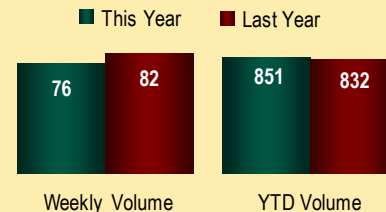


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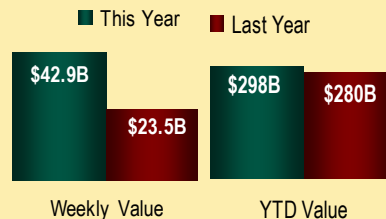
Market Volume

*Includes all deals with disclosed values



Market Values

*Includes all deals with disclosed values



Hot Sectors This Week

- #1 – **Computer Software, Supplies & Services**
(7 Deals)
- #2 – **Drugs, Medical Supplies & Equipment**
(6 Deals)
- #3 – **Brokerage, Investment & Management Consulting**
(6 Deals)

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On the Wire This Week...

Club Deals Not Just for Large-Market Players Anymore

Club deals continue to play a significant role in the private equity market, and while they have been well-documented on large transactions, they are also gaining in popularity on mid-level transactions and even small-level deals.

[\(see page 2 or click here for full story\)](#)

O Canada! US-Canadian Deals Still Singing in 2006

Americans and Canadians have long found each other to be natural partners in cross-border dealmaking and a recent FactSet Mergerstat study shows that combinations between Yanks and Canucks are still going strong.

[\(see page 3 or click here for full story\)](#)

From the Data Room: Top Hunting Grounds for Mega-Deals in 1Q06

What industries have provided the most attractive properties for big-money transactions so far in the first quarter? The answer according to the latest FactSet Mergerstat data: Leisure & Entertainment, Retail, Banking & Finance, Brokerage, Investment & Management Consulting, Drugs, Medical Supplies & Equipment, and Oil & Gas.

[\(see page 4 or click here for full story\)](#)

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Heavyweights of the Week

\$14.8 Capital One strikes another big banking deal
BILLION

\$4.5 The McClatchy Co announces deal for Knight-Ridder
BILLION

\$4.3 Lone Star Funds gets a bid for its stake in KED
BILLION

\$1.8 Watson Pharma lands Andrx Corp in drug deal
BILLION

\$1.4 Pinnacle Entertainment gambles on Aztar
BILLION



Club Deals Not Just for Large-Market Players Anymore

It's no secret that club deals are making more and more sense to many in the private equity industry – at all levels of the deal spectrum.

In today's competitive investment market, they offer more opportunities for firms to put their paws on a deal and allow investors to provide less money and take on less risk. On the flip side, club deals mean sharing assets and helping competitors.

Some call it a “you scratch my back” kind of thing.

“Certainly in the private end of the market, you do see club deals, just as a matter of course,” said Ron Lee, Managing Director and Head of Private Finance in New York at **Houlihan Lokey Howard & Zukin**. “It's such a competitive market, and while lenders are eager to book assets, it often makes sense for them to share deals with other lenders. Doing so enhances the possibility that those other lenders, in return, will share their own deals as well, which in turn, can maximize deal flow. It's also a good way for lenders to diversify and manage their risk,” said Lee.

Just last month **The Blackstone Group** and **Lion Capital LLP** joined forces to buy the European beverages division of **Cadbury Schweppes**.

Back in December, **Ford Motor Co** unloaded its car rental business, **Hertz Corp**, to an investor group including **The Carlyle Group**, **Clayton Dubilier & Rice**, and **Merrill Lynch Global Private Equity** for US\$15 billion.

And although the media places a lot of emphasis on these multi-billion dollar buyout deals, club deals are also making a lot of sense for mid-cap investors.

“We see lots of evidence of mid-market club deals that are orchestrated for leveraged credits,” said Lee. “I'm seeing them more on the mid-sized and

smaller-end of the deal spectrum because those transactions lend themselves more readily to the private market, whereas larger deals have the option to utilize the broadly syndicated loan market or have access to the high-yield market.”

Todd Bomberg, now Chief Investment Officer at hedge fund **MAG Capital LLC**, worked at an investment bank for eight years. “The broader private equity trend that I saw when I was an investment banker was toward doing more club deals in the equity part of the transaction, almost in the way that a VC round would have multiple investors in order to spread risk,” said Bomberg.

Bomberg noticed that within a consortium, there was generally a leader. “When multiple private equity groups get involved in a club deal, from my banking experience, there is always a lead private equity guy and the other investors take a more junior role,” said Bomberg. He said for investors interested in a more hands-on approach, this creates complications from an administrative standpoint.

There are even hedge funds joining together. “In the nine months or so being in the hedge fund world over at MAG, what I see, marketwise, is there are a lot of guys out there doing club deals in which a group of investors finances transactions and pursue separate hedging strategies,” said Bomberg.

Even so, according to Bomberg, MAG is extremely hesitant to get involved in club deals. Although MAG has a tight network of co-investors, “because of our strategy and approach, we really don't participate in syndicated club deals.”

This is a commonly echoed sentiment in the private equity community as well – that while club deals are popular, firms don't always acknowledge being involved in them.

Lee commented on this dichotomy. “I don't know if it is because some lenders simply believe giving up a measure of control of transaction leadership is unattractive, or because some lenders are simply intent on retaining assets for their own portfolio.”

“I'm seeing more [club deals] on the mid-sized and smaller-end of the deal spectrum.”
Ron Lee
Houlihan Lokey Howard & Zukin

But whatever the reason, the popularity of club deals seems to indicate a sensibility of investors willing

to put aside control issues to get a piece (albeit maybe not the biggest piece) of the pie.

O Canada! US-Canadian Deals Still Singing in 2006

Americans and Canadians have long found each other to be natural partners in cross-border dealmaking and a recent FactSet Mergerstat study shows that combinations between Yanks and Canucks are still going strong.

In fact, last year was one of the best on record for US-Canada tie ups. Overall, US-Canada dealmaking rose to 727 in 2005 from 634 in 2004. US buyers gobbled up 365 Canadian companies, the highest number of acquisitions for US buyers since 2000. The same goes for Canadian buyers, who acquired 362 US companies in 2005. That number is only surpassed by 2000 dealflow, as well.

This year, although still strong, isn't topping last year's numbers just yet. Cross-border dealflow has fallen to 129 announcements, down from 164 in 2005 for the same period.

But it's not just about dealflow. Plenty of money is being spent on US-Canada cross-border combinations – especially by US companies. Just this past week, US strategic **General Electric** Co dropped US\$760 million to buy Ontario-based **Zenon Environmental** Inc.

Weil, Gotshal & Manges LLP advised GE on the Zenon deal and Jeff Nadler, a corporate partner with Weil Gotshal in New York, said in a recent interview that he sees plenty of reasons to deal in Canada. In addition to the obvious geographic proximity, Nadler sees similar values and business culture and said its securities regulatory regimes jibe with US dealmakers.

“Canada is a terrific jurisdiction for US cross-border deals. Top Canadian and US executives, business lawyers and investment bankers have very similar expectations on how deals should get done, in terms of documentation, the substantive legal and business issues and how to resolve them,” Nadler said. “When it's an important ‘bet the company’ US - Canadian cross border transaction, one which is exceptionally demanding and pushes both sides to their limits, it's a

real pleasure to know that our Canadian colleagues are of the same mind frame and are as equally driven towards getting to the finish line on a collaborative and cooperative basis.”

In addition to the GE-Zenon deal, other top US buyers of Canadian firms have included **Colony Capital** LLC's partnership with **Kingdom Hotels International** to buy **Fairmont Hotels and Resorts** Inc for US\$3.2 billion; **The Carlyle Group** LLC's US\$1.5 billion agreement to buy **EnCana** Corp; and **Glamis Gold** Ltd's US\$1 billion deal to buy **Western Silver** Corp.

Meanwhile, Canadian buyers of US companies have been a little more spendthrift than their American counterparts this year. The biggest acquisition of a US firm by a Canadian has been **Angiotech Pharmaceuticals** Inc's US\$785 million acquisition of **American Medical Holding** Inc. The second-biggest deal on the list is **Canfor** Corp's US\$205 million purchase of **Esso Rep** from **Exxon Mobil** Corp.

In terms of industries, US buyers still buy Canadian Computer Software, Services & Supplies companies more than any other type of company, though demand over the past year has slackened somewhat. US buyers have announced 13 deals for Canadian Computer Software, Supplies & Services companies this year, compared to 19 for the year-earlier period.

An area where US buyer interest is on the rise is Plastics & Rubber. There have been five deals for Canadian Plastics & Rubber firms in 2006, up from zero for the same period in 2005. The Brokerage, Investment & Management Consulting industry also is getting more attention. US buyers have struck six transactions for Canadian companies in the space in 2006, compared to three for the same period in 2005.

Among Canadian buyers of US companies, Drugs, Medical Supplies & Equipment have been most popular so far in 2006 with five deal announcements

versus none for the same period in 2005. Likewise, there have already been three Transportation deals, whereas there were none at this time last year.

In terms of financial buyer participation, there has been a noteworthy slowdown in cross-border investing from US firms and a slight decrease in

investing from Canadian firms. US financial buyers have announced 36 deals versus just 50 for the same period last year, while Canadian financial buyer activity dropped to 37 announcements from 40 for the same period in 2005.

Top Hunting Grounds for Mega-Deals in 1Q06

What industries have provided the most attractive properties for big-money transactions so far in the first quarter? The answer according to the latest FactSet Mergerstat data: Leisure & Entertainment, Retail, Banking & Finance, Brokerage, Investment & Management Consulting, Drugs, Medical Supplies & Equipment, and Oil & Gas.

Leisure & Entertainment – Buyers have been thinking big in the industry in the first quarter, announcing five deals worth more than US\$1 billion for an aggregate total of US\$14.4 billion.

The hotel market has been one hot spot. In late January, a new wrinkle in the battle for **Fairmont Hotels & Resorts** Inc evolved as the Toronto-based luxury hotel operator found a "white knight" in its bid to fend off a takeover by US financier Carl Icahn – Saudi Arabian Prince Alwaleed bin Talal Abdulaziz Al Saud, one of the richest men in the world. Alwaleed, who owns Canadian firm **Kingdom Hotels International**, partnered with US-based **Colony Capital**, to launch a US\$5.5 billion deal for Fairmont. Two weeks later, another big acquisition sent ripples through the market when privately held **RLJ Development** LLC, controlled by Robert L. Johnson, founder of **BET** and owner of the NBA **Charlotte Bobcats**, revealed that it had signed a definitive agreement to acquire 100 hotels from Merrillville, Indiana-based **White Lodging Services** Corp and its affiliates for approximately US\$1.7 billion to become one of the largest Marriott franchisees in the US.

But hotels haven't been the only industry where big changes were afoot. **The Walt Disney Co** made waves in the movie sector with its deal for **Pixar Animation Studios**. In an effort to infuse its sluggish

animated movie business, Disney lured the creative team at Pixar to become more than a partner in a deal worth US\$7 billion in stock, although nagging questions still remain about how the two distinctly different corporate cultures of both companies will mesh. Meanwhile, **Vivendi Universal** SA made a grab to shore up its control over Southern California-based **Universal Studios** Inc. The French company laid out US\$1.2 billion to buy the 7.66% minority stake it didn't own of Universal from **Matsushita Electric Industrial** Co Ltd.

In more of a gamble, Las Vegas-based casino operator **Pinnacle Entertainment** Inc went all-in to buy Phoenix-based competitor **Aztar** Corp. According to Pinnacle officials, the firm agreed to invest US\$2.1 billion in taking over Aztar as part of the company's plan to grow market share, making it the 10th largest casino operator in the US.

Retail – The fingerprints of financial buyers have been all over the Retail industry's blockbuster deals in the first quarter. Three of the four deals with price tags of more than US\$1 billion have been done by financial buyers.

The buyout of **Albertson's** Inc has been a major highlight. The grocery store chain, which operates about 2,500 stores in 37 US states but which has been struggling against competitors such as **Kroger's** and **Wal-Mart**, agreed to break itself up and be taken over by a consortium of buyers, led by **SUPERVALU** Inc and **CVS** Corp, and an investor group led by **Cerberus Capital Management** LP, including **Kimco Realty**, **Schottenstein Realty Co**, **Lubert-Adler Partners**, and **Klaff Realty** LP. The cost of the transaction was approximately US\$9.6 billion in cash and stock, plus the

assumption of approximately US\$7.7 billion in debt. For its part, Supervalu was slated to take over 1,126 of Albertson's stores, while CVS was given over 700 pharmacies and a distribution center. The group of investors was expected to take control over 655 stores as well as some distribution centers.

Another big private equity buyout in the industry occurred in the family clothing store market, when family-owned **Burlington Coat Factory Warehouse Corp** announced that it had agreed to US\$2.06 billion deal with **Bain Capital Partners**.

Major US-related private equity action in the retail space even reached across the globe when US-based **Texas Pacific Group LLC** saw an opportunity to make a big investment in the department store market in Australia. Through its Australian affiliate, **Newbridge Capital LLC**, Texas Pacific agreed to acquire the **Myer** department-store chain, the largest department store chain in Australia, along with the descendants of founder Sidney Myer, from Australia's **Coles Myer Ltd** for approximately AUD1.4 billion (US\$1 billion). According to the *Australian Financial Review*, Sidney Myer's descendents were able to retain a minority 10% stake in the business, which was reported to have up to 20 unprofitable stores, while the remainder was slated to be owned by Newbridge.

