GFI | CSC

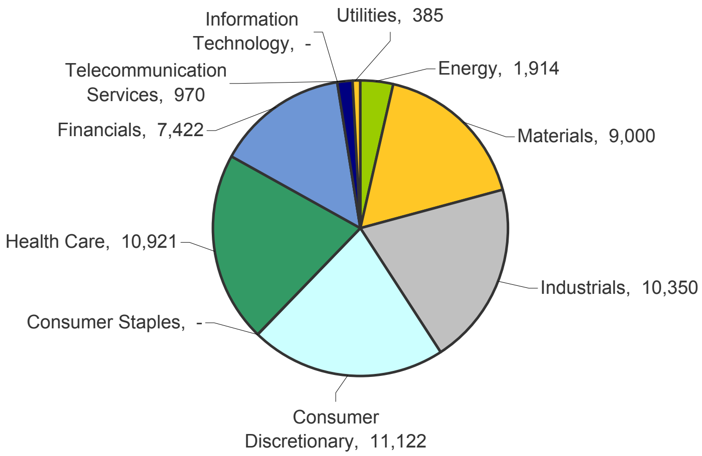
SPECIAL SITUATIONS

Special Situations Weekly

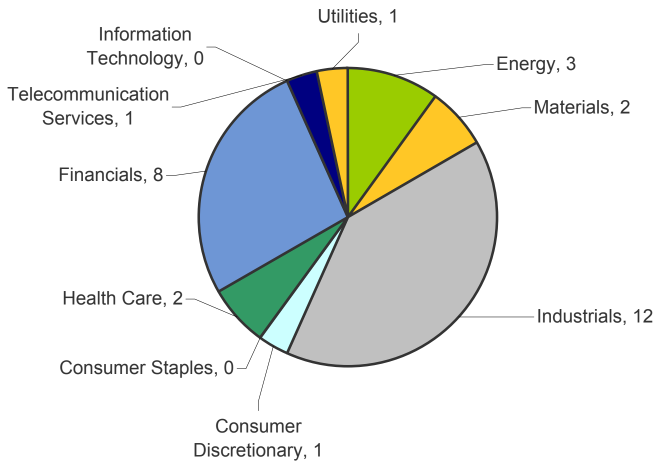
Week 26

Total deals	**30**	**Total market value of targets (bn)**	**52,082**
Stock deals	7	Greater than USD 5bn	3
Cash deals	17	Between USD 1bn and USD 5bn	9
Stock & cash deals	6	Less than USD 1bn	18

Targets split by sector (MCap in USDm)



Targets split by sector (number of targets in sector)



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Special Situations Analysis

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International Special Situations: Top-ten deals by size

Target	Bidder	Terms	Mcap (USDm)	Simple Spread	True Spread	Ann.	Est. comp.
BSkyB	News Corp	GBp 700	11,122	0.00%	1.53%	n.m.	31-Dec-10
Fresenius Prefs	Fresenius Ords	1 FRE	9,568	0.30%	0.12%	0.69%	01-Sep-10
Lihir Gold	Newcrest Mining	1/8.43 NCM + AUD 0.225	8,652	1.83%	1.84%	10.16%	04-Sep-10
AXA Asia Pacific	NAB	AUD1.59+0.1745NAB/AL	4,416	17.55%	17.57%	n.m.	n.m.
Arriva	Deutsche Bahn	GBp 775	2,264	1.37%	1.37%	6.96%	10-Sep-10
Iberia	British Airways	1.0205 BAY	2,140	4.35%	2.92%	6.91%	01-Dec-10
VT Group	Babcock Intl	0.701 BAB + GBp 361.60	2,091	0.62%	0.58%	23.56%	09-Jul-10
Chloride Group	ABB	GBp 325.00 + 3.30 div	1,474	-15.63%	-14.77%	neg	21-Oct-10
Chloride Group	Emerson Elec	GBp 375.00 + 3.30 div	1,474	-2.65%	-1.79%	neg	n.m.
Healthscope	Carlyle & Tpg	AUD 5.75	1,352	10.79%	10.79%	n.m.	n.m.

Source: Company data, CSC estmates

Prospective Deals

Date	Company	Mcap (USDm)	BBG Ticker	Country	Sector	Event	Comments
30-Jun-10	Prysmian Spa	2,646	PRY IM	Italy	Industrials	Bid Spec	Milano Finanza: Clubtre (Tamburi, D'Amico and Angelini families), looking to increase its stake to 6% from 2.04%.
30-Jun-10	Sulzer India	98	SLZR IN	India	Industrials	Bid Spec	Sulzer announces that it will launch an offer to delist Sulzer India via a reverse book-building process.
29-Jun-10	Gazprom	113,332	GAZP RX	Russia	Energy	Other	Moscow Times: May buy back E.ON's 3.5% Gazprom stake.
29-Jun-10	Tnk-Bp Hold-Brd	32,994	TNBP* RU	Russia	Energy	Other	Vedomosti: BP not planning to sell its 50% stake. The paper quoted TNK-BP's CFO Jonathan Muir as its source.
29-Jun-10	Natl Bank Greece	6,649	ETE GA	Greece	Financials	Stake Building	FT: QIA in talks about taking a strategic stake of 5-7%.
29-Jun-10	Bzwbk	4,217	BZW PW	Poland	Financials	Bid Spec	Gazeta Wyborcza: PKO has submitted an offer for the controlling stake put up for sale Allied Irish Banks.
29-Jun-10	Enea	2,337	ENA PW	Poland	Utilities	Other	Parkiet: RWE will not participate in negotiations to acquire. Poland sent an invitation yesterday to bid for a 51% stake.
29-Jun-10	Kesa Electricals	967	KESA LN	Britain	Consumer Discretionary	Stake Building	Knight Vinke disclose 3.05% stake. Believed to be a value play rather than an activist position.
29-Jun-10	Wattyl Ltd	118	WYL AU	Australia	Materials	Bid Spec	Herald Sun: Akzo Noble thought to be preparing a rival offer for Wattyl.
28-Jun-10	Astrazeneca Plc	68,377	AZN LN	Britain	Health Care	Bid Spec	Telegraph: Listed by S&P as having the characteristics of companies acquired by US corporates in the past 12 months.
28-Jun-10	Hennes & Mauri-B	43,319	HMB SS	Sweden	Consumer Discretionary	Bid Spec	La Tribune: H&M denies that it could be up for sale. Fast Retailing had been rumoured to be interested in H&M.
28-Jun-10	Unicredit Spa	43,640	UCG IM	Italy	Financials	Bid Spec	Il Sole 24 Ore: Could be a takeover target because it is public, without a single controlling shareholder and not receiving state aid.
28-Jun-10	Vivendi	25,396	VIV FP	France	Consumer Discretionary	Bid Spec	Telegraph: Listed by S&P as having the characteristics of companies acquired by US corporates in the past 12 months.
28-Jun-10	Bae Systems Plc	16,058	BA/ LN	Britain	Industrials	Bid Spec	Telegraph: Listed by S&P as having the characteristics of companies acquired by US corporates in the past 12 months.
28-Jun-10	Portugal Tel-Reg	8,978	PTC PL	Portugal	Telecommunication Services	Other	CMVM announces that Telefonica still controls the voting rights of the 8% stake it "sold".
28-Jun-10	Infineon Tech	6,410	IFX GY	Germany	Information Technology	Stake Building	FTD: Russian government ups pressure on Germany to enable Sistema to acquire a 29% stake.
28-Jun-10	Balfour Beatty	2,454	BBY LN	Britain	Industrials	Bid Spec	Telegraph: Listed by S&P as having the characteristics of companies acquired by US corporates in the past 12 months.
28-Jun-10	Tui Ag	2,230	TUI1 GY	Germany	Consumer Discretionary	Bid Spec	Telegraph: Listed by S&P as having the characteristics of companies acquired by US corporates in the past 12 months.
28-Jun-10	Stada Arzneimitt	1,974	SAZ GY	Germany	Health Care	Bid Spec	Tagesspiegel: Has attracted the interest of Pfizer.
28-Jun-10	Ladbrokes Plc	1,720	LAD LN	Britain	Consumer Discretionary	Other	Telegraph: Retains Alix Partners to perform a strategic review.
28-Jun-10	Bwin Interactive	1,591	BWIN AV	Austria	Consumer Discretionary	Other	Refutes that talks with PartyGaming have ended.
28-Jun-10	Freenet Ag	1,318	FNTN GY	Germany	Telecommunication Services	Other	FAZ: Drillisch not planning to increase or sell its 12% stake.
27-Jun-10	Wolseley Plc	5,686	WOS LN	Britain	Industrials	Stake Building	Telegraph: Activist investor Cevian Capital has built up a 5.2% stake in Wolseley.
27-Jun-10	Cam Finanziara	224	CMF IM	Italy	Energy	Stake Building	Malacalza buys 8.6% in Camfin for EUR 34.8m; thus raising its stake to 12.1%.
25-Jun-10	Tesco Plc	45,673	TSCO LN	Britain	Consumer Staples	Stake Building	Berkshire Hathaway increases its stake by c2m shares and now holds 3.02%.
24-Jun-10	Bp Plc	89,577	BP/ LN	Britain	Energy	Bid Spec	Fox Business: BP retains Credit Suisse, Goldman Sachs and Blackstone as advisors in connection with the GOM oil spill.
24-Jun-10	Northumb Water	2,372	NWG LN	Britain	Utilities	Bid Spec	Telegraph: Talk joint of GBp 375 per share offer by a state investment fund, possibly Abu Dhabi Investment Authority and OTPP.
24-Jun-10	Indophil Res Nl	393	IRN AU	Australia	Materials	Abandoned	Zijin Mining ends AUD 1.28 pe share offer talks.
24-Jun-10	Northern Offshor	297	NOF NO	Bermuda	Energy	Stake Building	John Fredriksen buys 2.2m shares at NOK 13.10 per share; taking stake to 30.6%.
24-Jun-10	Caledon Resource	90	CDN LN	Britain	Materials	Abandoned	Ends offer talks with Polo Resources. Polo buys 11m new Caledon shares at GBp 30 per share.
23-Jun-10	Areva-Ci	14,896	CEI FP	France	Industrials	Other	Le Figaro: Alstom no longer pushing for an alliance with Areva.
23-Jun-10	Reliance Communi	8,812	RCOM IN	India	Telecommunication Services	Other	Economic Times: Vivendi in advanced talks to potentially buy a 26% stake; later denied by Vivendi.
23-Jun-10	Indep News & Med	450	INM ID	Ireland	Consumer Discretionary	Stake Building	Denis O'Brien increases his stake to 20.23% after having acquired c8m shares at EUR 0.88 per share.
23-Jun-10	Rieber & Son Asa	491	RIE NO	Norway	Consumer Staples	Bid Spec	Zee Ploeg triggers mandatory offer of NOK 40.50 per share.
23-Jun-10	Gamma Holding N	163	GAMMA NA	Netherlands	Consumer Discretionary	Stake Building	Het Financieele Dagblad: Gilde Buy Out Partners increases its 19% stake to 23.57%.
22-Jun-10	Voestalpine Ag	4,652	VOE AV	Austria	Materials	Bid Spec	Wirtschaftsblatt: Considered to be a target for private equity buyers by Morgan Stanley.
22-Jun-10	Mayr-Melnhof Kar	1,792	MMK AV	Austria	Materials	Bid Spec	Wirtschaftsblatt: Considered to be a target for private equity buyers by Morgan Stanley.
22-Jun-10	Oesterreichische	1,670	POST AV	Austria	Industrials	Bid Spec	Wirtschaftsblatt: Considered to be a target for private equity buyers by Morgan Stanley.
22-Jun-10	Semperit Ag Hldg	711	SEM AV	Austria	Consumer Discretionary	Bid Spec	Wirtschaftsblatt: Considered to be a target for private equity buyers by Morgan Stanley.
22-Jun-10	Cape Plc	348	CIU LN	Britain	Industrials	Abandoned	Announces that talks with an unnamed bidder have ended.
21-Jun-10	Shed Media Plc	108	SHDP LN	Britain	Consumer Discretionary	Bid Spec	Confirms being in talks with Time Warner which may lead to an offer for the company.
21-Jun-10	Dana Petroleum	1,570	DNX LN	Britain	Energy	Bid Spec	Guardian: Closed 4.85% higher on renewed talk of OMV being interested.
18-Jun-10	Galp Energia-B	12,488	GALP PL	Portugal	Energy	Stake Building	Diario Economico: ENI's one-third stake will be carved up between Petrobras and Caixa Geral de Depositos (1%).
18-Jun-10	Porsche Auto-Pfd	7,561	PAH3 GY	Germany	Consumer Discretionary	Other	Scheduling a capital increase for 1H11 as part of the planned merger with VW, which will take part after the capital increase.
18-Jun-10	Eramet	6,675	ERA FP	France	Materials	Stake Building	FT: Gabon looking to acquire a direct 4% to 5% stake.
18-Jun-10	Actelion Ltd-Reg	4,857	ATLN VX	Switzerland	Health Care	Bid Spec	Tagesanzeiger: Renewed takeover speculation.
18-Jun-10	Nobel Biocar-Reg	2,150	NOBN VX	Switzerland	Health Care	Bid Spec	NZZ: Highlighted as a possible takeover target.
16-Jun-10	Mol Hungarian	8,739	MOL HB	Hungary	Energy	Other	Vedomosti: Hungarian government preparing for negotiations on acquiring 21.2% in MOL from Surgutneftegaz.
16-Jun-10	Zodiac Aerospace	2,734	ZC FP	France	Industrials	Other	La Tribune: Rules out a potential tie-up with Safran as there are not enough synergies between the two parties.
16-Jun-10	Acea Spa	2,135	ACE IM	Italy	Utilities	Stake Building	Il Sole 24 Ore: GDF may increase its 10% stake following Francesco Gaetano Galtagirone having increased his stake to 13%.
16-Jun-10	Fluxys-D	1,859	FLUX BB	Belgium	Energy	Other	De Tijd: Fluxys looking for long-term industrial investors that own grids, storage capacity or international projects.
16-Jun-10	Oc Oerlikon Corp	1,371	OERL SW	Switzerland	Industrials	Stake Building	Handelszeitung: Victory (Ronny Pecik) agreed to sell Renova a 8-9% stake before its capital increase was carried out.
16-Jun-10	African Minerals	1,441	AMI LN	Guernsey	Materials	Stake Building	China Railway Materials buys 33.6m new shares @ GBp 500 per share. Represents 12.5% of the enlarged group.
16-Jun-10	Sky Deutschland	886	SKYD GY	Germany	Consumer Discretionary	Bid Spec	FAZ: Closed 18.2% higher on talk that Murdoch might attempt a buyout of the company's public shareholders.
16-Jun-10	Heidelberg Druck	713	HDD GY	Germany	Industrials	Bid Spec	FAZ: Could see renewed speculation of a possible merger with rival Manroland.
15-Jun-10	Fresnillo Plc	10,477	FRES LN	Mexico	Materials	Bid Spec	Times: Notes renewed speculation of Carlos Slim mulling a bid - but attributes the 5% gain to the stronger price of silver.
15-Jun-10	Uralkali	7,704	URKA RM	Russia	Materials	Bid Spec	Vedomosti: New owners may look to merge Uralkali with Norilsk Nickel.

Sources: ABC, Bloomberg, Borsen Dagens Industri, Daily Mail, Die Welt, Finanza & Mercati, FT, Guardian, Il Sole 24 Ore, La Gaceta, La Stampa, La Tribune, Negocio, Reuters, Svenska Dagbladet, Telegraph, Times, WSJ.

