 to US\$126.4 billion from the US\$340.8 billion of activity in the first half of the year. The weak credit market is expected to keep financial buyers on the sidelines through early 2008. However, cross-border investment in U.S. M&A is on the rise, driven by strengthened foreign currency and large pools of investment capital derived from natural resources and exports.

Announced U.S.-Target Transactions



Source: Thomson Financial

U.S. Buyside Financial Sponsor Volume



Source: Thomson Financial

Select M&A News

• Illinois Tool Works acquires filtration business

Illinois Tool Works Inc., the listed U.S. manufacturer of engineered products and specialty systems, has acquired the filtration business of Filtertek Inc., a subsidiary of ESCO Technologies Inc., the listed U.S. supplier of engineered filtration products for US\$77.5 million. Filtertek reported revenues of US\$82.8 million and EBIT of US\$5.1 million for the year ended September 30, 2007.

• TreeHouse Foods acquires E.D. Smith & Sons

TreeHouse Foods Inc., the listed U.S. manufacturer and distributor of shelf stable foods, has acquired E.D. Smith & Sons Limited, the Canadian manufacturer of high quality branded and private label food products, for consideration of US\$264.8 million, including assumed net debt. The purchase price represents a multiple of 16.5x EBITDA and 1.3x Revenue. E.D. Smith expects that the acquisition by TreeHouse will provide the company with resources necessary to generate growth opportunities.

• Honeywell acquires Maxon Corporation

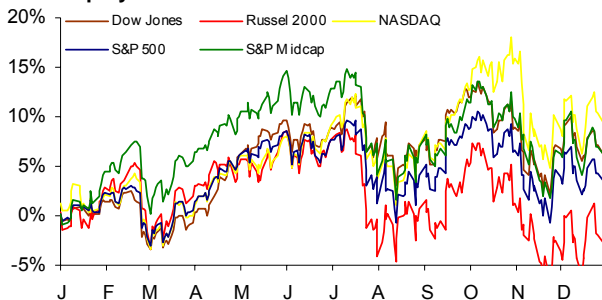
Honeywell International, the U.S. technology and manufacturing company, has agreed to acquire Maxon Corporation, the U.S. heating, engineered systems, industrial burners and gas valves manufacturer, for US\$185 million. Through the acquisition, Maxon will become part of Honeywell's Environmental and Combustion Control business. In 2007, Maxon had revenue of US\$100 million with 50% generated outside of the U.S. The deal is subject to customary closing conditions and regulatory review.

• Wockhardt acquires Morton Grove Pharmaceuticals

Wockhardt Limited, the Indian pharmaceutical and biotechnology company, has acquired Morton Grove Pharmaceuticals Inc., the U.S. specialty pharmaceutical company, from U.S. based private equity firms GTCR Golder Rauner LLC and William Blair Capital Partners for US\$38 million. The acquisition marks Wockhardt's entry into the U.S. generic market with a portfolio of 31 products.

Market Trends

LTM Equity Market Performance



Source: Yahoo! Finance

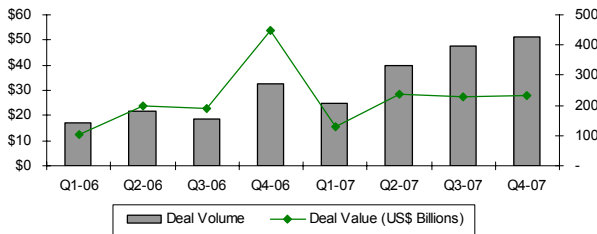
Treasury & Government Issue Yields

	United States		Canada	
	30-Jan	1 Year Ago	30-Jan	1 Year Ago
3 Month	2.33%	5.01%	3.41%	4.17%
6 Month	2.31%	4.98%	3.40%	4.20%
1 Year	2.31%	5.10%	3.35%	4.23%
5 Year	2.74%	4.82%	3.50%	4.13%
10 Year	3.58%	4.83%	3.88%	4.22%