The lone large strategic play in the industry came from salon operator **Regis Corp**, which jumped on the opportunity to grab the Sally Beauty stores and salon distribution unit of **Alberto-Culver Co**, the maker of VO5 hair care products and **St. Ives Swiss Formula**, for US\$2.2 billion. The chance to land the spin off the **Sally Beauty** stores came as part of Melrose, Illinois-based **Alberto-Culver's** strategy to focus its business entirely on consumer packaged goods.

Banking & Finance – In the Banking & Finance industry, the biggest moves have been made in the state banking, credit card, and foreign banking markets in the first quarter.

The big headline-grabber in the industry was **Capital One Financial Corp's** decision last week to buy **North Fork Bancorp Inc**. Capital One, the fourth-biggest credit-card issuer in the US, announced it would

pay US\$14.8 billion in cash and stock to create one of nation's top ten banks, as part of its strategy to lessen its dependence on its credit-card business. That business has faced intense competition from banks offering home equity lines of credit, and although the competition in that arena is expected to lessen with the cooling of the housing market, Capital One appears committed to its new direction, having acquired New Orleans-based bank **Hibernia** last year in a deal worth an estimated US\$5 billion.

But while Capital One was busy diversifying away from its credit card focus, **JPMorgan Chase & Co Inc** was busy building up its presence in the market. The third-largest financial services firm in the US entered into an agreement to acquire the assets of **Kohl's Corp's** private-label credit card business for approximately US\$1.5 billion in cash. The company said it would take over Kohl's Corp \$1.5 billion credit card portfolio, freeing up cash for the retailer to buy back US\$2 billion of its shares.

Overseas, US-based **Lone Star Funds** was engaged in evaluating bids from South Korea's **Kookmin Bank, Hana Financial Holdings Co**, and Singapore's **DBS Group Holdings Ltd** to acquire its 50.5% stake in Korea Exchange Bank. The stake is valued at about KRW4.3 trillion (US\$4.4 billion) and, at that price, would be the largest-ever corporate acquisition in South Korea.

Brokerage, Investment & Management Consulting – The industry has seen three major deals worth more than US\$1 billion in the first quarter worth an aggregate total of US\$13.5 billion.

The largest was **BlackRock Inc's** and **Merrill Lynch & Co's** US\$7.6 billion announcement that they had reached an agreement to merge Merrill Lynch's investment management business, **Merrill Lynch Investment Managers (MLIM)**, and BlackRock to create a new independent company that will be one of the world's largest asset management firms with nearly US\$1 trillion in assets under management. The announcement ended weeks of speculation about the future of BlackRock, which **PNC** of Pittsburgh bought in 1995 for about US\$240 million and grew its assets

under management to US\$453 billion from about US\$24 billion. It will unite the equity-heavy business of Merrill with the mostly fixed-income business of BlackRock. Under the terms of the deal, Merrill Lynch will have a 49.8% interest in BlackRock, while PNC will have a 34% ownership interest in the combined entity, compared to a 70% interest in BlackRock before the deal.

In a move to buy a platform for future investments in the office sector of the real estate market, Chicago-based private equity group **Blackstone Group LP** landed **CarrAmerica Realty Corp**, whose affiliates own, directly or through joint ventures, interests in 285 operating office properties in 12 US markets. Blackstone agreed to pay US\$5.6 billion for CarrAmerica.

And in a conclusion to a long-sought deal that would expand the nation's largest self-storage business, **Public Storage Inc** signed a definitive agreement to acquire **Shurgard Storage Centers Inc** for approximately US\$3.2 billion in cash and stock, plus the assumption of US\$1.8 billion in debt. The acquisition eliminates one of Public Storage's largest competitors and paves the way for cost savings on operations and potential rental growth. It also gives the company a toehold in Europe, where the industry is still in its infancy.

Drugs, Medical Supplies & Equipment – A big pharmaceutical deal and a mandated divestiture were the focus of the two big transactions that have been announced in the industry in the first quarter.

On Monday of last week, **Watson Pharmaceuticals Inc** agreed to buy **Andrx Corp** for US\$1.9 billion, bulking up its generic drug business to keep pace with larger rivals in a rapidly consolidating sector. The deal would make Watson the third-largest US generic pharmaceutical company.

Earlier in the quarter, **Abbott Laboratories** entered into an amended agreement to acquire the assets of **Guidant Corp's** vascular business from **Boston Scientific Corp** for approximately US\$3.8 billion, plus milestone payments of approximately US\$250 million upon approval of Guidant's drug-eluting stent by the

FDA and an additional payment of approximately US\$250 million upon approval in Japan. In January, Boston Scientific triumphed in the acquisition battle for heart device maker Guidant after agreeing to buy the company for US\$27 billion. The deal trumped Guidant's rival suitor **Johnson & Johnson**, which offered a lesser price of US\$24.2 billion. To help avoid regulatory issues, Boston Scientific made a deal with Abbott Laboratories, calling for Abbott to acquire Guidant's vascular intervention and endovascular businesses. Abbot also agreed to share rights to Guidant's drug-eluting stent program with Boston Scientific.

Oil & Gas – The only two announcements that have broken the US\$1 billion mark in the industry in the first quarter occurred on the same day – January 23.

On that day, **W&T Offshore Inc** agreed to acquire **Kerr-McGee Corp's** Gulf of Mexico operations for approximately \$1.3 billion in cash in a combination that was expected to boost Houston-based W&T's proved reserves by 362 billion cubic feet equivalent, or 77%.

Cal Dive International Inc also announced a deal in which it agreed to acquire **Remington Oil & Gas Corp** for approximately US\$1.3 billion in cash and stock. Cal Dive said that it will be changing its corporate name to **Helix Energy Solutions Group Inc** as part of its strategy to move beyond being solely a diving services provider.

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The Gurus of Specialty Finance: One-on-One with Eugene Weil, Co-Founder of Milestone

Q: Please tell me a bit about Milestone.

A: Milestone is a 5-year old company. We just had our fifth birthday a couple of months ago. We are investment bankers to the financial services industry, and we are particularly focused on providing that type of work to specialty finance companies and banks and thrifts, and to a lesser extent, insurance companies. The primary activities that we perform are merger and acquisition advisory work, corporate finance work, raising typically equity or subordinated debt. We also do some restructuring work with distressed companies. A part of our company does principal investing, also focused on those same industries.

Q: I hear Milestone does a lot of deals in the sector.

A: SNL Financial has ranked Milestone Advisors – which is our broker dealer – as the number one merger and acquisition advisory firm to the specialty finance sector, measured by number of transactions, in both in '04 and '05. Some of the Wall Street firms, for example, have done some larger deals, but if you measure it by the actual number of transactions, we've been number one. If you look over the last three years, I'd say we've done almost double the number of deals that our nearest competitors have.

Q: Are there specific sectors Milestone focuses on?

A: We're particularly focused on the specialty finance side of the business. I'll break it into consumer and commercial. On the consumer side, we do a lot of work in the mortgage space. Within that, both on the origination side and the servicing side. On the origination side, we



Eugene S. Weil is a co-founder of Milestone, sits on its Board of Directors and is a member of MMP Capital Partners' Investment Committee. Previously, Mr. Weil was a Managing Director of Friedman, Billings, Ramsey & Co Inc. At FBR, Mr. Weil had significant responsibility for building and supervising the group's M&A and e-Finance investment banking practices, completing approximately 50 transactions during his tenure with the firm. While at FBR, Mr. Weil led several financial institution buyout deals under a streamlined transaction/financing structure that was pioneered by his team. He was previously Senior Vice President and General Counsel of Hovde Financial Inc, a financial services M&A boutique and private hedge fund manager.

do a lot both in the conforming mortgage business and in the sub-prime mortgage business. We also do some work in the auto finance sector and other types of niche consumer finance businesses. On the commercial side, it's really asset-based lenders, factoring companies, commercial real estate financing companies and leasing companies.

We define all of these sectors as specialty finance. In addition to specialty finance, we also focus quite a bit on community banks and thrifts and doing both merger and acquisition work and corporate finance work for them. And then in the insurance space, as well, we focus both in the Property/Casualty sector as well as in the Life/Health sector.

Q: What are the industries that have suddenly been getting a lot of attention?

A: When you look at certain industries, we look at it a little bit differently than other people in the market. When things are going really well in industries, we tend to have less work to do, but when there's margin pressure, when there are credit issues, when there are other things driving lower margins or more credit risk in particular areas, that typically means more work for us.

Right now you've got a situation that is a very flat or an inverted yield curve where short-term rates are at higher rates or equivalent rates to long-term rates, so people who make money on the spread between short-term funding costs and long-term lending yields have lost a lot of that margin, so they're making less money. That means banks are making less money on their portfolios. A mortgage company that makes a loan and holds that loan in a warehouse line and makes money on that loan until it sells it to Wall Street, they're making less money on that warehouse line now. That's just one example of why there's lower margins out

there and more pain, if you will. In times like those, there tends to be a lot more M&A, and that's kind of what we're seeing right now in the mortgage space. There are a lot of things going on right now, both on the M&A side and with these companies needing to raise financing to see them through this rough period. For us, there's a lot of work to do.

You see it also on the bank side. It's not as severe, but you are seeing banks making less money because their margins are getting squeezed and they're starting to see higher rates of delinquency and default in their loan portfolios. I think a lot of those companies are looking at the market, realizing that it's still a pretty good bank M&A market in that the pricing multiples are still relatively high if you look at it historically – not as high as they were a year or a year and a half ago, though. Companies that are starting to feel more pressure on their ability to make as much money as last year are starting to think about selling their bank now. That, again, provides more activity and more work for Milestone.

We're seeing a ton of work in the mortgage space. We're seeing a lot of activity in the commercial finance sector where a number of these commercial finance companies like asset based lenders, leasing companies, or factoring firms, they have assets that yield very high rates, so we've seen companies like banks that have seen compression in the margins, who are now going out to acquire companies that can generate high-yielding assets. It's been a good market for selling these specialty commercial finance companies to regulated depository institutions.

Q: How are the bankruptcy code changes affecting Milestone?

A: The place where we've really seen it is in the restructuring side of our business, where we work with companies that are in bankruptcy or companies that are considering whether they can restructure out of court, or if they need to go ahead and file. We obviously saw a fair amount of activity in October when you had the old Code's grandfather provision end. You had a number of companies on the fence, deciding whether or not to file before the October 17th date. Both on the commercial and consumer end there was a record number of filings. Other than that, we haven't seen it affect our business.

Q: Are you seeing more companies getting involved with M&A in lieu of bankruptcy, or in an attempt to prevent bankruptcy?

A: Most companies we're seeing on the specialty finance or the regulated depository side, banks or thrifts, these folks are feeling the pressure and looking for an alternative, one of which is a sale or merger. It is very rare for these types of institutions to seek to restructure through the protection of Chapter 11. You see it more in the commercial and industrial side, and we work with less of those companies. We're not really seeing it with our core investment banking clients.

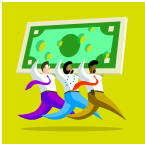
Q: Any forecasts for M&A in 2006?

A: We think it's going to be a very active year. You've got this real margin issue with a flat yield curve and you've got delinquency and default rates going up fairly significantly. You've got a cooling real estate sector with a lot of people who were able to reap the benefits of an escalating real estate market, whether they were refinancing their home and taking cash out or doing the same thing on the commercial side – that's slowing down significantly – so companies are going to start feeling some pressure as lease rates go up and it gets more expensive to do a number of things. That's going to cause more pressure, and more M&A activity.

Q: What's the balance between strategic and financial buyers right now?

A: What we're seeing is a little bit of a microcosm of the global market and maybe even a little more acceleration on the financial buyer side. Over the last couple of years we've seen a huge new crop of financial buyers looking at the financial services industry, whereas historically it really has been a strategic buyer market. Because a lot of the companies we deal with are already levered, financial buyers have stayed away. But in the last couple years, we've really seen a change where private equity funds, hedge funds and other institutional investors have really shown interest the financial services world. That's obviously good for our business. I'd say we are probably still more heavily weighted toward strategic buyers in the deals we do, probably by a 2:1 or 3:1 ratio. But we've seen more financial buyers over the last few years and I think that trend is going to continue.

To contact Mr. Weil, email Joan Morgulec at jmorgulec@milestonecap.com.



Deal Alerts

To submit a recent deal announcement, advisory engagement, financing, or hiring alert, email all pertinent information to kkunert@factset.com.

Hiring Alert: **Ewing Bemiss & Co** announced that Robert G. Erda has joined the firm as Vice President to focus on the company's logistics and transportation practice. Mr. Erda was previously with **Seabury Group**, a New York-based investment banking and advisory firm focused on the transportation and logistics industry. Prior to Seabury, he was with **Merrill Lynch's** Global Industries Group, where he advised clients in the transportation industry, and was a strategic planning analyst and account specialist for **Sea-Land Service Inc**, a container shipping company. Mr. Erda received his BA in Economics from Connecticut College with Honors, and received an MBA in Finance from the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill.

Imperial Capital LLC, a full-service investment bank with offices in Beverly Hills and New York, has hired Paul Aronzon, a prominent bankruptcy attorney to be executive vice president heading up the firm's Restructuring Advisory Group. This new addition is part of Imperial's continued expansion efforts which also include growth in high-yield sales and trading and equity businesses.

Financing Alert: **Bank of America Business Capital** provided three senior credit facilities to **Kaz Inc**, a global manufacturer and marketer of consumer healthcare and home environmental appliances, and outdoor products. The US\$75 million financing consists of standalone credit facilities in the US, Europe and Asia. The loans will be used to refinance existing debt and provide for ongoing working capital needs. Bank of America also will provide letters of

credit as well as cash management and foreign exchange products and services.