Prospective Deals

Date	Company	Mcap (USDm)	BBG Ticker	Country	Sector	Event	Comments
15-Jun-10	Domino'S Pizza	914	DOM LN	Britain	Consumer Discretionary	Other	Numis places 5.5m shares at GBp 360 per share.
15-Jun-10	Healthcare Locum	280	HLO LN	Britain	Health Care	Abandoned	Offer talks announced on 9-Apr ends; company no longer in an offer period.
14-Jun-10	Generali Assic	27,617	G IM	Italy	Financials	Stake Building	La Repubblica: Vincent Bollore, Generali's deputy chairman, may increase his holding to as much as 2%.
14-Jun-10	Saint Gobain	19,661	SGO FP	France	Industrials	Stake Building	L'Expansion: Qatari Diar, a unit of the country's sovereign wealth fund, plans to take a stake.
14-Jun-10	Clariant Ag-Reg	2,942	CLN VX	Switzerland	Materials	Bid Spec	Finanz und Wirtschaft: Would not welcome a hostile takeover; may make buys in order to prevent it being taken over.
14-Jun-10	Spicejet Ltd	304	SJET IN	India	Industrials	Stake Building	Kalanithi Maran make INR 57.76 per share offer for 20% stake after having bought 37.73% at INR 47.25 per share.
13-Jun-10	Banesto Sa	5,530	BTO SM	Spain	Financials	Bid Spec	Expansion: Banesto may be a bid target for Santander following Sabadell's approach for Guipuzcoano.
13-Jun-10	Bankinter	2,930	BKT SM	Spain	Financials	Bid Spec	Expansion: Bankinter may be a bid target for Santander following Sabadell's approach for Guipuzcoano.
13-Jun-10	Banco Pastor	1,291	PAS SM	Spain	Financials	Bid Spec	Expansion: May be a bid target for Sabadell following its approach for Guipuzcoano.
11-Jun-10	Arm Holdings	5,468	ARM LN	Britain	Information Technology	Bid Spec	FT: Dismisses renewed chatter that Apple might be targeting the group.
11-Jun-10	Banco Guipuzco-R	828	GUI SM	Spain	Financials	Bid Spec	Cinco Dias: Has reached an initial agreement to merge with Banco Sabadell. Sabadell confirms interest.
11-Jun-10	Brit Insurance	868	BRE LN	Netherlands	Financials	Bid Spec	FT: Apollo is the party behind the takeover bid approach rejected by Brit; believed to have been pitched at GBp 1,000 per share.
10-Jun-10	Lorillard Inc	11,116	LO US	United States	Consumer Staples	Bid Spec	FT: Imperial Tobacco weighing up potential acquisitions. Lorillard said to be among targets; may offer USD 90 per share.
10-Jun-10	Software Ag	2,987	SOW GY	Germany	Information Technology	Bid Spec	FTD: CEO cited as saying that there are always companies interested in its product range. Says SAP would be a good fit.
09-Jun-10	Fischer(Geo)-Reg	1,351	FI/N SW	Switzerland	Industrials	Stake Building	NZZ: Large block traded off-market; speculation that Swiss investor Giorgio Behr might have been involved.
09-Jun-10	Morgan Crucible	748	MGCR LN	Britain	Industrials	Bid Spec	City AM: Could be a target following ABB bid for Chloride.
03-Jun-10	Sonaecom Sgps S	618	SNC PL	Portugal	Telecommunication Services	Bid Spec	ADPnews: Sonaecom soars over 6% on merger speculations.
01-Jun-10	Gildemeister	512	GIL GY	Germany	Industrials	Bid Spec	FAZ: Denies rumors that it could be taken over by Japanese rival Mori Seiki.
01-Jun-10	Edb Business Pts	236	EDBASA NC	Norway	Information Technology	Other	BoD evaluating strategic options for the company and as a consequence has initiated a formal dialogue with ErgoGroup AS.
31-May-10	Genzyme Corp	13,805	GENZ US	United States	Health Care	Bid Spec	FT: Seen as a target for Amgen and Celgene.
31-May-10	Seattle Genetics	1,224	SGEN US	United States	Health Care	Bid Spec	FT: Seen as a target for Eli Lilly, Takeda and Celgene.
28-May-10	Nichi-Iko Pharma	1,222	4541 JP	Japan	Health Care	Stake Building	Sanofi-Aventis buys a 4.66% stake at JPY 2,894 per share.
27-May-10	Emporiki Bk Gr	1,751	TEMP GA	Greece	Financials	Bid Spec	EFG Eurobank says there is no substance to speculation of it bidding for Emporiki.
26-May-10	Edison Spa	5,917	EDN IM	Italy	Utilities	Other	La Stampa: Shareholders may invite Intesa Sanpaolo to take a stake.
26-May-10	Natl Express Grp	1,687	NEX LN	Britain	Industrials	Bid Spec	Telegraph: Seen as a target for SNCF after it failed to buy Arriva.
25-May-10	Lawson Software	1,211	LWSN US	United States	Information Technology	Stake Building	Carl Icahn discloses holding an 8.54% stake.
25-May-10	Usec Inc	563	USU US	United States	Energy	Stake Building	FT: Toshiba to invest USD 100m in USEC as the top players in the nuclear industry race to secure their supply chain.
24-May-10	Croda Intl.	2,073	CRDA LN	Britain	Materials	Bid Spec	Chemical Week: May be a target for Solvey.
24-May-10	Rhodia Sa	1,729	RHA FP	France	Materials	Bid Spec	Chemical Week: May be a target for Solvey.
24-May-10	Arsenal Holdings	904	AFC PZ	Britain	Consumer Discretionary	Bid Spec	Aliko Dangote said to be mulling buying Lady Nina Bracewell-Smith's 16% stake.
19-May-10	Banco Bpi Sa-Reg	1,693	BPI PL	Portugal	Financials	Stake Building	Europa Press: Criteria Caixacorp may raise its 30.1% Banco BPI stake.
18-May-10	Piramal Healthca	2,163	PIHC IN	India	Health Care	Stake Building	Mint: GSK or Sanofi may be looking to buy a stake.
18-May-10	Rautaruukki Oyj	2,073	RTRKS FH	Finland	Materials	Bid Spec	Kauppalehti: Solidium (Finnish State) should consider merging Rautaruukki (40%) and Outokumpu (30%).
17-May-10	Johnson&Johnson	163,691	JNJ US	United States	Health Care	Other	Warren Buffett reduces stake by 12%.
17-May-10	Becton Dickinson	15,829	BDX US	United States	Health Care	Stake Building	Warren Buffett increases stake by 16%.
17-May-10	Suntrust Banks	11,832	STI US	United States	Financials	Other	Warren Buffett sells entire stake.
17-May-10	Republic Svcs	11,440	RSG US	United States	Industrials	Stake Building	Warren Buffett increases stake by 30%.
17-May-10	Iron Mountain	4,625	IRM US	United States	Industrials	Stake Building	Warren Buffett increases stake by 11%.
13-May-10	Aozora Bank Ltd	2,162	8304 JP	Japan	Financials	Abandoned	Talks of 1 for 1 share swap with Shinsei Bank ends.
13-May-10	Jardine Lloyd Th	1,698	JLT LN	Britain	Financials	Bid Spec	Telegraph: Said to have rejected bids from Marsh & McLennan and AON. GBp 850 per share mentioned as offer price.
12-May-10	Man Se	12,065	MAN GY	Germany	Industrials	Bid Spec	FAZ: MAN will continue to be listed in five to ten years from now even if VW increases its stake from 29.9% to more than 50%.
12-May-10	Cliffs Natural R	6,613	CLF US	United States	Materials	Bid Spec	Barron's: Could be a takeover target for a mining or steel-making giant.
11-May-10	Colt Group Sa	1,750	COLT LN	Britain	Telecommunication Services	Bid Spec	FT: Vodafone may need to acquire CW and Colt Telecom in order to boost its network.
11-May-10	Dong-A Pharm	1,122	000640 KS	South Korea	Health Care	Stake Building	GSK takes a 9.9% stake as part of a strategic alliance.
04-May-10	Repsol Ypf Sa	25,011	REP SM	Spain	Energy	Bid Spec	Expansion: Eni has held talks with the Spanish government about a possible corporate tie-up with Repsol.
04-May-10	Pirelli & C Real	343	PRS IM	Italy	Financials	Other	Il Messaggero: Hires Lazard to advise on its spin-off being considered by parent Pirelli.
30-Apr-10	E*Trade Financia	2,634	ETFC US	United States	Financials	Other	Citadel reduces stake to 26.5% from 34% (on a fully diluted basis).
28-Apr-10	Volvo Ab-B	23,620	VOLVB SS	Sweden	Industrials	Other	Telegraph: Renault believed to have retained bankers to advise it on placing its 20% stake.
28-Apr-10	Abertis	10,757	ABE SM	Spain	Industrials	Other	Expansion: ACS weighing up whether or not to dispose of its 12% stake.
28-Apr-10	Micronas Sem-Reg	138	MASN SW	Switzerland	Information Technology	Bid Spec	Handelszeitung: CEO cited as saying that he is not against a takeover as long as it is in the interests of shareholders and emp.
27-Apr-10	Cemex Sab-Cpo	9,792	CEMEXCPC	Mexico	Materials	Other	FT: Cemex to consider selling minority stakes in some of its operations worldwide as it seeks to trim its heavy debt burden.
27-Apr-10	Swedbank Ab-A	8,911	SWEDA SS	Sweden	Financials	Bid Spec	Dagens Nyheter: Cevian Capital looking to merge Swedbank with SEB.
27-Apr-10	Daiei Inc	823	8263 JP	Japan	Consumer Discretionary	Stake Building	Deutsche Bank acquires an 11.7% stake from Advantage Partners and has placed 2% of this with an undisclosed investor.
27-Apr-10	Takkt Ag	666	TTK GY	Germany	Consumer Discretionary	Bid Spec	Boersen-Zeitung: Could be sold or taken over by Haniel, which already holds 70%.
27-Apr-10	Bodycote Plc	567	BOY LN	Britain	Industrials	Bid Spec	Daily Express: Hits 20 month high amid speculation about a possible takeover. Sulzer previously pulled out of a GBp 340 bid.
26-Apr-10	Mechel	8,005	MTLR RM	Russia	Materials	Other	Vedomosti: Will hold a presentation for the sale of preferred shares. Invitations being sent by Renaissance and Morgan Stanley.
26-Apr-10	Thomas Weisel Pa	195	TWPG US	United States	Financials	Bid Spec	WSJ: Stifel Financial expected to announce the acquisition of Thomas Weisel in a USD 300 million all-stock deal

Sources: ABC, Bloomberg, Borsen Dagens Industri, Daily Mail, Die Welt, Finanza & Mercati, FT, Guardian, Il Sole 24 Ore, La Gaceta, La Stampa, La Tribune, Negocio, Reuters, Svenska Dagbladet, Telegraph, Times, WSJ.

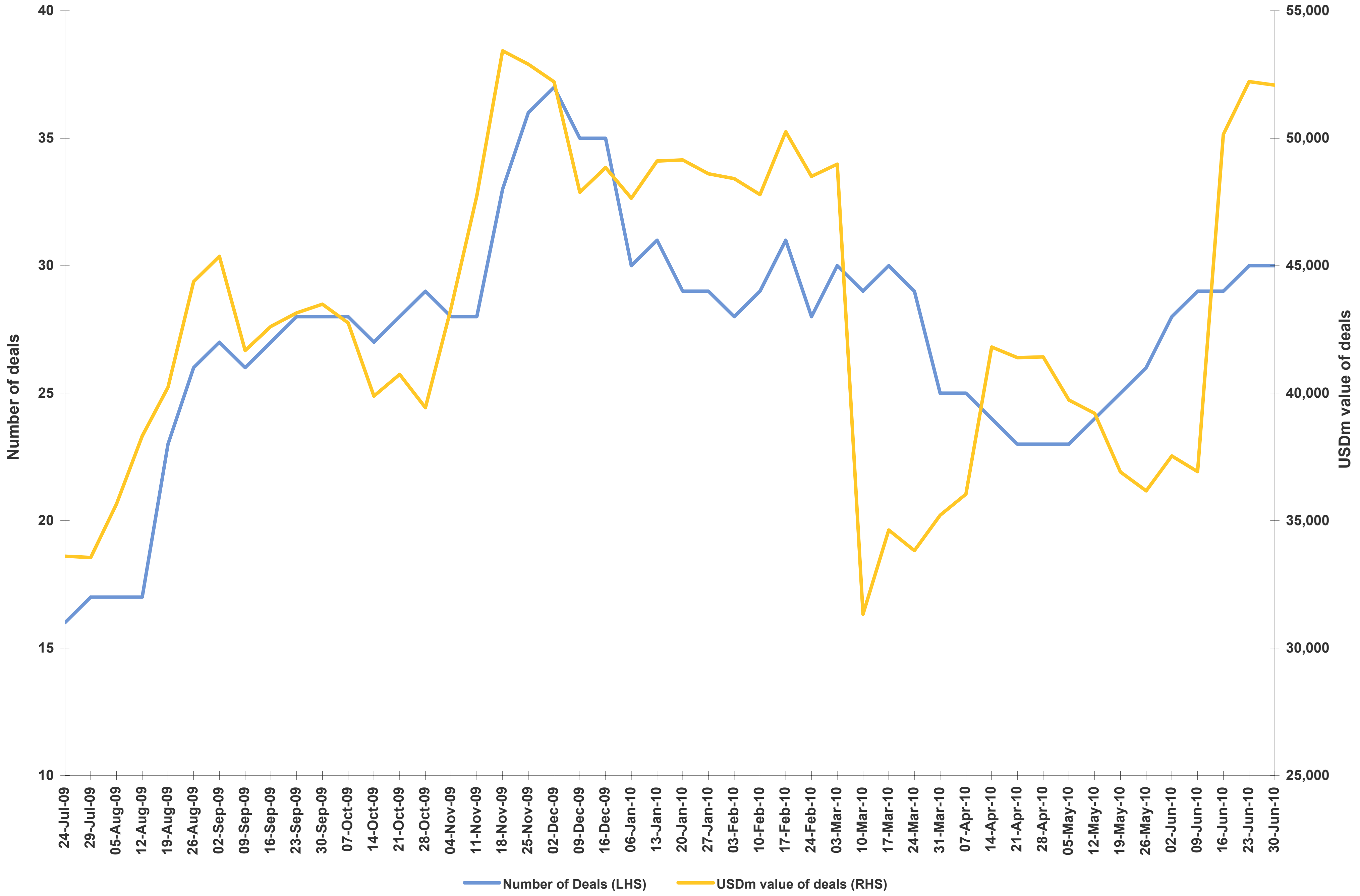
International Merger Arbitrage Universe

Target	Bidder	Terms	MCap (USDm)	Share price of target	Value of offer/share	Diff	Simple Spread (%)	True spread (%)	Ann. (%)	Announ.	Est. Comp.
APRR	Eiffage	EUR 54.16	296	EUR 53.75	EUR 54.16	EUR 0.41	0.76%	0.76%	9.28%	16-Jun-10	30-Jul-10
Arriva	Deutsche Bahn	GBp 775	2,264	GBp 764.50	GBp 775.00	GBp 10.50	1.37%	1.37%	6.96%	28-Jan-10	10-Sep-10
AXA Asia Pacific	NAB	AUD1.59+0.1745NAB/AUD6.43	4,416	AUD 5.47	AUD 6.43	AUD 0.96	17.55%	17.57%	n.m.	17-Dec-09	n.m.
Banca Intermobiliare	Veneto Banca	EUR 4.25	296	EUR 4.17	EUR 4.25	EUR 0.08	1.92%	1.92%	3.81%	06-Apr-10	31-Dec-10
Bank Rajasthan	ICICI Bank	25/118 ICICIBC	409	INR 173.45	INR 182.56	INR 9.11	5.25%	5.25%	61.86%	18-May-10	31-Jul-10
Brit Insurance	Apollo Global	GBp 1,000	1,034	GBp 900.00	GBp 1,000.00	GBp 100.00	11.11%	11.11%	n.m.	10-Jun-10	n.m.
BSkyB	News Corp	GBp 700	11,122	GBp 700.00	GBp 710.70	GBp 10.70	0.00%	1.53%	n.m.	15-Jun-10	31-Dec-10
BSS Group	Travis Perkins	0.2608 TPK + GBp 232.91	779	GBp 420.00	GBp 423.73	GBp 3.73	0.97%	0.89%	3.77%	28-May-10	24-Sep-10
Candover Investments	Alberta Invest	GBp 875 (est.)	223	GBp 725.00	GBp 875.00	GBp 150.00	20.69%	20.69%	n.m.	27-Apr-10	n.m.
Chloride Group	ABB	GBp 325.00 + 3.30 div	1,474	GBp 385.20	GBp 328.30	GBp 56.90	-15.63%	-14.77%	**neg**	08-Jun-10	21-Oct-10
Chloride Group	Emerson Elec	GBp 375.00 + 3.30 div	1,474	GBp 385.20	GBp 378.30	GBp 6.90	-2.65%	-1.79%	**neg**	24-Apr-10	n.m.
Climate Exchange	Intercontinental Exch	GBp 750.00	408	GBp 747.00	GBp 750.00	GBp 3.00	0.40%	0.40%	6.66%	30-Apr-10	22-Jul-10
Comstar	MTS	0.825 MTSI or RUB 220	970	RUB 6.10	RUB 6.69	RUB 0.59	9.62%	9.62%	12.82%	25-Jun-10	31-Mar-11
ECO Business-Immo	Conwert Immo	EUR 6.50	189	EUR 6.48	EUR 6.50	EUR 0.03	0.39%	0.39%	1.14%	15-Jun-10	01-Nov-10
Enia Spa	Iride Spa	4.2 IRD	385	EUR 5.17	EUR 5.17	EUR 0.00	-0.08%	-0.08%	**neg**	12-Oct-08	01-Jul-10
F&C Commerical Prop	UK Commercial Prop	1.22 UKCM (est.) or GBp 91	447	GBp 90.75	GBp 96.26	GBp 5.51	6.67%	6.08%	47.19%	23-Apr-10	16-Aug-10
Fresenius Prefs	Fresenius Ords	1 FRE	9,568	EUR 54.07	EUR 54.13	EUR 0.06	0.30%	0.12%	0.69%	30-Mar-10	01-Sep-10
Gewiss Spa	Unifind Spa	EUR 4.20	152	EUR 4.20	EUR 4.20	EUR 0.00	0.00%	0.00%	0.00%	28-May-10	04-Aug-10
Healthscope	Carlyle & Tpg	AUD 5.75	1,352	AUD 5.19	AUD 5.75	AUD 0.56	10.79%	10.79%	n.m.	14-May-10	n.m.
HI Display	Ratos	SEK 49.00	76	SEK 48.60	SEK 49.00	SEK 0.40	0.82%	0.82%	5.89%	01-Jun-10	20-Aug-10
Iberia	British Airways	1.0205 BAY	2,140	EUR 2.33	EUR 2.40	EUR 0.07	4.35%	2.92%	6.91%	13-Nov-09	01-Dec-10
Lihir Gold	Newcrest Mining	1/8.43 NCM + AUD 0.225	8,652	AUD 4.31	AUD 4.39	AUD 0.08	1.83%	1.84%	10.16%	01-Apr-10	04-Sep-10
Mitsubishi Rayon	Mitsubishi Chem	0.8 4188	347	JPY 322.00	JPY 327.20	JPY 5.20	1.61%	1.61%	6.34%	19-Nov-09	01-Oct-10
Prosafe	BW Offshore	1.2 BWO + NOK 5.25	320	NOK 13.25	NOK 14.30	NOK 1.05	8.45%	7.89%	72.00%	21-Jun-10	09-Aug-10
Scorpion	Seadrill	NOK 40.50	376	NOK 40.40	NOK 40.50	NOK 0.10	0.25%	0.25%	3.01%	12-Apr-10	30-Jul-10
Scott Wilson	CH2M Hill	GBp 245.00	233	GBp 261.00	GBp 245.00	GBp 16.00	-6.13%	-6.13%	**neg**	26-Jun-10	29-Oct-10
Scott Wilson	URS Corp	GBp 210.00	233	GBp 261.00	GBp 210.00	GBp 51.00	-19.54%	-19.54%	**neg**	26-Jun-10	24-Sep-10
Sperian Protection	Honeywell	EUR 117	618	EUR 114.90	EUR 118.00	EUR 3.10	1.83%	2.70%	12.79%	30-Mar-10	15-Sep-10
Subsea 7	Acergy	1.065 ACY	1,218	NOK 98.85	NOK 103.52	NOK 4.67	5.37%	4.72%	9.37%	21-Jun-10	31-Dec-10
Trafficmaster	Vector Capital	GBp 47	102	GBp 47.00	GBp 47.00	GBp 0.00	0.00%	0.00%	0.00%	28-Apr-10	12-Aug-10
Tricorona	Barclays	SEK 8.00	124	SEK 7.95	SEK 8.00	SEK 0.05	0.63%	0.63%	28.69%	02-Jun-10	08-Jul-10
VT Group	Babcock Intl	0.701 BAB + GBp 361.60	2,091	GBp 776.00	GBp 780.51	GBp 4.51	0.62%	0.58%	23.56%	15-Feb-10	09-Jul-10

Source: Company data, GFI-CSC estimates

= Added this week

International Merger Arbitrage Universe by size and number of deals



European special situations events calendar

Date	Deal	Event	Conf./Est.
01-Jul-10	Eco Business-Imm / Conwert Immo	Docs	Est.
	Enia Spa / Iride Spa	Effective date	Conf.
	Tricorona / Barclays	Offer closes	Conf.
02-Jul-10	Climate Exchange / Ice	Court Meeting	Conf.
	Climate Exchange / Ice	CLE EGM	Conf.
	Scott Wilson / Urs Corp	Deadline for URS to raise offer	Conf.
05-Jul-10	Industrivarden-C	Earnings	Conf.
	Trafficmaster / Vector Capital	Court Meeting	Conf.
	Trafficmaster / Vector Capital	EGM	Conf.
	Vt Group / Babcock Intl	Court Hearing (Sanction)	Conf.
06-Jul-10	Nichi-Iko Pharma	Earnings	Conf.
07-Jul-10	Chloride Group / Abb	Chloride XD GBp 3.30	Conf.
	Climate Exchange / Ice	Court Hearing (sanction)	Conf.
	Daiei Inc	Earnings	Conf.
	F&C Comm Prop / Uk Comm Prop	Docs	Est.
	Mechel	Earnings	Conf.
08-Jul-10	Climate Exchange / Ice	Effective date	Conf.
	Lawson Software	Earnings	Conf.
	Tricorona / Barclays	Settlement	Conf.
	Vt Group / Babcock Intl	Court Hearing (Reduction)	Conf.
	Vt Group / Babcock Intl	Effective date	Conf.
09-Jul-10	Lihir Gold / Newcrest Mining	Docs	Est.
	Oresund Investm	Earnings	Conf.
	Vt Group / Babcock Intl	Settlement	Conf.
12-Jul-10	Domino'S Pizza	Earnings	Conf.
	Prosafe / Bw Offshore	Offer docs	Est.
13-Jul-10	Investor Ab-B	Earnings	Conf.
14-Jul-10	Banesto Sa	Earnings	Conf.
15-Jul-10	Arsenal Holdings	Earnings	Conf.
	Axa Asia Pacific / Natl Aust Bank	NAB exclusivity ends	Conf.
	Edb Business Pts	Earnings	Conf.
	Iberia / Brit Airways Plc	EC Ruling due	Conf.
16-Jul-10	Bonheur Asa	Earnings	Conf.
	Chloride Group / Abb	Court Meeting	Conf.
	Chloride Group / Abb	EGM	Conf.
	Ganger Rolf Asa	Earnings	Conf.
	Rautaruukki Oyj	Earnings	Conf.
	Scorpion / Seadrill	Offer closes	Conf.
17-Jul-10	Subsea 7 / Acergy	Acergy Results	Conf.
19-Jul-10	Fischer(Geo)-Reg	Earnings	Conf.
	Koninklijke Phil	Earnings	Conf.
20-Jul-10	Johnson&Johnson	Earnings	Conf.
	Micronas Sem-Reg	Earnings	Conf.
21-Jul-10	Banco Bpi Sa-Reg	Earnings	Conf.
	Genzyme Corp	Earnings	Conf.
	Hl Display / Ratos	HL Display Results	Conf.
	Orkla Asa	Earnings	Conf.
	Sperian / Honeywell	Offer opens	Conf.
22-Jul-10	Actelion Ltd-Reg	Earnings	Conf.
	Climate Exchange / Ice	Settlement	Conf.
	Colt Group Sa	Earnings	Conf.
	E*Trade Financia	Earnings	Conf.
	Kinnevik Inves-B	Earnings	Conf.
	Lihir Gold / Newcrest Mining	Newcrest Results	Conf.
	Piramal Healthca	Earnings	Conf.
	Portugal Tel-Reg	Earnings	Conf.
	Suntrust Banks	Earnings	Conf.
	Swedbank Ab-A	Earnings	Conf.
	Volvo Ab-B	Earnings	Conf.
23-Jul-10	Banco Guipuzco-R	Earnings	Conf.
	Bank Rajasthan / Icici Bank	ICICI Bank Results	Est.
	Bankinter	Earnings	Conf.

