

# FLASHWIRE<sup>TM</sup>

CORPORATE FINANCIAL NEWS

November 27, 2006 / Vol. 3, No. 34

**WEEKLY**

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Thanksgiving Gratitude: M&A in the UK

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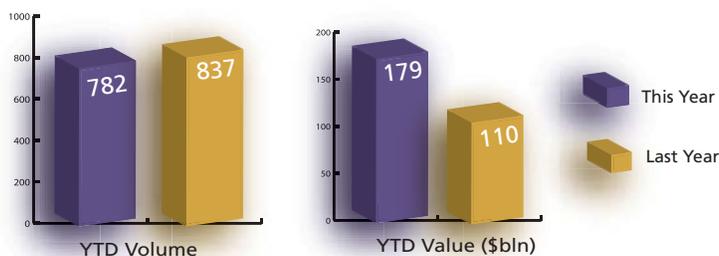
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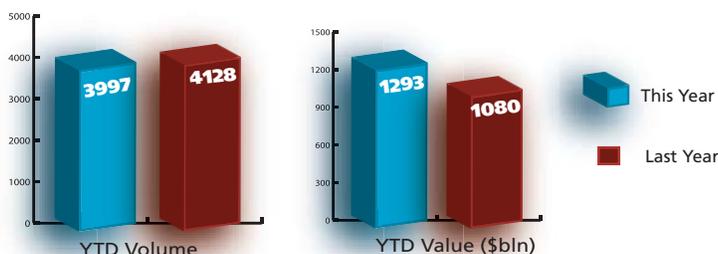
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### Private Equity Deals



### US M&A Market

\* Includes all deals with disclosed values



### Heavyweights of the Week

**\$25.8 Billion** Phelps Dodge to sell to Freeport-McMoRan Copper & Gold

**\$17.0 Billion** The Blackstone Group extends its office space dominance

**\$3.8 Billion** NASDAQ proposes buyout of LSE, gets rejected

**\$3.3 Billion** BofA lands Charles Schwab's US Trust unit

**\$3.2 Billion** Toronto Dominion Bank buys remaining stake in TD Banknorth

## Thanksgiving Gratitude: M&A in the US

Pat Crocker, Managing Director, **Harris Williams & Co**

1. The middle-market lending community has been very good to us this year. The debt markets are about as good as they have ever been. Debt multiples on a typical middle-market deal of 5 and 5.5 times EBITDA are very achievable - even 6 times EBITDA in some instances.

2. Private equity general partners have been very aggressive in pursuing buyouts and selling their portfolio companies. Both ways, it's very good for sell-side investment bankers.

3. Limited partners have put over US\$170 billion into private equity year to date, which should make 2006 a record year for fundraising. That helps fuel point no. 2 and gives the general partners money to play with.

4. Generally speaking, the economy has been fairly solid. The Dow is up about 14% year to date, the S&P is up 12% year to date. The average public company has deleveraged themselves and paid down a lot of debt. As a result, strategic buyers have been very aggressive this year as well.

5. The lending community has been so helpful, it deserves mentioning twice.

Giles McNamee, Managing Director, **McNamee Lawrence & Co**

1. I am very happy about the recent elections. Separation of powers is an important thing. There needs to be checks and balances and there have been no checks and balances. It's important regardless of what party is in power.

2. I am thankful for the continuing falling dollar. That makes US companies more attractive to overseas buyers. It's like a two-for-one sale on American

companies. The US dollar is becoming the Italian Lira of the 21<sup>st</sup> century.

3. I am thankful that the Securities & Exchange Commission has continued to drive Sarbanes-Oxley regulation, which will reduce the IPO market in the US. That should help drive more mergers and acquisitions. IPOs are not an option for companies, so if you are in the M&A business, that's a good thing.

4. I am grateful that the public market is ascribing the same value to acquired revenue as organically grown revenue. So that makes M&A just as attractive as growing a business. That's not normal since acquired revenue has a discount associated with it. But we are at a time when it's very positive for the M&A market.

5. Most importantly, I am grateful that, despite every effort to bankrupt America fighting crazy wars and driving oil prices through the roof, the economy is still robust. It shows how resilient this country is.

Jeff Rosenkranz, Managing Director, **Piper Jaffray & Co**

1. The best M&A market in history.

2. US\$200 billion in private equity money waiting to be spent.

3. Increased deal velocity. Private equity holding periods continue to shrink. And private equity firms are turning over their portfolio companies much more quickly.

4. I am thankful for lots of hardworking associates and analysts. Considering the deal flow, it is difficult to find and retain talent.

5. I am thankful for private equity clients becoming friends. We can find some common interests outside of a deal.

## Thanksgiving Gratitude: M&A in the UK



Michael Bor, Vice President with financial advisor **Harris Williams & Co** rattled off the real list in dealmakers heads. He said he was thankful for:

- An incredibly strong London market

- The strength of the pound against the dollar
- US private equity groups growing as European buyers
- Active strategic buyers
- Hedge funds and other sources of alternative capital

Some dealmakers got a bit more cheeky with their answers.

David Eberly

Senior Managing Director at private equity and investment banking group **Beringea LLC**



"From a US perspective, I'm happy to see that there are people in the UK during this Thanksgiving week trying to get deals done."



Andrew Hawkins

Partner at private equity firm **Palamon Capital Partners**

"I'm giving thanks that there's still a load of money around. It makes my life a lot easier if I have money to invest."

"I'm also very thankful that it's coming to the end of the

year because I need some time off. I'm getting older, so I need some relaxation. There's been this wealth of activity and deals are incredibly competitive, so you have to fight harder. Now that it's coming to the end of the year I'll actually manage to spend some time with the kids."



David Lovett  
Managing Director at turnaround firm **AlixPartners LLP**

"I'm thankful that I've been given a crystal ball so I know when the next wave of restructurings is coming."

And one dealmaker *Flashwire* talked to got downright snarky. A US investment banker who works on UK deals declined to be named, but said the following:

"I'm very thankful that there's not been the level of sell-side due diligence that there is in the States. They play by the rules in the UK. Hell, they queue! That's great for fairness, but they don't do the kind of due diligence they should. And that's often worked to the benefit of my clients."

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# FROM THE DATA ROOM: TURKEY DEALS

The number of canceled deals or rejected bids in the US has trended significantly lower over the course of the 2000s. This year may possibly rank as one the lowest years of the decade for canceled or rejected bids -- a rather interesting development in a market that has been so rich. Compare cancelations in 2006 to 2001, another stellar M&A market, and it appears that the emphasis that has been placed on due diligence over the years has paid off.

Across the Atlantic, European deal or bid cancelations also have been running at a relatively low level, though the contrast between canceled or rejected bids this year and in past years hasn't been nearly as noticeable as it has been in the US.

## US CANCELED DEALS

| Year              | No. Canceled Deals | No. US M&A Deals | % of Total US M&A Deals |
|-------------------|--------------------|------------------|-------------------------|
| 2006 thru Nov. 20 | 121                | 8,619            | 1.4%                    |
| 2005              | 153                | 9,526            | 1.6%                    |
| 2004              | 130                | 8,937            | 1.5%                    |
| 2003              | 150                | 7,730            | 1.9%                    |
| 2002              | 182                | 7,354            | 2.5%                    |
| 2001              | 250                | 8,170            | 3.1%                    |

## EUROPE CANCELED DEALS

| Year              | No. Canceled Deals | No. European M&A Deals | % of Total EUR M&A Deals |
|-------------------|--------------------|------------------------|--------------------------|
| 2006 thru Nov. 20 | 108                | 8,863                  | 1.2%                     |
| 2005              | 205                | 11,664                 | 1.8%                     |
| 2004              | 183                | 10,502                 | 1.7%                     |
| 2003              | 131                | 9,640                  | 1.4%                     |
| 2002              | 103                | 9,383                  | 1.1%                     |
| 2001              | 147                | 10,596                 | 1.4%                     |

## US TURKEY DEALS - CANCELED DEALS OR REJECTED BIDS IN 2006

| Ann         | Cancelled   | Buyer Name                          | Seller Name                | Unit Name                   | Base Eq (\$mm) |
|-------------|-------------|-------------------------------------|----------------------------|-----------------------------|----------------|
| 30-May-2006 | 12-Jun-2006 | Mirant Corp.                        | NRG Energy, Inc.           |                             | \$7,855.07     |
| 03-May-2006 | 27-Jul-2006 | EMI Group PLC                       | Warner Music Group Corp.   |                             | \$4,605.19     |
| 10-Jan-2006 | 05-Apr-2006 | Regis Corp.                         | Alberto-Culver Co.         | Sally Beauty Holdings, Inc. | \$2,200.00     |
| 31-May-2006 | 09-Aug-2006 | ADC Telecommunications, Inc.        | Andrew Corp.               |                             | \$2,036.33     |
| 13-Mar-2006 | 19-May-2006 | Hollywood Park Inc                  | Azstar Corp.               |                             | \$1,830.53     |
| 03-Apr-2006 | 03-May-2006 | Ameristar Casinos, Inc.             | Azstar Corp.               |                             | \$1,686.96     |
| 07-Aug-2006 | 11-Aug-2006 | CommScope, Inc.                     | Andrew Corp.               |                             | \$1,516.48     |
| 24-Apr-2006 | 23-Jun-2006 | Plains Exploration & Production Co. | Stone Energy Corp.         |                             | \$1,424.97     |
| 25-May-2006 | 12-Oct-2006 | Energy Partners Ltd.                | Stone Energy Corp.         |                             | \$1,390.58     |
| 09-Aug-2006 | 31-Oct-2006 | Cenveo, Inc.                        | Banta Corp.                |                             | \$1,205.52     |
| 28-Aug-2006 | 19-Nov-2006 | Woodside Petroleum Ltd.             | Energy Partners Ltd.       |                             | \$843.57       |
| 30-Jan-2006 | 17-Feb-2006 | Oriole Partnership LLC              | Town & Country Trust       |                             | \$705.95       |
| 02-Feb-2006 | 09-Mar-2006 | Berkshire Property Advisors LLC     | Town & Country Trust       |                             | \$650.56       |
| 08-May-2006 | 04-Aug-2006 | ECC Acquisition, Inc.               | Emmis Communications Corp. |                             | \$562.66       |
| 27-Mar-2006 | 20-Jun-2006 | Semgroup LP                         | TransMontaigne, Inc.       |                             | \$562.62       |

## EUROPE TURKEY DEALS - CANCELED DEALS OR REJECTED BIDS IN 2006

| Ann         | Cancelled   | Buyer Name                               | Seller Name                              | Unit Name                   | Base Eq (\$mm) |
|-------------|-------------|--|--|-----------------------------|----------------|
| 20-Mar-2006 | 24-Mar-2006 | Aviva PLC                                | Prudential PLC                           |                             | \$28,416.80    |
| 13-Mar-2006 | 24-Mar-2006 | Merck KGaA                               | Schering AG                              |                             | \$17,972.19    |
| 16-Apr-2006 | 08-Jun-2006 | Baa PLC /Private Group                   | British Airports Authority PLC           |                             | \$16,466.36    |
| 23-May-2006 | 15-Nov-2006 | Deutsche Borse AG                        | Euronext NV                              |                             | \$11,079.14    |
| 26-May-2006 | 30-Jun-2006 | Arcelor SA                               | Severstal OAO                            |                             | \$9,401.76     |
| 11-Jan-2006 | 10-Feb-2006 | Government of Singapore                  | The Peninsular & Oriental Steam          |                             | \$6,225.14     |
| 13-Feb-2006 | 01-Jun-2006 | Vimpel Communications OJSC               | Telenor ASA                              | Kyivstar GSM                | \$5,000.00     |
| 23-Jun-2006 | 21-Jul-2006 | Bank of Cyprus Public Co. Ltd.           | Emporiki Bank SA                         |                             | \$4,835.09     |
| 10-Mar-2006 | 30-Mar-2006 | The NASDAQ Stock Market, Inc.            | London Stock Exchange Group PLC          |                             | \$4,193.96     |
| 10-May-2006 | 23-May-2006 | OMV AG                                   | Österreichische Elektrizitätswirtschafts |                             | \$4,024.46     |
| 01-Feb-2006 | 09-Mar-2006 | Europcar International SA /Private Group | Volkswagen AG                            | Europcar International SA   | \$3,642.98     |
| 02-Jan-2006 | 09-Apr-2006 | Autogrill SpA                            | Compass Group PLC                        | Select Service Partner Ltd. | \$2,470.00     |
| 17-Mar-2006 | 18-Sep-2006 | Actavis Group hf                         | PLIVA dd                                 |                             | \$2,444.86     |
| 15-Mar-2006 | 31-Mar-2006 | ITV PLC /Private Equity Consortium       | ITV PLC                                  |                             | \$2,215.96     |
| 08-Jun-2006 | 08-Aug-2006 | Manitowoc Co., Inc.                      | Enodis PLC                               |                             | \$1,630.60     |

## Media and Business Services Focus For Halyard Capital

### ROBERT B. NOLAN, JR.

Nolan is the founding senior partner of Halyard Capital. For the last five years, he has been CEO of the BMO Private Equity Group, overseeing an investment portfolio with US\$800 million in authorized capital. Previously, he was Managing Director and Head of Media & Telecommunications Investment Banking at CIBC World Markets. Prior to CIBC, Nolan was a Managing Director and Head of the Telecommunications Group at UBS Securities. He also worked for nine years at Goldman, Sachs & Co. in the Telecommunications, Media & Technology Group.