Financial Advisor Alert: **Cleary Gottlieb** is representing **Newbridge** and **Texas Pacific Group -Axon** in their proposed US\$125 million investment in **Pacific Century Regional Developments Ltd**, a Singapore company. Associates of Texas Pacific Group, led by Newbridge Capital, have made a proposal to Pacific Century Regional Developments, a company listed on the Singapore Stock Exchange, that proposes a scheme of arrangement to PCR'D's minority shareholders. PCR'D will put forward the scheme of arrangement to its minority shareholders, who hold 25% of the outstanding shares, whereby TPG will offer a price of S\$0.27 per PCR'D share, representing an approximately 27.4% premium over the volume weighted average price over the last three months. **Pacific Century Group Holdings Ltd**, which owns the other 75% of PCR'D's shares, will neither sell nor buy shares in this transaction. As a result of this transaction, if approved by PCR'D minority shareholders, PCR'D would be privatized and an application would be made to delist from the Singapore Stock Exchange.

Rothschild advised **Maiden** on the disposal of the company to **Titan Outdoor Ltd** for GBP49.5 million.

Rothschild acted as exclusive adviser to **Infogrames Entertainment SA** on the sale of the URL www.games.com to **AOL Time Warner**.

Rothschild acted as sole financial advisor to **IFA Group** on the staged disposal of a 75% stake in **IFA Antriebstechnik** to Osaka-based **NTN Corp**. The transaction values IFA at an enterprise value of EUR60 million.

Rothschild has acted as sole financial advisor to **The EW Scripps Company** on the acquisition of privately owned **uSwitch Ltd** for US\$366m

Rothschild acted as financial adviser to **Zuckerfabrik Jülich** AG in relation to the recommended sale by its shareholders to **Pfeifer & Langen** KG for US\$185.2 million.

Rothschild are advising **BAA** plc. BAA received a pre-conditional proposal from **Grupo Ferrovial** SA and its consortium partners to make a cash offer for BAA at 810 pence per share. This proposal is conditional, inter alia, on due diligence and a recommendation from the Board of BAA. The proposal goes on to say that the Consortium would be willing to increase its offer by “a small increment” in return for BAA agreeing to grant limited due diligence access and recommending the Consortium’s offer. The Board of BAA rejected this proposal. On the basis of this proposal, the Board does not believe it is in shareholders’ interests for it to enter into discussions with Ferrovial.

Rothschild acted as financial adviser to **FKI** plc in the sale of **Bristol Babcock** to **Emerson Electric** Co. The gross consideration is US\$121 million.

Rothschild acted as financial adviser to **AMC Entertainment** on the disposal of its Iberian operations **AMC Iberia** to **Cinesa** for US\$38.2 million.

Rothschild acted as financial adviser to **British Nuclear Fuels** on the disposal of its nuclear clean-up company **BNG America** to **EnergySolutions**.

BB&T Capital Markets advised **Market Industries** in its acquisition by **UTi Worldwide** for US\$197.1 million.

Legal Advisor Alert: **Skadden** is representing **Bear Stearns & Co** Inc as financial advisor to **Merck KGaA** in its proposed acquisition of **Schering** AG. The deal is reportedly valued at US\$17.4 billion.

Skadden is representing **Knight-Ridder** Inc in its acquisition by **The McClatchy** Co. The deal is reportedly valued at approximately US\$6.5 billion.

Skadden is representing **The NASDAQ Stock Market** Inc in its proposed, but rejected, acquisition of **London Stock Exchange** plc. The deal is reportedly valued at US\$4.2 billion.

Skadden is representing **Aztar** Corp in its proposed acquisition by **Pinnacle Entertainment** Inc. The deal is reportedly valued at approximately US\$2.2 billion.

Skadden is representing **Sonae.com** SGPS SA as US and international counsel in its unsolicited offer to acquire **Portugal Telecom** SGPS SA. The deal is reportedly valued at US\$13.3 billion.

Skadden is representing **Citigroup Global Markets** Ltd as financial advisor to **PetroChina** Co Ltd in its acquisition of the remaining shares of **Jilin Chemical Industrial** Co Ltd it does not already own, in a going-private transaction.

Weil, Gotshal & Manges was counsel to **Altra Industrial Motion** as issuer of GBP33 million of 11¼% Senior Notes due 2013, supporting AIM's acquisition of **Hay Hall Holdings** Ltd, a holding company based in the UK, to pay the related fees and expenses of such acquisition and for general corporate purposes. **Altra Industrial Motion** Inc, a portfolio company of **Genstar Capital Partners** III LP, is an established designer, manufacturer and marketer of industrial power transmission products sold globally to manufacturers and users of industrial equipment.

Weil, Gotshal & Manges was counsel to **CBS** in its US\$325 million acquisition of **CSTV Networks** Inc the leading digital media company devoted exclusively to college athletics.

Weil, Gotshal & Manges was counsel to **Musiwave** SA in its EUR 99.5 million sale to **Openwave Systems** Inc. California-based **Openwave Systems**, a provider of open software products and services for the

communications industry, and Musiwave, a French supplier of mobile music content, have signed an agreement for Openwave to purchase all outstanding shares in Musiwave. There is a contingent earnout of up to an additional EUR15 million.

Weil, Gotshal & Manges was US counsel to **General Electric** in their acquisition of Canadian company **Zenon Environmental Inc** for approximately CAD\$760 million, or US\$656 million.

Weil Gotshal represented **NBC Universal** in its US\$600 million acquisition of **iVillage**, one of the nation's most successful online destinations for women.

Weil Gotshal counseled **Goldman Sachs Capital Partners** and **Providence Equity Partners** in their US\$3.5 billion acquisition of **Education Management Corp.**

Weil, Gotshal & Manges was counsel to underwriters **Lehman Brothers Inc** and **UBS Investment Bank** in **Allscripts Healthcare Solutions Inc** shelf takedown of 8.395 million shares (US\$123 million) of their common stock.

King & Spalding represented the Special Committee of the Board of Directors of **Fox & Hound Restaurant** in **F&H Acquisition Corp's** US\$165 million (a newly-formed subsidiary of **Newcastle Partners LP** and **Steel Partners II LP**) launching of a tender offer for the publicly-traded common shares of **Fox & Hound**.

Shearman & Sterling LLP represented **Banc of America Securities LLC** as financial advisor to **Andrx Corp** in **Watson Pharmaceuticals Inc's** US\$1.9 billion acquisition of **Andrx Corp.**

Shearman & Sterling LLP represented **Viacom Inc** and its subsidiary, **Paramount Pictures Corp**, in the sale of the film library of **DreamWorks LLC** to **Soros Strategic Partners LP** and **Dune Entertainment II LLC**, an affiliate

of **Dune Capital Management LP** for US\$900 million.

Deal Alert: A consortium of **Texas Pacific Group**, **Newbridge Capital** and the **Myer Family Co** will purchase the Myer retail business, including the flagship Melbourne store, for A\$1.4 billion. The consortium is led by TPG and Newbridge Capital, TPG's Asian Pacific investment arm. TPG has a longstanding track record of building well-known consumer brands and retail department stores, including **Debenhams** department stores, **Neiman Marcus** and **Bergdorf Goodman**, **Bally**, **J.Crew**, and **Petco**.

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The screenshot shows a software interface with a calendar for August 2004. A dropdown menu is open, listing various event types such as 'All Calls', 'Transcribed', 'Corrected', 'Earnings', 'Guidance/Update', 'Analyst/Shareholder Mtg', 'Conf. & Pres.', 'Sales Results', and 'Special & M&A'. Below the calendar, there is a table of 'Conference Calls' with columns for Ticker, Company, Date, and Time (EST). The table lists calls for TDKC, General Growth Properties, and Route Company, The.

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In the Rumor Mill

Companies Seeking Acquisitions

US Apparel - **Jones Apparel Group** Inc submitted a bid for **Kate Spade**, the boutique accessories designer, but competition from private equity firms and other bidders keeps pushing the price higher, *Reuters* reported March 15. Kate Spade, owned by founders Kate and Andy Spade and **Neiman Marcus Group**, has expanded beyond its preppy handbags into stationary and housewares. News services reported that the bidding price has risen north of US\$150 million, considerably more than observers expected.

US Banking & Finance - A group of investors led by private equity firm **Kohlberg Kravis Roberts & Co** has submitted a nonbinding bid of US\$12.5-13 billion for a majority stake in **General Motors** Corp's financing arm, *Reuters* reported March 15. The KKR bid for the General Motors Acceptance Corp stake, made this month, follows an earlier proposal by hedge fund **Cerberus Capital Management**. GM is still considering the bids, but a sale may not go through. There are several hurdles facing the deal, including GM's pension liabilities, "weakness" in its product offering and its dependence on incentives.

US Banking & Finance - **Citigroup** Inc's international consumer chief said his unit is looking to generate annual profit growth at a mid-teens percentage by a combination of opening new branches and "selective" acquisitions in Europe and Asia, *Reuters* reported March 14.

US Banking & Finance - **CIT Group** Inc, one of the largest US commercial and consumer lenders, is actively looking to acquire a European company that specializes in buying accounts receivables from businesses, *Reuters* reported March 15. Jeff Peek, CIT's chair and CEO, said his company was looking to buy a so-called "factoring" company in the region. CIT is already a big player in the factoring business in

North America and it has been expanding into Asia as well, as many of its US customers have moved operations overseas.

US Energy Services - Private equity firm **First Reserve** Corp, which invests in energy businesses, has started raising a US\$3 billion investment fund, *Reuters* reported March 14. First Reserve has begun sending information to potential investors about the new fund. First Reserve closed on its previous fund of US\$2.3 billion, called First Reserve Fund X, at the beginning of 2004 and has four funds with US\$4.7 billion under management. It has typically targeted investments of US\$50-500 million.

US Food Processing - Pork producer **Smithfield Foods** Inc said it "will carefully consider" all of **ConAgra Foods** Inc's brands that are for sale, but no final decisions have been made, *Reuters* reported March 16. ConAgra said it was slashing its dividend and would divest its seafood, domestic and imported cheese businesses. Previously, it put its **Eckrich**, **Butterball** and **Armour** lunch meats for sale.

US Household Goods - **Colgate-Palmolive** Co sees **Pfizer** Inc's **Listerine** mouthwash as something that could fit very well in its oral care product lineup, and would look at other parts of Pfizer's business up for sale but would not overpay, Colgate's president said, *Reuters* reported March 16. President and COO Ian Cook told investors at a Bank of America conference that Listerine is strategically right and that Colgate will look at buying the brand "very, very aggressively." Pfizer said in February that it may spin off or sell its consumer products business (Listerine, **Rolaids** antacid and **Sudafed** cold pills).

Asian Communications - US private equity firms **Cerberus Capital Management** and **Providence Equity Partners** are planning a US\$15 billion rival bid for **Vodafone Group** Plc's Japanese unit, *Reuters* reported March 16. Vodafone, the world's biggest mobile operator by revenue, is already in advanced talks with Softbank, an Internet communications conglomerate, to sell its struggling Japanese unit in what is expected to be one of Japan's largest acquisition deals ever.

Asian Retail - **Wal-Mart Stores Inc** and **Tesco Co** may bid for South Korean outlets of French rival **Carrefour**, amid signs of a consolidation in the country's US\$120 billion retail sector, *Reuters* reported March 14. Carrefour, the world's second-largest retailer after Wal-Mart, may offload some of its South Korean outlets, although the sale process has yet to be kicked off. Speculation about a shake-up in South Korea's retail industry has deepened as stiff competition has cut margins in the sector. Analysts believe that the French group is committed to selling its 31 stores in South Korea because of their relative underperformance against domestic rivals and after its withdrawal from Japan last year.

Canadian Primary Metal Processing - Base metal producer **Falconbridge Ltd** has made an offer to buy the rest of **Novicourt Inc** it does not already own, *Reuters* reported March 15. Falconbridge, which holds about a 62.1% stake in Novicourt, is offering C\$2.30 (US\$1.98) per Novicourt share. That represents an 11.6% premium Novicourt's average closing share price over the past 90 days.

Canadian Transportation - **Air Canada's** regional **Jazz** subsidiary has held partnership talks with US carriers regarding transborder service, Jazz CEO Joseph Randell said, *Reuters* reported March 14. "It's an opportunity, it's something that we will look to take advantage of," Randell said, but he added that no deal appears imminent because of regulatory hurdles.

Colombian Banking & Finance - **Grupo Aval**, the owner of **Banco de Bogota**, said it would borrow about US\$300 million from **Citibank** to help finance the purchase of **Megabanco**, another Colombian bank, *Reuters* reported March 16. The total price of the bank will be about US\$357.1 million.

European Banking & Finance - German stock exchange operator **Deutsche Boerse AG** said it is looking forward to entering merger talks with pan-European stock exchange **Euronext**, *Reuters* reported March 15. But it said it did not plan to make an offer for the **London Stock Exchange**.

European Banking & Finance - **Nasdaq's** CEO kicked off a series of meetings with top London Stock Exchange shareholders on Thursday seeking to win their support for a US\$4.2 billion takeover, *Reuters* reported March 16. Robert Greifeld and senior management of the New York-based exchange are in London and met major LSE investors such as **Threadneedle Investments** and **Scottish Widows**, which have both expressed an interest in talks.