Source: Bankrate.com and Bank of Canada

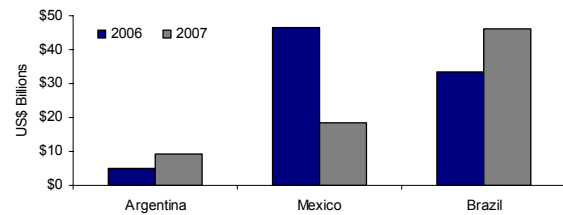
M&A Activity

Announced Latin American-Target Transactions



Source: Thomson Financial

Select Latin American Target Country Activity



Source: Thomson Financial

Select M&A News

• *The Carlyle Group acquires Arabela*

The Carlyle Group LLC, the U.S. private equity firm, has acquired Arabela S.A. De C.V., the Mexican direct seller of fragrances, toiletries, beauty, health and other personal-care items for US\$134.0 million. Walter Biel, CEO of Arabela, and his designated senior management team will continue to run the company.

• *Enel to acquire three Mexican hydro plants*

An acquisition vehicle of Enel SpA, the listed Italian energy company, has acquired Inelec, the Mexican power producing company, from a private equity consortium and Grupo Qualita, the Mexican power company, for US\$193.0 million. Enel will take over the three hydro plants in Mexico with a total installed capacity of 52 Megawatts from Inelec. The deal is in line with Enel's strategy to develop renewable energy sources and reduce greenhouse gas emissions. Enel expects that the plants will generate annual EBITDA of US\$20 million.

Select Latin American Interest Rates

Most Recent as of January 19, 2008

	Current		1 Year Ago	
	3-month	10-year	3-month	10-year
Argentina	14.06%	NA	10.63%	NA
Brazil	11.18%	6.16%	13.19%	6.16
Chile	6.48%	4.25%	5.16%	5.27
Colombia	9.15%	5.85%	6.69%	6.26
Mexico	7.43%	8.20%	7.02%	7.65
Venezuela	12.88%	6.55%	10.08%	6.55

Source: The Economist

Other Economic Indicators

% Change on Year Ago

	Consumer Prices		Gross Domestic Product		
	Latest	1 Year Ago	Q3	2007F	2008F
Argentina	+8.5 Dec	+9.8	+8.7	+6.0	+4.8
Brazil	+4.5 Dec	+3.1	+5.7	+4.5	+4.1
Chile	+7.8 Dec	+2.6	+4.1	+4.6	+5.1
Colombia	+5.7 Dec	+4.5	+6.6	+5.5	+4.4
Mexico	+3.8 Dec	+4.1	+3.7	+2.8	+3.5
Venezuela	+22.5 Dec	+17.0	+8.7	+5.1	+3.9

Source: The Economist

• *Banamex acquires Aeromexico*

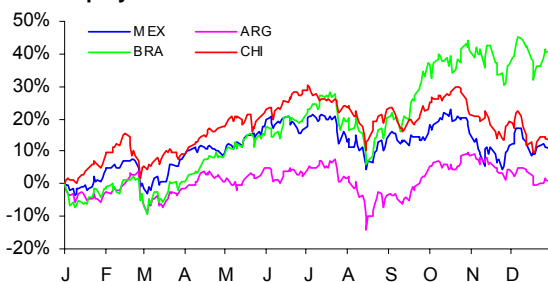
Banco Nacional de Mexico SA (Banamex) and a group of 14 investors led by Jose Luis Barraza Gonzalez, have launched a public tender offer to acquire Mexican airline Consorcio Aeromexico S.A. de C.V., from Mexican state holding companies for approximately US\$249.0 million. The offer represents a 0.3% discount to the final offer from The Saba family, which was deemed too have been submitted too late.