### BRUCE EATROFF

Eatroff is a founding senior partner of Halyard Capital. He has over twenty years of Wall Street experience including senior positions at Goldman Sachs, UBS Securities and CIBC World Markets. Most recently, Eatroff was also Executive Managing Director and Head of Media and Communications Investment and Corporate Banking at Harris Nesbitt. Eatroff has a broad variety of private equity investing experience across the media and communications industry including telecommunications, cable, publishing, broadcasting and marketing services.

**Q:** How would you describe Halyard's approach?

Nolan: We focus on three primary sectors – media, communications and business services – and we spend a lot of time understanding the dynamics unfolding in those sectors. Once we identify a compelling sector opportunity, in tandem we identify an executive who would be helpful in operating such a business. Then together with the executive we identify the initial company in that sector from which to develop a broader platform company. For instance, our investment in **impreMedia** followed this pattern. We found a talented executive that operated successful newspaper companies in Canada and hired him to run our Hispanic language newspaper effort.

**Q:** One Halyard specialty is media properties. What is your view on how this sector is performing?

Nolan: We think that some of the fundamentals in these traditional media channels are challenged and valuations might be better suited for selling than buying. We have not started a newspaper company since 2003 and we have sold several in the interim. We sold the community

newspapers associated with the *Boston Herald* (**Herald Media Group**). We have also sold radio stations during that time frame (**ICBC Broadcast Holdings** and **Tama Broadcasting**).

That doesn't mean we won't be buyers of traditional media channels again. We look at both the buying and selling dynamic at all times. Radio stations need to figure out how to use their digital spectrum profitably and whether they can create additional channels of value. One aspect related to media properties is that they can be unique enough to sustain significant valuations. Obviously, you cannot group all media property valuations generically.

Eatroff: The newspaper business has its challenges, the radio business has its challenges. But it doesn't mean they are going away. We still have a stake in the newspaper business through impreMedia.

Our thesis when we set out in helping build impreMedia is that there really wasn't a national print platform serving the Hispanic market. **Univision** was obviously a major

player in TV and people had done it in radio. We went off and bought a number of Hispanic newspapers across the country. They served their local communities quite well, but they never had the ability to offer national advertising. Today, impreMedia owns five newspapers and has become the largest national Hispanic newspaper chain in the country. The wireless companies, the movie theaters, and retailers have a way to reach that audience on a national scale.

We are at the very early stages of this business. But, we are growing while other newspaper chains are shrinking in both subscriber base and advertising base. It's really about the opportunity and getting the rightful share of the media pie. *La Opinion*, the paper we own in Los Angeles, is the largest Hispanic daily in the country. Los Angeles is 50% Hispanic, but *La Opinion* only gets 5% of ad dollars for that print market. There's a huge gap there. If we can pick up an increasing share of those ad dollars, we can close that gap.

**Q:** Any other good prospects in the newspaper business?

Nolan: It's the urban newspapers that are suffering the greatest diminution in ad spending and circulation. Community newspapers oftentimes retain their strength in both areas. The newspaper business is dependent upon the advertising make-up of that geographic area. If we are talking about the Rio Grande area where we presently own some newspapers (**American Consolidated Media**), it's an enormous growth area. The population there is growing significantly. An enormous retail presence is being developed in those communities. Our papers have gained traction given the desire for local

information and the growth in shopping. That would be different for a newspaper located in New York City, where it would compete with numerous local TV outlets, a significant number of radio stations and the migration to the Internet (Broadband widely available). Obviously, these same competitive elements do not exist in the rural or suburban communities.

That doesn't mean local papers aren't subject to the same advertising slowdown. For example, if the local auto dealers aren't as successful as they used to be, that will affect a community newspaper. Advertising is just as important to these smaller papers. The circulation at these community newspapers has held constant and avoided much of the circulation challenging experienced at the large, metro dailies. Philip Anschutz has started a local newspaper chain targeting certain zip codes in high-end demographic areas. Obviously, he has determined that this targeted demographic would be appropriate for significant advertising in his newspapers. Again, this is a very targeted and localized newspaper focus as opposed to an urban-based effort.

**Q:** What other types of media properties are of interest?

Nolan: We like compelling content. We believe the value of the conduit (media channel) is owed largely to the value of the content that is transmitted across that media channel. Despite the changes in technology, content will be just as important whether it is delivered to a mobile device in miniaturized form or to the desktop. We target audiences that exhibit passionate tendencies.

One instance where we invested in that kind of targeted audience was the **Nascar Affinity Program**. Being able

to collect data on a desired demographic like Nascar fans is critical for advertisers.

Eatroff: What we saw as we owned traditional media channels, other brands were continuing to be seen or heard or read. Obviously the eyeballs were moving elsewhere. As a result, we wanted to figure out how best to assess or target or identify those eyeballs as customers. So we started investing in marketing service companies that would help solve that dilemma. That's been a big part of our activity.

Some of these investments are around the Internet and how we can better identify brands and develop direct relationships with customers; the Nascar program is an example of that. It's trying to develop a direct relationship with the consumer as opposed to mass-market advertising without the ability to measure reaction. That encompasses historically direct mail and telemarketing and new elements like interactive and direct-response TV.

Not every product can be sold on the Internet. The financial services world is like that. It's one thing if you are buying auto insurance which is a fairly defined product with few alternatives. But if you are buying a fairly complex life-insurance product, you are not likely to buy it off the Internet. The key is finding those people that really want that product. A good example of that is a company called **Tranzact**, which we acquired in 2003. They do large-scale customer acquisition on behalf of brands. They work with a variety of industries including insurance companies, mortgage companies and credit card companies. They can get paid for developing a lead, processing an application or taking a customer through the whole sales process.

The way they think about selling financial services is finding the channel that is most responsive. More than half their staff are IT and data professionals. It's not about coming up with new campaigns, but about measurable models. They test a bunch of different channels. They will test telemarketing, direct mail and Internet responses and try to figure out where they get the best response. Tranzact's big customers are companies like **DirectTV**, **Alltel**, **Aetna**, and **AIG**.

**Q:** What other areas of media are you seeing some opportunities in?

Nolan: Another area we have looked at is the digital signage arena. Static billboards are giving way to digital signs that are placed in all types of venues. It is quickly taking over the urban landscape. It is a lot more efficient to sell/buy a 30-second digital ad than a 30-day billboard exposure. Clearly, there is a big movement in replacing static advertising with digital signage.

We have looked at many business plans that focus on that type of business. But we did not buy a number of those companies given the negative cash flow associated with the costs of amortizing the equipment required for placement in the different venues. We prefer to invest in positive cash flowing companies.

We own a company that has a website titled **billboards.com**. It is essentially a media brokerage exchange. It makes available to an advertiser an online inventory of outdoor advertising, whether traditional billboard or digital signage. The idea is to create an online exchange for both sign owners and advertisers to transact business on available space.

**Q:** What types of investments are you making in education?

Eatroff: Our thesis about education is that there are a couple of macro-trends that are positive. One is that lifelong learning continues to be a component of the American economy. Two, online education is starting to change the dynamics of the post-secondary education market. Our original thesis was that we would actually invest in some for-profit schools. But we felt the opportunity was more interesting in marketing services for the education industry. You have online categories like travel where you recognize several big brands, but there really is no online brand in education. Yet it is such a big decision. Students and parents will spend money and time to do research on the subject.

So our first approach to this market was a company which we acquired called **eLearners.com** (part of **Halyard Education Partners**). It's a very comprehensive directory of online education programs, everything from undergraduate to graduate to continuing education programs. Their business model is that they find prospective students and they sell them as potential leads to the schools.

Then we bought a second business called **Educational Directories**, which had similar presence in two other educational verticals. They owned the websites [gradschools.com](http://gradschools.com) and [studyabroad.com](http://studyabroad.com). These were online directories, very comprehensive with pretty much every grad school program in the US. The schools pay for a listing and a link to their web site. Schools pay just the same as what they would have had they paid for a listing in a guidebook. But this generation really prefers to seek

out information online than in a guidebook. The bigger opportunity lies with non-profits because they need more help. It's not the very high-end schools that need help, but the state schools and community schools. Marketing to them was sending out admissions brochures. They need help understanding what their return is on these marketing dollars.

**Q:** What Halyard's interest in business services?

Eatroff: We think there are some interesting places in IT services. Historically, it's been a more cyclical business so you have to be careful in what you are buying and selling. We developed a strategy around Internet protocol telephony for enterprise customers. We didn't want to make a technology bet; we didn't want to invest in a service provider; but we saw everybody was getting new phones and they were considering IP-based systems. We've been buying companies that do the maintenance and installation through our platform company **Integrated Solutions**. The challenge is that Internet telephone systems need to be integrated into a company's data network. It required a third-party to handle the task. Through the maintenance and support and upgrades, the key is to develop a sticky customer relationship.

**Q:** What kinds of exits are you seeing for your companies?

Nolan: In assessing each sector, we make a decision that an investment opportunity not only provides growth, but also can achieve a defensible market position. As for an optimal exit point, our primary job is to build companies with sustainable value. That way, we don't have to be dependent on the market cycle of liquidity. Such a company can be sold profitably in all types of market cycles.

*To contact Mr. Nolan or Mr. Eatroff, email [info@halyard.com](mailto:info@halyard.com).*

# Deal/Spotlight

## Major consolidation in REITs continues apace

In a further bet on the ongoing strength of the commercial property market, **Blackstone Group** paid a record US\$36 billion for office REIT **Equity Office Properties**.

This year has seen a number of other office properties snapped up. Yet Equity Office represents the biggest catch with nearly 600 buildings across the country.

Office REITs have been on a tear this year with 21 such deals announced, totaling nearly US\$25 billion. Blackstone itself has been behind two of the year's biggest deals, the acquisitions of **Trizec Properties** and **CarrAmerica Realty**.

The latest deal makes Blackstone the nation's biggest office landlord with 160 million square feet of office space in the biggest US markets.

After the 2000 recession, construction on new offices slowed. That helped clear out some vacant space and helped landlords push through rent increases. The average rent for new tenants is up 13% from a year ago

with some office spaces in New York fetching US\$80 a square foot. Equity Office says its vacancy rates have dropped to 9% and should fall to 6% by the end of next year.

**Blackstone Real Estate Partners** is paying US\$48.50 a share, a 9% premium over the price immediately before the deal was announced and a 20% premium to the shares' 30-day average closing price.

Some shareholders have publicly balked at the price. *The New York Times* reported **Cohen & Steers**, Equity's largest shareholder with a US\$1.4 billion stake, says the company should be worth US\$60 a share given the increasing scarcity of premium office space.

Yet Blackstone paid an average premium when compared to other deals. For office REIT deals this year, the median 1-day premium was 11% and the median 30-day premium was 20%.

Equity Office appears to be all too glad to escape the scrutiny of public

markets. Founder Sam Zell repeatedly complained that public investors have not fully valued his company.

Equity Office shares have risen only 80% since their IPO, compared to an average 208% return for other office REITs.

One issue for some investors has been the high amount of debt already on Equity Office's books. Equity Office has US\$15 billion in debt already, with a 69% debt-to-market capitalization ratio and 1 times interest coverage.

As the deal will load Equity Office with more debt, Blackstone is expected to make a tender offer to existing debtholders in order to escape bond covenants.

Equity Office has itself grown through some US\$12.4 billion in acquisitions. Those deals show the risks involved in real estate bets.

At the height of the dot-com boom, Equity Office bought **Speiker Properties**, an office building owner in Silicon Valley, for US\$6.4 billion.

## BLACKSTONE GROUP LAUNCHES TAKEOVER DEAL FOR EQUITY OFFICE PROPERTIES

### Transaction Details

Currency in USD

|                           |             | Pricing Infom (SMM)     |           | Multiples                  |        | Method of Payment: (SMM) |           |
|---------------------------|-------------|-------------------------|-----------|----------------------------|--------|--------------------------|-----------|
| <b>Date Announced:</b>    | Nov-19-2006 | <b>Base Eq. Price:</b>  | 17,047.07 | <b>E/V Sales:</b>          | 9.57   | <b>Cash:</b>             | 17,047.07 |
| <b>Date Closed:</b>       | Pending     | <b>Total Inv. Cap:</b>  | 32,626.64 | <b>E/V Net Income:</b>     | 300.98 | <b>Stock:</b>            |           |
| <b>Acquisitions Type:</b> | Acq-GP      | <b>Enterprise Val:</b>  | 32,430.27 | <b>E/V EBITDA:</b>         | 17.02  | <b>Debt Notes:</b>       |           |
| <b>Acq. Purpose:</b>      | Financial   | <b>Price Per Share:</b> | 48.50     | <b>E/V EBIT:</b>           | 32.69  | <b>Warrants/Opt:</b>     |           |
| <b>Deal Attitude</b>      |             | <b>Premiums (%)</b>     |           | <b>E/V Tang. Book Val:</b> | 3.68   | <b>Other:</b>            |           |
| <b>% Shares Owned</b>     |             | <b>1 Day:</b>           | 8.0%      | <b>P/E Ratio:</b>          | 158.21 | <b>Liab. Assuamed:</b>   |           |
| <b>% Sought:</b>          | 100         | <b>5 Day:</b>           | 14.0%     | <b>P/Sales:</b>            | 5.03   | <b>Shs Considered:</b>   |           |
| <b>Shs Sought (000):</b>  | 351,486.0   | <b>30 Day:</b>          | 18.0%     | <b>P/Tang. Book Val:</b>   | 1.93   |                          |           |

# Movers & Shakers

To submit a recent deal announcement, advisory engagement, financing or hiring alert, email all pertinent information to [kkunert@factset.com](mailto:kkunert@factset.com).