European Broadcasting - US private equity firm **Veronis Suhler Stevenson** is looking to buy more German media companies after its recent acquisition of newspaper **Hamburger Morgenpost**, VSS manager Johannes von Bismarck said, *Reuters* reported March 14. "We are in talks with several parties," he said. He said VSS was looking at newspapers, publishers and radio stations both in Germany and Austria and confirmed an interest in German newspaper **Saechsische Zeitung**.

European Chemicals - French specialty chemicals maker **Rhodia** expects to remain independent and sees limited merger and acquisition moves in its part of the industry due to a lack of business overlaps and cost synergies. The business overlap with rivals like Switzerland's **Ciba** and **Clariant**, Britain's **ICI** and Germany's **Degussa** was limited to 20-30%, so mergers would yield only limited synergy savings.

European Chemicals - German chemicals group **BASF AG** has signed a confidentiality pact with US takeover target **Engelhard Corp**, it said, possibly opening the way to an agreed deal. BASF said it had extended its US\$4.9 billion offer to April 14 from March 17 to study non-public information to which it would now gain access under the agreement, but said it would not overpay for the US company, *Reuters* reported March 16.

European Communications - Spanish telecoms giant **Telefonica** could bid for the 7.54% of cell phone arm **Telefonica Moviles** it does not own, *Reuters* reported March 16.

European Communications - **France Telecom** is the top bidder in the partial privatization of Tunisia's top telecoms

carrier **Tunisie Telecom** with an offer of around US\$2.5 billion, *Reuters* reported March 15. Financial bids for a 35% stake in Tunisia's most valuable company were opened earlier on Wednesday, but the government has yet to formally announce a winner. Technical bids were opened last week.

European Electric, Gas, Water & Sanitary Services - France has told European regulators that utilities **Suez** and **Gaz de France** felt compelled to accelerate merger talks, with explicit French government backing, after learning that Italy's **Enel** intended to break up Suez, *Reuters* reported March 16.

European Electric, Gas, Water & Sanitary Services - French utility **Gaz de France** said it was looking at possible cooperation deals in the Netherlands after a liberalization of the Dutch energy market, *Reuters* reported March 16. "We see the Benelux as a growth market and we are interested in what will happen in the Netherlands after the market liberalization," *Gaz de France* Chairman and CEO Jean-Francois Cirelli told reporters. "We are ready to cooperate with players in the Dutch energy market."

European Electric, Gas, Water & Sanitary Services - **Enel** may delay its plans for a takeover of **Suez** while it searches for a partner that would buy the water utility assets. Enel has requested a meeting with **EU Competition Commissioner** Neelie Kroes and could wait for that before launching a bid, *Reuters* reported March 16.

European Oil & Gas - **Air Liquide** is ready for small and medium-sized takeover opportunities and will look at assets that industrial gases rival Linde has to sell if it succeeds in its takeover of Britain's **BOC**, *Reuters* reported March 16. Chairman Benoit Potier defined mid-sized as ranging between EUR100 million and EUR1 billion (US\$1.21 billion). Air Liquide's expansion plans could include the business that **Linde-BOC** would need to sell to avoid competition problems in Poland, the UK and the US.

European Retail - The CEO of Belgian supermarket group **Delhaize** said the company may look for a

large acquisition but it has nothing planned yet, *Reuters* reported March 15. "We certainly don't exclude (a large acquisition) and rule it out ... There is no concrete plan for the short term," CEO Pierre-Olivier Beckers said after the company reported better-than-expected fourth-quarter profits.

European Transportation - Car rental agency **Europcar** will remain loyal to former owner **Volkswagen** as a supplier and is seeking a US partner, perhaps an airline, new owner Eurazeo said, *Reuters* reported March 15. Europcar, Europe's biggest rental agency, wants to find a US partner as quickly as possible and does not rule out more acquisitions in Europe.

Companies for Sale (or not)

US Banking & Finance - **Commerce Bancorp Inc** Chairman Vernon Hill said New Jersey's largest bank has not been approached about and is not interested in being taken over, and might expand into the Boston and western Florida areas as early as 2008, *Reuters* reported March 15. Speculation about more bank mergers rose after **Capital One Financial Corp** agreed to pay US\$14.6 billion for Long Island's **North Fork Bancorp Inc**.

US Computer Software, Supplies & Services - Computer services company **Unisys Corp** said it would sell its 28% stake in **Japan's Nihon Unisys Ltd** for more than US\$350 million, expanding the scope of its divestiture plan, *Reuters* reported March 14. In October, Unisys CEO Joseph McGrath said he hired an investment bank to help divest "non-core" business units with combined annual sales of about US\$500 million as he looked to focus on high-growth business areas.

US Computer Software, Supplies & Services - Trading of bullish options on **Computer Sciences Corp** surged on Wednesday on renewed speculation the computer-services company may be sold, *Reuters* reported March 15. Investors have been looking for signs a deal might be in the works, following reports of the collapse of two unsuccessful rounds of acquisition talks over the past five months. There is a rumor that Computer Sciences could receive a takeover bid, referring to bullish options activity.

US Construction Contractors & Eng. Services - **Halliburton** Co's engineering and construction unit has agreed to sell its production services group, which is part of its energy and chemicals division, *Reuters* reported March 16. Terms of the deal were not disclosed, but the move will result in a tax gain of about US\$100 million.

US Food Processing - **Altria Group** Inc and **Kraft Foods** Inc raised their 2006 profit forecasts on Thursday due to gains from the completion of a tax audit, and Kraft announced a plan to sell its Milk-Bone business, *Reuters* reported March 16. Altria, which is the majority owner of Kraft and also owns the **Philip Morris** cigarette companies, said it would record about US\$1 billion in noncash tax benefits in the first quarter due to a reversal of tax reserves that it no longer needs to maintain.

US Food Processing - **ConAgra Foods** Inc slashed its dividend by about one-third and said it would divest its seafood, and domestic and imported cheese businesses, freeing up cash to boost its marketing to jump-start sales of its remaining brands, *Reuters* reported March 16. But the stock fell 6% and hit its lowest level in three years, in part because some investors had thought the company might maintain its dividend level even as it undertook the restructuring under new CEO Gary Rodkin.

US Leisure & Entertainment - **Source Interlink** Cos Inc, which markets magazines and entertainment products at store checkout counters and online, said it hired **Deutsche Bank Securities** Inc as its financial adviser, *Reuters* reported March 16. Source Interlink, which coordinates the placement of "impulse items" at checkout counters and designs display cases in retail chains, said earlier this month it had hired an affiliate of **Yucaipa** Cos LLC to help it explore options, such as a sale, recapitalization or acquisitions.

US Miscellaneous Services - Business equipment and services company **Ikon Office Solutions** Inc said it had entered into talks to sell about US\$300 million of

US lease receivables to **General Electric** Co affiliate **GE Capital Solutions**, *Reuters* reported March 15. Ikon said if the deal were completed, the company would gain about US\$70 million, after payment of related debt and taxes.

US Oil & Gas - **Star Gas Partners** LP said its board of directors has determined that a revised Soros Group proposal to recapitalize the partnership is not a "superior proposal" to an amended offer from **Kestrel Energy Partners** LLC, *Reuters* reported March 16. Under the revised deal, Kestrel would pay US\$16.875 million, or US\$2.25 per unit, for 7.5 million Star Gas units and a rights offering of US\$39.375 million would be made to common unit holders. Star Gas originally agreed to a recapitalization deal with Kestrel in December, but it has also received competing bids from the **Soros Group**.

US Retail - Retail chain **Sears Holdings** Corp said that five of the eight senior officers of **Sears Canada** plan to sell their shares in the company, either by accepting Sears Holdings' tender offer or by selling them into the market, *Reuters* reported March 14. Sears Holdings has offered to acquire Sears Canada shares at CAD\$16.86 per share. Sears Canada last month advised its shareholders to reject Sears Holdings' buyout offer, which it called inadequate.

Asian Banking & Finance - South Korea's **Hyundai Capital Services** Inc said it plans to sell its 4.95% stake in affiliate **Kia Motors** Corp worth US\$363 million at current market prices, *Reuters* reported March 16. Unlisted Hyundai Capital had agreed to sell its shares in Kia, South Korea's second-biggest car maker, by 2007 after **GE Consumer Finance**, a unit of **General Electric** Co, bought a stake in Hyundai Capital for US\$371 million for in 2004.

Asian Internet - Singapore-based Internet communications service provider **Pacific Internet** Ltd said it intended to explore all options to maximize shareholder value, including a possible merger or sale of the company, *Reuters* reported March 16. Pacific Internet said it expected to make further announcements after evaluating the recommendations of advisor **BNP Paribas**, by the end of May.

Asian Mining & Minerals - Indonesia's largest listed mining group, **Bumi Resources**, is in talks with foreign bidders including **Anglo American** to sell two Borneo coal mines. A deal worth US\$2-3 billion, including debt, could be announced within days, *Reuters* reported March 16.

Colombian Communications - Owners of Colombia's third-largest mobile phone operator, **Colombia Movil**, said they invited international companies such as Mexico's **America Movil** and Spanish company **Telefonica** to bid for control of the firm. Colombia Movil owns the **OLA** mobile telephone service, which has more than two million customers, *Reuters* reported March 14.

European Banking & Finance - Portugal's **Banco BPI** called **Millennium** bcp's EUR4.3 billion takeover offer hostile and **BCP** shares raced to a four-year high on speculation BCP itself could be a takeover target, *Reuters* reported March 15. In its first response since BCP, Portugal's biggest listed bank by assets, made its preliminary offer on Monday, far smaller BPI said its board was weighing its options.

European Drugs, Medical Supplies & Equipment - **Chiron** Corp said it still favors Swiss drug maker **Novartis** AG's plan to buy its remaining shares after hedge fund **ValueAct Capital** said it would seek the removal of the biotech company's top executive if he campaigns for the deal, *Reuters* reported March 15.

European Primary Metal Processing - Anglo-Dutch steelmaker **Corus** Plc said it planned to sell most of its aluminum assets for EUR826 million (US\$993 million) as it met forecasts for 2005 earnings, sending its shares to a four-year high, *Reuters* reported March 16. Corus said it had signed a non-binding letter of intent with US aluminum products company **Aleris International** Inc and would sign a sale agreement once "internal consultation and advice processes" had been completed.

European Real Estate - **Bookham** Inc said it agreed to sell and lease back its Caswell, UK, manufacturing facility to UK-based property investment company **Scarborough Developments**, *Reuters* reported March 14. The company said it will receive about US\$24 million, or about GBP13.8 million, from the deal. Under the terms of the transaction, Bookham will enter into a long-term lease of the Caswell facility with Scarborough, the maker of optical components said in a statement.

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Recent M&A Deals in Review

Aerospace, Aircraft & Defense

Thielert AG agreed to acquire Superior Air Parts Inc

Thielert AG acquired Superior Air Parts Inc for approximately US\$10 million. Superior Air Parts Inc, based in Coppell, Texas, manufactures aircraft engines. This acquisition will help Thielert AG strengthen its presence in the US.

Banking & Finance

Capital One Financial Corp agreed to acquire North Fork Bancorp Inc

Capital One Financial Corp signed a definitive agreement to acquire North Fork Bancorp Inc for US\$14.8 billion in cash and stock. Under the terms of the definitive agreement, which has been approved by both companies' boards of directors, North Fork shareholders will have the right, subject to proration, to elect to receive cash or Capital One common stock, in either case having a value equal to \$11.25 plus the value at closing of .2216 Capital One shares. The combined company will be one of the 10 largest banks in the United States, based on deposits and managed loans, and the third-largest retail depository institution in the New York region, the nation's largest deposit market. The financial advisors in the deal include: Sandler O'Neill & Partners LP for North Fork Bancorp Inc, Citigroup Inc for Capital One Financial Corp, JPMorgan Chase & Co Inc for Capital One Financial Corp, Keefe Bruyette & Woods Inc for North Fork Bancorp Inc. The legal advisors in the deal include: Cleary

Gottlieb Steen & Hamilton LLP for Capital One Financial Corp, Wachtell Lipton Rosen & Katz for North Fork Bancorp Inc.

Banking & Finance

Kookmin Bank agreed to acquire Korea Exchange Bank from Lone Star Management Co Ltd

Kookmin Bank, South Korea's top lender by assets, has offered to acquire approximately 50.5% controlling stake in Korea Exchange Bank, the country's fifth largest bank, from Lone Star Management Co Ltd for approximately KRW4.3 trillion (US\$4.4 billion). Korea Exchange Bank's strength in foreign currency trading and corporate lending and a solid overseas network have drawn keen interest from rival in the sector. Concurrently, Hana Financials Holdings Co, and DBS Group Holdings Ltd also submitted bids for Korea Exchange Bank.

Banking & Finance

NBC Capital Corp agreed to acquire SunCoast Bancorp Inc

NBC Capital Corp, the parent company of Cadence Bank NA, signed a definitive agreement to acquire SunCoast Bancorp Inc for approximately \$21.6 million in cash and stock. Under the terms of the agreement, SunCoast Bank, a subsidiary of SunCoast Bancorp Inc, will change its name to Cadence Bank. The acquisition will also bring NBC Capital Corp entry into the Florida market and a base for future expansion. The deal is expected to close early in the third quarter of 2006.

Broadcasting

Flint Media agreed to acquire WBBK AM, WGMK FM, WSEM-AM from Styles Media Group LLC

Flint Media acquired WBBK AM, WGMK FM, and WSEM-AM from Styles Media Group LLC for \$525,000 in cash and notes. Styles Media Group LLC acquired the stations in 2003.

Broadcasting

Bott Radio Network agreed to acquire KJRG-AM from Anderson Stations

Bott Radio Network acquired KJRG-AM from Anderson Stations for \$650,000 in cash and notes. Bott Radio Network owns 25 other stations, with this acquisition providing for an entry into the Newton, Kansas market for Bott Radio Network.