Source: Company data, GFI-CSC estmates

Continued

European special situations events calendar (Cont.)

Date	Deal	Event	Conf./Est.
	Bss Group / Travis Perkins	Docs	Est.
	Dong-A Pharm	Earnings	Conf.
	Edison Spa	Earnings	Conf.
	Seattle Genetics	Earnings	Conf.
26-Jul-10	Scott Wilson / Ch2M Hill	Docs	Est.
	Scott Wilson / Urs Corp	Docs	Est.
	Trafficmaster / Vector Capital	Scheme Hearing	Conf.
27-Jul-10	Acea Spa	Earnings	Conf.
	Arm Holdings	Earnings	Conf.
	Bp Plc	Earnings	Conf.
	Cemex Sab-Cpo	Earnings	Conf.
	Chloride Group / Emerson Elec	Docs	Est.
	Croda Intl.	Earnings	Conf.
	Lorillard Inc	Earnings	Conf.
	Subsea 7 / Acergy	Subsea 7 2Q Results	Conf.
	Trafficmaster / Vector Capital	Suspension of listing	Conf.
28-Jul-10	Asm Intl N.V.	Earnings	Conf.
	Bodycote Plc	Earnings	Conf.
	Brit Insurance	Earnings	Conf.
	Brit Insurance / Apollo Global	Brit Insurance 1H Results	Conf.
	Bzwbk	Earnings	Conf.
	Gewiss Spa / Unifind Spa	Offer closes	Conf.
	Gewiss Spa / Unifind Spa	Gewiss Results	Conf.
	Infineon Tech	Earnings	Conf.
	Lihir Gold / Newcrest Mining	Lihir 2Q prod. & exploration report	Conf.
	Morgan Crucible	Earnings	Conf.
	Pirelli & C Real	Earnings	Conf.
	Trafficmaster / Vector Capital	Reduction Hearing	Conf.
29-Jul-10	Abertis	Earnings	Conf.
	Aozora Bank Ltd	Earnings	Conf.
	Astrazeneca Plc	Earnings	Conf.
	Bae Systems Plc	Earnings	Conf.
	Bskyb / News Corp	BSkyB Results	Conf.
	Clariant Ag-Reg	Earnings	Conf.
	Cliffs Natural R	Earnings	Conf.
	Eramet	Earnings	Conf.
	Gildemeister	Earnings	Conf.
	Man Se	Earnings	Conf.
	Natl Express Grp	Earnings	Conf.
	Repsol Ypf Sa	Earnings	Conf.
	Republic Svcs	Earnings	Conf.
	Saint Gobain	Earnings	Conf.
	Software Ag	Earnings	Conf.
	Takkt Ag	Earnings	Conf.
	Thomas Weisel Pa	Earnings	Conf.
	Trafficmaster / Vector Capital	Effective date	Conf.
30-Jul-10	Areva-Ci	Earnings	Conf.
	Banco Pastor	Earnings	Conf.
	Becton Dickinson	Earnings	Conf.
	Bss Group / Travis Perkins	Travis Perkins Results	Conf.
	Cam Finanziara	Earnings	Conf.
	Emporiki Bk Gr	Earnings	Conf.
	Financiere De Tu	Earnings	Conf.
	Galp Energia-B	Earnings	Conf.
	Gamma Holding Nv	Earnings	Conf.
	Groupe Brux Lamb	Earnings	Conf.
	Iron Mountain	Earnings	Conf.
	Jardine Lloyd Th	Earnings	Conf.
	Reliance Communi	Earnings	Conf.
	Rhodia Sa	Earnings	Conf.
	Scorpion / Seadrill	Settlement	Conf.
	Scott Wilson / Urs Corp	Court Hearing	Est.

Source: Company data, GFI-CSC estmates

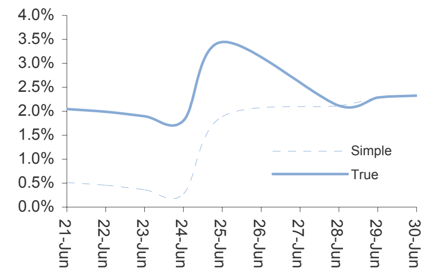
SOCIETE DES AUTO / EIFFAGE

Deal Terms / Spread Calculations

Deal Terms	1 ARR = EUR 54.16
Transaction Type	Tender offer
Simple value of bid	EUR 54.16
Current value of target	EUR 53.75
Simple absolute spread	EUR 0.41
Simple spread	*0.76%*
True spread calc	
Acquiror price * Exch. ratio	
Cash	EUR 54.16
Rebate * Exchange ratio	
Acquiror div. * Exch. ratio (FV)	
Target dividends (FV)	EUR 0.00
True value of bid	EUR 54.16
True spread	0.76%
Annualised true spread	***9.28%***

	Target	Acquiror(s)
Target / Acquiror(s)	SOCIETE DES AUTO	EIFFAGE
Country	France	France
Pre-bid price	EUR 50.86	EUR 36.17
Current price	EUR 53.75	EUR 35.69
Dividend	EUR 0.84	EUR 1.20
Ex-date	25-Jun-10	23-Apr-10
Market cap (USDm)	296	3,751
Free Float	4%	95%
Liquidity (USDm)	4.41	8.09
GICS Sector	Industrials	Industrials
GICS Industry Group	Transportation	Capital Goods
Financial Advisor(s)		
Bloomberg	ARR FP	FGR FP
RIC	APRR.PA	FOUG.PA
Cost of borrow	Expensive	GC
Availability	Tight	Good
Listed options	No	No
Convertible bonds	No	No

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Abertis	10.0x	9.5x	12.9x	12.0x	-2.1%
Atlantia Spa	8.5x	8.1x	11.3x	10.7x	-3.1%
Autostrada To-Mi	5.7x	4.9x	7.4x	6.5x	-4.2%
Brisa	13.0x	12.4x	19.8x	17.8x	-2.3%
Sias Spa	5.2x	4.6x	10.8x	9.9x	-1.4%
Average	8.5x	7.9x	12.4x	11.4x	-2.6%
APRR at offer	**10.4x**	**10.0x**	**17.8x**	**16.6x**	**5.7%**
Premium / Discount	*22%*	*26%*	*43%*	*46%*	

Source: Bloomberg consensus estimates

Event Calendar

17-Jun-10	Offer announced
24-Jun-10	Eiffarie holds 95.2%
25-Jun-10	APRR XD EUR 0.84
30-Jul-10	Completion (est.)
27-Aug-10	APRR Results
31-Aug-10	Eiffage Results

Main Conditions

None announced.

Comments

On 17-Jun, Eiffage and Macquarie Group agreed to pay EUR 854m to raise their stake in APRR to 95.21% from 81.48% by buying a combined 13.73% stake from funds managed by Elliott and Sandell for EUR 55 per share. Eiffage then plans to buy out the remaining 5% of APRR at EUR 54.16 (i.e. EUR 55 less the EUR 0.84 dividend that goes XD on 25-Jun).

Eiffage owns 50% plus one share in Eiffarie, the holding company that controls APRR, while Macquarie owns the remaining shares.

Financing
Eiffarie finance the transaction through a capital increase to which Macquarie and Eiffage will contribute equally. Delisting APRR will represent EUR 550m for each party.

APRR background
APRR is Europe's fourth-largest motorway operator and a subsidiary of Eiffarie, a consortium comprising Eiffage (majority interest) and Macquarie. The Group operates a network of 2,234 km (APRR: 1,821 km; AREA: 413 km) of motorways out of the 2,279 km under concession from the French government.

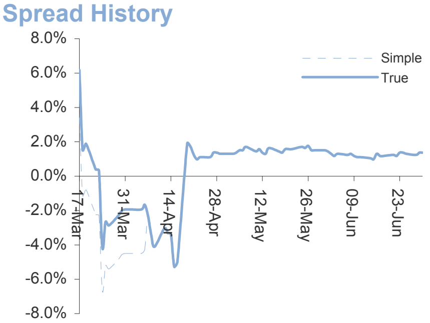
ARRIVA PLC / DEUTSCHE BAHN AG

Deal Terms / Spread Calculations

Deal Terms	1 ARI = GBp 775
Transaction Type	Scheme
Simple value of bid	GBp 775.00
Current value of target	GBp 764.50
Simple absolute spread	GBp 10.50
Simple spread	*1.37%*
True spread calc	
Acquiror price * Exch. ratio	GBp 775.00
Cash	GBp 0.00
Rebate * Exchange ratio	GBp 0.00
Acquiror div. * Exch. ratio (FV)	GBp 0.00
Target dividends (FV)	GBp 0.00
True value of bid	GBp 775.00
True spread	1.37%
Annualised true spread	***6.96%***

	Target	Acquiror(s)
Target / Acquiror(s)	ARRIVA PLC	DEUTSCHE BAHN AG
Country	Britain	Germany
Pre-bid price	GBp 467.90	n.m.
Current price	GBp 764.50	n.m.
Dividend	GBp 18.80	n.m.
Ex-date	07-Apr-10	n.m.
Free Float Market cap (USDm)	2,264	n.m.
Free Float	99%	n.m.
Liquidity (USDm)	29.09	n.m.
GICS Sector	Industrials	Industrials
GICS Industry Group	Transportation	Transportation
Financial Advisor(s)	Deutsche Bank, RBS and Rothschild	JPMorgan, Lazard and UBS
Bloomberg	ARI LN	DBHN GY
RIC	ARI.L	n.m.
Cost of borrow	GC	n.m.
Availability	Good	n.m.
Listed options	No	n.m.
Convertible bonds	No	n.m.

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Comfortdelgro Co	5.6x	5.4x	13.4x	12.8x	-8.2%
Firstgroup Plc	5.2x	4.9x	8.9x	8.0x	-1.3%
Go-Ahead Group	3.8x	3.8x	8.9x	9.4x	-21.0%
Natl Express Grp	5.9x	5.8x	9.9x	9.4x	7.5%
Stagecoach Group	5.6x	5.5x	8.6x	8.4x	-0.4%
Average	5.2x	5.1x	10.0x	9.6x	-4.7%
Arriva at offer	**6.8x**	**6.3x**	**14.5x**	**13.6x**	**63.4%**
Premium / Discount	*30%*	*25%*	*46%*	*41%*	

Source: Bloomberg consensus estimates

Event Calendar

28-Jan-10	ARI confirms talks with SNCF
18-Mar-10	FT: Bus and rail deals since late 2004 have been carried out at 15x EV/EBITDA, which would imply GBp 860 for ARI
12-Apr-10	Borsen: DSB, the Danish railway company, interested in acquiring ARI's German operations if they come up for sale
19-Apr-10	ARI confirms talks of GBp 775 per share offer with DB
18-May-10	Docs
02-Jun-10	Bloomberg: DB raising EUR 500m; 1st bond issue in 8 months
11-Jun-10	FTD: DB's offer will not come under wide-ranging EC scrutiny
16-Jun-10	DB CEO states that he would like to keep ARI's German bus business
16-Jun-10	ARI: Will file with EC on 22-Jun
17-Jun-10	EGM
17-Jun-10	Scheme Court Meeting
22-Jun-10	FTD: DB and SNCF will dissolve a partnership by DB, obtaining SNCF's 20% stake in Transfesa
22-Jun-10	EC filings
29-Jun-10	ARI Trading Statement
24-Aug-10	Scheme Court Hearing
25-Aug-10	Last trading day
26-Aug-10	Reduction Court Hearing
27-Aug-10	Effective date
10-Sep-10	Settlement

Main Conditions

75% shareholder approval. Satisfactory completion of a due diligence. Unanimous ARI BoD recommendation. Approval of the offer terms by the Management Board and Supervisory Board of

Comments

On 17-Mar, Arriva (ARI) confirmed that it had received an unsolicited approach from an unnamed party. This confirmation followed press reports in both the Guardian and the Times speculating that Deutsche Bahn or Comfort Delgro (the owner of Metroline buses in London) in combination with KKR, may be mulling a GBp 700 per share bid for ARI. DB on 18-Mar confirmed that it was behind the approach and on 19-Apr confirmed that it was in talks with DB about a GBp 775 per share offer. On 22-Apr, DB formally confirmed that it would go ahead and make a GBp 775 per share all cash offer structured as a scheme. As SNCF has previously been in talks with ARI we believe people may still be willing to pay for the optionality of a counterbid (although we find a counterbid very unlikely) and hence lead to the spread trading relatively tight.

Valuation

An offer of GBp 775 per share implies 6.8x 2010E EV/EBITDA, which seems like a fair price when taking into account that ARI shareholders also keep the GBp 18.80 per share dividend (see table above). On a P/E basis the offer implies 14.8x 2010E, which also looks reasonable. It is worth bearing in mind that CVC's approach for National Express was at 6.7x EV/EBITDA FY0, which would imply an offer of GBp 750 for ARI. A GBp 775 per share offer is our base case while GBp 850 is our blue sky offer value, which we do not put a high probability on, in case of a competitive bidding situation arises. GBp 850 would imply 7.9x LTM EV/EBITDA and be at a small premium to the 7.7x First Group paid for Laidlaw in 2007.

Bidders

Besides Comfort Delgro/KKR SNCF may also be interested in making a bid. However, even though the French Transport Minister has said he would support SNCF in a bid for ARI, we believe SNCF to be a less likely bidder as ARI on 5-Mar confirmed that talks with SNCF regarding the possible contribution of all or part of the Keolis transport business into ARI had ended. However, talking into account that ARI's statement confirming talks with DB regarding a GBp 775 offer on 19 Apr was made with the consent of DB we find it unlikely that a counterbidder will emerge. Deutsche Bahn already owns the Chiltern Line commuter route between London and Birmingham, owns EDS, the UK freight company, and also has 50% stakes in Wrexham, Shropshire & Marylebone Railway and the London Overground commuter route. DB has said it would like to compete with Eurostar in running passenger services through the Channel Tunnel.

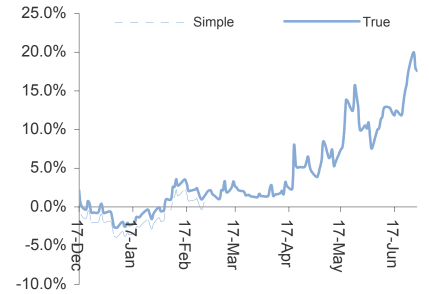
AXA ASIA PACIFIC / NATL AUST BANK

Deal Terms / Spread Calculations

Deal Terms	= AUD1.59+0.1745NAB/AUD6.43
Transaction Type	Unsolicited approach
Simple value of bid	AUD 6.43
Current value of target	AUD 5.47
Simple absolute spread	AUD 0.96
Simple spread	*17.55%*
True spread calc	
Acquiror price * Exch. ratio	AUD 4.84
Cash	AUD 1.59
Rebate * Exchange ratio	AUD 0.00
Acquiror div. * Exch. ratio (FV)	AUD 0.00
Target dividends (FV)	AUD 0.00
True value of bid	AUD 6.43
True spread	17.57%
Annualised true spread	***n.m.***

	Target	Acquiror(s)
Target / Acquiror(s)	AXA ASIA PACIFIC	NATL AUST BANK
Country	Australia	Australia
Pre-bid price	AUD 4.30	AUD 28.75
Current price	AUD 5.47	AUD 23.28
Dividend	AUD 0.09	AUD 1.06
Ex-date	01-Mar-10	04-Jun-10
Free Float Market cap (USDm)	4,416	40,808
Free Float	46%	97%
Liquidity (USDm)	36.21	188.26
GICS Sector	Financials	Financials
GICS Industry Group	Insurance	Banks
Financial Advisor(s)	Deutsche and Macquarie	JPMorgan
Bloomberg	AXA AU	NAB AU
RIC	AXA.AX	NAB.AX
Cost of borrow	GC	GC
Availability	Good	Good
Listed options	Yes	Yes
Convertible bonds	No	No

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Amp Ltd	16.3x	15.2x	12.5x	11.5x	-11.2%
Insurance Austra	14.5x	8.6x	19.5x	11.0x	-9.5%
Qbe Insurance	9.0x	7.8x	10.6x	9.6x	-18.8%
Tower Australia	8.2x	6.6x	9.7x	8.2x	-33.8%
Average	12.0x	9.5x	13.0x	10.0x	-18.4%
AXA Asia at offer	**11.6x**	**9.0x**	**20.3x**	**17.8x**	**27.2%**
Premium / Discount	*3%*	*6%*	*55%*	*77%*	

Source: Bloomberg consensus estimates

Event Calendar

17-Dec-09	NAB approach announced
19-Jan-10	ACCC commences review
29-Mar-10	Deadline for finalizing docs
31-Mar-10	SMH: AMP may still make a counterbid
07-Apr-10	WSJ: AMP expected to walk if the ACCC clears NAB's bid
19-Apr-10	ACCC blocks NAB offer and clears AMP offer
04-May-10	WSJ: AMP seeks permission to bid for assets of AXA
04-May-10	AFR: NAB considering selling AXA's Summit platform to gain ACCC approval
10-May-10	AFR: NAB best serve shareholders by exiting from the buyout race to acquire AXA
13-May-10	Guardian: AMP talking to AXA SA about new offer for AXA APH
17-May-10	WSJ: AXA says AMP is yet to approach it
01-Jun-10	The Australian: NAB to sell North investment platform to secure APH
18-Jun-10	AFR: NAB believed to be offering additional concessions to gain competition clearance
21-Jun-10	NZ CC approval given to AMP
28-Jun-10	SMH: ACCC and NAB could reach a deal that would allow NAB to buy AXA
15-Jul-10	NAB exclusivity ends

Main Conditions

Confirmatory due diligence by NAB. AXA SA agreeing to buy AXA APH's Asian assets essentially on the same financial terms as under their revised proposal with AMP. Shareholder approval. Court

Comments

On 30-Mar-10, AXA Asia Pacific Holdings (AXA APH) announced that it had executed documentation with National Australia Bank Limited (NAB) and AXA SA to implement the proposal announced to shareholders on 17-Dec-09. Under the proposal NAB will acquire 100% of AXA APH, retaining AXA APH's Australian and New Zealand businesses, and divesting AXA APH's Asian businesses to AXA SA.

Under the proposal, AXA APH's minority shareholders will be given the choice between AUD 6.43 cash or 0.1745 NAB Shares plus AUD 1.59 in cash for each of their AXA APH shares. Under the cash and shares alternative, the scrip ratio will be increased from 0.1745 NAB shares to reflect the cash amount of the NAB interim dividend for the six months ended 31-Mar-10 as the proposal will not be implemented in time for the AXA APH minority shareholders who elect the cash and shares alternative to receive that dividend in cash. There is also an increase in the scrip ratio under the cash and shares alternative in the event of certain NAB equity raisings.

Break fee

AUD 35m payable to NAB.

Financing

As part of the transaction, NAB will buy AXA SA's shares in AXA APH for AUD 7.2bn in cash and AXA will acquire from NAB 100% of AXA APH's Asian operations for AUD 9.4bn in cash. In this transaction with NAB, net cash consideration to be paid by AXA would amount to AUD 2.2bn, corresponding to the difference between (i) the value of 100% of AXA APH's Asian operations, and (ii) the value of 54% of AXA APH. This net cash outlay is equal to the one AXA would have paid in the former joint-offer with AMP. As part of the transaction, AXA APH will reimburse the AUD 0.7bn internal loan granted to it by AXA SA and AXA SA will subscribe AUD 0.6bn of senior debt to be issued by a wholly owned subsidiary of NAB.