## Hiring Alert

**Willamette Management Associates** announced the hiring of Stephan Scott Cobb III as Senior Manager. Mr. Cobb will be based in the Washington, DC office and will be working on business valuation engagements for the firm's M&A clients. He will also assist in litigation support related engagements. Mr. Cobb, who has a Master's degree from the Yale School of Management, was previously with **Ellin & Tucker Chartered**, where he supervised and coordinated business valuation and litigation services projects.

**GE Commercial Finance** announced the appointment of Michael P. McGonigle as managing director of Trade Accounts Receivable Securitization within its Corporate Lending business. McGonigle will lead a team responsible for providing financing of US\$75-million or more to corporate borrowers by securitizing trade receivables. McGonigle has more than 20 years of experience in corporate finance. Most recently he was managing director within **GE – Corporate Lending** responsible for providing junior capital debt solutions to clients. Prior to this, he was managing director of GE – Bank Loans leading a team handling distressed bank debt investing and loan

participations. McGonigle joined GE in 1982 and held various roles within the business including loan origination, underwriting and risk management.

## Financing Alert

**Lincoln International**, a mid-market investment bank, announced the successful close of US\$41 million in total financing for **K2 Industrial Services Inc**, a provider of a broad range of specialty industrial cleaning, painting and related facility maintenance services. The new credit facilities are comprised of a US\$15 million senior revolving credit facility and a US\$26 million term loan, provided by a syndicate of lenders including **CapitalSource Finance LLC** (as lead administrative agent), **Newstar Financial Inc**, and **Orchard First Source Capital Inc**. The total financing was used to refinance the Company's existing indebtedness with lower cost capital on more favourable terms and conditions.

## Financial Advisor Alert

**Harris Williams & Co** is pleased to announce the sale of **Microporous Products LP**, owned by a group of private investors and management, to **Industrial Growth Partners**. Harris Williams & Co acted as the exclusive advisor to Microporous. Giles Tucker,

Chears Porter, and John Bresnahan led the transaction from the firm's Richmond office.

**Berkery, Noyes & Co LLC**, an investment bank serving the information and technology markets, represented **Elsevier Inc** in its divestiture of Chicago-based ILS software developer and service provider **Endeavor Information Systems Inc** in its sale to **Francisco Partners**, a private equity group. Endeavor will be merged with **Ex Libris**, which was acquired by Francisco Partners earlier this year.

**Rothschild** advised **Broker FM** on the US\$158.9 million public takeover bid for 100% of Broker FM by **Bauer Media Invest**.

Rothschild advised **Orion Cable Holding** on the acquisition of **Tele Columbus** cable assets from **Unity Media**.

Rothschild advised **Thermo Electron Corp** on its US\$12.8 billion merger with **Fisher Scientific International Inc**.

Rothschild advised **Groupe Banque Populaire** on the US\$25.3 billion merger with **Caisse d'Epargne** to create **Natixis**.

Rothschild has advised **Northern Foods** plc on the complex disposal of four assets to **Vision Capital** for a gross consideration of GBP160 million.

Rothschild has advised the shareholders of **Thinc Destini Group** Limited on the sale of the entire issued and to be issued share capital of Thinc Destini to **Advisory Services** Limited, a subsidiary of **AXA UK** plc for an enterprise value of up to GBP95 million.

Rothschild has acted as Rule 3 adviser to **WH Brakspear & Sons** plc on the proposed GBP106 million acquisition of Brakspear by **JTD Investments**.

Rothschild acted as sole financial adviser to **Minerva** plc in relation to the conditional sale of a 50% interest in the **Park Place** retail development in Croydon to **Lend Lease Europe** Limited and certain other Lend Lease group companies.

**Robert W. Baird & Co** served as co-manager in this offering: **LaSalle Hotel Properties** recently priced its public offering of 4.0 million shares of 7.25% Series G Cumulative Redeemable Preferred Stock at US\$25.00 per share, raising gross proceeds of approximately US\$100.0 million. The proceeds will be used by the company to repay amounts outstanding under its senior unsecured credit facility and for general corporate purposes, including

redeeming its Series A Preferred Shares. The underwriters of the offering have been granted an option, exercisable for 30 days, to purchase up to an additional 600,000 shares to cover over-allotments.

Baird's Investment Banking Group served as co-manager in the following offering: **Watts Water Technologies** Inc priced its public offering of 5.0 million Class A shares at US\$40.00 per share, raising gross proceeds of approximately US\$200 million. The net proceeds will be used by the Company for general corporate purposes, including future acquisitions. The underwriters of the offering have been granted an option, exercisable for 30 days, to purchase up to an additional 750,000 shares to cover over-allotments.

## Legal Advisor Alert

**Cleary Gottlieb** is representing **Goldman Sachs** and a lending group that also includes **Bank of America** and **Bear Stearns** in the financing of the acquisition of **Equity Office Properties Trust**. Equity Office Properties Trust has signed a definitive merger agreement to be acquired by **Blackstone Real Estate Partners**, an affiliate of **The Blackstone Group**, in a transaction valued at approximately US\$36 billion.

Cleary Gottlieb is representing **Evraz Group** SA. Evraz Group and **Oregon**

**Steel Mills** announced that they have signed a definitive agreement under which Evraz will acquire Oregon Steel for US\$63.25 per share, or an aggregate price of approximately US\$2.3 billion. The offer price of US\$63.25 per share represents a premium of 22.3% to Oregon Steel's three-month volume weighted average stock price or a premium of 30.3% to its six-month volume weighted average stock price.

**Jones Day** is advising **Wasserstein & Co** LP in the sale of a 50% ownership interest in **Prism Business Media** to **MidOcean Partners**, upon completion of Prism's previously announced acquisition of **Penton Media**.

Jones Day is advising **OM Group** Inc in the US\$408 million sale of all of its nickel assets to **OJSC MMC Norilsk Nickel**.

**Skadden, Arps** is representing **Nasdaq Stock Market** Inc in its offer to buy the rest of **London Stock Exchange** that it doesn't currently own. The unsolicited offer values the LSE at US\$5.1 billion, at current exchange rates. Nasdaq also increased its stake in the LSE to 28.75%.

Skadden represented **Barclays Private Equity** (UK) in its sale of **Etimex Holdings** GmbH, a manufacturer of plastic packaging and plastic components, to **Alpha**

**Beteiligungsberatungs GmbH & Co KG**, a private equity firm in Germany.

Skadden represented **Doughty Hanson & Co**, a private equity firm in the UK, in its acquisition of **KP1** (France), a manufacturer of concrete products and construction materials, from **AlpInvest Partners NV** (a private equity firm in the Netherlands), **Alpha Group** (a private equity firm in France) and **KORAMIC** (a manufacturer of clay roof tiles in Belgium).

**Davis Polk & Wardwell** is advising **Freeport-McMoRan Copper & Gold Inc** on its proposed acquisition of **Phelps Dodge Corp**. Freeport-McMoRan explores for, develops, mines and processes ore containing copper, gold and silver in Indonesia, and smelts and refines copper concentrates in Spain and Indonesia. Phelps Dodge is one of the world's leading producers of copper and molybdenum and is the largest producer of molybdenum-based chemicals and continuous-cast copper rod.

**Weil, Gotshal & Manges** was counsel to selling shareholders: Hungary's leading bank **OTP Bank Nyrt** is buying 100% of Montenegro's **Crnogorska komercijalna banka** for EUR105 million.

Weil, Gotshal & Manges advised the underwriters in the **Hertz** IPO.

Weil, Gotshal & Manges was counsel to target's management committee: **Vestor Capital Partners** is buying healthcare publisher and marketing company **MediMedia USA Inc** in a secondary buyout from **Cinven Ltd**, **Carlyle Group**, **Apax Partners** and MediMedia management.

Weil Gotshal advised **LIN TV Corp** in selling its Puerto Rico television operations to **InterMedia Partners LP** for US\$130 million in cash.

## Deal Alert

**Castle Harlan Inc**, the New York private equity investment firm, announced it has completed the purchase of **AmeriCast Technologies Inc**, a North American leader in the design and manufacture of large, complex steel castings, in a transaction valued at US\$110 million. An agreement to make the acquisition was announced just last week. Other participants in the acquisition included AmeriCast's management and **Bradken Operations Pty Ltd**, an Australian steel products manufacturer and a former portfolio company of Castle Harlan's Australian affiliate. The seller was **KPS Special Situation Funds**, also a New York private equity firm.

## Miscellaneous

**SRI Institute** announced its annual

defense/aerospace and federal IT investors and corporate development executives conference on March 15-16 in Reston. The conference will be organized to convey the backdrop of forces now shaping the industry as well as explore the specifics of how defence manufacturers, customers, suppliers and investors can recognize value in this changing marketplace.

Building on its long history of involvement in the chemicals industry, **Brown Gibbons Lang & Co (BGL)**, an independent investment bank serving middle-market companies and their owners, announced the creation of a dedicated chemicals practice. Cameron S. Miele and Kevin H. Sargent, both vice presidents with BGL, will co-direct the practice, which will focus on applying BGL's expertise in mergers and acquisitions, debt and equity placements, and financial restructurings to transactions across a wide segment of the chemicals industry. To further enhance the firm's resources, 30-year chemicals industry veteran Thomas A. Waltermire has agreed to serve as a senior advisor to the practice. Most recently, Waltermire served as chairman, CEO, and president of **PolyOne Corp**, a US\$3 billion global polymer compounder and resin distributor with operations in 25 countries.

## Earnings and Other Corporate Calls

### US Apparel

Gérard Geoffrion, EVP of **Van Houtte** Inc, said on a Q2 2007 earnings call in response to a question about whether the company would feel comfortable paying five times, six times EBITDA in the US for a business: "We will pay between four – up to five times, if it is very strategic."

George Feldenkreis, Chairman and Chief Executive Officer of **Perry Ellis International** Inc, commented on the lay of the land in the apparel business in terms of potential M&A. "There are two mega trends," said Feldenkreis. "One is that there is too much money, as we all know, in equity funds, and the other is that it's very hard for smaller single-brand companies to be in the current environment because the retailers are more powerful than they have ever been as far as deciding who shall live and who shall die. If you don't have a strong channel of distribution for your particular brand of business, it's very hard to survive."

He then added, "So, there are a lot of companies that are being offered for sale that we would like to get together with a stronger partner and there are just companies that feel that this is the time to get out. We look at acquisition all the time, look at opportunities all the time. Our record indicates that we are very careful about what we acquire and have

always bought at the right prices."

He concluded his remarks by saying, "But during this year, we tried to acquire one outerwear company, we ended up with the Dockers license for outerwear, which is the best thing that could have happened for us and we were able to get the JAG license again from a company that went out of business. So, these were two cases of bankruptcies where we were able to pick up the better part of their business and those are the opportunities that we continue to look at."

### US Food Processing

Richard K. Smucker, President and Co-CEO of **JM Smucker** Co, commented on the company's M&A outlook in response to a question on a Q2 2007 earnings call, in which he was asked whether the company was prepared to take on additional acquisition through the rest of the year. "We definitely are," said Smucker. "In fact, the two that we took on we were able to integrate those relatively quickly, in fact, very quickly. And the bolt-on acquisitions are important to us. They may seem small, but they really fill a great niche."

### US Health Services

James V. McKeon, III, Executive Vice President and Chief Financial Officer of **Genesis Healthcare** Corp, said on a Q4 2006 earnings call, "We still have a healthy level of capital spending here but I think there will be

opportunities in the pipeline that we've seen already for acquisitions...there are other properties that we are moving expeditiously to try to close. And they will consume some of that cash on the balance sheet."

### US Wholesale & Distribution

Jeffery P. Howells, Chief Financial Officer, Executive Vice President of Finance and Director of **Tech Data** Corp, said on a Q3 2007 earnings call, "There may be other opportunities where due to the strength of our balance sheet, we are able to make an acquisition and grow aggressively. As I said we have the capability and the wherewithal [to do either an acquisition or grow organically]".

## Bankruptcy

### US Automotive Parts & Accessories

**Collins & Aikman** Corp said it is reviewing its exit options due to steep production cuts from US auto makers, according to a story in *Automotive News*. The company has said its reorganization plan includes either emerging from Chapter 11 as a stand-alone company or continuing talks with possible suitors.