• *Brazil's Marfrig acquires Argentinian beef processor Quickfood*

Marfrig Frigorificos e Comercio de Alimentos Ltd. (Marfrig), the listed Brazilian provider of consumer meat products, has agreed to acquire a 70.51% stake in Quickfood S.A, the listed Argentine beef processor and exporter, for a consideration of US\$140.9 million. The enterprise value exit multiples achieved were 0.8x Revenue and 11.2x EBITDA.

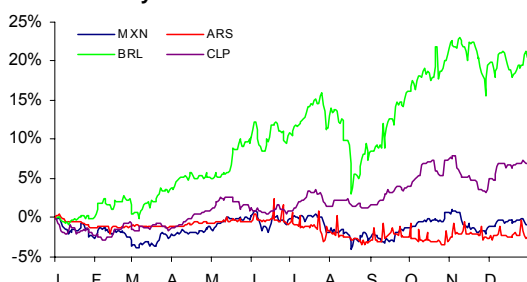
Market Trends

LTM Equity Market Performance



Source: Yahoo! Finance

LTM Currency Performance Versus U.S. Dollar



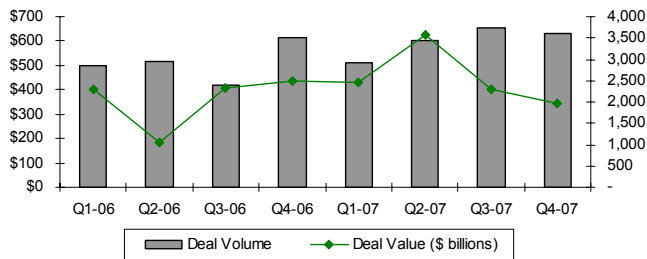
Source: OANDA Corporation

M&A Activity

European Activity Surpasses U.S. for First Time Since 2002; Financial Sponsor Activity Down

European M&A Activity in 2007 increased 36% over 2006 and reached US\$1.8 trillion, surpassing the U.S. total for the first time since 2002. The increase was due in large part to BHP Billiton's US\$167 billion offer for Rio Tinto in the mining sector. Buy-side financial sponsor activity was down 13.8% from 2006.

Announced European-Target Transactions



Source: Thomson Financial

Select European Interest Rates

Most Recent as of January 19, 2008

	Current		1 Year Ago	
	3-month	10-year	3-month	10-year
Britain	5.85%	4.55%	5.31%	4.80%
France	4.67%	4.41%	3.75%	4.00%
Germany	4.67%	4.32%	3.75%	3.97%
Italy	4.67%	4.63%	3.75%	4.20%
Spain	4.67%	4.63%	3.75%	4.02%

Source: The Economist

Other Economic Indicators

% Change on Year Ago

	Consumer Prices		Gross Domestic Product		
	Latest	1 Year Ago	Q3	2008F	2009F
Britain	+2.1 Dec	+3.0	+3.3	+1.9	+2.2
France	+2.6 Dec	+1.5	+2.2	+1.8	+2.0
Germany	+2.8 Dec	+1.4	+2.5	+1.9	+2.1
Italy	+2.6 Dec	+1.9	+1.9	+1.3	+1.5
Spain	+4.2 Dec	+2.7	+3.8	+2.4	+2.3

Source: The Economist

Select M&A News

- **GE acquires UK oilfield service equipment manufacturer Sondex**

General Electric Company subsidiary Drilling and Wireline Solutions has acquired Sondex plc, the UK based designer, manufacturer and marketer of electro-mechanical based equipment to oilfield service companies that run operations at well-sites on behalf of oil or gas companies. The consideration paid for the entire share capital of Sondex was valued at US\$594 million, a premium of 35.49% to the closing price on August 30, the last trading day prior to the announcement of offer discussions. The enterprise value exit multiples achieved were 4.4x revenue and 17.8x EBITDA. The deal involved a break-up fee equal to approximately 1% of deal value.