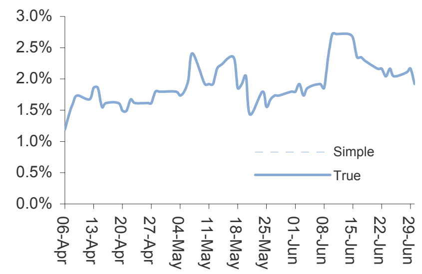
BANCA INTERMOBIL / VENETO BANCA

Deal Terms / Spread Calculations

Deal Terms	1 BIM = EUR 4.25
Transaction Type	Mandatory
Simple value of bid	EUR 4.25
Current value of target	EUR 4.17
Simple absolute spread	EUR 0.08
Simple spread	*1.92%*
True spread calc	
Acquiror price * Exch. ratio	
Cash	EUR 4.25
Rebate * Exchange ratio	
Acquiror div. * Exch. ratio (FV)	
Target dividends (FV)	
True value of bid	EUR 4.25
True spread	1.92%
Annualised true spread	*3.81%*

	Target	Acquiror(s)
Target / Acquiror(s)	BANCA INTERMOBIL	VENETO BANCA
Country	Italy	Italy
Pre-bid price	EUR 4.0050	n.m.
Current price	EUR 4.1700	n.m.
Dividend	EUR 0.4000	n.m.
Ex-date	05-May-08	n.m.
Market cap (USDm)	296	n.m.
Free Float	37%	n.m.
Liquidity (USDm)	0.31	n.m.
GICS Sector	Financials	Financials
GICS Industry Group	Diversified Financials	Diversified Financials
Financial Advisor(s)		
Bloomberg	BIM IM	3141276Z IM
RIC	BIM.MI	n.m.
Cost of borrow	Expensive	n.m.
Availability	Tight	n.m.
Listed options	No	n.m.
Convertible bonds	Yes	n.m.

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Banca Generali S	n.m.	n.m.	13.9x	10.6x	-6.3%
Banca Ifis Spa	n.m.	n.m.	11.7x	9.5x	-2.7%
Banca Pop Milano	54.5x	31.3x	11.9x	7.2x	-27.5%
Banco Popolare S	44.6x	18.1x	11.9x	8.1x	-12.2%
Credito Emiliano	n.m.	n.m.	15.4x	9.8x	-9.6%
Average	49.5x	24.7x	13.0x	9.0x	-11.7%
BIM at offer	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**4.1%**
Premium / Discount	*n.a.*	*n.a.*	*n.a.*	*n.a.*	

Source: Bloomberg consensus estimates

Event Calendar

06-Apr-10	EUR 4.25 offer announced
23-Apr-10	BIM AGM
13-May-10	BIM Results
31-Jul-10	Bank of Italy approval (est.)
31-Dec-10	Completion (est.)

Main Conditions

None announced.

Comments

On 6-Apr, Veneto Banca (VB), an Italian cooperative bank, said it will gain control of Banca Intermobiliare (BIM) by merging with its parent and that it plans to make an offer for the rest of BIM. VB will merge with CoFiTo, the holding company that owns 52% of BIM through a share swap and then make a mandatory offer for the rest of BIM at EUR 4.25 per share by the end of the year.

Strategic rational
The merger will make VB Italy's 10th-biggest bank by assets.

Banca Intermobiliare background
Banca Intermobiliare is a private banking group that offers private banking, wealth management and corporate finance services. It provides its services through nine subsidiaries: Banca Intermobiliare di Investimenti e Gestioni Suisse SA and Intra Private Bank, which provide private banking services and off-shore banking; Symphonia SGR SpA and BIM Alternative Investments SGR SpA, which provide asset management solutions; Bim Fiduciaria, which is a trust company; Bim Insurance Brokers SpA and Bim Vita SpA, which offer insurance services and Bim Immobiliare and Patio Lugano SA, which are engaged in property activities. In addition, BIM provides corporate management services through its Corporate Finance Team.

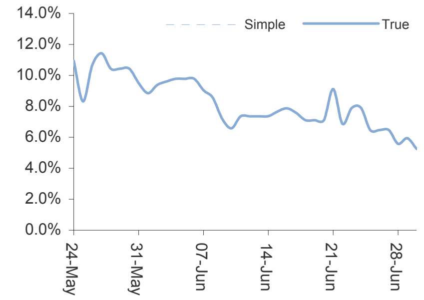
BANK RAJASTHAN / ICICI BANK

Deal Terms / Spread Calculations

Deal Terms	1 BOR = 25/118 ICICIBC
Transaction Type	Amalgamation
Simple value of bid	INR 182.56
Current value of target	INR 173.45
Simple absolute spread	INR 9.11
Simple spread	*5.25%*
True spread calc	
Acquiror price * Exch. ratio	INR 182.56
Cash	
Rebate * Exchange ratio	
Acquiror div. * Exch. ratio (FV)	
Target dividends (FV)	
True value of bid	INR 182.56
True spread	5.25%
Annualised true spread	***61.86%***

	Target	Acquiror(s)
Target / Acquiror(s)	BANK RAJASTHAN	ICICI BANK
Country	India	India
Pre-bid price	INR 99.45	INR 889.20
Current price	INR 173.45	INR 861.70
Dividend	INR 0.20	INR 12.00
Ex-date	13-Aug-09	10-Jun-10
Free Float Market cap (USDm)	409	11,932
Free Float	74%	58%
Liquidity (USDm)	8.98	94.01
GICS Sector	Financials	Financials
GICS Industry Group	Banks	Banks
Financial Advisor(s)	Haribhakti & Co.	Deloitte
Bloomberg	BOR IN	ICICIBC IN
RIC	BOR.BO	ICBK.BO
Cost of borrow	GC	GC
Availability	Fair	Good
Listed options	No	Yes
Convertible bonds	No	No

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Bank Of India	n.a.	n.a.	7.5x	6.2x	4.7%
Canara Bank	4.3x	3.2x	6.3x	5.3x	3.7%
Indian Overseas	n.a.	n.a.	5.8x	4.2x	10.7%
Punjab Natl Bank	n.a.	n.a.	7.7x	6.4x	2.0%
Union Bank India	n.a.	n.a.	6.8x	5.4x	4.2%
Average	4.3x	3.2x	6.8x	5.5x	5.1%
Bank of Raj at offer	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**74.4%**
Premium / Discount	*n.a.*	*n.a.*	*n.a.*	*n.a.*	

Source: Bloomberg consensus estimates

Event Calendar

18-May-10	Offer talks announced
18-May-10	ICICI BoD approves merger
20-May-10	BOR unions oppose merger
23-May-10	ICICI BoD to consider due diligence and valuation reports
23-May-10	ICICI BoD approval
23-May-10	BOR BoD approval
28-May-10	Bank of Rajastan Results
31-May-10	Supreme Court declines to hear petition filed by shareholders of the BOR, who were objecting to the merger with ICICI
21-Jun-10	BOR EGM approval obtained
21-Jun-10	ICICI EGM approval obtained
25-Jun-10	ICICI applies for Reserve Bank of India's approval
23-Jul-10	ICICI Bank Results (est.)
31-Jul-10	Completion (est.)

Main Conditions

Shareholder approvals (BOR and ICICI) Due dilligence. Fairness opinion. Regulatory approvals (Reserve Bank of India and Securities and Exchange Board of India.).

Comments

On 18-May, ICICI announced that it had entered into an agreement with certain shareholders of Bank of Rajasthan (BOR) agreeing to effect the amalgamation of BOR with ICICI with a share exchange ratio of 25 shares of ICICI for 118 shares of BOR. This is based on an internal analysis of the strategic value of the proposed amalgamation, average market capitalization per branch of old private sector banks and relevant precedent transactions. The proposed amalgamation would substantially enhance ICICI's branch network, already the largest among Indian private sector banks, and especially strengthen its presence in northern and western India. It would combine BOR's branch franchise with ICICI's strong capital base. ICICI had earlier acquired Bank of Madura and Sangli Bank.

Following shareholder approval (EGM on 21-Jun) ICICI will seek Indian Reserve Bank approval.

The Tayal family, BOR's largest stakeholders with 55.01%, are seeking to sell their stake after India's capital markets regulator on 8-Mar banned them from trading in securities, citing improper stake disclosures.

Offer price

ICICI is paying about INR 65m for each branch of BOR, compared with the INR 260m paid by HDFC Bank for acquiring outlets of Centurion Bank of Punjab in 2008. But the offer does value BOR at 2.9x book, compared with an Indian banking sector average of 1.84x. Haribhakti & Co. recommended an exchange ratio of one ICICI share for between 4.70 and 4.80 BOR shares.

Bank of Rajasthan background

Bank of Rajasthan is an Indian private sector bank with 463 branches and 111 ATMs, total assets of INR 172.24bn, deposits of INR 151.87bn and advances of INR 77.81bn.

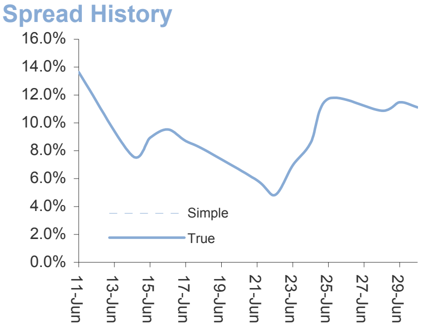
BRIT INSURANCE / APOLLO GLOBAL

Deal Terms / Spread Calculations

Deal Terms	1 BRE = GBp 1,000
Transaction Type	Possible offer
Simple value of bid	GBp 1,000
Current value of target	GBp 900
Simple absolute spread	GBp 100
Simple spread	*11.11%*
True spread calc	
Acquiror price * Exch. ratio	
Cash	GBp 1,000
Rebate * Exchange ratio	
Acquiror div. * Exch. ratio (FV)	
Target dividends (FV)	GBp 0
True value of bid	GBp 1,000
True spread	11.11%
Annualised true spread	***n.m.***

	Target	Acquiror(s)
Target / Acquiror(s)	BRIT INSURANCE	APOLLO GLOBAL
Country	Netherlands	United States
Pre-bid price	GBp 729.0	n.m.
Current price	GBp 900.0	n.m.
Dividend	GBp 30.0	n.m.
Ex-date	10-Jun-10	n.m.
Free Float Market cap (USDm)	1,034	n.m.
Free Float	98%	n.m.
Liquidity (USDm)	4.89	n.m.
GICS Sector	Financials	n.m.
GICS Industry Group	Insurance	n.m.
Financial Advisor(s)		Merrill Lynch and West Hill
Bloomberg	BRE LN	APOLLZ US
RIC	BRE.L	n.m.
Cost of borrow	GC	n.m.
Availability	Good	n.m.
Listed options	No	n.m.
Convertible bonds	No	n.m.

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Amlin Plc	8.3x	6.2x	7.9x	6.5x	4.8%
Beazley Plc	2.6x	2.2x	6.1x	5.4x	-0.5%
Catlin Group Ltd	0.3x	0.2x	7.1x	5.4x	7.7%
Chaucer Hldgs	n.a.	n.a.	7.6x	4.8x	-1.8%
Lancashire Holdi	6.4x	4.5x	6.8x	4.9x	3.0%
Average	4.4x	3.3x	7.1x	5.4x	2.6%
Brit Insur. at offer	**n.a.**	**n.a.**	**10.4x**	**7.8x**	**23.5%**
Premium / Discount	*n.a.*	*n.a.*	*47%*	*45%*	

Source: Bloomberg consensus estimates

Event Calendar

10-Jun-10	Approach announced
11-Jun-10	FT: Names Apollo as bidder; says offer was pitched at GBp 1,000 per share
11-Jun-10	Brit confirms FT article
12-Jun-10	Telegraph: Apollo to meet with its advisors ove the weekend
15-Jun-10	Times: Apollo believed to be making approaches directly to BRE shareholders. FT: BRE believed to be waiting for a bid approaching GBp 1,100 per share
22-Jun-10	FT: Apollo may raise offer to GBp 1,100 per share
28-Jul-10	Brit Insurance 1H Results
23-Sep-10	Brit Insurance AGM

Main Conditions

Pre-condition: Due diligence.

Comments

On 10-Jun, Brit Insurance announced that it had recently received an unsolicited indicative proposal from a private equity group, which was later identified as being Apollo, regarding a potential cash offer. The BoD of Brit reviewed the GBp 1,000 proposal and concluded that it significantly undervalued Brit and refused to enter into talks with Apollo unless it raised its indicated offer price. As Brit will not open its books to Apollo without a higher indicated offer we believe Apollo would rather want to wait for Brit to issue 1H results on 28-Jul than going hostile with its GBp 1,000 approach and risk overpaying. Taking into account that transactions in the sector have been done at multiples significantly higher that what is implied by Apollo's offer (see below) we believe Brit was right in turning away Apollo on valuation grounds. Unfortunately this does raise the risk of a transaction not materialising, which is why we believe Brit will trade at a large discount to the indicated offer until there is better visibility of Apollo's commitment.

Unlike some of its rivals, Brit has focused on higher margins and better quality business instead of chasing volume. The move towards writing higher margin business was seen in the group's first-quarter update, which showed gross written premiums fell 13.3% to GBP 483.5m. This medium-term strategy has hit the share price in the short term. This strategy may have helped make Brit vulnerable to predators.

Offer price

Apollo's indicated offer of GBp 1,000 values Brit at 0.95x tangible book value (GBp 1,052 per share as of 31-Dec-09). Last year, Fortis Corporate Insurance was sold to Amlin for EUR 350m, which was 1.42x tangible book. If Brit was to be sold at a similar multiple it would imply an offer of around GBp 1,494 per share. In 2006 Catlin acquired Wellington Underwriting for GBP 591m, which implied 1.78x Wellington's tangible book value of GBP 332.7m. 1.78x tangible book would value Brit at GBp 1,873 per share. In 2003 Brit acquired PRI Group for GBP 156m, which implied 1.27x PRI's tangible book value of GBP 122.7m. 1.27x tangible book would value Brit at GBp 1,336 per share. Last June Brit abandoned an all-share merger with Chaucer after four months of negotiations. Brit had offered 0.23 of its shares for each Chaucer share. At the time of announcement (22-Jun-09) the offer valued Chaucer at GBp 161 per share, or 2.58x Chaucer's tangible book value per share of GBp 62.5. According to press speculation (DJ 11-Jun) Brit would be willing to open its books if Apollo came back with GBp 1,100. This would value Brit at 1.05x tangible book.

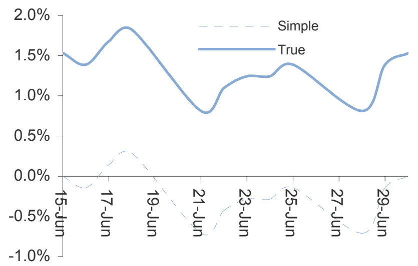
BSKYB / NEWS CORP

Deal Terms / Spread Calculations

Deal Terms	1 BSY = GBp 700
Transaction Type	Possible offer
Simple value of bid	GBp 700.00
Current value of target	GBp 700.00
Simple absolute spread	GBp 0.00
Simple spread	*0.00%*
True spread calc	
Acquiror price * Exch. ratio	
Cash	GBp 700.00
Rebate * Exchange ratio	
Acquiror div. * Exch. ratio (FV)	
Target dividends (FV)	GBp 10.70
True value of bid	GBp 710.70
True spread	1.53%
Annualised true spread	***n.m.***

	Target	Acquiror(s)
Target / Acquiror(s)	BSKYB	NEWS CORP
Country	Britain	United States
Pre-bid price	GBp 600.50	USD 15.45
Current price	GBp 700.00	USD 14.14
Dividend	GBp 10.70	USD 0.09
Ex-date	20-Oct-10	30-Aug-10
Market cap (USDm)	11,122	17,875
Free Float	61%	53%
Liquidity (USDm)	61.70	60.17
GICS Sector	Consumer Discretionary	Consumer Discretionary
GICS Industry Group	Media	Media
Financial Advisor(s)	Morgan Stanley and UBS	Deutsche Bank and JPMorgan
Bloomberg	BSY LN	NWS US
RIC	BSY.L	NWS.N
Cost of borrow	GC	GC
Availability	Good	Good
Listed options	Yes	Yes
Convertible bonds	No	Yes

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Cyfrplsat	9.0x	7.8x	13.4x	11.7x	-5.3%
Kabel Deutschlan	6.2x	5.7x	n.m.	42.6x	0.9%
Modern Times-B	13.0x	10.9x	16.5x	13.5x	-3.3%
Telenet Grp Hldg	7.0x	6.6x	17.9x	14.2x	-2.5%
Virgin Media Inc	6.4x	6.0x	n.m.	27.1x	-0.7%
Average	8.3x	7.4x	15.9x	21.8x	-2.2%
BSkyB at offer	**11.9x**	**10.0x**	**23.0x**	**18.2x**	**16.6%**
Premium / Discount	*44%*	*34%*	*44%*	*16%*	

Source: Bloomberg consensus estimates

Event Calendar

15-Jun-10	GBp 700 per share offer talks ann.
15-Jun-10	BSkyB says it would not recommend a GBp 700 offer - but would recommend one in excess of GBp 800 per share
16-Jun-10	Aegon (1.1%) looking for GBp 900 per share offer
16-Jun-10	FT: Jeremy Hunt, UK culture secretary, cited as saying: “It does seem to me that News Corp do control Sky already, so it isn’t clear to me that in terms of media plurality there is a substantive change, but I don’t want to second guess what regulators might decide.”
16-Jun-10	Moody's: No immediate impact on BSY's Baa1 rating
17-Jun-10	BSY ann that Sky Sports News will become pay-TV
28-Jun-10	BT Group and BSY signs a contract for the wholesale supply of Sky Sports 1 and Sky Sports 2 to BT
29-Jul-10	BSkyB Results
04-Aug-10	News Corp Results
31-Dec-10	Completion (est.)

Main Conditions

Pre-conditional on regulatory approvals (EC and others) and financing. Conditions: 70% acceptance (including News Corp stake).

Comments

BSkyB has said that it will not recommend a GBp 700 offer as it significantly undervalues BSkyB. However, they would be willing to recommend an offer in excess of GBp 800 per share. According to BSkyB's statement it is looking for GBp 800 per share due to the possible length of time which might be required to satisfy the regulatory pre-conditions and the consequent lack of certainty as to when any offer would be made. However, it is worth bearing in mind that BSkyB has pretty much left all options open as it is reserving the right to recommend an offer of less than GBp 800 per share as well as the right to not recommend an offer of GBp 800 or more. NC has also left the door open on making an offer of less than GBp 700 per share, provided the Independent Directors of BSkyB recommends it, as well as vary the form and/or mix of consideration

GBp 700 per share would imply 11.8x LTM EV/EBITDA / 19.3x LTM P/E. GBp 700 also represents a premium of 22% to the closing price of GBp 574 on 9-Jun, being the day before NC approached BSkyB and 27.5% to the 12-month VWAP of GBp 549. It is worth bearing in mind that NC has been a BSkyB shareholder since 1990, and currently holds 39.1% of BSkyB, so it appears to us that NC is the only buyer for BSkyB. Even though the GBp 700 offer, on the surface, looks reasonable to the peers (see table above) it is worth bearing in mind that BSkyB has spent a lot of money on rolling out HDTV over the last few years and is now at the point where it is getting ready to get the benefit from these investments. Clearly NC knows this and it has probably paid a part in the timing of the transaction.

Regulatory approvals

Although BSkyB and NC plan to ask the EC for clearance, the transaction could ultimately end up at the UK's Office of Fair Trading (OFT) as the OFT could ask for the UK aspects of a deal to be transferred to it. A subsequent intervention by the Secretary of State could further delay a decision. Under EU merger regulation, national regulators can ask for referral if the respective national market is particularly affected by the transaction under investigation. Referral approval is at the discretion of the EC. The last case in which the OFT submitted a referral request was the merger of T-Mobile UK and Orange earlier this year. In return for wide ranging commitments offered by the companies to Brussels, the OFT withdrew the request and they received Phase I approval. Due to the sensitivity of media mergers, it is possible that the Secretary of State for Business, Vincent Cable, may intervene in the investigation due to potential plurality issues, as NC owns The Times, The Sun, and News of the World.