### US Drugs, Medical Supplies & Equipment

Franklin, Massachusetts-based **Sontra Medical** Corp said last week that it was likely the company would

not have the capital to continue operations beyond December 31. Sontra said that it could close business operations or file for bankruptcy protection if it did not raise additional capital by then.

## US Electric, Gas, Water & Sanitary Services

**Entergy New Orleans** Inc, which filed for Chapter 11 bankruptcy protection after Hurricane Katrina, has filed its proposed reorganization plan, the company said last week. According to Dan Packer, president and chief executive of Entergy New Orleans, if the plan is approved, Entergy New Orleans could emerge from bankruptcy by the end of 2007.

## US Packaging & Containers

**API Graphics**, a 25-employee North Carolina-based firm that makes tags, packaging, inserts and other items for use in a variety of industries, filed for Chapter 7 bankruptcy protection last week.

## US Real Estate

**Ultimate Resort** LLC of Orlando says it is buying most of the real estate of **Tanner & Haley Resorts**, which filed for Chapter 11 bankruptcy four months ago, for US\$98 million.

## US Retail

**Winn-Dixie Stores** Inc emerged from bankruptcy last week, 21 months after the grocery chain filed for Chapter 11.

## US Wholesale & Distribution

**M. Fabrikant & Sons** Inc, A New York-based diamond and jewelry wholesaler, announced last week that it, together with its domestic subsidiary, **Fabrikant-Leer International Ltd**, filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code. The company's foreign and domestic affiliates were not included in the Chapter 11 filing. M. Fabrikant & Sons continues to actively pursue a full range of strategic alternatives, including the sale or refinancing of the firm.

## Shareholder & Board Actions

### US Banking & Finance

The shareholders of **Fidelity Bankshares** Inc announced the approval of its merger with **National City** Corp last week at a special meeting of shareholders.

### US Real Estate

**Lexington Corporate Properties Trust** and **Newkirk Realty Trust** Inc announced last week that Lexington's common shareholders and Newkirk's voting stockholders have approved the merger proposals related to the merger of Newkirk with and into Lexington.

### Canadian Primary Metals Processing

**NovaGold Resources** Inc announced last week that its shareholders rejected a hostile takeover bid from **Barrick Gold** Corp, which was last

week extended for the sixth time.

Shareholders of **International Uranium** Corp voted in favor of taking over **Denison Mines** Inc, IUC said last week.

## Regulatory Actions

### US Banking & Finance

**Sterling Financial** Corp of Spokane, Washington said it has received regulatory approval from the FDIC for its acquisition of **FirstBank NW** Corp on November 17. The acquisition is scheduled to close on November 30, 2006. The shareholders of FirstBank approved the transaction at a special meeting held on November 8, 2006.

### US Real Estate

**Trammell Crow** Co said last week it was notified by the US Federal Trade Commission of the early termination of the waiting period for the proposed acquisition of the company by **CB Richard Ellis Group** Inc.

### US Software, Supplies & Services

**Oracle** Corp has received US antitrust approval to acquire software maker **Stellent**, US officials said last week.

### Germany Drugs, Medical Supplies & Equipment

Belgian drugmaker **UCB** SA won EU approval last week to take over Germany's **Schwarz Pharma** AG, clearing the last regulatory hurdle to the deal.

## Companies Seeking Acquisitions

### US Brokerage

**NYSE Group** agreed to evenly split the board between Europeans and Americans in a concession to get **Euronext** investors to approve a combination of the two exchanges, *The Associated Press* reported November 22. NYSE, which previously was expected to have a slight edge on the board, said that the board would consist of 11 Americans and 11 Europeans. The structure was seen as a way for the NYSE to appease European critics and persuade shareholders to approve the deal next month. The value of the cash-and-stock deal has fluctuated with the share price and was originally valued at about US\$10 billion. It now hovers around US\$13 billion. **Deutsche Boerse** said it was withdrawing its offer for Euronext, removing the biggest hurdle for the NYSE in completing a trans-Atlantic deal.

**Charles Schwab's** sale of **US Trust** private banking unit to **Bank of America** for US\$3.3 billion could mean further consolidation in the discount brokerage industry, *The Australian* reported November 22. The sale gives Schwab a large cash infusion and could allow it to pursue an acquisition that would provide greater scale in the increasingly competitive brokerage sector. **Etrade** could be the most likely target for Schwab. Etrade has struggled to attract long-term investors, which was Schwab's strength. Other analysts expect Schwab to use cash from the sale to increase its share buy-back program to offset the 10% in earnings it would lose following the transfer of US Trust.

### European Energy Services

A French judge blocked **Gaz de France** from completing details of its planned merger with the French utility **Suez**, *International Herald Tribune* reported November 22. The judge upheld a complaint by a Gaz de France workers' council, agreeing that the workers - who are concerned that jobs will be lost as Gaz de France is privatized as part of the deal - needed more time to examine the terms. Workers have sought postponements to the deal ahead of French presidential elections in 2007. The opposition Socialist Party has strongly condemned the merger, vowing to renationalize Gaz de France if it wins the presidency next spring, and raising the prospect that delaying tactics could result in the deal being canceled entirely. The deal also remains unpopular with some Suez shareholders, who publicized their demands for a more generous dividend, or for the deal to be abandoned.

## Companies For Sale (Or Not)

### US Building Products

**ElkCorp** said it will evaluate a US\$720 million buyout offer from rival **Building Materials Corp of America**, *The Dallas Business Journal* reported November 16. The maker of roofing materials said BMCA has offered US\$35 a share in cash, a 5% premium over the company's closing price. Earlier this month, ElkCorp said it had hired **UBS Investment Bank** to help it consider strategic alternatives, including a possible sale of the company. ElkCorp said it would consider the BMCA offer along with other proposals it has received. It has asked BMCA to sign a confidentiality

and standstill agreement.

### US Computer Software & Services

A **Netsmart Technologies** Inc shareholder sent a letter to the health care industry software maker protesting its proposed sale to private equity groups, *Associated Press* reported November 21. Calling the transaction a "sweetheart deal for management," **Leviticus Partners LP**, which owns 3% of the company's shares, wrote that a lack of investor relations resulted in an artificially depressed stock price. The letter says the proposed sale price, US\$16.50 per share, is too low, and that Netsmart could reach a mid-US\$20s valuation as a public company. Netsmart said it agreed to be acquired by **Insight Venture Partners** and **Bessemer Venture Partners** for about US\$115 million, and that some Netsmart executives will partly own the company.

### US Leisure & Entertainment

Shares of **Ameristar Casinos**, an owner of seven casinos, rose 11% after the death of largest shareholder and Chairman Craig Neilsen, led to speculation the company may be acquired, *Bloomberg* reported November 21. Neilsen owned 55% of the firm and his shares will be transferred to his charitable foundation, which could choose to liquidate them. Ameristar was one of four bidders for **Aztec**, which was won by privately held **Columbia Sussex** in May for about US\$2 billion. **Harrah's**, the world's largest casino company, is the object of a US\$15.5 billion buyout offer from private-equity firms **Texas Pacific Group** and **Apollo Management**. Ameristar operates casinos in Colorado, Iowa,

Missouri, Mississippi and Nevada.

## US Publishing

**The New York Times Co** has rejected a proposal by a group of Boston businessmen to buy The Boston Globe, *The Boston Globe* reported November 22. Times chief executive Janet Robinson said the Globe remains an important asset, and said the company was not interested in pursuing the sale. Retired **General Electric** chief executive Jack Welch asked for exclusive rights to negotiate with the Times to buy the Globe. The Welch group includes Boston advertising executive Jack Connors and Boston concessionaire Joe O'Donnell. Welch, Connors, and O'Donnell began discussing a potential bid for the Globe several months ago. An analysis done for them by **JP Morgan Chase & Co** valued the Globe at US\$550 million to US\$600 million, about half the US\$1.1 billion the Times Co paid for the paper in 1993. The three men tentatively had committed US\$25 million each to the bid and intended to borrow much of the rest.

## US Transportation

**Delta Air Lines'** pilots union said a merger with **US Airways** "appears to lack any substantial benefit," *Cox News Service* reported November 22. Other Delta employees are also organizing against the move. US Airways said in a one-page newsletter to its employees that it's got a better merger plan than any stand-alone recovery Delta can craft. Delta's chief financial officer Ed Bastian says the company will show creditors a restructuring plan in December to counter the takeover bid.

## European Broadcasting

**ITV**, the largest commercial broadcaster in Britain, rejected GBP4.73 billion takeover offer from

the cable operator **NTL**, *International Herald Tribune* reported November 22. ITV said the proposed combination made little strategic sense and undervalued the business. The rejection is the second blow to NTL and its biggest shareholder, Richard Branson. **BSkyB**, which is controlled by **News Corp**, bought a 17.9% stake in ITV eight days after NTL expressed interest in a takeover. Analysts said BSKyB's move showed the satellite broadcaster saw ITV's possible tie-up with a cable company as significant competition.

## European Brokerage

US investor Samuel Heyman said entities he controls now had rights to an 8.8% stake in the **London Stock Exchange**, *Reuters* reported November 22. The move could complicate a bid by **Nasdaq Stock Markets Inc**. Nasdaq is pressing ahead with a US\$5.1 billion offer for Europe's largest share market, even though the LSE has rejected it as inadequate. Heyman, a 1980s corporate raider, acquired the interest through derivative instruments. **Heyman Investment Associates Limited Partnership** and **Vesper Holdings LLC**, both managed by Heyman, took interests in 2.66 million shares, paying as much as GBP12.90 a share, Heyman Investment Associates said in a statement. Nasdaq, which already owns a 28.75% stake in LSE, has offered to pay GBP12.43 pence a share in cash for the rest of LSE.

## European Retail

**Home Retail**, a UK retailer that owns Argos and Homebase stores, is reportedly the target of a private equity buyout, *The Sunday Times* reported November 19. **Blackstone** and **Kohlberg Kravis Roberts** are believed to be looking at a takeover bid. Argos and Homebase demerged from the former **GUS** group in

October. KKR and Blackstone are casting a fresh eye over Argos and Homebase now that they form part of a stand-alone listed business, because it's easier to assess their true value.

## Australian Publishing

Australia's **Seven Network Ltd** is reportedly near a deal to go private, *Reuters* reported November 19. US private equity firm **Kohlberg Kravis Roberts** is behind the bid. The newspaper publisher was considering two options - a full privatization, or a partial sale. A buyout would value Seven at AUS3.5 billion, of which AUS1 billion is equity and AUS2.5 billion debt. The move would inject cash into Seven for takeovers next year when a law comes into effect allowing owners of one media platform - newspapers, radio or television - to own a second platform in the same market.

## Australian Transportation

**Qantas Airways**, Australia's national carrier, became the latest target of private equity groups with an approach from a consortium led by the **Macquarie Bank** and the **Texas Pacific Group**, *The New York Times* reported November 22. The consortium was planning a bid of AUS5.20 to AUS5.50 per share, which would value the company at more than AUS10 billion of US\$7.7 billion. News of the approach drove shares of Qantas up more than 20%. Qantas has been hit by high fuel prices, and profit for the year was down 30%. But analysts said the company's strong cash flow made it good target. The airline still controls 60% of the Australian market despite challenges from recent arrivals like **Virgin Blue**. It has set up a low-cost airline, **Jetstar**, which is expanding into the broader Asia-Pacific market.

# Multiples & Premiums

## PREMIUMS ANNOUNCED FOR DEALS LAST WEEK

| Announce Date | Buyer                          | Seller                             | Enterprise Value (\$mm) | 5-Day Premium Offered | Percent Sought (%) | Method of Payment |
|---------------|--------------------------------|------------------------------------|-------------------------|-----------------------|--------------------|-------------------|
| 11/19/2006    | The Blackstone Group LP        | Equity Office Properties Trust     | 32430.3                 | 13.9%                 | 100                | Cash              |
| 11/19/2006    | Freeport-McMoRan Copper & Gold | Phelps Dodge Corp.                 | 22631.5                 | 30.3%                 | 100                | Combo             |
| 11/20/2006    | Toronto-Dominion Bank          | TD Banknorth, Inc.                 | 10160.5                 | 8.4%                  | 43.03              | Cash              |
| 11/20/2006    | Evrax Group SA                 | Oregon Steel Mills, Inc.           | 2284.1                  | 9.9%                  | 100                | Cash              |
| 11/22/2006    | Jabil Circuit, Inc.            | Taiwan Green Point Enterprises Co. | 915.2                   | 11.2%                 | 100                | Cash              |
| 11/20/2006    | Actelion Ltd.                  | CoTherix, Inc.                     | 363.7                   | 35.3%                 | 100                | Cash              |
| 11/20/2006    | Private Group                  | Netsmart Technologies, Inc.        | 101.8                   | 26.7%                 | 100                | Cash              |
| 11/22/2006    | Schering-Plough Corp.          | Fulford India Ltd.                 | 50.1                    | 5.7%                  | 20                 | Cash              |
| 11/21/2006    | New England Bancshares, Inc.   | First Valley Bancorp, Inc.         | 29.1                    | 15.7%                 | 100                | Combo             |

## INDUSTRY EV/EBITDA MULTIPLES FOR DEALS ANNOUNCED LAST WEEK

| Target Industry                          | Volume | Avg EV/EBITDA | 52-week Avg |
|--|--------|---------------|-------------|
| Banking & Finance                        | 3      | 7.27          | 8.01        |
| Brokerage, Investment & Mgmt. Consulting | 3      | 12.28         | 14.85       |
| Computer Software, Supplies & Services   | 1      | 10.75         | 15.10       |
| Drugs, Medical Supplies & Equipment      | 1      | 11.61         | 16.11       |
| Mining & Minerals                        | 1      | 5.93          | 12.43       |
| Miscellaneous Services                   | 1      | 7.35          | 10.91       |
| Plastics & Rubber                        | 1      | 20.61         | 12.61       |
| Primary Metal Processing                 | 1      | 7.55          | 7.53        |
| Retail                                   | 1      | 4.16          | 12.04       |

The FactSet Mergerstat deal premiums show 5-day premiums. Only positive premiums are listed.