Broadcasting

HRN Broadcasting Inc agreed to acquire WADA-AM

HRN Broadcasting Inc acquired WADA-AM for \$350,000 in cash. HRN Broadcasting Inc owns three other stations, with this acquisition providing for an entry into the Shelby, North Carolina market for HRN Broadcasting Inc.

Broadcasting

Baker Family Stations agreed to acquire WZFM-FM from Old Dominion Communications Inc

Baker Family Stations acquired WZFM-FM from Old Dominion Communications Inc for \$600,000 in cash. Baker Family Stations owns 40 other stations, including WKNV-

AM, WPIN-AM & WKEX-AM & FM in the New River Valley area.

Broadcasting

Glory Communications agreed to acquire WEAJ-AM from Colonial Radio Group

Glory Communications acquired WEAJ-AM from Colonial Radio Group for \$225,000 in cash. Glory Communications owns eight other stations, with this acquisition providing for an entry into the targets market.

Brokerage, Investment & Mgmt. Consulting

agreed to acquire First Montauk Financial Corp

First Montauk Financial Corp has entered into a letter of intent for the sale of First Montauk to a private investor for approximately \$15.9 million in cash. The final terms of the sale are subject to further negotiation but it is anticipated that the transaction will be all cash at approximately \$1.00 per common stock. First Montauk Financial Corp conducts securities brokerage, insurance, investment banking and advisory business with approximately 290 registered representatives and 60,000 retail and institutional accounts.

Brokerage, Investment & Mgmt. Consulting

Castanea Partners Inc agreed to acquire a minority stake in Lee Munder Capital Group LP

Castanea Partners Inc, a MA-based private equity firm, acquired an undisclosed minority stake in Lee Munder Capital Group LP for an approximate amount of US\$11.5 million. Lee Munder Capital is a MA-based company that principally provides investment advice.

Brokerage, Investment & Mgmt. Consulting

Ventiv Health Inc agreed to acquire Jeffrey Simbrow Associates Inc

Ventiv Health Inc, a public company that provides consulting services to the life science industry, entered into a definitive agreement to acquire 100% of Jeffrey Simbrow Associates Inc (JSAI), a private company that provides healthcare and marketing communications services, for CAD10 million in cash, stock and earn-out payments. JSAI will be part of Ventiv Health's inChord Communications' division, a provider of global pharmaceutical advertising and marketing services, to develop marketing campaigns. According to CEO Mr. Phil Deschamps of GSW Worldwide, "JSAI is an ideal partner, not only because of their exceptional expertise in Canada, but because their services broaden our overall collection of capabilities." The transaction will close early in April 2006.

Brokerage, Investment & Mgmt. Consulting

Ventiv Health Inc agreed to acquire Synergos Inc

Ventiv Health Inc entered into a definitive agreement to acquire Synergos Inc for approximately US\$5.8 million in cash and stock, plus an earn-out payment for achieving certain financial targets. Synergos Inc provides clinical trial management services. The transaction is expected to close at the beginning of April.

Building Products

Lippert Components Inc agreed to acquire SteelCo Inc

Lippert Components Inc, a subsidiary of Drew Industries Inc,

acquired the assets of SteelCo Inc for approximately US\$4.5 million in cash. SteelCo Inc manufactures chassis and component parts for recreational vehicles and manufactured homes. In 2005, SteelCo Inc generated approximately US\$8 million in sales.

Communications

SBA Communications Corp agreed to acquire AAT Communications Corp

SBA Communications Corp agreed to acquire AAT Communications Corp, the nation's fifth largest independent wireless tower owner for \$1 billion in cash and stock to broaden its ownership of cell phone towers. Under the agreement, SBA will acquire all outstanding AAT shares for \$634 million in cash and about 17.1 million issued shares of SBA stock. The deal also calls for SBA to buy back its issued debt. The company has \$216.9 million in 9.75% senior discount notes and \$162.5 million in 8.5% senior notes outstanding. SBA will use \$1.1 billion in financing secured from DB Structured Products and JPMorgan Chase to pay for the cash portion and to buy back its notes. The company anticipates carrying about \$1.5 billion in total debt as a result. The transaction will add about 1,855 owned tower sites and 250 revenue-producing managed sites to SBA's holdings, bringing its total to more than 5,300 towers in the United States and its territories. SBA expects to book a one-time integration charge of about \$10 million in 2006, and pro forma revenue of \$355.5 million to \$381.5 million for the year. The financial advisors in the deal include: Lehman Brothers Holdings Inc for AAT Communications Corp, Deutsche Bank Securities Inc for SBA

Communications Corp, Citigroup Global Markets Holdings Inc for AAT Communications Corp.

Computer Software, Supplies & Services

The E W Scripps Co agreed to acquire uSwitch Ltd

The E W Scripps Co acquired uSwitch Ltd, the UK provider of online price comparisons, for a cash consideration of US\$366 million (GBP208.9 million). The company was established in 2000 and provides online product or service rates to help consumers compare prices on gas, electricity, home phone, digital television, broadband, credit cards, and secured and unsecured personal loans. uSwitch has developed a number of calculators to evaluate price, type of services, location and payment method. Its primary goal is to alert consumers of the best deal and enable them to easily switch their service provider online. The company also owns

UpMyStreet.com, the UK's leading local information Web site. USwitch expects to generate US\$10 million (GBP5.7 million) to US\$15 million (GBP8.6 million) in segment profit (profit before interest, taxes, depreciation and amortization) on revenue of US\$40 million (GBP22.8 million) to US\$45 million (GBP25.7 million). In 2005, the company reported revenues of US\$25 million (GBP14.3 million). USwitch generates its revenue from commissions paid by participating service providers. A commission is collected when uSwitch customers switches to a new provider. The acquisition is expected to be earnings enhancing beginning in 2007. Following Scripps acquisition of Shopzilla in June 2005, this second transaction adds a growing

online interactive business to the Scripps portfolio. The financial advisors in the deal include: ABN AMRO Rothschild LLC for The E W Scripps Co.

Computer Software, Supplies & Services

Versata Inc agreed to acquire Artemis International Solutions Corp

Versata, a subsidiary of Trilogy Inc, entered into an agreement to acquire Artemis International Solutions Corporation, a provider and vendor of investment planning and control solutions in the Product Portfolio Management applications market, for \$27 million. The agreement provides for the payment of \$1.60 per share of Artemis' common stock and \$2.20 per share to the holders of Series A Preferred Stock of Artemis. Versata is a provider of business rules, configuration and pricing management systems. Artemis's successful solutions and global positioning are expected to become powerful additions to Versata's offering..

Computer Software, Supplies & Services

Datawatch Corp agreed to acquire ClearStory Systems Inc's Integrated Doc Arch & Retr Sys Business

Datawatch Corp entered into a definitive agreement to acquire the assets of ClearStory Systems Inc's Integrated Document Archiving and Retrieval Systems (IDARS) business for approximately US\$4.5 million, plus an earn-out payment. ClearStory Systems Inc's Integrated Document Archiving and Retrieval Systems (IDARS) business provides document archiving and retrieval services, including e-mail management services.

Computer Software, Supplies & Services

HALO Technology Holdings Inc agreed to acquire Unify Corp

HALO Technology Holdings, a holding company for established enterprise software companies, entered into a definitive agreement to acquire Unify Corp a business automation solutions provider for \$19.8 million in stock. Under the terms of agreement, Unify stockholders will receive 0.437 shares of HALO common stock for every share of Unify common stock. The deal is expected to close in the summer of 2006.

Computer Software, Supplies & Services

VeriSign Inc agreed to acquire Kontiki Inc

VeriSign Inc agreed to acquire Kontiki Inc for approximately \$62 million. VeriSign Inc expects to utilize Kontiki Inc's managed peer delivery system as the cornerstone of its Broadband Content Services platform, complementing VeriSign Inc's Mobile Content Services infrastructure and expanding the company's Content Services portfolio. Kontiki Inc employs 34 people in the United States. The transaction is expected to close in the first quarter of 2006. The legal advisors in the deal include: Fenwick & West LLP for VeriSign Inc.

Computer Software, Supplies & Services

Advanced Digital Information Corp agreed to acquire Rocksoft Ltd

Automated tape libraries and archiving tape drives of electronic data provider Advanced Digital Information Corp entered into a

definitive agreement to acquire Rocksoft Ltd for US\$63 million in cash. Australia-based Rocksoft produces data de-duplication, data integrity, and data storage software. In addition, the bidder has agreed to provide a US\$5 million loan which may be repaid or converted into Rocksoft shares. This acquisition is subject to closing conditions including approval by Rocksoft's shareholders and the Australian court. It is expected to be completed in the 3rd quarter of Advanced Digital Information Corp's 2006 fiscal year. The financial advisors in the deal include: SVB Alliant for Rocksoft Ltd.

Construction Contractors & Eng. Svcs.

General William Lyon agreed to acquire William Lyon Homes Inc through a tender offer

General William Lyon, Chairman of the Board and Chief Executive Officer of William Lyon Homes Inc commenced a tender offer to acquire the remaining 25.5% stake in William Lyon Homes Inc not owned by him directly or indirectly for approximately \$205.2 million in cash. Under the terms of the offer, each share of William Lyon Homes tendered and accepted will be exchanged for \$93 in cash. The offer is subject to the condition that sufficient shares are tendered in the offer such that the tendered shares, together with shares already directly or indirectly owned by General William Lyon and the trusts, would represent at least 90% of the shares outstanding. The offer is also subject to the receipt by General William Lyon of the proceeds under his financing commitment from Lehman Commercial Paper Inc and

Lehman Brothers Inc. The financial advisors in the deal include: Lehman Brothers Holdings Inc for William Lyon Homes Inc.

Construction Mining & Oil Equip & Mach.

NQL Energy Services Inc agreed to acquire Prescott Manufacturing LLC

NQL Energy Services Inc entered into a definitive agreement to acquire Prescott Manufacturing LLC for approximately US\$18 million in cash, plus an earn-out equal to 25% of the operating cash flow of Prescott for a three year period. Prescott Manufacturing LLC designs and manufactures mud lubricated bearing downhole motors for the oil and gas drilling industry. The transaction is expected to close in the next 15 days.

Drugs, Medical Supplies & Equipment

Celliance Ltd agreed to acquire Cytomyx Ltd from Cytomyx Holdings Plc

Celliance Ltd, a subsidiary of Celliance Corp itself a unit of Serologicals Corp agreed to acquire Cytomyx Ltd a unit of Cytomyx Holdings Plc, for a cash consideration of US\$7.0 million. The consideration is payable on completion and is subject to either an upward or downward adjustment. Approximately US\$6.2 million will be for repayment of inter-company debts owed by Cytomyx Ltd to the Cytomyx Holdings Plc and its other subsidiaries. Cytomyx reported turnover of GBP0.963 (US\$1.7 million), operating loss of GBP0.867 million (US\$1.5 million) and net liabilities of GBP2.79 million (US\$4.8 million) for year ended September 30, 2005. The

company provides genomic research which further strengthens Serologicals' position in the UK and expands its range of services.

Drugs, Medical Supplies & Equipment

Watson Pharmaceuticals Inc agreed to acquire Andrx Corp

Watson Pharmaceuticals Inc has entered into a definitive agreement to acquire all outstanding share of common stock of Andrx Corporation in an all cash transaction for \$25.00 per share, or a total price of approximately \$1.9 billion. The transaction will be financed with Watson cash reserves, and committed bank financing, net of cash acquired from Andrx. The deal is expected to be accretive to 2007 earnings with estimated 2007 revenues of \$2.8 billion. Watson will become the third largest generic pharmaceutical company in the United States. Andrx, whose capabilities complement those of Watson, formulates difficult-to-replicate products and develops drug delivery technologies. The financial advisors in the deal include: CIBC World Markets Corp for Watson Pharmaceuticals Inc. The legal advisors in the deal include: Latham & Watkins LLP for Watson Pharmaceuticals Inc.

Drugs, Medical Supplies & Equipment

Fisher Scientific International Inc agreed to acquire a minority stake in Nanogen Inc

Fisher Scientific International Inc, a distributor of scientific equipment and instruments, has agreed to purchase a 9% minority interest in biotech company Nanogen Inc for \$15 million in cash. The two companies will collaborate on expanding tests and markets held by

medical test maker Athena Diagnostics Inc.

Drugs, Medical Supplies & Equipment

Pharmos Corp agreed to acquire Vela Pharmaceuticals Inc

Pharmos Corp entered into a definitive agreement to acquire Vela Pharmaceuticals Inc, a venture-capital backed, privately owned company specializing in the development of medicines related to diseases of the nervous system. The transaction includes an initial payment of \$5.0 million in cash and the issuance of 11.5 million shares of Pharmos common stock for a combined value of approximately \$29.7 million. The transaction also includes the issuance of up to 8.0 million additional Pharmos shares contingent on achieving specific clinical milestones. The transaction will create a combined company focused primarily on diseases of the nervous system and autoimmune disorders. The financial advisors in the deal include: Cowen & Co for Vela Pharmaceuticals Inc, RBC Capital Markets (Canada) for Pharmos Corp. The legal advisors in the deal include: Ehrenreich Eilenberg & Krause for Pharmos Corp, Drinker Biddle & Reath LLP for Vela Pharmaceuticals Inc.