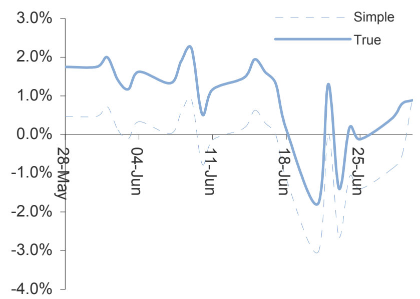
BSS GROUP / TRAVIS PERKINS

Deal Terms / Spread Calculations

Deal Terms TSM = 0.2608 TPK + GBp 232.91	
Transaction Type	Potential offer
Simple value of bid	GBp 424.08
Current value of target	GBp 420.00
Simple absolute spread	GBp 4.08
Simple spread	*0.97%*
True spread calc	
Acquiror price * Exch. ratio	GBp 191.17
Cash	GBp 232.91
Rebate * Exchange ratio	GBp 0.35
Acquiror div. * Exch. ratio (FV)	GBp 0.00
Target dividends (FV)	GBp 0.00
True value of bid	GBp 423.73
True spread	0.89%
Annualised true spread	*3.77%*

	Target	Acquiror(s)
Target / Acquiror(s)	BSS GROUP	TRAVIS PERKINS
Country	Britain	Britain
Pre-bid price	GBp 325.00	GBp 745.00
Current price	GBp 420.00	GBp 733.00
Dividend	GBp 6.09	n.m.
Ex-date	30-Jun-10	n.m.
Free Float Market cap (USDm)	779	1,955
Free Float	100%	85%
Liquidity (USDm)	1.48	15.75
GICS Sector	Industrials	Industrials
GICS Industry Group	Capital Goods	Capital Goods
Financial Advisor(s)	Lazard and RBS	HSBC, Nomura, CS and Citi
Bloomberg	BTSM LN	TPK LN
RIC	BTSM.L	TPK.L
Cost of borrow	GC	GC
Availability	Fair	Good
Listed options	No	No
Convertible bonds	No	No

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Grafton Grp-Uts	10.2x	7.9x	23.1x	12.9x	-9.5%
Sig Plc	8.1x	6.4x	15.0x	10.8x	-11.2%
Travis Perkins	7.0x	6.2x	10.5x	9.0x	-1.6%
Wolseley Plc	7.7x	6.3x	18.1x	11.9x	-19.0%
Average	8.3x	6.7x	16.7x	11.2x	-10.3%
BSS Group at offer	**9.0x**	**7.8x**	**13.5x**	**12.0x**	**29.2%**
Premium / Discount	*8%*	*17%*	*19%*	*7%*	

Source: Bloomberg consensus estimates

Event Calendar

28-May-10	Talks announced
29-May-10	Daily Mail: Wolesley, Jewson-owner Saint Gobain, CRH and Grafton Group mentioned as potential counterbidders
30-Jun-10	BSS XD GBp 6.09
23-Jul-10	Docs (est.)
30-Jul-10	Travis Perkins Results
20-Aug-10	Scheme Meeting (est.)
07-Sep-10	Scheme Court Hearing (est.)
10-Sep-10	Cap. Reduc. Court Hearing (est.)
10-Sep-10	Effective date (est.)
24-Sep-10	Settlement (est.)

Main Conditions

Pre-condition: BSS BoD recommendation. Expected conditions: Shareholder approval. Regulatory approval (Court and OFT; TP has stated that it expects Phase I approval).

Comments

On 28-May, BSS Group (BSS) and Travis Perkins (TP) announce that they were in advanced discussions regarding a cash and share offer comprising of GBp 232.91 in cash, 0.2608 TP shares per BSS share and the payment of BSS's final dividend for the year ended 31-Mar-10 of GBp 6.09. On announcement the indicative offer valued BSS at GBp 433 per share. TP will double its debt to between GBP 800m and GBP 900m after buying BSS. Even though BSS and TP have consulted with certain of BSS's largest institutional shareholders, who have indicated their support for the Indicative offer at the indicated terms, we would not rule out a counterbid from the likes of St. Gobain (which has previously been linked to BSS) or CRH. Our base case is that the transaction completes on the announced terms.

The GBp 433 per share offer implies 11.1x LTM EV/EBITDA and 17.7x LTM P/E. The offeralso represents a premium of 33% to the closing price on 27-May, a 37% premium to the 1-month VWAP of GBp 315.75 and a 44% premium to the 3-month VWAP of GBp 300.42.

Strategic Rationale

The board of TP believes that further consolidation in the UK building materials merchanting sector offers significant scale benefits in terms of cost savings and improved operational efficiency to those that proactively participate. In addition, TP believes that the recession has accelerated the long-term trend of customers' increasing use of different distribution channels to source building materials. Against this backdrop, TP believes there is a powerful strategic logic which underpins a combination of TP's plumbing and heating activities through its existing distribution and retailing businesses with BSS. Specifically the combination would create the leading plumbing and heating trade and retail distribution business in the UK; would have operational and financial size and scale to purchase products more competitively and secure the benefits of global sourcing; should allow customers to be serviced more efficiently locally and nationally using TP's low cost, layered "route to market" supply chain and TP's medium and long term property strategy should give both businesses access, at lower cost, to attractive trading locations.

Having successfully integrated a number of merchanting and retailing businesses into TP. TP believes that similar success can be achieved through a combination with BSS and that it should be well placed to realise synergies arising from purchasing efficiencies and the removal of central costs.

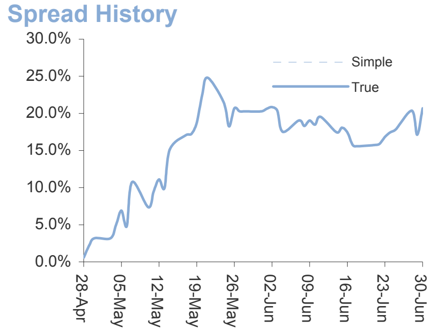
CANDOVER INVEST / ALBERTA INVEST

Deal Terms / Spread Calculations

Deal Terms	1 CDI = GBp 875 (est.)
Transaction Type	Possible offer
Simple value of bid	GBp 875.0
Current value of target	GBp 725.0
Simple absolute spread	GBp 150.0
Simple spread	*20.69%*
True spread calc	
Acquiror price * Exch. ratio	
Cash	GBp 875.0
Rebate * Exchange ratio	
Acquiror div. * Exch. ratio (FV)	
Target dividends (FV)	
True value of bid	GBp 875.0
True spread	20.69%
Annualised true spread	*n.m.*

	Target	Acquiror(s)
Target / Acquiror(s)	CANDOVER INVEST	ALBERTA INVEST
Country	Britain	Canada
Pre-bid price	GBp 739.0	n.m.
Current price	GBp 725.0	n.m.
Dividend	n.m.	n.m.
Ex-date	n.m.	n.m.
Free Float Market cap (USDm)	223	n.m.
Free Float	94%	n.m.
Liquidity (USDm)	0.37	n.m.
GICS Sector	Financials	n.m.
GICS Industry Group	Diversified Financials	n.m.
Financial Advisor(s)	Merrill Lynch and Lexicon	HSBC
Bloomberg	CDI LN	804652Z CN
RIC	CDI.L	n.m.
Cost of borrow	Expensive	n.m.
Availability	Fair	n.m.
Listed options	No	n.m.
Convertible bonds	No	n.m.

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
3I Group Plc	9.1x	7.7x	5.5x	4.2x	-2.6%
Electra Private	n.a.	n.a.	n.a.	n.a.	-12.3%
Hgcapital Trust	n.a.	n.a.	n.a.	n.a.	-5.8%
Kkr & Co	142.8x	147.6x	4.4x	5.7x	-23.4%
Svg Capital Plc	n.a.	n.a.	n.a.	n.a.	-9.5%
Average	76.0x	77.6x	5.0x	4.9x	-10.7%
Candover at offer	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**-1.9%**
Premium / Discount	*n.a.*	*n.a.*	*n.a.*	*n.a.*	

Source: Bloomberg consensus estimates

Event Calendar

27-Apr-10	CDI confirms being in talks
27-Apr-10	FT: Unnamed bidder may be Alberta Investment Management Company (AIMC)
28-Apr-10	FT: CDI's days look numbered
20-May-10	Candover IMS & AGM
24-May-10	Times: Cinven plans to list Spire Healthcare for £1bn
31-Aug-10	Candover Investments Interims

Main Conditions

None announced.

Comments

On 27-Apr, Candover Investments confirmed that it was in discussions following an initial approach by a third party to acquire Candover. These discussions may or may not lead to an offer being made for the whole of the Candover's issued share capital and any offer is expected to be at a price no higher than the last reported NAV per share of GBp 1,038 per share as at 31-Dec-09.

Offer price

Even though Candover's latest NAV is GBp 1,038 per share we would be very surepriced if Candover was sold at the NAV, let alone at a premium to NAV. At the time of the announcement of the talks Candover was trading at a 28.81% discount to NAV. In our view a deal at around a 15% discount to NAV (i.e. GBp 882 per share) should be acceptable to Candover shareholders as listed private equity funds typically trade at 20-30% discounts to NAV. We round the GBp 882 down to GBp 875 for no other reason than that deals are most often done at "round numbers". Note that Saad Group recently sold its more than 30 private equity investments to HarbourVest at a price in the mid-70% range of book value, which could imply a significantly lower offer level than we are using.

Portfolio

The ten largest investments represent 87.7% of Candover's portfolio:

Company	Value at 31-Dec-09 (£m)	% of assets
Expro International	95.8	42%
Stork	43.8	19%
Parques Reunidos	34.7	15%
Alma Consulting	30.9	14%
Ontex	19.8	9%
Qioptiq	15.8	7%
Equity Trust	12.6	6%
EurotaxGlass	11.4	5%
Capital Safety Group	10.8	5%
Innovia	5.0	2%

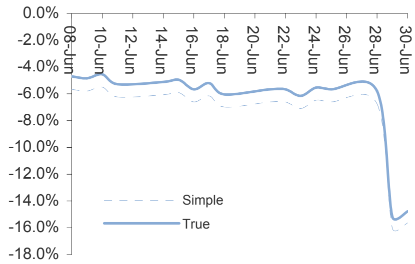
CHLORIDE GROUP / ABB

Deal Terms / Spread Calculations

Deal Terms	1 CHLD = GBp 325.00 + 3.30 div
Transaction Type	Scheme
Simple value of bid	GBp 325.00
Current value of target	GBp 385.20
Simple absolute spread	GBp 60.20
Simple spread	*-15.63%*
True spread calc	
Acquiror price * Exch. ratio	
Cash	GBp 325.00
Rebate * Exchange ratio	
Acquiror div. * Exch. ratio (FV)	
Target dividends (FV)	GBp 3.30
True value of bid	GBp 328.30
True spread	-14.77%
Annualised true spread	*neg*

	Target	Acquiror(s)
Target / Acquiror(s)	CHLORIDE GROUP	ABB
Country	Britain	Switzerland
Pre-bid price	GBp 209.00	CHF 19.22
Current price	GBp 385.20	CHF 18.97
Dividend	GBp 3.30	CHF 0.51
Ex-date	07-Jul-10	12-Jul-10
Market cap (USDm)	1,474	41,006
Free Float	97%	100%
Liquidity (USDm)	10.90	198.94
GICS Sector	Industrials	Industrials
GICS Industry Group	Capital Goods	Capital Goods
Financial Advisor(s)	Citi and Investec	Credit Suisse
Bloomberg	CHLD LN	ABBN VX
RIC	CHLD.L	ABBN.VX
Cost of borrow	GC	GC
Availability	Fair	Good
Listed options	No	Yes
Convertible bonds	No	No

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Delta Elect Inc	11.6x	9.8x	16.3x	14.0x	6.5%
Eaton Corp	8.7x	7.4x	14.4x	11.3x	0.7%
Emerson Elec Co	9.2x	8.1x	17.2x	14.0x	0.2%
Newave Energy Ho	7.4x	6.3x	14.2x	11.8x	1.4%
Schneider Electr	9.0x	7.7x	15.2x	12.2x	-0.2%
Average	9.2x	7.8x	15.5x	12.7x	1.7%
Chloride at offer	**16.1x**	**14.1x**	**26.9x**	**22.9x**	**84.3%**
Premium / Discount	*75%*	*80%*	*74%*	*81%*	

Source: Bloomberg consensus estimates

Event Calendar

11-May-08	Emerson announces having approached Chloride regarding a possible GBp 255 per share offer
04-Jun-08	Following a GBp 255 bid approach followed by a GBp 270 approach Emerson ends talks
23-Apr-10	Emerson contacts CHLD BoD
26-Apr-10	GBp 275 approach announced
26-Apr-10	Chloride rejects approach
08-Jun-10	ABB ann GBp 325+3.30 divi offer
08-Jun-10	EMR: "..considering its position.."
08-Jun-10	Evening Standard: Analyst cited as saying Emerson could bid as high as GBp 373
14-Jun-10	DJ: EMR unlikely to raise offer
25-Jun-10	Docs
27-Jun-10	Finanz und Wirtschaft: ABB CFO cited as saying that ABB will remain disciplined in the price it would offer for CHLD if EMR was to announce a counterbid
30-Jun-10	Independent: Shareholders now looking for GBp 400 per share
07-Jul-10	Chloride XD GBp 3.30
16-Jul-10	Court Meeting
16-Jul-10	EGM
04-Oct-10	Scheme Court Hearing
06-Oct-10	Last trading day
06-Oct-10	Reduction Court Hearing
07-Oct-10	Effective date
21-Oct-10	Settlement

Main Conditions

75% acceptance. Regulatory approvals. MAC.

Comments

On 8-Jun, ABB announced that it had reached an agreement with Chloride on a GBp 325 (+ GBp 3.30 per share dividend) all cash offer to be structured as a Scheme. This followed an unsolicited GBp 275 approach made by Emerson Electric on 23-Apr (see next page for details).

If completed, the Acquisition would allow ABB and Chloride to deliver an enhanced value proposition to their customers through the combination of Chloride's UPS and ABB's electrification and automation offerings. ABB also expects that its global reach and depth will provide Chloride with a platform to further accelerate the growth of its business.

The GBp 325 offer represents a 56% premium to the last closing price prior to Emerson approaching Chloride and a 67% premium to the 3-month VWAP. It also implies 18.2x LTM EV/EBITDA and 29.5x LTM P/E, which seems fair when compared to Emerson's GBp 270 per share approach in 2008 as that implied 18.2x times LTM EBITDA and 28.4x LTM P/E. It is worth bearing in mind that Schneider Electric bought American Power Conversion in 2006/07 for USD 6.1bn thus implying 23.6x EV/EBITDA (would imply GBp 446 per share) / 40.1x P/E while Eaton Corp's USD 565m offer for Phoenixtec Power was done at 33.8x EV/EBITDA / 22.1x P/E. However, as this is a recommended offer where several large shareholders have publicly announced that they were looking for at least GBp 325 per share we do not believe ABB will face shareholder preasure to increase its offer.

Counterbidders / Anti trust

Both Eaton Corp and Schneider Electric have been mentioned in the press as potential counterbidders. As Schneider's acquisition of APC was conditional on the divestiture of Schneider's business related to small UPS devices we would expect that there would be some issues if Schneider were to make an offer for Chloride. As ABB is not active in UPS solutions we do not expect any regulatory issues to delay the transaction.

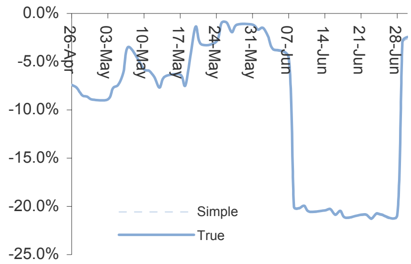
CHLORIDE GROUP / EMERSON ELEC

Deal Terms / Spread Calculations

Deal Terms	1 CHLD = GBp 375.00 + 3.30 div
Transaction Type	Unsolicited approach
Simple value of bid	GBp 375.00
Current value of target	GBp 385.20
Simple absolute spread	GBp 10.20
Simple spread	*-2.65%*
True spread calc	
Acquiror price * Exch. ratio	
Cash	GBp 375.00
Rebate * Exchange ratio	
Acquiror div. * Exch. ratio (FV)	
Target dividends (FV)	GBp 3.30
True value of bid	GBp 378.30
True spread	-1.79%
Annualised true spread	***neg***

	Target	Acquiror(s)
Target / Acquiror(s)	CHLORIDE GROUP	EMERSON ELEC
Country	Britain	United States
Pre-bid price	GBp 209.00	USD 52.74
Current price	GBp 385.20	USD 43.81
Dividend	GBp 1.90	USD 0.335
Ex-date	11-Nov-09	12-May-10
Market cap (USDm)	1,474	32,851
Free Float	97%	100%
Liquidity (USDm)	10.90	249.04
GICS Sector	Industrials	Industrials
GICS Industry Group	Capital Goods	Capital Goods
Financial Advisor(s)	Citi and Investec	Greenhill and JPMorgan
Bloomberg	CHLD LN	EMR US
RIC	CHLD.L	EMR.N
Cost of borrow	GC	GC
Availability	Fair	Good
Listed options	No	Yes
Convertible bonds	No	No

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Delta Elect Inc	11.6x	9.8x	16.3x	14.0x	2.5%
Eaton Corp	8.7x	7.4x	14.4x	11.3x	-15.5%
Emerson Elec Co	9.2x	8.1x	17.2x	14.0x	-16.9%
Newave Energy Ho	7.4x	6.3x	14.2x	11.8x	-7.9%
Schneider Electr	9.0x	7.7x	15.2x	12.2x	-3.9%
Average	9.2x	7.8x	15.5x	12.7x	-8.4%
Chloride at offer	**18.5x**	**16.3x**	**31.0x**	**26.4x**	**84.3%**
Premium / Discount	*101%*	*108%*	*100%*	*109%*	

Source: Bloomberg consensus estimates

Event Calendar

11-May-08	Emerson announces having approached Chloride regarding a possible GBp 255 per share offer
04-Jun-08	Following a GBp 255 bid approach followed by a GBp 270 approach Emerson ends talks
13-Feb-09	Times: Gains on reports that Emerson may launch an offer
23-Apr-10	Emerson contacts CHLD BoD
26-Apr-10	GBp 275 approach announced
26-Apr-10	Chloride rejects approach
24-May-10	Times: EMR approached CHLD holders to try to pressure its managers to come to the table
25-May-10	Times: CHLD CEO cited as saying that no talks are going on with EMR
27-May-10	Hermes says EMR must offer at least GBp 325
03-Jun-10	Emerson CEO to present at Sanford C. Bernstein Strategic Decisions Conference in NYC
06-Jun-10	Times: EMR likely to increase offer to no more than GBp 300 within the next 2 weeks
29-Jun-10	EMR raises offer to GBp 375
29-Jun-10	ABB says is will consider its options while CHLD says it intends to engage with EMR to clarify certain aspects of its offer
27-Jul-10	Docs (est.)

Main Conditions

90% acceptance. Regulatory approvals (UK/EU, US: HSR, Russia: FAS, Turkey and Ukraine). MAC.

Comments

On 26-Apr, Emerson Electric announced that it had approached the BoD of Chloride on 23-Apr with a GBp 275 per share all cash proposal. Emerson and Chloride held discussions regarding a combination in 2008. Those discussions became public prematurely and never achieved any meaningful level of engagement or consideration. In light of the 2008 events and in order to allow Emerson to directly engage with Chloride's shareholders and other stakeholders, Emerson decided to make its proposal public. On 29-Jun, after having had access to perform due diligence, Emerson announced a GBp 375 (+ GBp 3.30 dividend) offer after having identified GBP 33m in cost synergies.

A GBp 375 offer represents a 79% premium to the last closing price prior to Emerson approaching Chloride and a 90% premium to the 3-month VWAP. It would also imply 20.9x LTM EV/EBITDA and 29.8x LTM P/E. This comes across as being a decent improvement to Emerson's GBp 270 per share approach in 2008 which implied 18.2x times LTM EBITDA and 28.4x LTM P/E.