The FactSet Mergerstat EV/EBITDA industry multiples show the number of deals with EV/EBITDA multiples for the week in a Mergerstat industry and the average EV/EBITDA multiple of those deals for the week. It also indicates in parentheses the average EV/EBITDA multiple for the Mergerstat industry over the past 52 weeks.

The FactSet Mergerstat EV/EBITDA deal multiples are calculated on transactions that have disclosed an Enterprise Value and an EBITDA figure. Only EV/EBITDA multiples of between 0 to 35 are shown on the list.

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## ANNOUNCED DEALS WITH EV/EBITDA MULTIPLES LAST WEEK

| Announce Date | Buyer                          | Seller                         | Unit Sold | Enterprise Value (\$mm) | EV/EBITDA |
|---------------|--------------------------------|--------------------------------|-----------|-------------------------|-----------|
| 11/19/2006    | The Blackstone Group LP        | Equity Office Properties Trust |           | 32430.3                 | 17.02     |
| 11/19/2006    | Freeport-McMoRan Copper & Gold | Phelps Dodge Corp.             |           | 22631.5                 | 5.93      |
| 11/20/2006    | Toronto-Dominion Bank          | TD Banknorth, Inc.             |           | 10160.5                 | 7.27      |
| 11/20/2006    | The NASDAQ Stock Market, Inc.  | London Stock Exchange Group    |           | 5620.3                  | 15.12     |
| 11/20/2006    | Evrax Group SA                 | Oregon Steel Mills, Inc.       |           | 2284.1                  | 7.55      |
| 11/22/2006    | Jabil Circuit, Inc.            | Taiwan Green Point Enterprise  |           | 915.2                   | 20.61     |
| 11/20/2006    | Private Group                  | Netsmart Technologies, Inc.    |           | 101.8                   | 10.75     |
| 11/22/2006    | Schering-Plough Corp.          | Fulford India Ltd.             |           | 50.1                    | 11.61     |
| 11/20/2006    | Stifel Financial Corp.         | First Service Financial Co.    |           | 48.2                    | 9.08      |
| 11/20/2006    | Chelsey Direct LLC             | Hanover Direct, Inc.           |           | 37.9                    | 4.16      |
| 11/21/2006    | New England Bancshares, Inc.   | First Valley Bancorp, Inc.     |           | 29.1                    | 4.70      |
| 11/20/2006    | Dmatek Ltd.                    | Pro Tech Monitoring, Inc.      |           | 12.5                    | 7.35      |
| 11/21/2006    | Cathay General Bancorp         | United Heritage Bank /NJ/      |           | 7.7                     | 5.47      |

## VC Investments

**Nordic Venture Partners** says that it has made EUR1 million investment in **ZYB**, a free mobile backup and sharing service. Also announced, Preben Damgaard, co-founder of Damgaard former Executive Vice President of **Microsoft Business Solutions**, has joined ZYB's board of directors. ZYB was founded back in 2005 by three Copenhagen-based entrepreneurs Tommy Ahlers, Ole Kristensen, and Morten Lund, who was also one of the early investors behind **Skype**. The online service was launched in June 2006 and now, four months later, ZYB has already placed itself solidly on top of the global scene for mobile backup services. ZYB presents a surprisingly simple solution for mobile phone users to securely backup their personal data. The service also has unique social networking capabilities by allowing users to share the personal content stored on their mobile with others and receive updated contact details and calendar events directly on the mobile.

**Natural Convergence** Inc, one of Ottawa's lowest-profile start-ups, has raised US\$10 million in new capital to drive sales of voice-over-Internet communication services to small business. The five-year-old company said

its **Silhouette** software revenues are now in the millions of dollars and it hopes to turn profitable in 2007. But because cable and phone company customers sell and host the service under their own names, Natural Convergence gets little opportunity to announce big deals. The result is that while Natural Convergence has a Silhouette, it has virtually no public profile. The company, which rose from the ashes of **Nortel's** former Extreme Voice division, certainly knows how to stretch money, getting the last funding 28 months ago — a long stretch for start-ups. Natural Convergence said it has 10,000 active users of voice-over-Internet lines in small businesses in Canada, the US, Britain, the Netherlands and the Caribbean.

The **Technology Development Fund** (TDF), a venture capital fund propelling the growth of innovative, early-stage Egyptian companies in the field of information technology, has selected nine companies exhibiting well-researched, viable and innovative plans for inclusion in the fund, *AME Info* reported. The fund, managed by **EFG-Hermes Private Equity**, owned by financial group **EFG-Hermes**, provides the chosen companies with venture capital financing, strategic support services - including strategic and financial planning, partner identification,

management consulting and legal counselling - as well as incubation facilities in Egypt's Smart Village. Established by EFG-Hermes Private Equity and Telecom Egypt, **Ideavelopers** acts as the fund's management advisor, assisting in assessing investment opportunities and portfolio management and providing strategic and consulting services to the companies.

**RipCode** Inc announced that it has raised US\$7 million in first-round venture capital financing to develop new high-performance technologies for processing Internet video content. **Hunt Ventures, Vesbridge Partners** and **El Dorado Ventures** co-led the financing round, with participation by **ATA Ventures**. Based in Dallas and Austin, RipCode is a video equipment manufacturer that develops products to accelerate the repurposing of video content including **Mobile TV**, social networking video, and studio-based productions. The company is focused on eliminating the physical barriers now restricting content from being viewed on multiple viewing mediums.

**GoPets** has received a strategic investment from **Liberty Media** Corp (LCAPA). Other key investors in GoPets include China's **Tencent Holdings** Limited and Korea's **Nexon** Corp.

## IPOs: Week of November 20 - November 22

| Ticker | Name                      | IPO Date    | Gross Proceeds | IPO Price | Nov 22 Price | Shares Offered | Spread % | Spread Total (\$) | Manager                    |
|--------|---------------------------|-------------|----------------|-----------|--------------|----------------|----------|-------------------|----------------------------|
| SPR    | Spirit AeroSystems Hldngs | 22-Nov-2006 | 1,432.2        | 26.00     | 28.80        | 55.08          | 5.00     | 71.61             | Credit Suisse First Boston |
| AER    | AerCap Holdings N.V.      | 21-Nov-2006 | 600.3          | 23.00     | 22.37        | 26.10          | 7.30     | 43.82             | Morgan Stanley             |
| WLDN   | Willdan Group Inc.        | 21-Nov-2006 | 29.0           | 10.00     | 10.82        | 2.90           | 3.50     | 1.02              | Wedbush Morgan Sec.        |
| FSLR   | First Solar Inc.          | 20-Nov-2006 | 400.0          | 20.00     | 26.00        | 20.00          | 6.20     | 24.80             | Credit Suisse First Boston |

Tencent provides a large range of China-based Internet and mobile value added services, such as instant messaging, online games and virtual pets. Nexon is the operator of **Crazyracing Kartrider** in Korea. Based in Korea, GoPets is a world of interactive 3D pets that roam freely across the Internet, visiting desktops of community members to socialize, play games and create global friendships among GoPets players.

Nashville's **Richland Ventures** has led a US\$6.5 million supplemental round of investment into a former First American banker's computer recycling company, with **Clayton Associates** of Nashville also among the VC firms taking part. The equity infusion funded Jackson, Mississippi-based **Intechra Holding Corp's** purchase of another IT disposal firm last week. Chip Slack, a one-time executive vice president at Nashville's First American Corp. and previously a physician practice management consultant locally, led a buyout and turnaround effort at Intechra that began in 2004. Richland and Clayton both took part in a prior US\$12 million financing last January. After last week's acquisition, Intechra expects annualized revenues of US\$55 million. Louisville's Chrysalis Ventures, which has invested in such local firms as **Cybera**, **FWI/Verusmed** and **HCCA Holdings**, is also in on the deal, as is **SJF Ventures** of Durham, NC.

Bahrain-based investment bank **Venture Capital Bank** has partnered with **Global Emerging Markets**, a US private equity firm, to acquire a substantial stake in MENA-based oil drilling contractor **Challenger**. This is one of the first companies acquired by **MENA Fund**, the US\$250 million fund co-managed by VC Bank and GEM Challenger provides drilling and work-over services of oil, gas

and water wells through 22 rigs in Libya.

**Skelta Software**, a privately held software product company headquartered in Bangalore, India and a **BPM Workflow** vendor specializing in enterprise-wide **Business Process Management** (BPM) workflow software solutions for small to large-sized businesses worldwide announced that it has secured US\$1.5 million in venture capital funding from **SIDBI Venture Capital** Limited (SVCL). Skelta will utilize the funds to further broaden product development, and expand its sales and marketing efforts.

**Intematix**, a next-generation materials research and development firm, raised US\$16.5 million in a third venture round led by **Crosslink Capital** and **Samsung Ventures**. Also participating in the financing was new investor **Presidio STX**, a subsidiary of **Sumitomo**, and existing investors **Draper Fisher Jurvetson**, **East Gate Capital** and **Pacifica Fund**. Intematix sells display phosphors, lighting devices based on substances that exhibit the phenomenon of phosphorescence — a sustained glowing after exposure to light or energized particles such as electrons.

**ClairMail** raised US\$12 million in a second round of venture funding led by **JAFCO Ventures**, a venture capital firm specializing in investments for early expansion-stage technology companies. Previous investors **Norwest Venture Partners** and **Outlook Ventures** also participated in the financing. Founded in 2004, ClairMail is developing mobile phone-based customer interaction products that allow mobile customers to retrieve and update information from any application by way of a cell phone. Its service enables a two-way channel

between mobile phones and financial institutions via text messaging. The services are designed to help increase productivity among mobile workforces.

**Ekahau** raised US\$16 million including US\$12 million in a second venture round and US\$4 million of venture loans and government funding. New investors include several large international investors, with founding investor **Nexit Ventures** participating. Other investors include **3M**, **Finnish Industry Investment**, **Sampo Group**, the **Finnish Funding Agency for Technology and Innovation** TEKES, along with individual investors. Ekahau supplies software to help businesses manage asset utilization, process work flows, and employee safety and security. Founded in 2000, Ekahau has operations in Saratoga, Reston, Virginia, Finland and Hong Kong.

Network identity management firm **A10 Networks** raised US\$9 million in a second round of venture funding including financing from new investors **Enspire Capital**, **H&Q/Asian Pacific** and **Miven Ventures**, which joined existing investors **Triton Ventures** and **Harbinger Venture** in the round. The new financing increases the total investment in A10 Networks to US\$16 million since its formation 24 months ago. The proceeds will be used to prepare for new product introductions in January of 2007. The company plans to relocate its corporate headquarters to 2309 Bering Drive in San Jose later this month.

**Solaicx** raised US\$3 million in a round of funding from **Applied Ventures**, the venture capital fund of **Applied Materials** of Santa Clara, the largest manufacturer of semiconductor

manufacturing equipment. Solaicx is developing breakthrough manufacturing technology to be used by the photovoltaic industry to produce low-cost, high-efficiency silicon wafers used in solar cells.

**Ciranova**, a Santa Clara developer of electronic design tools for the layout of analog and custom integrated circuits, raised US\$4 million in a third round of financing led by **AsiaTech Management** with participation from previous investors, Alloy Ventures and US Venture Partners. This brings Ciranova's total funding to US\$14.75 million since it was founded in 2002.

**Lifespring Health Network** of Palo Alto raised US\$2 million from **Annex Ventures**. Lifespring is a consumer-based loyalty program designed to help members reduce costs of health insurance, health care, and health-related products and services.

**Cambridge Devices**, a medical device company that develops real-time pathology solutions, has completed a US\$2.5 million round of seed funding from **Kodiak Venture Partners**, and welcomes MIT Professor Dr. Anthony Sinskey to its board of directors.

### VC Fundraising

A new company based in Minneapolis — dubbed **Kips Bay Partners** — should begin pumping money into Wisconsin bioscience start-ups by next summer, according to *WisBusiness.com*. Tim Mathison, who worked for five years for **Baird Venture Partners** in Madison, said the firm hopes to make investments of up to US\$10 million in fledgling life-science companies — mainly in the

Midwest.