Drugs, Medical Supplies & Equipment

Medicine Made Easy agreed to acquire Whittier Goodrich Pharmacy Inc

Allion Healthcare Inc agreed to acquire certain assets of Whittier Goodrich Pharmacy Inc for approximately US\$20.0 million in cash. Included in the transaction are Whittier Goodrich Pharmacy Inc's customer lists, books and records,

files and goodwill, and other tangible and intangible assets. The acquisition provides Medicine Made Easy an opportunity to increase its presence in the Los Angeles market, which is expected to close 31 March 2006. Whittier Goodrich Pharmacy Inc, a provider of specialized pharmacy care to people with long-term medical conditions, has unaudited 2005 revenue of approximately US\$30.0 million.

Drugs, Medical Supplies & Equipment

Avantogen Ltd and Hawaii Biotech to merge vaccine businesses

Avantogen Ltd and Hawaii Biotech Inc have entered into a Definitive Agreement to merge their respective vaccine businesses for approximately US\$4.5 million in cash. The merged business, as yet unnamed, will be 50% owned each by Hawaii Biotech and the remaining owned by Avantogen. The combined business will incorporate both Avantogen's and Hawaii Biotech's complementary technologies, with corporate headquarters in Southern California.

Electric, Gas Water & Sanitary Services

Internal Hydro International Inc agreed to acquire World Environmental Solutions Co LLC's Catalytic Activated Vacuum Distillation (CAVD) waste tire and solid waste remediation plant operation in Mobile, Alabama

Internal Hydro International Inc agreed to acquire the assets of World Environmental Solutions Co LLC's Catalytic Activated Vacuum Distillation (CAVD) waste tire and solid waste remediation plant operation in Mobile, Alabama from

EarthFirst Technologies Inc for \$2 million. The CAVD technology was developed by EarthFirst Technologies Inc to recycle tires and other waste by heating the material without burning it.

Electrical Equipment

Laird Technologies Inc agreed to acquire RecepTec LLC

US-based EMI products manufacturer Laird Technologies Inc, a subsidiary of UK-based The Laird Group Plc, acquired RecepTec LLC and its German unit RecepTec GmbH for US\$89 million. RecepTec LLC is headquartered in the US and designs and manufactures integrated automotive reception systems for the automotive industry.

Electrical Equipment

Private buyer agreed to acquire the assets of the Power Sources Division of Reliability Inc

A private buyer entered into an agreement to acquire the assets of the Power Sources Division of Reliability Inc for \$280,000 in cash.

Electronics

Nanometrics Inc agreed to acquire Soluris Inc

Nanometrics Inc, a leading supplier of advanced integrated and standalone metrology equipment to the semiconductor industry, acquired Soluris Inc for approximately US\$7 million in cash, including the assumption of debt. Soluris Inc, headquartered Concord, Massachusetts, designs and manufactures semiconductor devices.

Food Processing

Services Acquisition Corp International agreed to acquire Jamba Juice Co

Services Acquisition Corp International agreed to acquire Jamba Juice Co for \$265 million in cash. The price of the transaction, as well as capital for growth, will be provided by cash currently held in trust by Services Acquisition Corp International and the sale of approximately 27.4 million shares of Services Acquisition Corp International common stock at \$7.50 per share in a private placement. Upon consummation of the transaction, Services Acquisition Corp International will seek to change its name to Jamba Inc. Jamba Juice Co has 532 location, 323 company-owned and 209 franchised, operating in 26 states, the District of Columbia, and the Bahamas. Jamba Juice Co also had system wide sales of \$345 million, which included \$230 million from company locations, for the 12 months ending 10 January 2006. The financial advisors in the deal include: Piper Jaffray Inc for Jamba Juice Co, New River Capital Partners LP for Services Acquisition Corp International. The legal advisors in the deal include: Mintz Levin Cohn Ferris Glovsky & Popeo PC for Services Acquisition Corp International, Manatt Phelps & Phillips LLP for Jamba Juice Co.

Food Processing
Del Monte Foods Co agreed to acquire Kraft Foods Inc's Milkbone Brand

Del Monte Foods entered into an agreement to acquire Milk-Bone dog treats brand and other brands from Kraft Foods Inc for approximately \$580 million. Del Monte is one of the largest distributors of canned fruit and vegetables in the US.

Industrial & Farm Equipment & Machinery
MSC Industrial Direct Co Inc agreed to acquire Kennametal Inc's J&L Industrial Supply Unit

MSC Industrial Direct Co, a tools and industrial supplies marketer, entered into an agreement to acquire metal-cutting, mining and construction company Kennametal Inc's J&L Industrial Supply business for \$349.5 million in cash and debt. Under the terms of the deal, MSC/J&L will be the exclusive national-level distributor in the US of the Kennametal and Hertel lines of metal cutting tools, according to a five-year renewable distribution agreement. The deal is expected to close in the second quarter.

Industrial & Farm Equipment & Machinery
California Micro Devices Corp agreed to acquire Arques Technology

California Micro Devices Corp entered into a definitive agreement to acquire Arques Technology for approximately US\$8 million in cash, plus an earn-out payment based on the performance of Arques Technology's product line during the first eighteen months of the acquisition. Arques Technology, based in Santa Clara, California, manufactures analog semiconductor devices and has about 25 employees.

Industrial & Farm Equipment & Machinery
GE Water & Process Technologies agreed to acquire Zenon Environmental Inc

GE Water & Process Technologies (GEW&PT), a subsidiary of GE Transportation Systems that

operates as part of General Electric Co's Infrastructure division, signed an agreement to acquire Zenon Environmental Inc (Zenon), a public company that manufactures and distributes water purification systems and products, for CAD785 million (US\$689.8 million) in cash. Under the terms of the agreement, GEW&PT will pay CAD24.00 per share in cash for all the issued and outstanding shares and non-voting Class A shares of Zenon. According to Chairman and CEO Mr. Andrew Benedek of Zenon, "This transaction will benefit both our customers and GE's customers. Our advanced membranes and talented team, combined with GE's technology, scale, strong global network and services expertise, will open up new global opportunities for our ultra filtration technology." GE's Infrastructure division's Vice Chairman, President, and CEO, Mr. David Calhoun stated that the benefits of the transaction include synergies that will create a potential for GEW&PT to increase revenues by 30% in the municipal water segment, expand its capabilities in handling water scarcity issues, and establish its position in the growing ultra-filtration segment of the water and wastewater treatment market through Zenon's membrane technologies. The proxy circular is expected to be mailed by the end of March 2006. The financial advisors in the deal include: GMP Securities for Zenon Environmental Inc, JPMorgan & Co for Zenon Environmental Inc.

Leisure & Entertainment
Pinnacle Entertainment Inc agreed to acquire Aztar Corp

Pinnacle Entertainment Inc, owner and operator of casinos and hotels, has agreed to acquire Aztar Corp,

owner of five casinos, for roughly \$1.45 billion in cash. Under the terms of agreement, Pinnacle will pay \$38 in cash for each Aztar share and assume \$723 million in debt.

The overall value of the deal is approximately \$2.1 billion. The deal will create a nationwide casino network. The combined company will have assets in most of the nation's biggest gambling markets with casinos in Nevada, New Jersey, Louisiana, Missouri, and Indiana. The new entity will operate 12 major gambling properties

Leisure & Entertainment
Highland Hospitality Corp
agreed to acquire Pointe
Hilton Tapatio Cliffs Resort
from Hilton Hotels Corp

Highland Hospitality Corp, a real estate investment trust, has acquired Pointe Hilton Tapatio Cliffs Resort and Lookout Mountain Golf Club from Hilton Hotels Corp for approximately US\$85 million. Highland Hospitality Corp entered into a long-term management agreement with Hilton Hotels Corp to operate the property as a Hilton-branded resort.

Leisure & Entertainment
The Blackstone Group LP
agreed to acquire Hospitality
Europe

The Blackstone Group LP agreed to acquire the business and assets of Hospitality Europe from its current shareholders for EUR650 million (US\$774.9 million). Current shareholders of Dutch real-estate company Hospitality Europe include La Salle Partners Hotel Group and the Government of Singapore. The transaction includes 4 Sheraton hotels near the Frankfurt, Amsterdam, Brussels and Stockholm airports. The deal also

includes the Pulitzer Hotel in Amsterdam, a Hyatt Hotel in Paris and 2 other hotels located in Prague and Brussels.

Miscellaneous Services
The Hearst Corp agreed to
acquire Fitch Ratings from
Fimalac SA

The Hearst Corp agreed to acquire a 20% minority stake in Fitch Group, from Fimalac SA for approximately US\$592 million. Fitch Group comprises of Fitch Ratings and Algorithmics Inc. In 2005, Fitch Group's turnover was US\$692.6 million. The transaction is expected to close before the end of April 2006.

Miscellaneous Services
Fisher Scientific International
Inc agreed to acquire Athena
Diagnostics Inc from Behrman
Capital LP

Fisher Scientific International Inc, a distributor of scientific equipment and instruments, agreed to acquire privately held medical test maker Athena Diagnostics Inc for \$283 million in cash from investment firm Behrman Capital LP. The acquisition will expand Fisher's line of high-margin products in growing markets and deepen its portfolio of genetic makers which are increasingly being used in medical tests. The deal expected to close early in the second quarter. The financial advisors in the deal include: Citigroup Inc for Athena Diagnostics Inc.

Miscellaneous Services
Titan Outdoor Ltd agreed to
acquire The Maiden Group Plc
through a tender offer

Titan Outdoor Ltd, the UK wholly-owned subsidiary of Titan Outdoor LLC, itself owned by Titan

Worldwide Holdings Inc, launched a tender offer for the entire share capital of The Maiden Group Plc for GBP10.57 million (US\$18.5 million) in cash and GBP39 million (US\$68.3 million) in assumed liabilities. Under the terms of agreement, Titan Outdoor Ltd agreed to offer GBP0.20 (US\$0.35) cash for each Maiden Group Plc share sought. The acquisition falls in line with Titan Outdoor LLC with The Maiden Group Plc's strategy to further expand its outdoor advertising services in the UK.

Miscellaneous Services
Crown Worldwide Holdings
Ltd agreed to acquire the
business and assets of UK
Records Management
operations, GB Nationwide
Crate Hire business and Irish
Security Archives Ltd from
SIRVA Inc

Crown Worldwide Holdings Ltd agreed to acquire the business and assets of UK Records Management operations, GB Nationwide Crate Hire business and Irish Security Archives Ltd from SIRVA Inc for a cash consideration of approximately GBP50.0 million (US\$0.87 million). Under the terms of agreement, Crown will acquire the stock of Irish Security Archives Ltd and the assets of GB Nationwide and the Records Management Business. The acquisition will enable Crown Worldwide to gain entry in the UK market and expand its business strategy. The financial advisors in the deal include: Lazard Frères et Cie for SIRVA Inc.

Miscellaneous Services
TNS Inc management group
agreed to acquire TNS Inc
TNS Inc's management group led
by Chairman and Chief Executive

John J. McDonnell Jr. offered to acquire TNS Inc for US\$500.9 million in cash. Under the terms of the offer, TNS Inc shareholders will receive US\$22 per share in cash. TNS Inc processes automatic teller machines and credit card transactions and based in Reston, Virginia.

Office Equipment & Computer Hardware

Emerson Electric Co agreed to acquire Bristol Babcock from FKI Plc

Emerson Electric Co, a maker of engineering systems and other products, acquired Bristol Babcock for \$121 million from Britain's FKI PLC. Bristol Babcock is a maker of terminal units, flow computers, transmitters and controllers. The unit, which will be renamed Bristol, becomes part of Emerson Process Management. Bristol generates about \$80 million in annual revenue.

Oil & Gas

Plains All American Pipeline LP agreed to acquire Andrews Petroleum and Lone Star Trucking Inc

Plains All American Pipeline LP signed a definitive agreement to acquire Andrews Petroleum Inc and Lone Star Trucking Inc for approximately US\$205 million. Andrews Petroleum and Lone Star Trucking provide isomerization, fractionation, marketing and transportation services to producers and customers of natural gas liquids throughout the western United States. The transaction is expected to close in the next 30 days. The financial advisors in the deal include: Simmons & Co International for Andrews Petroleum Inc. The legal advisors in the deal include: O'Melveny &

Myers LLP for Andrews Petroleum Inc, Vinson & Elkins LLP for Plains All American Pipeline LP.

Oil & Gas

TCW Asset Management Co agreed to acquire a minority stake in CDX LLC

TCW Asset Management Co, a CA-based private equity firm and a subsidiary of Société Générale SA, signed an agreement to acquire an undisclosed minority stake in CDX LLC for an approximate cash amount of US\$835 million and other consideration. CDX is a TX-based company that principally engages in natural gas exploration and production. The acquisition of CDX will expand TCW's investments into energy assets. The financial advisors in the deal include: UBS Investment Bank Ltd for TCW Asset Management Co.

Paper

PH Glatfelter Co agreed to acquire Jr Crompton Ltd's Lydney Paper Mill Ops from JR Crompton Ltd

PH Glatfelter Co acquired the business and assets of the Lydney Paper Mill operations from JR Crompton Ltd for a consideration of GBP37.5 million (US\$65.7 million). Lydney Mills is located in the Forest of Dean, Gloucestershire, established in 1965, the operations is now the largest production unit of JR Crompton Ltd. The business employs about 240 people and in 2005 reported revenues of approximately GBP43.0 million (US\$75.3 million). Lydney mill produces a broad range of products including wet laid non-woven products, tea, coffee filter papers, clean room wipes, lens tissue, dye filter paper, double-sided adhesive tape and battery grid pasting tissue.

The acquisition is expected to enable Glatfelter to continue its growth strategy and expand its market reach to include the United Kingdom, Asia and the Americas.