Counterbidders / Anti trust

On 8-Jun, ABB announced a GBp 325 per share all cash offer for Chloride. However, both Eaton Corp and Schneider Electric have been mentioned in the press as potential counterbidders. As Schneider's acquisition of APC was conditional on the divestiture of Schneider's business related to small UPS devices (http://europa.eu/rapid/pressReleasesAction.do?reference=IP/07/164) we would expect that there would be some issues if Schneider were to make an offer for Chloride. While Emerson and Chloride respectively make it among the top five players in some markets, their combined market share rarely reaches a critical level and stays below 25% in most areas. Only in the worldwide UPS market for products above 200vKA (the highest power market) the combined market share reaches 25.2%, with Emerson being the number one player (18.1%) and Chloride being fourth (7.1%). In the worldwide sub market for above 200kVA static UPS Emerson is market leader with a 23% share, and Chloride comes fourth, taking 9%. Still, there are 13 other players active in this specific field with shares ranging from 14.8% (Schneider) to below 1%.

Chloride background

Chloride is the biggest independent in the uninterruptible power supply sector, which helps protect clients such as Bank of America from power failures. Chloride, founded more than 100 years ago as a battery maker, acquired its first power protection business in the 1970s. Since 2000, it has

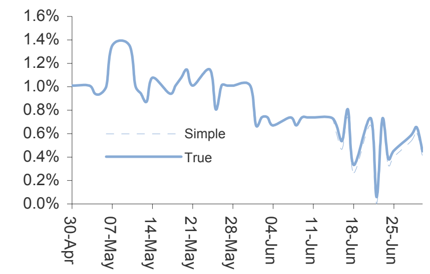
CLIMATE EXCHANGE / ICE

Deal Terms / Spread Calculations

Deal Terms	1 CLE = GBp 750.00
Transaction Type	Scheme
Simple value of bid	GBp 750.00
Current value of target	GBp 747.00
Simple absolute spread	GBp 3.00
Simple spread	*0.40%*
True spread calc	
Acquiror price * Exch. ratio	
Cash	GBp 750.00
Rebate * Exchange ratio	
Acquiror div. * Exch. ratio (FV)	
Target dividends (FV)	
True value of bid	GBp 750.00
True spread	0.40%
Annualised true spread	***6.66%***

	Target	Acquiror(s)
Target / Acquiror(s)	CLIMATE EXCHANGE	ICE
Country	Britain	United States
Pre-bid price	GBp 478.00	USD 118.82
Current price	GBp 747.00	USD 115.03
Dividend	n.m.	n.m.
Ex-date	n.m.	n.m.
Market cap (USDm)	408	8,261
Free Float	76%	97%
Liquidity (USDm)	6.13	118.85
GICS Sector	Financials	Financials
GICS Industry Group	Diversified Financials	Diversified Financials
Financial Advisor(s)	JPMorgan and Kinmont	Morgan Stanley
Bloomberg	CLE LN	ICE US
RIC	CLE.L	ICE.N
Cost of borrow	Expensive	GC
Availability	Tight	Good
Listed options	No	Yes
Convertible bonds	No	No

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Cme Group Inc	12.4x	11.0x	18.3x	16.3x	-12.6%
Deutsche Boerse	9.9x	8.1x	14.0x	10.7x	-13.5%
Hong Kong Exchng	16.6x	14.2x	24.7x	21.1x	-4.8%
Intercontinental	10.3x	9.1x	20.6x	18.0x	-3.2%
Singapore Exch	17.9x	15.1x	22.9x	19.0x	-9.7%
Average	13.4x	11.5x	20.1x	17.0x	-8.8%
Climate Exch at offe	**34.8x**	**16.3x**	**62.0x**	**29.2x**	**56.3%**
Premium / Discount	*160%*	*42%*	*208%*	*72%*	

Source: Bloomberg consensus estimates

Event Calendar

30-Apr-10	Offer announced
05-May-10	ICE Results
28-May-10	Docs
14-Jun-10	OFT approval obtained
02-Jul-10	Court Meeting
02-Jul-10	CLE EGM
07-Jul-10	Court Hearing (sanction)
08-Jul-10	Effective date
22-Jul-10	Settlement

Main Conditions

75% acceptance. Court approvals. MAC clause.

Comments

On 30-Apr, IntercontinentalExchange (ICE) and Climate Exchange (CLE) announced that they had reached an agreement on a recommended GBp 750 per share offer for CLE which would be structured as a scheme. ICE already owns 4.8% of CLE and has received irrevocables from the CLE directors (19%) and Invesco (29.8%) - so getting to 75% acceptance should be easy. The spread has been trading very tight from Day 1 and this, in our view, is due to investors paying up for the optionality of a counterbid. We find this somewhat unlikely as we believe ICE would have been buying shares in the market if it thought a counterbid was likely. However, taking into account that the irrevocables are soft (e.g. lapse at a higher offer) we wouldn't completely rule out a counterbid from another stock exchange such as the CME.

The GBp 750 per share offer implies 29.4x LTM EV/EBITDA (CLE only made a tiny profit on a LTM basis; so looking at LTM P/E makes little sense). The offer also represents a premium of 56.9% to the closing price of GBp 478 on 29-Apr, being the last day prior to the announcement; 56.5% to the 1-month VWAP of GBp 479.3; 44.3% to the 3-month VWAP.

Strategic rationale

ICE believes that the acquisition represents an attractive strategic opportunity to combine two companies with complementary businesses and strengths and to enhance the competitiveness of the respective businesses. ICE acquired 2,277,034 CLE shares (4.8%) on 22-Jun-09 for GBp 645 per share. The transaction is expected to be accretive to earnings in 2011 and slightly dilutive to earnings for the balance of the current year. ICE currently has multiple contracts in place with CLE to provide technology and clearing services, including a cooperation and licensing agreement whereby ICE provides an electronic trading platform and clearing to European Climate Exchange for European emissions trading, a licensing technology agreement whereby ICE provides an electronic trading platform to Chicago Climate Exchange for U.S. emissions trading and a clearing services agreement whereby ICE provides clearing for CCX's U.S. emissions trading.

Climate Exchange background

Climate Exchange is a holding company whose subsidiaries are principally engaged in owning, operating and developing exchanges to facilitate trading in environmental financial instruments including emissions reduction credits in both voluntary and mandatory markets.

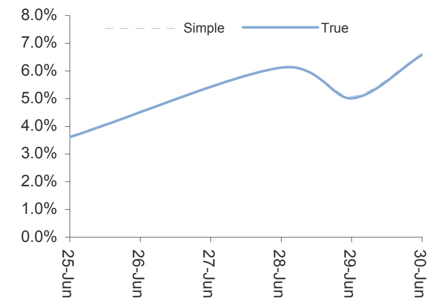
COMSTAR / MTS

Deal Terms / Spread Calculations

Deal Terms	CMST = 0.825 MTSI or RUB 220
Transaction Type	Voluntary Tender Offer
Simple value of bid	USD 6.69
Current value of target	USD 6.10
Simple absolute spread	USD 0.59
Simple spread	*9.62%*
True spread calc	
Acq. price * Exch. Ratio (59.8%)	USD 3.89
Cash; VTO (24% of RUB 220)	USD 1.69
Cash; Put (16.2% of RUB 212.8!	USD 1.11
Acquiror div. * Exch. ratio (FV)	USD 0.00
Target dividends (FV)	USD 0.00
True value of bid	USD 6.69
True spread	9.62%
Annualised true spread	***12.82%***

	Target	Acquiror(s)
Target / Acquiror(s)	COMSTAR	MTS
Country	Russia	Russia
Pre-bid price	USD 6.55	RUB 236.77
Current price	USD 6.10	RUB 236.94
Dividend	USD 0.00	RUB 15.40
Ex-date	28-Apr-09	07-May-10
Free Float Market cap (USDm)	970	9,249
Free Float	38%	61%
Liquidity (USDm)	6.20	57.84
GICS Sector	Telecommunication Services	Telecommunication Services
GICS Industry Group	Telecommunication Services	Telecommunication Services
Financial Advisor(s)	JPMorgan	Goldman Sachs
Bloomberg	CMST LI	MTSI RM
RIC	CMSTq.L	MTSI.RM
Cost of borrow	Expensive	Expensive
Availability	Tight	Tight
Listed options	No	Yes
Convertible bonds	No	No

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Central Telecom	3.1x	3.0x	5.5x	5.1x	-7.8%
Dalsvyaz	2.7x	2.4x	4.8x	4.0x	-1.3%
North-West Telec	2.9x	2.8x	7.2x	6.8x	-4.2%
Sibirtelecom	#N/A N/A	#N/A N/A	7.3x	6.2x	-3.4%
Uralsvyazinf-Cls	3.6x	3.4x	10.5x	8.9x	-3.4%
Average	3.1x	2.9x	7.1x	6.2x	-4.0%
Comstar at offer	**5.7x**	**4.5x**	**20.6x**	**11.2x**	**-6.9%**
Premium / Discount	*84%*	*54%*	*191%*	*80%*	

Source: Bloomberg consensus estimates

Event Calendar

13-Oct-09	MTS buys 51%
24-Dec-09	MTS buys additional 11.06%
25-Jun-10	Kommersant: MTS may buy out Comstar minorities
25-Jun-10	Offer announced
26-Aug-10	MTS 2Q Results
03-Nov-10	Comstar X vote
18-Nov-10	MTS 3Q Results
23-Dec-10	MTS EGM
23-Dec-10	Comstar EGM
31-Mar-11	Completion (est.)

Main Conditions

75% approval for merger from both of Comstar and MTS. Receipt of regulatory clearance (Federal Service for Financial Markets; FSFM) and other closing conditions.

Comments

On 25-Jun, Comstar and MTS announced a reatively complicated deal under which MTS will buy the 38% of Comstar it does not already own. The transaction will be a 3-step process with the first step being a Voluntary Tender Offer of RUB 220 per share for up to 9%. As this is a significant premium to the current share price of Comstar we expect it to be subject to significant proration. The second and third steps are the actual merger where Comstar shareholders voting for the merger with MTS will receive 0.825 MTS shares per Comstar share while desenting shareholders will receive RUB 212.85 per Comstar share. As the cash alternative is worth more than the share alternative (but also because some holders of the Comstar GDRs are not allowed to hold local MTS shares) we again expect significant proration. A takeover of Comstar will have been on MTS' agenda ever since it first acquired a 50.91% stake in Oct-09.

Desenting shareholders

As required by Russian law, MTS and Comstar shareholders who vote against, or do not vote on the merger, will have the right to sell their shares back to MTS and Comstar, respectively, for cash at a price set by the BoD (RUB 245.19 per MTS share and RUB 212.85 per Comstar share). MTS and Comstar shareholders wishing to sell their shares back to the companies will receive a pro rata allocation in the event of over-subscription. As per Russian legislation, a company cannot transfer more than 10% of its NAV. Thus, MTS may purchase no more than 2.4% of shares, while Comstar may purchase no more than 6.1%.

Strategic rational

Comstar and MTS believe that the merger is strategically important for both companies as it enables the cross-selling and bundling of broadband and television services to MTS's customers. As a result, the merger is expected to create additional synergies and cost savings across the combined entity and strengthen its competitive position. MTS is on track to exceed the USD 200m of cost synergies indicated when it purchased majority control of Comstar in Oct-09 and guided this up to USD 400m on the conference call following the announcement of the offer.

Comstar background

Comstar is the leading fixed-line telecommunications company in Moscow. Comstar provides voice, data, television and other value-added services to residential and corporate subscribers and operators, using its backbone network and last mile access to 96% of Moscow households.

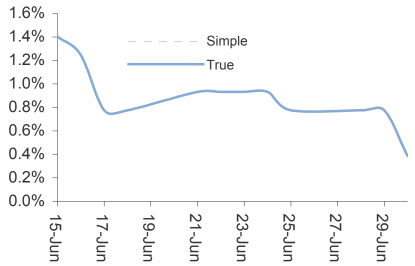
ECO BUSINESS-IMM / CONWERT IMMO

Deal Terms / Spread Calculations

Deal Terms	1 ECO = EUR 6.50
Transaction Type	Voluntary offer
Simple value of bid	EUR 6.50
Current value of target	EUR 6.48
Simple absolute spread	EUR 0.03
Simple spread	*0.39%*
True spread calc	
Acquiror price * Exch. ratio	
Cash	EUR 6.50
Rebate * Exchange ratio	
Acquiror div. * Exch. ratio (FV)	
Target dividends (FV)	
True value of bid	EUR 6.50
True spread	0.39%
Annualised true spread	*1.14%*

	Target	Acquiror(s)
Target / Acquiror(s)	ECO BUSINESS-IMM	CONWERT IMMO
Country	Austria	Austria
Pre-bid price	EUR 5.59	EUR 8.75
Current price	EUR 6.48	EUR 8.55
Dividend	n.m.	EUR 0.25
Ex-date	n.m.	20-Apr-10
Market cap (USDm)	189	852
Free Float	70%	95%
Liquidity (USDm)	0.74	2.43
GICS Sector	Financials	Financials
GICS Industry Group	Real Estate	Real Estate
Financial Advisor(s)	Credit Suisse and KPMG	Barclays
Bloomberg	ECO AV	CWI AV
RIC	EBIV.VI	CONW.VI
Cost of borrow	Expensive	GC
Availability	Tight	Fair
Listed options	No	No
Convertible bonds	No	Yes

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Ca Immobilien An	19.8x	17.5x	39.6x	17.0x	-5.0%
Ca Immo Internat	26.9x	23.9x	n.m.	24.5x	0.5%
Conwert Immobili	19.4x	18.7x	20.4x	16.6x	-2.3%
Immofinanz Ag	26.6x	23.4x	6.5x	7.1x	-15.5%
Sparkassen Immob	19.5x	17.3x	10.6x	6.5x	1.1%
Average	22.4x	20.2x	19.3x	14.3x	-4.2%
Eco Business at offe	**15.5x**	**18.9x**	**11.2x**	**13.0x**	**15.8%**
Premium / Discount	*31%*	*6%*	*42%*	*9%*	

Source: Bloomberg consensus estimates

Event Calendar

15-Jun-10	EUR 6.50 offer announced
29-Jun-10	ECO retains KPMG and Credit Suisse
01-Jul-10	Docs (est.)
24-Aug-10	Eco Business Results
25-Aug-10	Conwert Results
01-Nov-10	Completion (est.)

Main Conditions

50% + 1 share acceptance (of free float). Regulatory approvals (Austrian Takeover Commission).

Comments

On 15-Jun, Conwert Immobilien Invest SE (Conwert) announced a EUR 6.50 per share all cash offer for Eco Business-Immobilien (Eco) conditional on 50% + 1 share acceptance. Eco is already managed by Conwert and hence the takeover will simplify the corporate structure and raise flexibility in order to implement measures to increase value. Conwert will obtain control over a property portfolio of roughly EUR 732m (94% in Austria and Germany) with a rental yield of 6.2%. The portfolio partly comprises inner-city properties of mixed use, which also meet the investment criteria of Conwert, as well as office and commercial properties. According to Conwert the takeover enables rapid and efficient enhancement of latent value in the interests of Eco and Conwert shareholders. Conwert already owns 24.9% of Eco and is thus the largest shareholder of Eco.

Valuation

The EUR 6.50 offer is at a 37% discount to Eco's 1Q10 NAV of EUR 10.39 per share. However, given the sale of Opernringhof for EUR 101m on 14-Jun, the NAV is likely above EUR 10.39. However, the offer is at a premium of 16.5% to the 14-Jun closing price of EUR 5.59 and a premium of 34% to the 6-month VWAP.

Eco Business-Immobilien background

ECO Business-Immobilien AG focuses on investments in high-quality office and retail objects. ECO works to create a balanced mix of office and retail properties. This strategic portfolio segmentation generates stable earnings in times of economic change. Furthermore, the active management of objects and the company's trading activities support a sustainable increase in value. In addition to long-term investments and the optimisation of properties.

Conwert Immobilien Invest SE background

Conwert Immobilien Invest SE is a Central European residential property company and is the leading company in Vienna developing older residential properties. Having originated in Austria, today Conwert is also present in Germany, the Czech Republic, Hungary and Slovakia. Conwert invests in high quality, inner-city residential properties with development potential. Conwert's property portfolio comprises 1,752 properties with a total usable space of more than 2,018,254 sqm. The total value amounts to EUR 2.52bn.

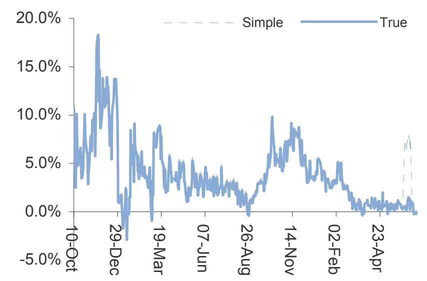
ENIA SPA / IRIDE SPA

Deal Terms / Spread Calculations

Deal Terms	1 EN = 4.2 IRD
Transaction Type	Agreed offer
Simple value of bid	EUR 5.166
Current value of target	EUR 5.170
Simple absolute spread	EUR 0.004
Simple spread	*-0.08%*
True spread calc	
Acquiror price * Exch. ratio	EUR 5.166
Cash	
Rebate * Exchange ratio	
Acquiror div. * Exch. ratio (FV)	EUR 0.000
Target dividends (FV)	EUR 0.000
True value of bid	EUR 5.166
True spread	-0.08%
Annualised true spread	***neg***

	Target	Acquiror(s)
Target / Acquiror(s)	ENIA SPA	IRIDE SPA
Country	Italy	Italy
Pre-bid price	EUR 4.464	EUR 1.177
Current price	EUR 5.170	EUR 1.230
Dividend	EUR 0.357	EUR 0.085
Ex-date	07-Jun-09	21-Jun-10
Free Float Market cap (USDm)	385	427
Free Float	56%	34%
Liquidity (USDm)	1.68	3.25
GICS Sector	Utilities	Utilities
GICS Industry Group	Utilities	Utilities
Financial Advisor(s)	Credit Suisse and Mediobanca	BNP and Intesa
Bloomberg	EN IM	IRD IM
RIC	EN.MI	IRD.MI
Cost of borrow	n.m.	n.m.
Availability	n.m.	n.m.
Listed options	No	No
Convertible bonds	No	No

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
A2A Spa	8.1x	7.7x	10.8x	10.6x	-15.5%
Acea Spa	6.9x	6.2x	12.4x	10.2x	-8.4%
Acegas-Aps Spa	6.3x	5.9x	13.0x	11.2x	-13.5%
Edison Spa	6.2x	5.9x	16.4x	14.5x	-5.2%
Hera Spa	5.8x	5.5x	13.0x	11.3x	-7.8%
Average	6.7x	6.2x	13.1x	11.6x	-10.1%
Enia at offer	**6.5x**	**6.1x**	**13.9x**	**12.2x**	**15.8%**
Premium / Discount	*3%*	*3%*	*6%*	*6%*	

Source: Bloomberg consensus estimates

Event Calendar

12-Oct-08	Merger agreed
22-Jan-09	Milano Finanza: Parma City Council has given its approval to the merger. Parma is one of Enia's three major shareholders thus giving Enia full shareholder approval for the merger
13-Jul-09	AGCM approval obtained
11-Sep-09	Milano Finanza: Merger delayed from 1-Oct to 1-Jan due to the Genoa and Turin city councils being late in approving the merger
06-Jan-10	Il Sole 24 Ore: IRD will not pursue a merger at any cost; cites Genoa mayor as saying that January would be decisive in terms of closing the merger
11-Feb-10	Il Sole 24 Ore: Merger unlikely to go through. IRD board has called for a 16-Feb deadline, and is likely not to approve the merger
15-Feb-10	EN and IRD agree to go ahead with merger
16-Feb-10	EN and IRD BoD meetings
10-Mar-10	Enia confirms 4.2 exchange ratio
15-Apr-10	Patto di sindacato (shareholder agreement) signed (est.)
28-Apr-10	Merger agreement signed
23-Jun-10	Consob approval
28-Jun-10	Docs
01-Jul-10	Effective date

Main Conditions

51% acceptances from municipalities. Enia EGM approval. Iride EGM approval. Relevant regulatory approvals (Italy: Antitrust (AGCM)).