**Global 1 Investment Holdings** Corp said its first two funds can be launched immediately. It said it has access to immediate disposal of US\$10 million in equity to be used for acquisitions and capital infusions for business combinations.

A venture capital fund aimed at helping Taiwan companies develop their own brands for the international market was launched yesterday in Taipei by Stan Shih, founder of the **Acer Group**. *The China Post* reported November 18. Shih boasted that the fund, titled **Branding Taiwan Venture Capital**, is the first of its kind in the world with the aim of helping products bearing Taiwan brands to venture into global markets. It will help Taiwanese companies to harness the country's advantages in innovation and manufacturing to develop their own brands and market them on international markets. With a target size of NT\$2 billion (US\$60.71 million), Shih said half of the capital has already been raised from its founders, including Shih's **iD Soft Capital Group**, which undertook a stake of 10%, the **Ministry of Economic Affairs**, which chipped in 30% of the stake, and the **Taiwan External Trade Development Council**, which came up with 15% of the stake.

### Notes

Third-quarter venture capital investment in New England was down 10.6%, year over year, according to the **MoneyTree Report** from **PricewaterhouseCoopers** LLP and the **National Venture Capital Association**. New England venture capital funding in totaled US\$578.1 million in the three-month period ending

September 30, based on 87 deals with an average deal size of US\$6.64 million. The top funding rounds involving local companies included **IBRIX** Inc, a Billerica-based enterprise software maker, which raised US\$14 million; **InfraReDx** Inc, a Burlington-based developer of heart-ailment technologies, which raised US\$10.4 million; and **Mintera** Corp, an Acton-based developer of photonic transport systems, which raised just over US\$10 million.

A *Financial Times* article argued that VC in Silicon Valley is on the verge of a shake-up as old-timers, whose firms have helped build some of the world's most innovative companies, prepare to hand the reins to a new generation. The trend is being amplified by a hangover of capital from funds raised during the dotcom boom and a bleak market for initial public offerings that have combined to drive down returns, industry veterans say. The result has been a bout of soul-searching as people who made money during the first dotcom boom question whether they want to remain in a business where it is increasingly hard to hit a big payday. Recent months have seen a series of departures by partners at well-known Valley VC firms. While some have left to begin new projects of their own, others are expected to hang up their spurs. The result is likely to be a shake-up among the leading participants in an industry where the top quartile of VC firms has traditionally accounted for the vast majority of returns. "Five years from now, when you look at who people think are the top firms, there will be at least 50 per cent turnover of what the list was five years ago," said Clint Harris, founder and managing partner of **Grove Street Advisors**.

## Banking & Finance

### **Toronto-Dominion Bank agreed to acquire TD Banknorth Inc**

Toronto-Dominion Bank has agreed to acquire the 43% stake it does not own in TD Banknorth Inc for approximately US\$3.2 billion in cash. Under the terms of agreement, Toronto-Dominion Bank will acquire the remaining shares for US\$32.33 each. This price represents about a 6.5% premium over TD Banknorth Inc's November 17, 2006 close price of US\$30.35. The acquisition will give TD Banknorth Inc's shareholders an opportunity to realize fair value for their shares, while Toronto-Dominion Bank shareholders get the long term benefits of 100% ownership of a US banking business. The deal is expected to close in March or April 2007. The financial advisors in the deal include: Sandler O'Neill & Partners LP for TD Banknorth Inc, Goldman Sachs & Co for Toronto-Dominion Bank, TD Securities for Toronto-Dominion Bank. The legal advisors in the deal include: Simpson Thacher & Bartlett LLP for Toronto-Dominion Bank, Wachtell Lipton Rosen & Katz for TD Banknorth Inc.

## Banking & Finance

### **Stifel Financial Corp agreed to acquire First Service Financial Co (Missouri)**

Stifel Financial Corp agreed to acquire First Service Financial Co and its subsidiary FirstService Bank in St. Louis, Missouri for about US\$38 million in cash. The consideration represents two times FSFC'S fully

converted equity at September 30, 2006. FirstService Bank had approximately US\$130 million in assets.

## Banking & Finance

### **Cathay General Bancorp agreed to acquire United Heritage Bank**

Cathay General Bancorp agreed to acquire United Heritage Bank in Edison, New Jersey for US\$9.4 million in cash. UHB, which was founded in 1997, had total assets of about US\$60.4 million, loans of US\$40 million, deposits of US\$55.2 million and shareholders equity of about \$5 million as of September 30, 2006.

## Broadcasting

### **Comcast Corp agreed to acquire E! Entertainment Television Inc from The Walt Disney Co**

Comcast Corp acquired the remaining 39.5% stake in E! Entertainment Television Inc from The Walt Disney Co for approximately US\$1.2 billion. Prior to the transaction, Comcast Corp owned 60.5% of E! Entertainment Television Inc. In addition, the two companies entered into long-term distribution agreements that extend their relationship into the next decade for the 10 ABC-owned broadcast television stations and Disney's networks and services.

## Brokerage, Investment & Mgmt. Consulting

### **Nightingale Acquisition Ltd agreed to acquire London Stock Exchange Group Plc through a**

## tender offer

Nightingale Acquisition Ltd, a subsidiary of The NASDAQ Stock Market Inc, agreed to acquire via tender offer the remaining 74.6% stake in the London Stock Exchange Group Plc's share capital, of which 25.4% is already owned by The NASDAQ Stock Market Inc, for approximately GB£2.0 billion (US\$3.8 billion) in cash. Under the terms of the agreement, Nightingale Acquisition Ltd will offer approximately GB£12.43 (US\$23.55) for each LSE ordinary share. In addition, a B share offer is being made where approximately GB£2.00 (US\$3.79) will be paid for every LSE B share. The acquisition provides The NASDAQ Stock Market Inc with a global presence and will increase services offered to companies, traders, and investors. The NASDAQ Stock Market Inc believes that the combined companies will be well positioned to lead further consolidation in addition to competing effectively with any transatlantic or European combination. Pending the offer becoming unconditional LSE shares will be de-listed and cancelled from trading. Following the announcement of the offer, the board of London Stock Exchange Group Plc has rejected the offer and believes it undervalues the company. The financial advisors in the deal include: Merrill Lynch & Co Inc for London Stock Exchange Group Plc, Greenhill & Co Inc for Nightingale Acquisition Ltd, Greenhill & Co Inc for The

NASDAQ Stock Market Inc.

## **Brokerage, Investment & Mgmt. Consulting**

### **Bank of America Corp agreed to acquire US Trust Corp from Charles Schwab Corp**

Bank of America Corp agreed to acquire US Trust Corp from The Charles Schwab Corp for US\$3.3 billion in cash. US Trust Corp is one of the largest firms focused exclusively on managing wealth for high net worth and ultra high net worth individuals and families. The Company has 2,100 employees in 33 locations and has approximately US\$94 billion of assets under management and total client assets of US\$159 billion, or 12% of Schwab's US\$1.33 trillion in total client assets as of month-end September 2006. Through the first nine months of 2006, US Trust represented 17% of Schwab's revenue and 10% of pre-tax income. US Trust will be integrated into The Private Bank of Bank of America under the direction of Peter K. Scaturro, currently the chief executive of US Trust following the deal. The transaction is expected to close on March 31, 2007.

## **Brokerage, Investment & Mgmt. Consulting**

### **New England Bancshares Inc agreed to acquire First Valley Bancorp Inc**

New England Bancshares Inc has agreed to acquire First Valley Bancorp Inc for approximately US\$24.1 million in cash and stock. Under the terms of agreement, New England Bancshares Inc will pay US\$9.00 in cash and give

0.8907 of its shares for each share of First Valley Bancorp Inc stock. This equates to about a US\$20.13 per share price, which is a 6.5% premium over First Valley Bancorp Inc's November 20, 2006 close price of US\$18.90. The acquisition helps New England Bancshares Inc gain a commercial banking presence in a desirable market. The deal is expected to be completed in the first quarter of 2007. The financial advisors in the deal include: Keefe Bruyette & Woods Inc for New England Bancshares Inc, Ostrowski & Co Inc for First Valley Bancorp Inc. The legal advisors in the deal include: Tyler Cooper & Alcorn for First Valley Bancorp Inc, Muldoon Murphy & Aguggia LLP for New England Bancshares Inc.

## **Computer Software, Supplies & Services**

### **Akamai Technologies Inc agreed to acquire Nine Systems Corp**

Akami Technologies Inc issued about 3.1 million shares of Akami common stock and US\$7 million in cash to acquire privately-held rich media production and publishing tool maker Nine Systems Corp in San Diego, California. The deal is valued at approximately US\$159.7 million. The deal is expected to close by the end of 2006.

## **Computer Software, Supplies & Services**

### **Microsoft Corp agreed to acquire a minority stake in Tata Consultancy Services China Co from Tata Consultancy Services Ltd**

Microsoft Corp agreed to acquire a 10.0% minority stake in Tata

Consultancy Services China Co from Tata Consultancy Services Asia Pacific Pte Ltd for approximately RMB 9.4 million (US\$ 1.2 million). Singapore based Tata Consultancy Services Asia Pacific is a subsidiary of publicly listed Tata Consultancy Services Ltd. Upon completion, Tata Consultancy Service Asia Pacific will reduce its equity interest in the target to 65.0%; the target's Chinese minority shareholders will hold the remaining 25.0%. Based in Beijing, Tata Consultancy Services China pioneered the entry of Indian IT firms in China in 2002. The company provides IT solution and related consulting services in China.

## **Computer Software, Supplies & Services**

### **Congo Crest Minerals Corp agreed to acquire Wagerphone Inc**

Congo Crest Minerals Corp agreed to acquire Wagerphone Inc for CAD48.9 million (US\$42.3 million) in stock and CAD574,275 (US\$500,000) initial funding for the launch of its lottery initiatives. Wagerphone Inc creates a convergence of multimedia positioned to provide Lotteries with extensible channels of sales and distribution. Congo Crest Minerals Corp recently changed its name to New Wave Mobile Inc.

## **Drugs, Medical Supplies & Equipment**

### **Oakley Inc agreed to acquire Eye Safety Systems Inc**

Oakley Inc agreed to acquire all the assets of Eye Safety Systems Inc for \$110 million in cash. The acquisition is part of Oakley Inc's strategy to accelerate its core optics business. Eye

Safety Systems Inc, which manufactures military, law enforcement and firefighting protective eyewear, is expected to be complementary to Oakley Inc's existing military eyewear platform. The transaction is expected to close in the first half of 2007.

## **Drugs, Medical Supplies & Equipment**

### **Dashtag agreed to buy a minority stake in Fulford India Ltd through a tender offer**

Dashtag, a subsidiary of Schering-Plough Corp, commenced a tender offer to acquire an additional 20% stake in Fulford India Ltd, based in Mumbai, India, for approximately INR448.5 million (US\$10 million) in cash. Under the terms of offer, Dashtag will acquire up to 780,000 shares in Fulford India Ltd at INR575 (US\$12.8) per share. The opening date of the offer is expected to be January 10, 2007, and close on January 28, 2007. Fulford India Ltd manufactures pharmaceuticals in India. The financial advisors in the deal include: AMBIT Corporate Finance Pvt Ltd for Dashtag.

## **Drugs, Medical Supplies & Equipment**

### **Actelion Ltd agreed to acquire CoTherix Inc through a tender offer**

Actelion Ltd has agreed to acquire, via a tender offer, CoTherix Inc for US\$387.6 million in cash. Under the terms of agreement, Actelion Ltd will pay US\$13.50 for each CoTherix Inc outstanding share. This price represents about a 21% premium over CoTherix Inc's November 17,

2006 close price of US\$11.20. CoTherix Inc's Board of Directors has unanimously approved the offer, which is expected to commence on December 8, 2006. The transaction is expected to contribute more than US\$100 million to product revenues in 2007, and also be accretive to cash earnings in 2007, as a result of synergies. The deal is expected to conclude early in the first quarter of 2007. The financial advisors in the deal include: Lehman Brothers Holdings Inc for Actelion Ltd, CIBC World Markets Corp for CoTherix Inc.

## **Electronics**

### **LSI Logic Corp agreed to acquire Metta Technology Inc**

LSI Logic Corp acquired Metta Technology Inc, based in San Jose, California, for approximately US\$7 million in cash. Metta Technology Inc is engaged in the business of manufacturing semiconductors and developing software for consumer electronic products with offices in Pune, India. The target employs approximately 60 people.

## **Food Processing**

### **CJ Corp agreed to acquire Omni Food Inc**

CJ Corp agreed to acquire an 85% stake in Omni Food Inc for approximately \$6.8 million in stock. The number of shares of Omni Food Inc to be purchased in the acquisition is 850. The transaction will enable CJ Corp to enhance its presence in the US processed food market.

## **Leisure & Entertainment**

### **Ultimate Resort LLC agreed to acquire Tanner & Haley Resorts**

Ultimate Resort LLC signed an agreement to acquire the assets of Tanner & Haley Resorts for approximately \$98.0 million in cash. The acquisition will create the second-largest destination club business in the industry. Tanner & Haley Resorts, which operates three luxury destination clubs, filed for Chapter 11 bankruptcy protection on July 23, 2006. A vast majority of the employees of Tanner & Haley Resorts will be retained by Ultimate Resort LLC.