- **Vaillant acquires Turkish HVAC technology company DemirDokum**

Vaillant Group, the German HVAC technology group, has

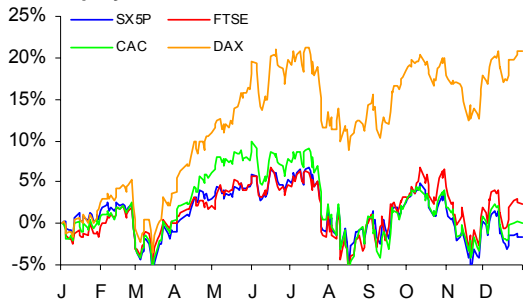
acquired 78% of Turk Demir Dokum Fabrikalari A.S. (DemirDokum), the listed Turkish heating and air-conditioning technology company for a consideration of US\$416 million. DemirDokum is a strategic fit for Vaillant, which will enable it to grow in the Turkish markets and expand from its core business to sectors like air-conditioning technology, ventilation and heating.

- **Sintex acquires French plastics manufacturer Nief**

The French subsidiary of Sintex Holdings B.V Netherlands, the Netherlands based manufacturer of automotive and molded plastic components, has acquired Nief Plastic, the French manufacturer of exterior and interior plastic component systems and thermosets, for a cash consideration of US\$62 million. The purchase price represent a multiple of 0.4x revenue and 5.5x EBITDA. The acquisition will enable Sintex to enhance its range of offerings, lower its manufacturing costs and exploit new markets.

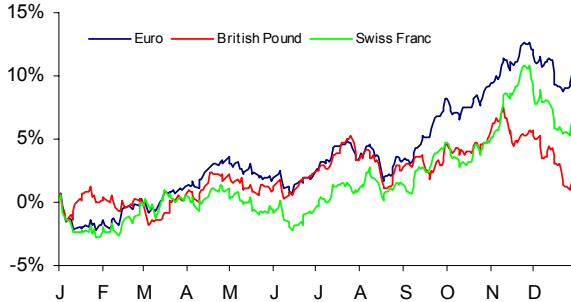
Market Trends

LTM Equity Market Performance



Source: Yahoo! Finance

LTM Currency Performance Versus U.S. Dollar



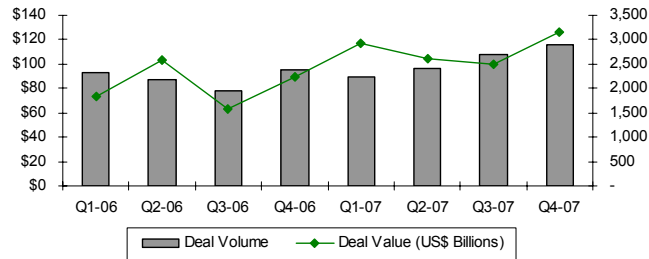
Source: OANDA Corporation

M&A Activity

Asian Activity Reaches Record Levels; Indian Activity Grows 150%

Asian M&A activity (excluding Japan) reached a record high of \$449 billion in 2007, a 55% increase over the US\$290 billion announced in 2006. While India remains a small portion of global M&A activity, the value of announced deals involving Indian targets rose 150% in 2007 to US\$70 billion. In addition, \$19 billion (27%) of the Indian total involved financial sponsors.

Announced Asian-Target Transactions



Source: Thomson Financial

Select Asian Interest Rates

Most Recent as of January 19, 2008

	Current		1 Year Ago	
	3-month	10-year	3-month	10-year
China	4.44%	4.65%	3.10%	3.06
Hong Kong	3.40%	3.33%	3.96%	3.71
India	7.33%	7.98%	7.12%	6.67
Japan	0.73%	1.50%	0.46%	1.75%
Singapore	2.38%	2.66%	3.41%	2.98
South Korea	5.80%	5.78%	4.87%	4.91

Source: The Economist

Other Economic Indicators

% Change on Year Ago

	Consumer Prices		Gross Domestic Product		
	Latest	1 Year Ago	Q3	2007F	2008F
China	+6.9 Nov	+1.9	+11.5	+10.1	+9.6
Hong Kong	+3.4 Nov	+2.2	+6.2	+4.8	+5.7
India	+5.5 Nov	+6.3	+8.9	+7.7	+7.2
Japan	+0.6 Nov	+0.3	+1.9	+1.4	+1.9
Singapore	+4.2 Nov	+0.5	+6.0	+4.8	+4.7
South Korea	+3.6 Dec	+2.1	+5.2	+4.7	+4.7

Source: The Economist

Select M&A News

• Time Technoplast Ltd. acquires VRLA battery company NED Energy Ltd.