Primary Metal Processing

APA Enterprises Inc entered into a revenue sharing licensing agreement

APA Enterprises Inc, developer and designer of fiber optics, copper and gallium nitride based components, entered into a revenue sharing licensing agreement for a total consideration of \$1.9 million in cash. Under the terms of the agreement, APA sold its multi-wafer Metal Organic Chemical Vapor Deposition operations and related intellectual property. Terms of the transaction allow APA to market and sell products for applications greater than 1 GHz and provide revenue sharing based on future licensing agreements regarding those patents. The asset purchase agreement includes an additional consulting agreement for up to \$100,000 over the course of one year.

Primary Metal Processing

Harris Steel Group Inc agreed to acquire Tru-Weld Grating Inc

Harris Steel Group Inc signed a definitive agreement to acquire the assets of Tru-Weld Grating Inc for approximately US\$21 million, including the assumption of certain liabilities. Tru-Weld Grating Inc operates three facilities processing steel bar grating, located in Litchfield, Illinois, Saegertown, Pennsylvania, and Wetaskiwin, Alberta.

Primary Metal Processing

Aleris International Inc agreed to acquire Corus Group Plc's Aluminum Business

US Company, Aleris International Inc, agreed to acquire the US\$1.8 billion revenue downstream business and assets of aluminum operations from Corus Group Plc for an approximate consideration of US\$840 million in cash. The consideration excludes assumption of about EUR28 million (US\$33.4 million) of debt and other liabilities. Corus' aluminum rolling and extrusion businesses are included in the transaction but its primary aluminum smelters are not. The rolling business operates in Koblenz, Germany; Duffel, Belgium; and Cap-de-la-Madeleine and Toronto, Canada. The Koblenz rolling mill is known to be one of the world's most specialized mills with longstanding relationships in industries such as aerospace, commercial plate and brazing sheet customers worldwide. The extrusion facilities are located in Vogt, Bonn and Bitterfeld, Germany; Duffel, Belgium; and Tianjin, Peoples Republic of China. Aleris estimates the Corus downstream businesses generated revenues of about EUR1.478 million (US\$1.8 million) in 2005. Corus will retain its smelter business in Delfzijl, Netherlands and Voerde, Germany. Aleris will fund the acquisition from a combination of debt and equity provided from Deutsche Bank AG, Citigroup Corporate and Investment Banking. Following completion of the acquisition the combined group will have 8,800 employees and will operate 52 manufacturing facilities in North America, South America, Europe and Asia. The acquisition is expected to enable Aleris global reach and new applications with

superior technology and broader range of products. The transaction is subject to regulatory approvals and is expected to complete in the third quarter of 2006. The legal advisors in the deal include: Fried Frank Harris Shriver & Jacobson LLP for Aleris International Inc.

Printing & Publishing The McClatchy Co agreed to acquire Knight Ridder Inc

The McClatchy Co signed a definitive agreement to acquire Knight Ridder Inc for approximately US\$4.2 billion in cash and stock, plus the assumption of approximately US\$2 billion in debt. Under the terms of the agreement, Knight Ridder shareholders will receive US\$40 per share in cash and a fixed fraction of 0.5118 of a Class A McClatchy share, which represents a total per share consideration of US\$67.25 based upon the closing stock price of McClatchy on March 10, 2006. The McClatchy Co will operate 32 daily newspapers and about 50 non-dailies after the planned sale of 12 Knight Ridder papers. McClatchy's dailies will have a combined daily circulation of about 3.2 million, making it the nation's second largest newspaper company measured by daily circulation. Knight Ridder Inc, based in San Jose, California, has 32 daily papers in 29 US markets, 50 non-daily newspapers, regional websites, and a strong Washington bureau. In 2005, Knight Ridder Inc generated about US\$3.1 billion in revenue. The financial advisors in the deal include: Credit Suisse (US) for The McClatchy Co, Morgan Stanley for Knight Ridder Inc, Goldman Sachs & Co for Knight Ridder Inc. The legal advisors in the deal include: Wilson Sonsini Goodrich & Rosati for The

McClatchy Co, Skadden Arps Slate Meagher & Flom LLP for Knight Ridder Inc.

Retail Texas Pacific Group LLC agreed to acquire 61 Department Stores from Coles Myer Ltd

Texas Pacific Group LLC and its affiliate, Newbridge Capital LLC, has agreed to acquire the Myer department-store chain from Australia's Coles Myer Ltd for approximately AUD1.4 billion (US\$1 billion). The purchase comes from when Newbridge Capital flush with cash, having raised AUD2 billion (US\$1.5 billion) from investors. Concurrently, it is expected that Newbridge Capital will soon be integrated into Texas Pacific Group and will operate as a single global fund.

Retail Allion Healthcare Inc agreed to acquire HS Maiman Rx Inc's customer list and inventory

Allion Healthcare Inc, a national provider of specialty pharmacy and disease management services focused on HIV/AIDS patients acquired certain assets, including customer lists and inventory, from H.S. Maiman RX Inc for \$5.25 million in cash. H.S. Maiman RX Inc, located in Brooklyn, NY, is a provider of pharmacy services to customers who are mainly HIV patients.

Stone, Clay & Glass JLL Partners Fund V LP agreed to acquire a minority stake in JLL Building Products LLC

JLL Partners Fund V LP, a DE-based private equity firm, signed an agreement to acquire a 50%

minority stake in JLL Building Products LLC for an approximate cash amount of US\$199 million. JLL Building Products is a NY-based company that principally manufactures and sells construction materials. The financial advisors in the deal include: UBS Investment Bank Ltd for JLL Partners Fund V LP. The legal advisors in the deal include: Latham & Watkins LLP for UBS Investment Bank Ltd.

Stone, Clay & Glass

Warburg Pincus Private Equity IX LP agreed to acquire a minority stake in JLL Building Products LLC

Warburg Pincus Private Equity IX LP, a DE-based private equity firm, signed an agreement to acquire a 50% minority stake in JLL Building Products LLC for an approximate cash amount of US\$199 million. JLL Building Products is a NY-based company that principally manufactures and sells construction materials. The financial advisors in the deal include: UBS Investment Bank Ltd for Warburg Pincus Private Equity IX LP. The legal advisors in the deal include: Latham & Watkins LLP for UBS Investment Bank Ltd.

Transportation: Advisor Correction

UTi Worldwide Inc agreed to acquire Market Industries Ltd

UTi Worldwide Inc, an international provider of integrated air, ocean, and contract logistics and customs brokerage services, acquired Market Industries Ltd, a third-party logistics company that manages 300,000 truckloads per year, for US\$197.1 million in cash. The transaction was funded from current cash reserves and a US\$150 million secured

six-month term credit facility. CEO Mr. Roger I. MacFarlane of UTi stated that the acquisition of Market Industries complements the September 2005 acquisition of Concentrek; will enable UTi to fulfill UTi's "NextLeap" strategy, which is to provide clients an integrated logistics solution; strengthen its competitive advantage; and increase the opportunities for UTi to provide greater value to clients and potential customers. Mr. P. Brian Fitzgerald, Chairman and CEO of Market Industries stated, "With our existing expertise in transportation management and truck brokerage, we believe we will be a valuable contributor to the continued growth and success of the UTi organization." UTi plans to carry out a private placement of US\$200 million senior notes. Market Industries has about 600 employees, 175 affiliates, and 5,000 customers. The financial advisors in the deal include: BB&T Capital Markets, acted as exclusive advisor to Market Industries and Endeavor Capital.

Transportation

SR Technics Switzerland agreed to acquire SIFCO Industries Inc's Aerospace Turbine Engine Repair Ops

SR Technics Switzerland acquired the business and assets of the Large Aerospace Turbine Engine Component Repair business from SIFCO Industries Inc for an approximate consideration of US\$9.8 million. The Aerospace facility is based in SIFCO's Mahon Industrial Estate facility, Cork, Ireland. The facility provides engine repair for General Electric, Snecma, Pratt & Whitney and Rolls-Royce large commercial airline turbine

engines. The Aerospace Repair business has a history of working with 90% of the world's major airlines and overhaul shops. The acquisition is expected to enhance SR Technics' engine repair offerings for large commercial aircraft engines. The deal is expected to close, subject to meeting certain conditions, in April 2006.

Wholesale & Distribution

Matthews International Corp agreed to acquire Royal Casket Co Inc

Matthews International Corp, based in Pittsburgh, Pennsylvania, acquired Royal Casket Co Inc, a casket and funeral products wholesaler, for US\$18 million in cash. Royal Casket Co Inc, based in Muskogee, Oklahoma, distributes burial caskets, urns, and memorial products to funeral homes from nine distribution centers throughout Texas, Oklahoma, and New Mexico.

Wholesale & Distribution

Brown-Forman Corp agreed to acquire Chambord Liqueur brand from Charles Jacquinet Cie

Brown-Forman Corp, owner of the Jack Daniel's, Southern Comfort and Hartman Luggage brands, reached an agreement with Charles Jacquinet et Cie, owner and producer of Chambord Liqueur, to acquire the Chambord Liqueur brand and related assets for \$255 million in cash. Chambord Liqueur is a premium black raspberry liqueur made and bottled in France. The financial advisors in the deal include: Lazard Frères et Cie for Brown-Forman Corp, Michel Dyens for Chambord Liqueur / Jacquinet Et Cie Charles.

M&A Deals in the US M&A Market: Mar. 13 - Mar. 17

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 (Unit Sold)	Buyer Name Target Address	Deal Size (\$mm)	Target Ownership	Buyer Phone Buyer Website Contact Name Contact Title	Target Phone Target Website Contact Name Contact Title	Seller SIC	Percent Sought	Method of Payment
3/12/06	North Fork Bancorp, Inc.	Capital One Financial Corp. 275 Broadhollow Road, Melville, NY, US	\$14,819.39	Public	1.703.720.1000 Sandi Abadinsky Corporate Communications Officer	1.631.844.1004 Daniel Healy Exec VP/CFO	6022	100	Combo
3/13/06	Knight Ridder, Inc.	The McClatchy Co. 50 West San Fernando Street, Suite 1500, San Jose, CA, US	\$4,502.35	Public	1.916.321.1846 R. Elaine Lintecum Treasurer	1.408.938.7700 Polk Laffoon Director of Corporate Communic	2711	100	Combo
3/13/06	Lone Star Management Co. Ltd. (Korea Exchange Bank)	Kookmin Bank 717 North Harwood Street, Suite 2200, Dallas, TX, US	\$4,397.72	Public		1.214.754.8300 Moon-Soo Chung Chairman	6081	50.5	
3/13/06	Andrx Corp.	Watson Pharmaceuticals, Inc. 8151 Peters Road, 4th floor, Plantation, FL, US	\$1,835.00	Public	1.951.493.5300 Sara Swee	1.954.382.7600 Elliot Hahn	2834	100	Cash
3/13/06	Aztar Corp.	Pinnacle Entertainment, Inc. 2390 East Camelback Road, Suite 400, Phoenix, AZ, US	\$1,363.93	Public	1.702.784.7777 RD Hubbard	1.602.381.4100	7011	100	Cash
3/13/06	Coles Myer Ltd. (Coles Myer Ltd. /61 Department Stores/)	Texas Pacific Group LLC 800 Toorak Road, Tooronga, AU	\$1,040.00	Division	1.817.871.4000 Owen Blicksilverf CFO	61.3.9829.3111	5311	100	
3/17/06	AAT Communications Corp.	SBA Communications Corp. 12444 Powerscourt Drive, Suite 300, St. Louis, MO, US	\$1,002.85	Private	1.561.995.7670	1.314.821.3100	4899	100	Combo
3/15/06	Corus Group Plc (Corus Group Plc /Aluminum Business/)	Aleris International, Inc. 30 Millbank, London, UK	\$840.00	Division	1.502.589.8100	44.20.7717.4444 David Michael Lloyd Finance Director	3334	100	Cash
3/13/06	CDX LLC	Société Générale SA Dallas, TX, US	\$835.00	Private	33.1.42.14.20.00 Daniel Bouton Chairman/CEO		1321	100	Cash
3/16/06	Hospitality Europe	The Blackstone Group LP NL	\$774.94	Private	1.212.583.5000 Mikael Salovaara 212-836-9839		7011	100	
3/14/06	Zenon Environmental, Inc.	General Electric Co. 3239 Dundas Street West, Oakville, CA	\$690.14	Public	1.203.373.2211 Keith Sherin Senior VP: Finance/CFO	1.905.465.3030	3589	100	Cash
3/16/06	Fimalac SA (Fitch Ratings)	The Hearst Corp. 97, rue de Lille, Paris, FR	\$592.00	Division	1.212.649.2000 Victor F Ganzl President/Chief Executive Officer	33.1.47.53.61.71 Stephen W. Joynt & James Jockle Chairman/CEO	7323	20.0	
3/16/06	Kraft Foods, Inc. (Kraft Foods, Inc. /Milkbone Brand/)	Del Monte Foods Co. 3 Lakes Drive, Northfield, IL, US	\$580.00	Division	1.415.247.3000 Jim Obrien CEO	1.847.646.2000 James Dollive Senior VP/CFO	2047	100	Cash
3/13/06	TNS, Inc.	TNS, Inc. /Management/ 11480 Commerce Park Drive, Suite 600, Reston, VA, US	\$500.93	Public		1.703.453.8300	7389	95.0	Cash
3/16/06	uSwitch Ltd.	The E. W. Scripps Co. Portland House, Stag Place, London, UK	\$366.00	Private	1.513.977.3000 Tim Stautberg	44.20.7802.2929	7371	100	Cash
3/16/06	Kennametal, Inc. (J&L Industrial Supply)	MSC Industrial Direct Co, Inc. 1600 Technology Way, Latrobe, PA, US	\$349.50	Division	1.516.812.2000		3549	100	Cash
3/16/06	Behrman Capital LP (Athena Diagnostics, Inc.)	Fisher Scientific International, Inc. 126 East 56th Street, 27th floor, New York, NY, US	\$283.00	Division	1.603.926.5911 Robert J Galalis VP/CFO	1.212.980.6500	8734	100	Cash
3/13/06	Jamba juice co.	Services Acquisition Corp. International 1700 17th Street, San Francisco, CA, US	\$265.00	Private	1.954.713.1165	1.415.865.1100	2037	100	Cash
3/16/06	Charles Jacquin et Cie (Charles Jacquin et Cie /Chambord Operations/)	Brown-Forman Corp. FR	\$255.00	Division	1.502.585.1100 Phoebe Wood Exec VP/CFO		5182	100	Cash