## **Mining & Minerals**

### **Norilsk Nickel MMC JSC agreed to acquire OM Group Inc's Nickel Business from OM Group Inc**

Norilsk Nickel MMC JSC has agreed to acquire the assets and operations of OM Group Inc's Nickel Business for US\$408 million in cash. The transaction is part of OM Group Inc's previously stated objective to monetize its nickel business, which it has deemed as a non-core asset. The deal is expected to close in the first quarter of 2007. The financial advisors in the deal include: UBS AG for Norilsk Nickel MMC JSC. The legal advisors in the deal include: Jones Day for OM Group Inc.

## **Miscellaneous Services**

### **Kenexa Corp agreed to acquire Psychometric Services Ltd**

Kenexa Corp agreed to acquire Psychometric Services Ltd for approximately GB£7.6 million (US\$14.4 million). The acquisition expands Kenexa Corp's international infrastructure and extends Kenexa's value proposition. Kenexa Corp also expects to increase its product line

and customer list from the acquisition.

## **Miscellaneous Services**

### **Euronet Worldwide Inc agreed to acquire RIA Envia Inc**

Euronet Worldwide Inc has agreed to acquire RIA Envia Inc for US\$490 million in cash and stock. Under the terms of agreement, RIA Envia Inc will receive US\$380 million in cash and US\$110 million in Euronet Worldwide Inc stock. The acquisition is expected to create numerous opportunities for Euronet Worldwide Inc, including the ability to provide money transfer services to a portion of Euronet's 157,000 prepaid top-up locations and to provide prepaid services through RIA Envia Inc's stores and agents worldwide. The deal is expected to close during the first quarter of 2007.

## **Plastics & Rubber**

### **Lakeland Industries Inc agreed to acquire Rfb Latex Pvt Ltd's Industrial Glove Business**

Lakeland Industries Inc agreed to acquire the latex glove business and assets of RFB Latex Pvt Ltd, based in Noida, India, for approximately INR152.6 million (US\$3.4 million). RFB Latex Pvt Ltd is engaged in the business of manufacturing industrial gloves in India.

## **Plastics & Rubber**

### **Jabil Circuit Taiwan Ltd agreed to acquire Taiwan Green Point Enterprises Co Ltd through a tender offer**

Jabil Circuit Inc, a NYSE listed electronic components developer, through its wholly owned subsidiary

Jabil Circuit Taiwan Ltd, offered to acquire 265.2 million ordinary shares, representing 100% stake in Taiwan Green Point Enterprises Co Ltd for approximately TWD 28.9 billion (US\$ 879.6 million) in cash. Under the terms of tender offer agreement, Jabil will acquire the entire Taiwan Green Point ordinary shares at TWD 109.0 (US\$ 3.3) per share; the offer price represents an estimated 3.8% premium to target's closing price on November 22, 2006. Upon completion, publicly listed Taiwan Green Point will be merged into the operation of Jabil Circuit Taiwan and bidder will seek to de-list Taiwan Green Point from the Taiwan Stock Exchange. Per the agreement, bidder will also take over target's nine production plants in Asia, including seven in China, one in Taiwan and one in Malaysia. Taiwan Green Point is principally engaged in advanced plastic materials production; the products are mainly used to produce wireless device casings. This acquisition is part of bidder's strategy to provide sector-specific supply chain solutions to its diversified base of customers. The tender offer will commence on November 23 2006 and will remain open for 50 days.

## **Plastics & Rubber**

### **FuturaGene Plc agreed to acquire CBD Technologies Inc**

FuturaGene Plc has reached a conditional agreement to acquire CBD Technologies Inc for approximately US\$5.8 million in stock. Under the terms of agreement, FuturaGene Plc will issue 4.95 million new shares to CBD Technologies Inc, and if certain conditions and revenue

targets are met, it will issue another 6.67 million shares. CBD Technologies Inc enables plants to grow faster and improves their fibre properties. The combination of the two technologies has the potential to develop a range of crops which grow faster with increased biomass in more hostile conditions than native crops.

## **Primary Metal Processing**

### **Evrax Group SA agreed to acquire Oregon Steel Mills Inc through a tender offer**

Evrax Group SA has agreed to acquire, via a tender offer, Oregon Steel Mills Inc for US\$2.3 billion in cash. Under the terms of agreement, Evrax Group SA will pay US\$63.25 for each outstanding share of Oregon Steel Mills Inc. This represents about a 7% premium over Oregon Steel Mills Inc's November 17, 2006 close price of US\$58.96. The acquisition will provide Evrax Group SA with a solid platform as a footprint in North America. Oregon Steel Mills Inc's Board of Directors has unanimously recommended that its shareholders accept the offer, which is expected to commence during the week of November 27, 2006. The financial advisors in the deal include: Credit Suisse (US) for Evrax Group SA, KeyBanc Capital Markets for Oregon Steel Mills Inc, UBS AG for Oregon Steel Mills Inc. The legal advisors in the deal include: Jones Day for KeyBanc Capital Markets, Cleary Gottlieb Steen & Hamilton LLP for Evrax Group SA, Covington & Burling for Oregon Steel Mills Inc, Schwabe Williamson & Wyatt for Oregon Steel Mills Inc.

# Breaking US PE Deals

## **Brokerage, Investment & Mgmt. Consulting**

### **The Blackstone Group LP agreed to acquire Equity Office Properties Trust**

The Blackstone Group LP has agreed to acquire Equity Office Properties Trust for approximately US\$17 billion in cash. Under the terms of agreement, The Blackstone Group LP will pay US\$48.50 for each share of Equity Office Properties Trust. The price represents about an 8% premium over Equity Office Properties Trust November 17, 2006 close price of US\$44.72. The transaction maximizes value for Equity Office Properties Trust's shareholders and enhances The Blackstone Group LP's existing platform. Equity Office Properties Trust's Board of Trustees has already approved the deal, and it is expected to close in the first quarter of 2007. The financial advisors in the deal include: Bear Stearns & Co Inc for The Blackstone Group LP, Merrill Lynch & Co Inc for Equity Office Properties Trust, Bank of America Corp for The Blackstone Group LP, The Blackstone Group LP for The Blackstone Group LP, Morgan Stanley & Co Inc for The Blackstone Group LP, Goldman Sachs & Co for The Blackstone Group LP. The legal advisors in the deal include: Sidley Austin LLP for Equity Office Properties Trust, Simpson Thacher &

Bartlett LLP for The Blackstone Group LP.

## **Computer Software, Supplies & Services**

### **Netsmart Technologies Inc entered into an agreement to be acquired by private equity firms Insight Venture Partners and Bessemer Venture Partners**

Netsmart Technologies Inc entered into an agreement to be acquired by private equity firms Insight Venture Partners and Bessemer Venture Partners for about US\$108.0 million in cash. Under the terms of the agreement, Netsmart shareholders will receive US\$16.50 per share. The consideration represents an approximate 12.2% premium over Netsmart's closing share price of US\$14.70 on November 17, 2006. The transaction is expected to close in early 2007. Netsmart Technologies, based in Great River, New York, is a leading supplier of enterprise-wide software solutions for health and human services providers. The financial advisors in the deal include: William Blair & Co LLC for Netsmart Technologies Inc. The legal advisors in the deal include: O'Melveny & Myers LLP for Netsmart Technologies Inc /Private Group/, Farrell Fritz for Netsmart Technologies Inc, Patterson Belknap Webb & Tyler LLP for Netsmart Technologies Inc, Proskauer Rose LLP

for Netsmart Technologies Inc /Private Group/.

## **Computer Software, Supplies & Services**

### **Vector Capital Corp has agreed to acquire the Discovery Informatics business and assets from Tripos Inc**

Vector Capital Corp has agreed to acquire the Discovery Informatics business and assets from Tripos Inc for US\$25.6 million in cash. The Discovery Informatics business' software products accelerate scientific research and innovation by allowing scientists to manage, analyze and share critical drug discovery information across the enterprise. The deal is expected to close in the first quarter of 2007. The financial advisors in the deal include: Seven Hills Partners LLC for Tripos Inc. The legal advisors in the deal include: Hogan & Hartson LLP for Tripos Inc.

## **Retail**

### **Leonard Green & Partners LP agreed to acquire David's Bridal Inc and Priscilla of Boston from Federated Department Stores Inc**

Leonard Green & Partners LP, a subsidiary of LGP Management Inc, agreed to acquire Priscilla Of Boston and David's Bridal Inc from Federated Department Stores Inc for \$750 million. David's Bridal Inc and Priscilla

Of Boston will continue under the leadership of the Bridal Group management team. The transaction is expected to close in the first quarter of 2007. In a related deal, Federated Department Stores Inc agreed to sell After Hours Formalwear business to Men's Warehouse for \$100 million. The financial advisors in the deal include: Credit Suisse (US) for Federated Department Stores Inc, Banc of America Securities for Federated Department Stores Inc. The legal advisors in the deal include: Jones Day for Federated Department Stores Inc, Latham & Watkins LLP for Leonard Green & Partners LP.

## Retail

### **Chelsey Direct LLC agreed to acquire Hanover Direct Inc**

The Board of Hanover Direct Inc has unanimously approved an agreement to be taken private by its largest shareholder Chelsey Direct LLC. Under terms of the agreement, Chelsey will acquired for a cash purchase price of US\$0.25 per share for all the shares of Hanover Direct it does not already own. The deal is valued at about US\$1.3 million. Chelsey and its affiliates beneficially own approximately 77% of the common stock after giving effect to the exercise of all outstanding

options and warrants to purchase common stock beneficially owned by Chelsey. In addition, Chelsey is the holder of all of the Series C Preferred Stock, the only outstanding series of preferred stock, which has 100 votes per share. On a fully diluted basis and including the voting rights of the Series C Preferred, Chelsey maintains approximately 92% of the voting rights of the Company. Consequently, Chelsey has sufficient voting power to approve the merger without the vote of any other shareholders. The financial advisors in the deal include: Goldsmith Agio Helms & Co for Hanover Direct Inc.

## Wholesale & Distribution

### **Grey Mountain Partners agreed to acquire SIG Plc's US Business**

Grey Mountain Partners acquired the US business and assets from SIG Plc for US\$51 million in cash. The sale was part of SIG Plc's efforts to focus more on its European operations. The US business only accounted for less than 4% of the company's total sales.

## November 20 - November 24

For a deal to be included on Flashwire's official US M&A deal list, the following criteria to be met: (1) A formal transfer of ownership of at least 5.0% of a company's equity; and (2) At least one party in the agreement is a US entity. Please note: We may cover stories outside of this list in any given issue of Flashwire Weekly.

| Announced | Seller<br>(Unit Sold)                                      | Buyer Name<br>Target Address  | Deal Size<br>(\$mm) | Target<br>Ownership | Buyer Phone<br>Buyer Website<br>Contact Name<br>Contact Title            | Target Phone<br>Target Website<br>Contact Name<br>Contact Title | Seller<br>SIC | Percent<br>Sought | Method<br>of<br>Payment |
|-----------|--|---|---------------------|---------------------|--|---|---------------|-------------------|-------------------------|
| 11/19/06  | Phelps Dodge Corp.   | Freeport-McMoRan Copper & Gold, Inc.<br>1 North Central Avenue, Phoenix, AZ, US | \$25,796.01         | Public              | 1.504.582.4000<br>Jerene Guidry<br>Projects Coordinator - Communications | 1.602.366.8100<br>Thomas Foster<br>Senior VP/CFO                | 1021          | 100               | Combo                   |
| 11/19/06  | Equity Office Properties Trust                             | The Blackstone Group LP<br>2 North Riverside Plaza, 22nd floor, Chicago, IL, US | \$17,047.07         | Public              | 1.212.583.5000<br>Mikael Salovaara<br>212-836-9839                       | 1.312.466.3300  | 6798          | 100               | Cash                    |
| 11/20/06  | London Stock Exchange Group Plc                            | The NASDAQ Stock Market, Inc.<br>10 Paternoster Square, London, UK              | \$3,789.81          | Public              | 1.212.401.8700   | 44.20.7797.3322<br>Jonathan A G Howell<br>Finance Director      | 6231          | 74.6              | Cash                    |
| 11/20/06  | Charles Schwab Corp.<br>(US Trust Corp.)                   | Bank of America Corp.<br>101 Montgomery Street, San Francisco, CA, US           | \$3,300.00          | Division            | 1.704.386.8486   | 1.415.636.2787<br>Rich Fowler                                   | 6799          | 100               | Cash                    |
| 11/20/06  | TD Banknorth, Inc.   | Toronto-Dominion Bank<br>2 Portland Square, Portland, ME, US                    | \$3,176.46          | Public              | A Charles Baillie Jr<br>Chairman/CEO                                     | 1.207.761.8500  | 6022          | 43.0              | Cash                    |
| 11/20/06  | Oregon Steel Mills, Inc.                                   | Evrz Group SA<br>1000 Southwest Broadway, Suite 2200, Portland, OR, US          | \$2,265.54          | Public              |  | 1.503.223.9228  | 3312          | 100               | Cash                    |
| 11/21/06  | The Walt Disney Co.<br>(E! Entertainment Television, Inc.) | Comcast Corp.<br>500 South Buena Vista Street, Burbank, CA, US                  | \$1,230.00          | Division            | 1.215.665.1700   | 1.818.560.1000<br>John Dreyer<br>1-818-560-5300                 | 4841          | 39.5              |                         |
| 11/22/06  | Taiwan Green Point Enterprises Co. Ltd.                    | Jabil Circuit, Inc.<br>Shen-Lin Road, Ta-Ya 428, 256 Sector 1, Taichung, TW     | \$881.64            | Public              | 1.727.577.9749<br>William D Morean<br>Chairman                           | 886.4.2566.6123   | 3089          | 100               | Cash                    |
| 11/22/06  | Linde AG<br>(Linde AG /US Bulk Gas Business)               | Airgas, Inc.<br>Abraham-Lincoln-Strasse 21, Wiesbaden, DE                       | \$495.00            | Division            | Melissa Nigro<br>Investor Relations                                      | 49.611.770.0<br>Gerhard Full<br>Chairman                        | 2813          | 100               | Cash                    |