Time Technoplast Ltd. (TTL), the listed Indian manufacturer of polymer products, has acquired a 74% stake in NED Energy Ltd. (NED), the Indian manufacturer of VRLA Batteries, for a consideration of US\$12.6 million. The enterprise value multiples achieved were 1.5x Revenue and 11.3x EBITDA. TTL intends to leverage NED's technology in automotive batteries to grow the automotive segment. NED intends to increase capacity by 3x at its Hyderabad facility through this capital inlay and additional borrowings.

• Taiwan Cement Corporation acquires Hong Kong cement company Chia Hsin

The Hong Kong subsidiary of Taiwan Cement Corporation (TCC), the listed Taiwanese cement company, has acquired Chia Hsin Cement Greater China Holding Corporation, the listed Hong Kong

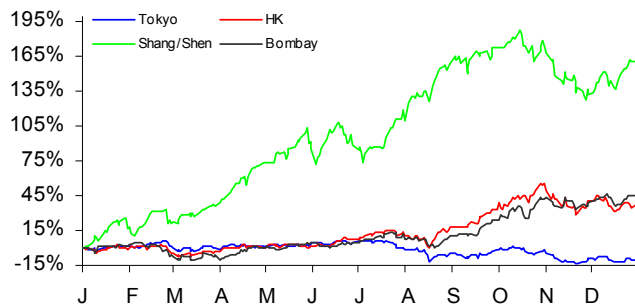
based cement company, for an approximate price of US\$334 million. The price represents a multiple of 3.9x revenue and 21.6x EBITDA. The transaction is in line with TCC's strategy to have a wider presence in production of cement in eastern and southern China and to develop the southern China market. The transaction will enable Chia Hsin to expand its production capacity in China.

• Ajinomoto acquires beverage company Calpis

Ajinomoto Co. Inc., the Japanese listed food and condiment manufacturer, has acquired Calpis Co. Ltd., the Japanese listed beverage manufacturer. The transaction is in the form of a merger with an implied purchase price of US\$369 million. The offer price represents a 23.2% premium over the closing price of Calpis Co. Ltd. on June 10, the date the transaction was announced. The enterprise value exit multiples achieved were 0.6x revenue and 8.8x EBITDA. The merger is part of Ajinomoto's strategy to achieve synergies in the health drinks business, overseas business and R&D.

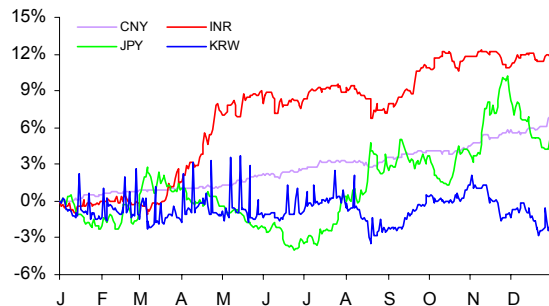
Market Trends

LTM Equity Market Performance



Source: Yahoo! Finance

LTM Currency Performance Versus U.S. Dollar



Source: OANDA Corporation

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Seale & Associates is a global boutique investment bank applying a process driven approach to a wide array of services, including mergers and acquisitions, corporate finance, and enterprise level strategy consulting. Our professionals are trusted advisors maintaining a high level of quality and integrity while presenting innovative ideas and solutions to address our client's most complex dealings. We believe our success as a firm can be measured in the strong references from our diversified global client base.

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