Comments

On 11-Oct, the city councils of Enia and Iride reached an agreement on a merger between the two utilities after talks on a three way merger with Hera fell through. Iride is controlled by Genoa and Turin city councils and Enia by Parma, Piacenza and Reggio Emilia city councils. The transaction structure involves the incorporation of Enia into Iride, which will then change its name. The exchange ratio has been set at 4.2 Iride shares per 1 Enìa share. The exchange ratio has been determined on the current business plans of the companies, and taking into consideration the share price of the two companies across various periods (inter alia, Discounted Cash Flow method and market prices). Synergies are projected to reach approximately 8-12% of the combined entity's 2007 EBITDA in 2012.

Shareholders

The bylaws of NewCo will call for the preservation of the limit of 5% on stock ownership by private parties, as currently provided in the bylaws of Enìa and Iride. The plan does not call for changes to the company's object that would trigger the right to redeem shares. In order to ensure the development of the new Group and its operations and guarantee unified, stable guidance, the controlling shareholders, FSU (Finanziaria Sviluppo Utilities, jointly owned by the Municipality of Turin and the Municipality of Genoa, and majority shareholder in Iride) and the Municipalities that are currently parties to the Enìa shareholders' agreement are to enter into a new shareholders' agreement. Following the merger the ordinary share capital of NewCo will result as follows: Finanziaria Sviluppo Utilities: 36%; Enìa public shareholders: 24%; Equiter (Intesa): 3%; Fondazione Cassa di Risparmio di Torino: 3%; Free float: 35%.

Antitrust

We do not expect any antitrust issues as overlap is limited. Iride is strong in upstream assets, especially in electricity generation and production; while Enia has a large portfolio of retail clients. Even post merger NewCo will be relatively small when compared to the likes of Edison SpA. Furthermore, Enia's waste management activity compliments Iride's portfolio while Iride's electricity distribution fills a gap in Enia's portfolio. The companies will notify the antitrust authorities after the EGMs.

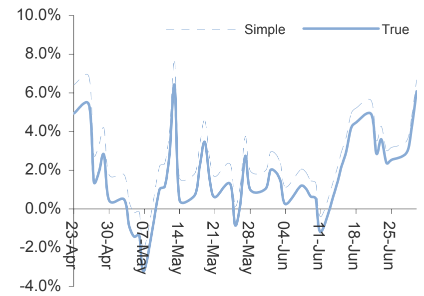
F&C COMM PROP / UK COMM PROP

Deal Terms / Spread Calculations

Deal Terms PT = 1.22 UKCM (est.) or GBp 91	
Transaction Type	Scheme
Simple value of bid	GBp 96.81
Current value of target	GBp 90.75
Simple absolute spread	GBp 6.06
Simple spread	*6.67%*
True spread calc	
Acquiror price * Exch. ratio	GBp 96.81
Cash	
Rebate * Exchange ratio	GBp 0.54
Acquiror div. * Exch. ratio (FV)	
Target dividends (FV)	
True value of bid	GBp 96.26
True spread	6.08%
Annualised true spread	*47.19%*

	Target	Acquiror(s)
Target / Acquiror(s)	F&C COMM PROP	UK COMM PROP
Country	Guernsey	Guernsey
Pre-bid price	GBp 94.00	GBp 80.95
Current price	GBp 90.75	GBp 79.35
Dividend	GBp 0.50	GBp 0.60
Ex-date	12-May-10	03-Feb-10
Free Float Market cap (USDm)	447	1,408
Free Float	49%	100%
Liquidity (USDm)	0.79	0.54
GICS Sector	n.a.	n.a.
GICS Industry Group	n.a.	n.a.
Financial Advisor(s)	Winterflood	
Bloomberg	FCPT LN	UKCM LN
RIC	FCPT.L	UKCM.L
Cost of borrow	Expensive	Expensive
Availability	Tight	Tight
Listed options	No	No
Convertible bonds	No	No

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Ing Global Real	n.a.	n.a.	n.a.	n.a.	-6.7%
Ing Uk Real Esta	n.a.	n.a.	n.a.	n.a.	-4.5%
Irp Property Inv	n.a.	n.a.	n.a.	n.a.	1.2%
Stand Lif Inv Pr	n.a.	n.a.	n.a.	n.a.	3.7%
Uk Commercial Pr	n.a.	n.a.	n.a.	n.a.	-2.0%
Average	n.a.	n.a.	n.a.	n.a.	-1.7%
F&C Com Prop at off	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**-3.5%**
Premium / Discount	*n.a.*	*n.a.*	*n.a.*	*n.a.*	

Source: Bloomberg consensus estimates

Event Calendar

23-Apr-10	Approach announced
23-Apr-10	FCPT 31-Mar NAV of GBp 92.1
20-May-10	FCPT IMS
28-May-10	UKCPT GBp 0.7146 divi payable
09-Jun-10	Offer announced
10-Jun-10	FT: F&C AM working on alternative proposal
14-Jun-10	Record date for cash option
27-Jun-10	Citywire: F&C plans to launch a new open-ended UK property fund managed by F&C Reit - but says its latest venture is not designed to steal investors from FCPT
07-Jul-10	Docs (est.)
02-Aug-10	Effective date (est.)
16-Aug-10	Settlement (est.)

Main Conditions

Shareholder approvals from both of FCPT and UKCM (both 75%).

Comments

On 23-Apr, F&C Commercial Properties (FCPT) announced that it had received a proposal from Ignis Investment Services (Ignis), a subsidiary of Phoenix Group (Phoenix) and the investment manager of UK Commercial Property Trust (UKCPT), for a liquidation scheme of reconstruction of FCPT. The scheme would result in the merger of FCPT and UKCPT. Phoenix is, through its subsidiaries, the majority shareholder in UKCPT while Friends Provident (FP) holds 50% of FCPT. In connection with the Ignis proposal FP will sell approximately 16.15% of FCPT's issued shares to Phoenix at GBp 91 per share. Following this sale FP will hold c34% of FCPT's shares. Note that it is very difficult to set up the spread as borrow in UKCPT is virtually impossible to get hold off.

The scheme would involve the sale of all of FCPTs' property holding subsidiaries, together with the associated debt, in exchange for the issue to FCPT's shareholders of shares in UKCPT on a net asset value (NAV) for NAV basis. The scheme would also offer FCPT's shareholders the opportunity to elect for a cash exit at a price of GBp 91 per share, the availability of which would be subject to certain conditions (including a condition as to the maximum aggregate level of cash available).

FP, Phoenix and London Assurance have irrevocably undertaken between themselves to support the scheme, and will not sell their respective holdings of shares in FCPT or UKCPT prior to the scheme being effected or withdrawn (subject to the full terms of the scheme being announced prior to 30-Sep) and will not elect for cash under the Scheme.

NAVs

FCPT's latest NAV (as of 31-Mar-10) was GBp 92.1 per share. The NAV was calculated under IFRS and based on the external valuation of its direct property portfolio prepared by DTZ Debenham Tie Leung. Adjusting for the three GBp 0.50 dividends which were paid in April, May and June the NAV is GBp 90.6 per share. The next quarterly valuation of the direct property portfolio will be conducted by an external valuer during Jun-10 and the NAV per share as at 30-Jun will be announced in July.

UKCPT's latest NAV (as of 31-Mar-10) was GBp 76.20 per share. Adjusting for the GBp 0.7146 dividend which was paid in May the NAV is GBp 75.4854 per share.

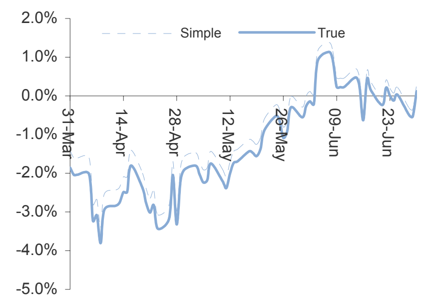
FRESENIUS PREFS / FRESENIUS ORDS

Deal Terms / Spread Calculations

Deal Terms	1 FRE3 = 1 FRE
Transaction Type	Share conversion
Simple value of bid	EUR 54.23
Current value of target	EUR 54.07
Simple absolute spread	EUR 0.16
Simple spread	*0.30%*
True spread calc	
Acquiror price * Exch. ratio	EUR 54.23
Cash	EUR 0.00
Rebate * Exchange ratio	EUR 0.10
Acquiror div. * Exch. ratio (FV)	EUR 0.00
Target dividends (FV)	EUR 0.00
True value of bid	EUR 54.13
True spread	0.12%
Annualised true spread	*0.69%*

	Target	Acquiror(s)
Target / Acquiror(s)	FRESENIUS PREFS	FRESENIUS ORDS
Country	Germany	Germany
Pre-bid price	EUR 55.92	EUR 51.65
Current price	EUR 54.07	EUR 54.23
Dividend	EUR 0.76	EUR 0.75
Ex-date	13-May-10	13-May-10
Free Float Market cap (USDm)	9,568	4,181
Free Float	89%	39%
Liquidity (USDm)	27.09	5.06
GICS Sector	Health Care	Health Care
GICS Industry Group	Health Care Equipment & Servic	Health Care Equipment & Servic
Financial Advisor(s)	Commerzbank and Morgan Stanley	Commerzbank and Morgan Stanley
Bloomberg	FRE3 GY	FRE GY
RIC	FREG_p.DE	FREG.DE
Cost of borrow	GC	c2% fee
Availability	Good	Tight
Listed options	Yes	No
Convertible bonds	No	Yes

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Baxter Intl Inc	7.1x	6.7x	10.5x	9.7x	-30.0%
Davita Inc	8.1x	7.8x	14.4x	13.6x	-0.5%
Fresenius Medica	8.5x	7.9x	16.3x	14.5x	7.3%
Average	7.9x	7.5x	13.7x	12.6x	-7.7%
Fresenius at offer	**4.3x**	**3.8x**	**14.8x**	**12.9x**	**-3.3%**
Premium / Discount	*46%*	*50%*	*8%*	*2%*	

Source: Bloomberg consensus estimates

Event Calendar

30-Mar-10	Offer announced
01-Apr-10	AGM invitation
21-Apr-10	AGM Record Date
04-May-10	Fresenius SE Results
12-May-10	AGM
03-Aug-10	Fresenius Results
01-Sep-10	Completion (est.)

Main Conditions

75% approval from both Prefs and Ords.

Comments

On 30-Mar, Fresenius announced a proposal to simplify its share structure by converting all preference shares into ordinary shares in combination with a change of the company's legal form into a KGaA. At the same time all non-voting preference shares in Fresenius will mandatorily be converted into voting ordinary shares at a 1:1 exchange ratio. The total share capital will remain unchanged. Following the conversion, each share will carry one vote.

The unified share structure is expected to have a positive effect on Fresenius' position in the German DAX 30 index (currently number 29 and expected to move to number 22 post transaction). The index currently only includes the preference shares and therefore just 50% of the capital.

The proposed legal form of a KGaA enables Fresenius to achieve the benefits of a single share class, while maintaining the control position of the Else Kröner-Fresenius Foundation. The foundation currently holds approximately 58% of the ordinary shares. The general partner of the KGaA will be a European company, Fresenius Management SE, a wholly-owned subsidiary of the foundation. The general partner's management will be identical to Fresenius' current executive team and will assume the management of Fresenius SE & Co. KGaA. The KGaA legal form builds on the model created by Fresenius Medical Care in 2005. The Else Kröner-Fresenius Foundation has informed the company that it will endorse the resolution and retain its shareholding in Fresenius. The Else Kröner-Fresenius Foundation will hold 29% of Fresenius SE & Co. KGaA following completion.

Kommanditgesellschaft auf Aktien (KGaA)
A Kommanditgesellschaft auf Aktien is a partnership limited by shares. The KGaA has two groups of shareholders: the personally liable general partner on the one hand and limited liability shareholders on the other. The limited liability shareholders have an interest in the stated share capital and, as in the case of other publicly quoted companies, are not personally liable for the debts of the company.

Fresenius background
Fresenius is a health care group with international operations, providing products and services for dialysis, hospital and outpatient medical care.

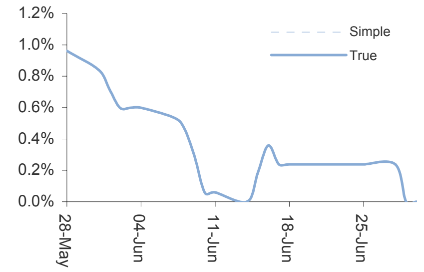
GEWISS SPA / UNIFIND SPA

Deal Terms / Spread Calculations

Deal Terms	1 GEW = EUR 4.20
Transaction Type	Voluntary offer
Simple value of bid	EUR 4.20
Current value of target	EUR 4.20
Simple absolute spread	EUR 0.00
Simple spread	*0.00%*
True spread calc	
Acquiror price * Exch. ratio	
Cash	EUR 4.20
Rebate * Exchange ratio	
Acquiror div. * Exch. ratio (FV)	
Target dividends (FV)	
True value of bid	EUR 4.20
True spread	0.00%
Annualised true spread	***0.00%***

	Target	Acquiror(s)
Target / Acquiror(s)	GEWISS SPA	UNIFIND SPA
Country	Italy	Italy
Pre-bid price	EUR 3.62	n.m.
Current price	EUR 4.20	n.m.
Dividend	EUR 0.10	n.m.
Ex-date	17-May-10	n.m.
Market cap (USDm)	152	n.m.
Free Float	25%	n.m.
Liquidity (USDm)	0.43	n.m.
GICS Sector	Industrials	n.m.
GICS Industry Group	Capital Goods	n.m.
Financial Advisor(s)		Nomura
Bloomberg	GEW IM	3622895Z IM
RIC	GEW.MI	n.m.
Cost of borrow	Expensive	n.m.
Availability	Tight	n.m.
Listed options	No	n.m.
Convertible bonds	No	n.m.

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Cooper Inds	9.8x	8.7x	14.7x	12.7x	-5.4%
Hubbell Inc -B	6.7x	6.1x	12.5x	10.9x	-8.1%
Legrand Sa	9.2x	8.4x	16.1x	14.0x	2.6%
Thomas & Betts	6.6x	5.9x	13.4x	11.1x	-10.1%
Average	8.1x	7.3x	14.2x	12.2x	-5.2%
Gewiss at offer	**6.9x**	**5.6x**	**20.0x**	**16.8x**	**15.9%**
Premium / Discount	*14%*	*23%*	*41%*	*38%*	

Source: Bloomberg consensus estimates

Event Calendar

28-May-10	Offer announced
07-Jun-10	Il Sole 24 Ore: GEW may make an overseas buy after it has delisted
04-Jun-10	Unifind buys 35,503 shares at EUR 4.18 per share
07-Jun-10	Unifind buys 24,613 shares at EUR 4.18 per share
08-Jun-10	Unifind buys 55,000 shares at EUR 4.18 per share
11-Jun-10	GEW BoD meeting
17-Jun-10	Consob approval obtained
21-Jun-10	Offer opens
29-Jun-10	Nextam Partner (1%) says offer is too low
28-Jul-10	Offer closes
28-Jul-10	Gewiss Results
04-Aug-10	Settlement

Main Conditions

95% acceptance. Regulatory approval. MAC.

Comments

On 28-May, Unifind, which already owns 65.397% of Gewiss announced that it intended to buy out the minorities in a EUR 4.20 per share all cash offer. As Unifind has been buying shares in the market we expect the spread to be tight.

The offer aims to allow the owners to pursue "long-term" investments and goals that may hurt short-term profitability and harm the share value. A reduced shareholder base would also allow owners greater flexibility to pursue strategic goals.

Unifind is controlled by Gewiss founder Domenico Bosatelli. Bosatelli is chairman and chief executive of Gewiss and owns another 10% of Gewiss through another vehicle (Polifin). Gewiss was first listed on the Italian stock exchange in 1988. Its shares traded at almost twice the EUR 4.20 offer as recently as mid-2007.

Taking into account that Gewiss has a large (EUR 100m) net cash position the offer doesn't come across as being very high on an EV/EBITDA basis when compared to the peer group. However, it is clear that the chances of a counterbid are very low as Unifind already has a controlling stake.

Offer price / premium

The EUR 4.20 per share offer implies 7.1x LTM EV/EBITDA and 22.1x LTM P/E. The offer represents a premium of 16% to the closing price on 27-May, a 32% premium to the 3-month VWAP of EUR 3.17 and a 41% premium to the 6-month VWAP of EUR 2.97.

Gewiss background

Gewiss is among the world leaders in the manufacturing of domotics, energy and lighting solutions for residential, commercial and industrial applications. Founded in 1970 by Cavaliere del Lavoro Domenico Bosatelli, Gewiss is today an international group with about 1,600 employees and is present in 80 countries in the world with 7 production plants (4 in Italy, 1 in Germany, 1 in Portugal and 1 in France), 8 commercial subsidiaries (UK, Spain, Turkey, Russia, Romania, Chile, United Arab Emirates and China) and a centralized logistics pole in Italy (Calcinate, BG) which handles deliveries throughout Europe in 48 hours.

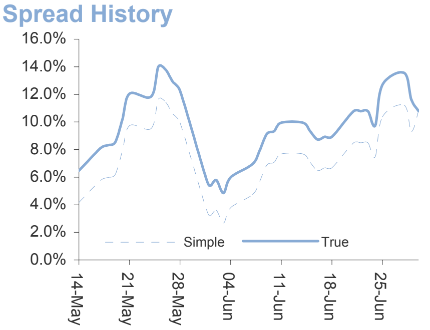
HEALTHSCOPE / CARLYLE & TPG

Deal Terms / Spread Calculations

Deal Terms	1 HSP = AUD 5.75
Transaction Type	Possible offer
Simple value of bid	AUD 5.75
Current value of target	AUD 5.19
Simple absolute spread	AUD 0.56
Simple spread	*10.79%*
True spread calc	
Acquiror price * Exch. ratio	
Cash	AUD 5.75
Rebate * Exchange ratio	
Acquiror div. * Exch. ratio (FV)	
Target dividends (FV)	AUD 0.00
True value of bid	AUD 5.75
True spread	10.79%
Annualised true spread	*n.m.*

	Target	Acquiror(s)
Target / Acquiror(s)	HEALTHSCOPE	CARLYLE & TPG
Country	Australia	United States
Pre-bid price	AUD 4.50	n.m.
Current price	AUD 5.19	n.m.
Dividend	AUD 0.12 (est.)	n.m.
Ex-date	31-Aug (est.)	n.m.
Free Float Market cap (USDm)	1,352	n.m.
Free Float	97%	n.m.
Liquidity (USDm)	7.07	n.m.
GICS Sector	Health Care	Financials
GICS Industry Group	Health Care Equipment & Servic	Diversified Financials
Financial Advisor(s)	GS, Lazard and Minter Ellison	Credit Suisse and Macquarie
Bloomberg	HSP AU	n.m.
RIC	HSP.AX	n.m.
Cost of borrow	GC	n.m.
Availability	Good	n.m.
Listed options	No	n.m.
Convertible bonds	No	n.m.

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Primary Health	8.0x	7.3x	11.6x	11.0x	-14.2%
Ramsay Health	8.8x	7.8x	17.0x	15.5x	0.5%
Sonic Healthcare	9.4x	8.2x	13.6x	12.2x	-19.8%
Average	8.8x	7.8x	14.0x	12.9x	-11.2%
Healthscope at offer	**10.0x**	**9.0x**	**17.5x**	**16.4x**	**15.3%**
Premium / Discount	*14%*	*15%*	*25%*	*28%*	

Source: Bloomberg consensus estimates

Event Calendar

14-May-10	AUD 5.50 approach announced
14-May-10	Reuters: Carlyle and TPG behind approach
17-May-10	The Age: Bidders on track to secure about $750m of senior debt and mezzanine finance of $250m. Discussions with financiers well advanced
20-May-10	Offer increased to AUD 5.75 (from AUD 5.50)
24-May-10	HSP grants due diligence access
25-May-10	NYT: Blackstone said to be joining consortium
31-May-10	HSP announces having received 2 more proposals at AUD 5.80 per share. WSJ reports that it may be from KKR
07-Jun-10	Tenet terminates AUD 5.80 per share bid talks
19-Aug-10	Healthscope Results
27-Oct-10	Healthscope AGM

Main Conditions

None announced but most likely: 90% shareholder approval. Regulatory approval (Australia: FIRB, Court approval of Scheme). MAC.