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3/17/06	William Lyon Homes, Inc.	William Lyon Homes, Inc. /Lyon/ 4490 Von Karman Avenue, Newport Beach, CA, US	\$205.18	Public		Douglass Harris	1521	25.5	Cash
3/15/06	Andrews Petroleum, Inc. / Lone Star Trucking, Inc.	Plains All American Pipeline LP 3151 Airway Avenue, Building V, Costa Mesa, CA, US	\$205.00	Private		1..	1321	100	
3/16/06	JLL Building Products LLC	Warburg, Pincus Private Equity IX LP NY, US	\$199.01	Private			3251	50.0	Cash
3/16/06	JLL Building Products LLC	JLL Partners Fund V LP NY, US	\$199.01	Private			3251	50.0	Cash
3/15/06	The Carlyle Group LLC (Gakusei Engokai Co., Ltd.)	usen Corp. 1001 Pennsylvania Avenue NW, Suite 220 South, Washington, DC, US	\$155.40	Division	81.3.3509.7111	1.202.347.2626 Sterling Philips Vice President	7375	40.1	
3/17/06	FKI Plc (Bristol Babcock)	Emerson Electric Co. 86 Fetter Lane, London, UK	\$121.00	Division	1.314.553.2000 Walt Sharp Chairman	44.20.7832.0000 Keith Orrell Jones Chairman	3575	100	Cash
3/16/06	RecepTec LLC	The Laird Group Plc 4360 Baldwin Road, Holly, MI, US	\$89.00	Private	44.20.7468.4040 Peter Hill Chief Executive Officer	1.810.695.9810	3669	100	
3/13/06	Chaparral Resources, Inc.	Lukoil Holding 2 Gannett Drive, Suite 418, White Plains, NY, US	\$88.65	Public	7.95.927.4444 Valery Graifer Chairman	1.866.559.3822	1381	40.0	Cash
3/14/06	SIRVA, Inc. (Sirva, Inc. /UK Business Services Division/ / Irish Security Archives Ltd.)	Crown Worldwide Holdings Ltd. 700 Oakmont Lane, Westmont, IL, US	\$87.56	Division	852.1.2636.8388	1.630.570.3050 Brian P Kelley President/CEO	4731	100	Cash
3/17/06	Hilton Hotels Corp. (Pointe Hilton Tapatio Cliffs Resort)	Highland Hospitality Corp. 9336 Civic Center Drive, Beverly Hills, CA, US	\$85.00	Private		1.310.278.4321 Matthew Hart Executive VP/CFO/Treasurer	7011	100	
3/13/06	JR Crompton Ltd. (JR Crompton Ltd. /Lydney Paper Mill Ops/)	P.H. Glatfelter Co. Sunlight House, Quay Street, 12th floor, Manchester, UK	\$65.67	Division	Peter Yaffe	44.1618.176500	2611	100	
3/15/06	Rocksoft Ltd.	Advanced Digital Information Corp. Level 7, Shell House,, 170 North Terrace,, Adelaide, AU	\$63.00	Private	Jon Gacek Senior VP/CFO	61.8.8232.6262	7372	100	Combo
3/13/06	Kontiki, Inc.	VeriSign, Inc. 501 Macara Avenue, Suite 202, Sunnyvale, CA, US	\$62.00	Private	1.650.961.7500 Kathleen Ochsner	1.408.730.3000	7372	100	
3/15/06	Vela Pharmaceuticals, Inc.	Pharmos Corp. 820 Bear Tavern Road, Suite 300, Ewing, NJ, US	\$29.73	Private	1.732.452.9556	1.609.771.8660	2833	100	Combo
3/13/06	Artemis International Solutions Corp.	Trilogy, Inc. 4041 MacArthur Boulevard, Suite 401, Newport Beach, CA, US	\$23.83	Public	1.512.874.3100 Marie Martin	1.949.660.6500	7372	100	Cash
3/13/06	JR Crompton Ltd. (JR Crompton Ltd. /Simpson Clough Mill Ops/)	P.H. Glatfelter Co. Sunlight House, Quay Street, 12th floor, Manchester, UK	\$21.89	Division	Peter Yaffe	44.1618.176500	2621	100	
3/16/06	SunCoast Bancorp, Inc.	NBC Capital Corp 8592 Potter Park Drive, Suite 200, Sarasota, FL, US	\$21.60	Public		1.941.923.0500	6022	100	Combo
3/15/06	Tru-Weld Grating, Inc.	Harris Steel Group Inc 2000 Corporate Drive, Wexford, PA, US	\$21.00	Private		1.724.934.5320	3312	100	
3/13/06	Karrell Pty Ltd.	Ocean West Holding Corp AU	\$20.80	Private			6799	100	Combo
3/16/06	Whittier Goodrich Pharmacy, Inc.	Allion Healthcare, Inc. 5417 Whittier Boulevard, Los Angeles, CA, US	\$20.00	Private	1.631.547.6520	1.323.722.1010	2834	100	Cash
3/14/06	Unify Corp.	HALO Technology Holdings, Inc. 2101 Arena Boulevard, Suite 100, Sacramento, CA, US	\$19.80	Public		1.916.928.6400	7372	100	Stock

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3/14/06	The Maiden Group Plc	Titan Worldwide Holdings, Inc. 128 Buckingham Palace Road, London, UK	\$18.51	Public		44.20.7838.4000 Ian Powell Finance Director	7311	100	Cash
3/13/06	Prescott Manufacturing LLC	NQL Energy Services, Inc. 103 Guernsey Lane, Youngsville, LA, US	\$18.00	Private	1.780.955.8828 Dean Livingstone	1.337.856.5300	3533	100	Cash
3/17/06	Royal Casket Co., Inc.	Matthews International Corp. 302 North Main, Muskogee, OK, US	\$18.00	Private	1.412.442.8200 Edward J Boyle VP:Finance & Accounting/Treas/Secy	1.877.250.5302	5087	100	Cash
3/13/06	First Montauk Financial Corp.	First Montauk Financial Corp. /Private Investor/ 328 Newman Spring Road, Red Bank, NJ, US	\$15.93	Public		1.732.842.4700	6282	100	Cash
3/16/06	Nanogen, Inc.	Fisher Scientific International, Inc. 10398 Pacific Center Court, San Diego, CA, US	\$13.44	Public	1.603.926.5911 Robert J Gagalis VP/CFO	1.858.410.4600	3841	9.0	Cash
3/14/06	Lee Munder Capital Group LP	Castanea Partners, Inc. 200 Clarendon Street, 53rd floor, Boston, MA, US	\$11.50	Private	1.617.630.2400	1.617.380.5600	6799	100	
3/14/06	Superior Air Parts, Inc.	Thielert AG 621 South Royal Lane, Suite 100, Coppell, TX, US	\$10.00	Private	49.40.696950.0	1.972.829.4600	3724	100	
3/16/06	SIFCO Industries, Inc. (SIFCO Industries, Inc. /Aerospace Turbine Engine Repair)	SR Technics Holding 970 East 64th Street, Cleveland, OH, US	\$9.80	Division		1.216.881.8600	4581	100	
3/13/06	Jeffrey Simbrow Associates, Inc.	Ventiv Health, Inc. 23 Lesmill Road, Suite 303, Toronto, CA	\$8.79	Private		1.416.391.5166	8742	100	Combo
3/16/06	Arques Technology	California Micro Devices Corp 4655 Old Ironsides Drive, Suite 130, Santa Clara, CA, US	\$8.00	Private		1.408.969.0868	3559	100	Cash
3/14/06	Cytomyx Holdings Plc (Cytomyx Ltd.)	Serologicals Corp. 6-7 Technopark, Cambridge, UK	\$7.00	Division	1.678.728.2000 Peter Pizzo VP: Finance/CFO	44.1223.508191 William Mason Chairman	2834	100	Cash
3/15/06	Soluris, Inc.	Nanometrics, Inc. 45 Winthrop Street, Concord, MA, US	\$7.00	Private		1.978.371.2600 Paul Knutrud	3674	100	Cash
3/13/06	Synergos, Inc.	Ventiv Health, Inc. 2202 Timberloch Place, Suite 230, The Woodlands, TX, US	\$5.75	Private		1.281.367.6655	8742	100	Combo
3/13/06	Synergos, Inc.	Ventiv Health, Inc. 2202 Timberloch Place, Suite 230, The Woodlands, TX, US	\$5.75	Private		1.281.367.6655	8742	100	Combo
3/13/06	H.S. Maiman Rx, Inc. (H.S. Maiman Rx, Inc.)	Allion Healthcare, Inc. 821 Franklin Avenue, Brooklyn, NY, US	\$5.25	Private	1.631.547.6520	1.718.467.5600	5912	100	Cash
3/13/06	H.S. Maiman Rx, Inc. (H.S. Maiman Rx, Inc.)	Allion Healthcare, Inc. 821 Franklin Avenue, Brooklyn, NY, US	\$5.25	Division	1.631.547.6520	1.718.467.5600	5912	100	Cash
3/13/06	H.S. Maiman Rx, Inc. (H.S. Maiman Rx, Inc.)	Allion Healthcare, Inc. 821 Franklin Avenue, Brooklyn, NY, US	\$5.25	Private	1.631.547.6520	1.718.467.5600	5912	100	Cash
3/13/06	H.S. Maiman Rx, Inc. (H.S. Maiman Rx, Inc.)	Allion Healthcare, Inc. 821 Franklin Avenue, Brooklyn, NY, US	\$5.25	Division	1.631.547.6520	1.718.467.5600	5912	100	Cash
3/13/06	SteelCo, Inc.	Drew Industries, Inc. 2661 So Lilac Avenue, Bloomington, CA, US	\$4.50	Private	1.914.428.9098 Fredric Zinn Exec VP/CFO	1..	3442	100	
3/16/06	Hawaii Biotech, Inc. (Hawaii Biotech, Inc. /Vaccine Businesses/)	Avantogen Ltd. 99-193 Aiea Heights Drive, Suite 200, Aiea, HI, US	\$4.50	Division		1.808.486.5333	2834	100	Cash
3/13/06	ClearStory Systems, Inc. (ClearStory Systems, Inc. /Integrated Doc Arch & Retr Sys Bus/)	Datawatch Corp. 1 Research Drive, Suite 200 B, Westborough, MA, US	\$4.30	Division	Alan MacDougall CFO	1.508.870.4000 Ted Prince Media Contact	7372	100	

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3/14/06	Tripmaster Corp.	Control Instruments Group Ltd. Dallas Fort Worth, TX, US	\$3.50	Private	27.21.876.3738		5045	51.0	Cash
3/16/06	EarthFirst Technologies, Inc. (World Environmental Solutions Co. LLC /Alabama CAVD/)	Internal Hydro International, Inc. 5025 West Lemon St, Tampa, FL, US	\$2.00	Division	1.813.231.7122 Jay H. Budd President/CEO	Beverly Mercer	4953	100	
3/15/06	APA Enterprises, Inc. (APA Enterprises, Inc. /Mocvd Ops & Intellectual Prop/)	APA Enterprises, Inc. /Private Investor/ 2950 Northeast 84th Lane, Blaine, MN, US	\$1.90	Division		Anil K Jain Chairman/President/CEO	3357	100	Cash
3/15/06	Styles Media Group LLC (WBBK AM / WGMK FM / WSEM-AM)	Flint Media 285 North Foster Street, 8th floor, Dothan, AL, US	\$0.98	Division		1.334.792.0047 Thomas DiBacco	4832	100	Combo
3/14/06	American Southwest Music Distribution, Inc.	GL Energy & Exploration, Inc. Santa Fe Springs, CA, US	\$0.68	Private	1.416.214.1473		2741	100	Combo
3/16/06	Anderson Stations (KJRG-AM)	Bott Radio Network KS, US	\$0.65	Division			4832	100	Combo
3/13/06	Old Dominion Communications, Inc. (WZFM-FM)	Baker Family Stations US	\$0.60	Division	1.540.983.6621 Vernon H Baker President		4832	100	Cash
3/16/06	WADA-AM	HRN Broadcasting Inc Shelby, NC, US	\$0.35	Private			4832	100	Cash
3/14/06	Reliability Inc (Reliability, Inc. /Power Sources Division/)	Reliability, Inc. /Power Sources Division/ /Private Buyer/ 16500 Park Row, Houston, TX, US	\$0.28	Division		Larry Edwards Press Contact	3612	100	Cash
3/15/06	Colonial Radio Group (WEAF-AM)	Glory Communications 338 E Mclver Rd, Florence, SC, US	\$0.23	Division	1.803.939.9530	1.843.665.1230	4832	100	Cash