| Announced | Seller<br>(Unit Sold)                                   | Buyer Name<br>Target Address   | Deal Size<br>(\$mm) | Target<br>Ownership | Buyer Phone<br>Buyer Website<br>Contact Name<br>Contact Title | Target Phone<br>Target Website<br>Contact Name<br>Contact Title | Seller<br>SIC | Percent<br>Sought | Method<br>of<br>Payment |
|-----------|---|--|---------------------|---------------------|---|---|---------------|-------------------|-------------------------|
| 11/21/06  | RIA Envia, Inc.   | Euronet<br>Worldwide, Inc.<br>13850 Cerritos<br>Corporate Drive,<br>Suite C, Cerritos,<br>CA, US                       | \$490.00            | Private             | Misti Garffie<br>Media Contact                                | 1.562.345.2100  | 7389          | 100               | Combo                   |
| 11/20/06  | OM Group, Inc.<br>(OM Group, Inc.<br>/Nickel Business/) | Norilsk Nickel<br>MMC JSC<br>Tower City, 50<br>Public Square,<br>Suite 3500,<br>Cleveland, OH,<br>US                   | \$408.00            | Division            | 7.095.787.7667<br>Michael Prokhorov<br>General Director       | Greg Griffith<br>Director -<br>Investor<br>Relations            | 1021          | 100               | Cash                    |
| 11/20/06  | CoTherix, Inc.  | Actelion Ltd.<br>5000 Shoreline<br>Court, Suite 101,<br>South San<br>Francisco, CA,<br>US                              | \$387.63            | Public              | 41.61.565.65.65<br>Jean-Paul Clozel<br>CEO                    | 1.650.808.6500  | 2834          | 100               | Cash                    |
| 11/20/06  | Nine Systems Corp.                                      | Akamai<br>Technologies,<br>Inc.<br>10509 Vista<br>Sorrento<br>Parkway, Suite<br>200, San Diego,<br>CA, US              | \$159.68            | Private             | 1.617.444.3000<br>Jeff Young                                  | 1.858.453.0333  | 7371          | 100               | Combo                   |
| 11/20/06  | Comergent<br>Technologies, Inc.                         | AT&T, Inc.<br>1201 Radio Road,<br>Redwood City,<br>CA, US  | \$155.00            | Private             | 1.210.821.4105<br>Kevin Sibbring<br>VP IR 614 793-7019        | 1.650.232.6000<br>Sandra Park<br>Editorial Contact              | 7372          | 100               | Cash                    |
| 11/22/06  | Eye Safety Systems,<br>Inc.                             | Oakley, Inc.<br>P. O. Box 1017,<br>Sun Valley, ID, US  | \$110.00            | Private             | 1.949.951.0991  | 1.208.726.4072  | 3851          | 100               | Cash                    |
| 11/20/06  | Netsmart<br>Technologies, Inc.                          | Netsmart<br>Technologies,<br>Inc. /Private<br>Group/<br>3500 Sunrise<br>Highway, Suite<br>D122, Great River,<br>NY, US | \$108.04            | Public              |   | 1.631.968.2000  | 7372          | 100               | Cash                    |
| 11/21/06  | Tanner & Haley<br>Resorts                               | Ultimate Resort<br>LLC<br>285 Riverside<br>Avenue,<br>Westport, CT, US   | \$98.00             | Private             | 1.407.483.1900  | 1.203.226.6417  | 7041          | 100               | Cash                    |
| 11/21/06  | SIG Plc<br>(SIG Plc /US<br>Business/)                   | Grey Mountain<br>Partners<br>Hillsbrough<br>Works, Longsett<br>Road, Sheffield,<br>UK                                  | \$51.00             | Division            | 1.212.588.8845  | 44.114.2856300<br>Gareth Davies<br>Finance Director             | 5033          | 100               | Cash                    |

| Announced | Seller<br>(Unit Sold)   | Buyer Name<br>Target Address  | Deal Size<br>(\$mm) | Target<br>Ownership | Buyer Phone<br>Buyer Website<br>Contact Name<br>Contact Title | Target Phone<br>Target Website<br>Contact Name<br>Contact Title | Seller<br>SIC | Percent<br>Sought | Method<br>of<br>Payment |
|-----------|---|---|---------------------|---------------------|---|---|---------------|-------------------|-------------------------|
| 11/22/06  | Wagerphone, Inc.  | Congo Crest Minerals Corp.<br>3555 Don Mills Road, Suite 18-178, Toronto, CA              | \$42.82             | Private             | 1.866.591.9500  | 1.416.276.0306  | 7372          | 100               | Stock                   |
| 11/20/06  | First Service Financial Co. (Missouri)  | Stifel Financial Corp.<br>9895 Watson Road, St. Louis, MO, US                             | \$38.00             | Private             |   |   | 6022          | 100               | Cash                    |
| 11/20/06  | Tripos, Inc. (Tripos, Inc. /Discovery Informatics Business/)                          | Vector Capital Corp.<br>1699 South Hanley Road, St. Louis, MO, US                         | \$25.60             | Division            | 1.415.293.5000  |   | 7372          | 100               | Cash                    |
| 11/21/06  | Schonfeld Group Holdings LLC (Schonfeld Securities LLC /Clearing Business/)           | Penson Worldwide, Inc.<br>One Jericho Plaza, 3rd Floor, Jericho, NY, US                   | \$24.57             | Division            | 1.214.765.1100  |   | 7389          | 100               | Stock                   |
| 11/21/06  | First Valley Bancorp, Inc.  | New England Bancshares, Inc.<br>4 Riverside Avenue, Bristol, CT, US                       | \$24.05             | Public              |   | 1.860.582.8868  | 6712          | 100               | Combo                   |
| 11/22/06  | United Industrial Corp. (New York) (Detroit Stoker Co.)                               | DSC Services, Inc.<br>570 Lexington Avenue, New York, NY, US                              | \$22.40             | Division            |   | James Perry<br>VP/CFO/Treasurer                                 | 3433          | 100               | Combo                   |
| 11/20/06  | Software Performance Systems, Inc. (Software Performance Systems, Inc. /Federal Bus/) | McDonald Bradley, Inc.<br>7905 Malcolm Road, Suite 200, Clinton, MD, US                   | \$18.50             | Division            | 1.703.326.1000<br>Kenneth R Bartee                            | 1.240.949.8800  | 7372          | 100               |                         |
| 11/20/06  | The Connection Co.  | SAIA, Inc.<br>1535 Georgesville Road, Columbus, OH, US                                    | \$17.50             | Private             | 1.816.960.3664  | 1.614.851.1900  | 4731          | 100               |                         |
| 11/20/06  | Psychometric Services Ltd.  | Kenexa Corp.<br>Hygeia Building, 66-68 College Road, Harrow, UK                           | \$14.42             | Private             | 1.610.971.9171  | 44.20.8585.2345   | 7361          | 100               |                         |
| 11/20/06  | Pro Tech Monitoring, Inc.   | Dmatek Ltd.<br>2549 Success Drive, Odessa, FL, US   | \$12.50             | Private             | 972.3.767.1700  | 1.727.484.3100  | 9711          | 100               | Cash                    |
| 11/22/06  | Fulford India Ltd.  | Schering-Plough Corp.<br>Eureka Towers, Mindspace, Malad Link Road, 8th floor, Mumbai, IN | \$10.01             | Public              | 1.908.298.4000<br>Geraldine U Foster                          | 91.22.66983800  | 2834          | 20.0              | Cash                    |

| Announced | Seller<br>(Unit Sold)   | Buyer Name<br>Target Address  | Deal Size<br>(\$mm) | Target<br>Ownership | Buyer Phone<br>Buyer Website<br>Contact Name<br>Contact Title | Target Phone<br>Target Website<br>Contact Name<br>Contact Title | Seller<br>SIC | Percent<br>Sought | Method<br>of<br>Payment |
|-----------|---|---|---------------------|---------------------|---|---|---------------|-------------------|-------------------------|
| 11/21/06  | United Heritage Bank<br>/NJ/  | Cathay General<br>Bancorp<br>1769 Route 27,<br>Edison, NJ, US                         | \$9.40              | Private             | 1.213.625.4700  |   | 6022          | 100               | Cash                    |
| 11/21/06  | CBS Corp.<br>(WSJS-AM / WMFR-<br>AM / WSML-AM)                                | Curtis Media<br>Group<br>51 West 52nd<br>Street, New York,<br>NY, US                  | \$8.38              | Private             | 1.919.790.9392  | 1.212.975.4321  | 4832          | 100               |                         |
| 11/21/06  | Metta Technology,<br>Inc.   | LSI Logic Corp.<br>100 Century<br>Center Court,<br>Suite 650, San<br>Jose, CA, US     | \$7.00              | Private             | 1.866.574.5741<br>Yee Campbell<br>President/CEO               | 1.408.437.9000  | 3674          | 100               | Cash                    |
| 11/20/06  | Omni Food, Inc.   | CJ Corp.<br>6305 Alondra<br>Boulevard,<br>Paramount, CA,<br>US                        | \$6.80              | Private             | 82.2.726.8114   | 1.562.531.2625  | 2099          | 85.0              | Stock                   |
| 11/24/06  | CBD Technologies,<br>Inc.   | FuturaGene Plc<br>P. O. Box 484,<br>Bergenfield, NJ,<br>US                            | \$5.79              | Private             | 44.20.7291.3700   | 1.201.816.9204  | 2823          | 100               | Stock                   |
| 11/22/06  | Rfb Latex Pvt Ltd.<br>(RFB Latex Pvt Ltd.<br>/Industrial Glove<br>Business/)  | Lakeland<br>Industries, Inc.<br>24 Noida Special<br>Economic Zone,<br>Noida, IN       | \$3.41              | Division            | 1.631.981.9700  | 91.120.256.2124   | 3069          | 100               |                         |
| 11/20/06  | Naluri Corp. Bhd.<br>(Asian Composites<br>Manufacturing Sdn.<br>Bhd.)         | Hexcel Corp.<br>8th Floor, Menara<br>TR, 161B, Jalan<br>Ampang, Kuala<br>Lumpur, MY   | \$1.92              | Private             | 1.203.969.0666<br>William Meeham<br>Executive VP / CFO        | 60.3.2162.0878  | 3728          | 8.3               | Cash                    |
| 11/20/06  | Naluri Corp. Bhd.<br>(Asian Composites<br>Manufacturing Sdn.<br>Bhd.)         | The Boeing Co.<br>8th Floor, Menara<br>TR, 161B, Jalan<br>Ampang, Kuala<br>Lumpur, MY | \$1.92              | Private             | 1.312.544.2000<br>Sean ODonnell<br>Senior VP/CFO              | 60.3.2162.0878  | 3728          | 8.3               | Cash                    |
| 11/20/06  | Hanover Direct, Inc.  | Chelsey Direct<br>LLC<br>1500 Harbor Blvd,<br>Weehawken, NJ,<br>US                    | \$1.29              | Public              |   |   | 5961          | 23.0              | Cash                    |
| 11/23/06  | Tata Consultancy<br>Services Ltd.<br>(Tata Consultancy<br>Services China Co.) | Microsoft Corp.<br>Air India Bldg,<br>11th Floor,<br>Narima, Mumbai,<br>IN            | \$1.20              | Division            | 1.425.882.8080<br>William Gates<br>Chairman                   |   | 7373          | 10.0              |                         |
| 11/20/06  | IviGene Corp.   | Oragenics, Inc.<br>12085 Research<br>Drive, Alachua,<br>FL, US                        | \$0.23              | Private             | 1.386.418.4018  | 1.386.418.4179  | 2833          | 100               | Stock                   |
| 11/21/06  | Faceyourmate.com,<br>Inc.   | Benacquista<br>Galleries, Inc.<br>US  | \$0.01              | Private             | 1.410.303.9879  |   | 7375          | 100               |                         |