Comments

On 14-May, Healthscope announced that it had received an indicative, non-binding and confidential proposal to acquire all of the issued capital of Healthscope by scheme of arrangement from a private equity consortium at a price of AUD 5.50 per share. Healthscope CFO Gary Kent has been cited as saying that the offer is opportunistic and that Healthscope stock is probably undervalued because of concern that subsidy cuts by the Australian government will reduce profitability at the pathology business. On 20-May, HSP issued a statement saying that the approache had been increased to AUD 5.75.

In 2007, Healthscope failed twice in friendly takeover bids to acquire Symbion, which was later bought by Healthscope's rival Primary Health Care for AUD 2.65bn. Healthscope has faced pressure in the past year to move into aged care, which is poised for growth as the population gets older, but announced at the time of its half-year results that it had scrapped plans for an acquisition in the sector.

Offer price / premium

The AUD 5.75 per share approach implies 10.9x LTM EV/EBITDA and 19.9x LTM P/E. Primary Health Care paid 12.1x LTM EV/EBITDA for Symbion Health in 2007 - so AUD 5.75 would be somewhat lower than this. 12.1x LTM EV/EBITDA would imply AUD 6.65 per share. Furthermore, AUD 5.75 would not offer much of a control premium when compared to what the peer group is trading at (see table above). AUD 5.75 would represents a premium of 28% to the closing price on 13-May and a 32% premium to the 3-month VWAP of AUD 4.37.

Counterbidders

Archer Capital and Ironbridge Capital are two private equity firms that have been active in the healthcare sector in recent years. Tenet Healthcare on 1-Jun confirmed being in talks with Healthscope - but these talks ended on 7-Jun.

Healthscope background

Healthscope is a leading private healthcare operator within Australia that uniquely operates in every State and Territory, as well as in Asia. Healthscope's reach of facilities around the country firmly places Healthscope as the second largest private hospital provider, operating 43 private hospitals. The company includes a leading pathology business with facilities in Australia.

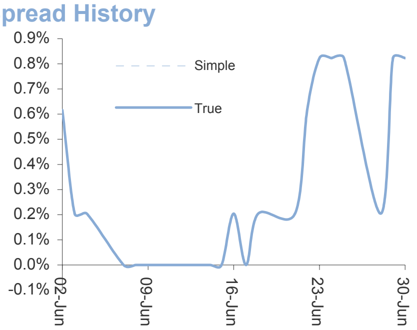
HL DISPLAY / RATOS

Deal Terms / Spread Calculations

Deal Terms	1 HLB = SEK 49.00
Transaction Type	Mandatory
Simple value of bid	SEK 49.00
Current value of target	SEK 48.60
Simple absolute spread	SEK 0.40
Simple spread	*0.82%*
True spread calc	
Acquiror price * Exch. ratio	
Cash	SEK 49.00
Rebate * Exchange ratio	
Acquiror div. * Exch. ratio (FV)	
Target dividends (FV)	
True value of bid	SEK 49.00
True spread	0.82%
Annualised true spread	*5.89%*

	Target	Acquiror(s)
Target / Acquiror(s)	HL DISPLAY	RATOS
Country	Sweden	Sweden
Pre-bid price	SEK 36.00	SEK 199.00
Current price	SEK 48.60	SEK 196.70
Dividend	SEK 1.38	SEK 9.50
Ex-date	23-Apr-10	16-Apr-10
Free Float Market cap (USDm)	76	3,489
Free Float	43%	82%
Liquidity (USDm)	1.05	9.18
GICS Sector	Industrials	Financials
GICS Industry Group	Commercial & Professional Serv	Diversified Financials
Financial Advisor(s)		ABG Sundal Collier
Bloomberg	HLB SS	RATOB SS
RIC	HLb.ST	RATOb.ST
Cost of borrow	GC	GC
Availability	Fair	Good
Listed options	No	No
Convertible bonds	No	No

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Expedit A/S-B Sh	n.a.	n.a.	n.a.	n.a.	-4.8%
Supercart Plc	n.a.	n.a.	n.a.	n.a.	-28.8%
Average	n.a.	n.a.	n.a.	n.a.	-16.8%
HL Display at offer	**7.5x**	**6.0x**	**n.a.**	**n.a.**	**35.0%**
Premium / Discount	*n.a.*	*n.a.*	*n.a.*	*n.a.*	

Source: Bloomberg consensus estimates

Event Calendar

02-Jun-10	Offer announced
04-Jun-10	Ratos holds 93.2% of votes
21-Jun-10	Docs
23-Jun-10	Offer opens
21-Jul-10	HL Display Results
13-Aug-10	Offer closes
20-Aug-10	Ratos Results
20-Aug-10	Settlement

Main Conditions

Offer is only conditional on regulatory approval (a formality).

Comments

On 2-Jun, Ratos announced that it had entered into an agreement to acquire the Remius family's shares in HL Display (through the companies Kaatach AB and Tila Balgioni Investments Ltd.), corresponding to 28.2% of the capital and 59.0% of the votes. This means Ratos holds 57.0% of the capital and 79.1% of the votes in HL Display. Consequently, Ratos announced an offer to the HL Display shareholders to tender all their outstanding shares in HL Display to Ratos for SEK 49 per share.

Ratos has been a minority owner in HL Display since 2001 when the shares in HL Display represented a part of the acquisition of Atle.

Offer price / premium

The SEK 49.00 per share offer implies 11.1x LTM EV/EBITDA and 23.3x LTM P/E and a premium of 36% to the closing price on 1-Jun, a 32% premium to the 3-month VWAP of SEK 37.01 and a 50% premium to the 12-month VWAP of SEK 32.56.

Financing

The offer will be financed through cash and cash equivalents and credit facilities within Ratos. Payment will be 90% cash and 10% newly issued shares in Ratos and the same price is paid for both class A and class B shares. The Remius family through companies receives approximately SEK 385m in cash and 217,556 newly issued Ratos shares.

HL Display background

HL Display is a leading European supplier of products and solutions for in-store communication and merchandising with 1,100 employees in 33 countries and distributors in a further 13 countries. HL Display has during the last 25 years developed from a Swedish niche company with shelf-edge strips as its main product into an international company with a broad product portfolio in the area of in-store communication and merchandising. Growth has primarily been organic, complemented with certain strategic acquisitions. HL Display's largest acquisition to date, the British company PPE, was completed in 2009, which strengthened the Company's offering to the important brand manufacturers' segment as well as its position on the UK market.

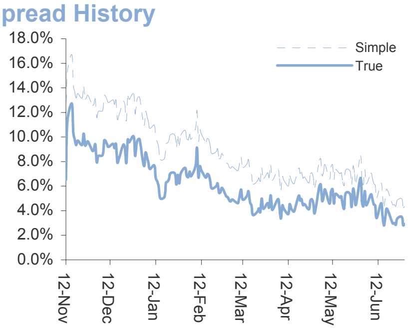
IBERIA / BRIT AIRWAYS PLC

Deal Terms / Spread Calculations

Deal Terms	1 IBLA = 1.0205 BAY
Transaction Type	Proposed merger
Simple value of bid	EUR 2.44
Current value of target	EUR 2.33
Simple absolute spread	EUR 0.10
Simple spread	*4.35%*
True spread calc	
Acquiror price * Exch. ratio	EUR 2.44
Cash	
Rebate * Exchange ratio	EUR 0.03
Acquiror div. * Exch. ratio (FV)	
Target dividends (FV)	
True value of bid	EUR 2.40
True spread	2.92%
Annualised true spread	*6.91%*

	Target	Acquiror(s)
Target / Acquiror(s)	IBERIA	BRIT AIRWAYS PLC
Country	Spain	Britain
Pre-bid price	EUR 2.22	GBp 224.90
Current price	EUR 2.33	GBp 195.90
Dividend	n.m.	n.m.
Ex-date	n.m.	n.m.
Free Float Market cap (USDm)	2,140	3,077
Free Float	78%	91%
Liquidity (USDm)	17.15	29.65
GICS Sector	Industrials	Industrials
GICS Industry Group	Transportation	Transportation
Financial Advisor(s)	Morgan Stanley	UBS
Bloomberg	IBLA SM	BAY LN
RIC	IBLA.MC	BAY.L
Cost of borrow	GC	Expensive
Availability	Fair	Tight
Listed options	Yes	Yes
Convertible bonds	No	Yes

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Aegean Airlines	2.3x	1.5x	12.9x	7.0x	-42.0%
Air France-Klm	7.3x	4.5x	n.m.	13.7x	-13.9%
Brit Airways Plc	3.5x	2.7x	n.m.	10.1x	-8.9%
Delta Air Li	5.0x	4.2x	6.9x	5.0x	52.3%
Deutsche Luft-Rg	3.9x	3.0x	n.m.	13.4x	1.6%
Average	4.4x	3.2x	9.9x	9.8x	-2.2%
Iberia at offer	**5.9x**	**3.4x**	**n.m.**	**26.5x**	**5.1%**
Premium / Discount	*35%*	*6%*	*n.m.*	*169%*	

Source: Bloomberg consensus estimates

Event Calendar

12-Nov-09	Offer announced
05-Feb-10	DoT approval of AA / BA / IBLA alliance
08-Apr-10	Merger agreement signed
07-May-10	FT: IAG may be included in the FTSE-100
02-Jun-10	IBLA AGM
02-Jun-10	ADPNews: IBLA asks government for economic compensation for its EUR 19.8m loss due to the volcano crisis in April and May
07-Jun-10	WSJ: IBLA could walk away from merger if UK pension regulator doesn't agree with IBLA/BA
22-Jun-10	BAY reaches agreement with pensions trustees; GBP 330m contributions + plus additional payments if year-end cash balance is greater than GBP 1.8bn. IBLA has 3 months to decide whether this is acceptable
24-Jun-10	FTC approval obtained
29-Jun-10	Merger plan signed
30-Jun-10	Pension plan to be filed with UK Pensions Regulator
15-Jul-10	EC Ruling due
01-Nov-10	EGMs (est.)
01-Dec-10	Completion (est.)

Main Conditions

Pre-conditions: Spanish and UK Civil Aviation Authorities approvals. CNMV approval. Due diligence. Conditions: Shareholder approvals. Antitrust / regulatory approval. Admission of TopCo

Comments

On 12-Nov, British Airways (BA) and Iberia announced that their BoDs had agreed on a binding memorandum of understanding setting out the basis for a proposed merger of the two companies to create a new, leading European airline that recognises the principle of parity at board and management level. The new airline would have 419 aircraft and fly to 205 destinations. The merger is expected to be completed in late 2010. Note that the UK Takeover Code does NOT apply to this transaction. Offer is subject to a EUR 20m break fee.

The proposed merger will result in the creation of a new holding company (International Airlines Group) that will own both the existing airlines and whose shareholders will be the current BA and Iberia shareholders. On the basis of this exchange ratio, and after cancellation of the treasury shares held by Iberia and prior to the cancellation of the cross-shareholdings held by BA and Iberia in each other, BA shareholders will hold 55% of International Airlines Group and Iberia's shareholders will hold 45%. International Airlines Group will be a Spanish incorporated company registered in Madrid. The majority of board meeting and all shareholders meetings will take place in Madrid. As at completion of the merger, International Airlines Group will be tax resident in Spain. The operating and financial headquarters of the combined group will be located in London, which shall contain the principal management functions of the combined group. A further management office will be located in Madrid.

The combination of BA and Iberia is expected to generate annual synergies of approximately EUR 400m by the end of Year 5 at a cash cost of up to EUR 350m. Approximately one third of the synergies are expected to be revenue related (joint selling, network and revenue management benefits) with the balance coming from cost synergies in areas such as IT, fleet, maintenance and back office functions. The new group will combine the two companies' leading positions in the UK and Spain and enhance their strong presence in the international longhaul markets, while retaining the individual brands and current operations of each airline. On 14-Dec, BA announced pension deficits of GBP 2.7bn in New Airways Pension Scheme and GBP 1bn in New Airways Pension Scheme.

BA and the managers of its pension fund have until 30-Jun-10 to reveal the solution to its pension fund deficit. Iberia then has three months to decide whether the solution agreed has enough guarantees that the deficit would not affect its workers, or abandon the transaction.

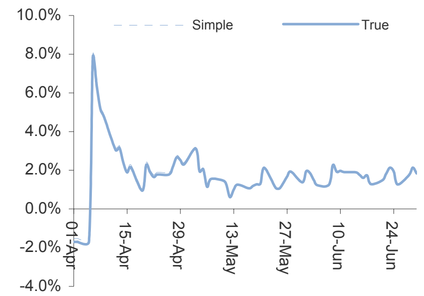
LIHIR GOLD / NEWCREST MINING

Deal Terms / Spread Calculations

Deal Terms 1 LGL = 1/8.43 NCM + AUD 0.225	
Transaction Type	Scheme
Simple value of bid	AUD 4.389
Current value of target	AUD 4.310
Simple absolute spread	AUD 0.079
Simple spread	*1.83%*
True spread calc	
Acquiror price * Exch. ratio	AUD 4.164
Cash	AUD 0.225
Rebate * Exchange ratio	AUD 0.000
Acquiror div. * Exch. ratio (FV)	AUD 0.000
Target dividends (FV)	AUD 0.000
True value of bid	AUD 4.389
True spread	1.84%
Annualised true spread	*10.16%*

	Target	Acquiror(s)
Target / Acquiror(s)	LIHIR GOLD	NEWCREST MINING
Country	Papua N.Guinea	Australia
Pre-bid price	AUD 3.03	AUD 32.82
Current price	AUD 4.31	AUD 35.10
Dividend	USD 0.015	AUD 0.05
Ex-date	25-Feb-10	22-Mar-10
Free Float Market cap (USDm)	8,652	14,387
Free Float	100%	100%
Liquidity (USDm)	147.42	116.70
GICS Sector	Materials	Materials
GICS Industry Group	Materials	Materials
Financial Advisor(s)	Macquarie and Greenhill	Lazard and Merrill Lynch
Bloomberg	LGL AU	NCM AU
RIC	LGL.AX	NCM.AX
Cost of borrow	GC	GC
Availability	Good	Good
Listed options	Yes	Yes
Convertible bonds	No	No

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Anglogold Ashant	9.2x	7.1x	20.1x	14.1x	19.4%
Barrick Gold Crp	8.4x	8.1x	15.5x	14.9x	19.2%
Kinross Gold	9.2x	8.7x	26.6x	22.2x	0.8%
Newcrest Mining	13.0x	9.2x	25.1x	19.2x	6.9%
Newmont Mining	6.8x	6.5x	16.6x	15.5x	21.0%
Average	9.3x	7.9x	20.8x	17.2x	13.5%
Lihir Gold at offer	**13.2x**	**12.4x**	**25.1x**	**24.8x**	**42.2%**
Premium / Discount	*41%*	*57%*	*21%*	*44%*	

Source: Bloomberg consensus estimates

Event Calendar

01-Apr-10	Offer announced
01-Apr-10	Offer rejected
01-Apr-10	FT: Hostile offer unlikely
10-Apr-10	The Australian: NCM CEO says he has no immediate intention of raising his bid
15-Apr-10	Lihir issues letter explaining why it rejected offer
18-Apr-10	Guardian: NCM holding preliminary talks with advisers to LGL
20-Apr-10	NCM sends letter to LGL requesting access to data room
20-Apr-10	LGL confirms receiving letter
22-Apr-10	Newcrest Results
23-Apr-10	Lihir 1Q prod. & exploration report
04-May-10	Lihir agrees to 0.1186 NCM + AUD 0.225 per share offer
05-May-10	Lihir AGM
08-Jun-10	NCM completes due diligence
09-Jul-10	Docs (est.)
22-Jul-10	Newcrest Results
28-Jul-10	Lihir 2Q prod. & exploration report
12-Aug-10	Lihir shareholder vote (est.)
16-Aug-10	Newcrest FY Results
21-Aug-10	Effective date (est.)
28-Aug-10	Record date (est.)
04-Sep-10	Implementation date (est.)

Main Conditions

The proposal is subject to customary conditions, including due diligence and relevant regulatory approvals

Comments

On 1-Apr, Lihir announced it had rejected a 1/9 NCM + AUD 0.225 per share offer from Newcrest, which valued Lihir at AUD 3.87 per share. While the BoD of Lihir recognized the strategic merits of the combination it unanimously determined that the offer did not represent good value for Lihir shareholders. This was particularly the case given the conditions and exclusivity arrangements that Newcrest proposed. The companies had been in private talks for six weeks following an initial approach from Newcrest. Newcrest is believed to be particularly interested in Lihir's Papua New Guinea assets and has said it will contact Lihir's shareholders to hear their views on the bid. Documents lodged with the stock exchange show Newcrest made a first takeover proposal on 15-Feb, offering Lihir shareholders 1 Newcrest share for every 9.5 Lihir shares. On 4-May, Lihir announced that it had entered into a Merger Implementation Agreement with Newcrest under which Lihir shareholders will receive 1/8.43 NCM shares + AUD 0.225 in cash. This offer values Lihir at AUD 4.03 per share using pre-announcement prices - but basically only took the offer value back up to AUD 3.87 per share following Newcrest closing 4.27% lower on the announcement. Newcrest's three biggest shareholders, BlackRock, Colonial First State and Fidelity, are also Lihir's top three shareholders. They own about 39% of Newcrest and 35% of Lihir. In return for being granted access to carry out limited due diligence, Newcrest signed a standstill agreement that will preclude them from making a hostile offer for nine months but which will not prevent them coming back with a higher friendly offer.

The AUD 4.03 per share approach implies 13.2x LTM EV/EBITDA. Using consensus 2010E estimates the offer implies 13.2x 2010E EV/EBITDA and 25.4x 2010E P/E. The offer also represents a 41% premium to the 12-Feb closing price and a 33% premium to Newcrest and Lihir's 1 month VWAPs to 29-Mar.

Strategic rational

According to Newcrest he takeover would deliver pretax cost savings of AUD 85m per year (~4% of combined cost base). Synergies will be delivered through: supply chain efficiencies, maintenance fleet and equipment costs, proven approaches to productivity improvement, lower funding costs and removal of duplicated corporate costs. However, there is no obvious synergies because as there is no geographically overlap. However, a merger would provide geographical diversification and lower NewCo's cost of capital. According to Newcrest the combination would lead to reducing cash costs from USD 454/oz to USD 348/oz (pre synergies).

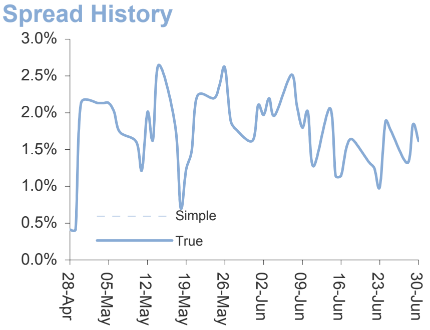
MITSUBISHI RAYON / MITSUBISHI CHEM

Deal Terms / Spread Calculations

Deal Terms	1 3404 = 0.8 4188
Transaction Type	Tender offer
Simple value of bid	JPY 327
Current value of target	JPY 322
Simple absolute spread	JPY 5
Simple spread	*1.61%*
True spread calc	
Acquiror price * Exch. ratio	
Cash	JPY 327
Rebate * Exchange ratio	
Acquiror div. * Exch. ratio (FV)	
Target dividends (FV)	
True value of bid	JPY 327
True spread	1.61%
Annualised true spread	*6.34%*

	Target	Acquiror(s)
Target / Acquiror(s)	MITSUBISHI RAYON	MITSUBISHI CHEM
Country	Japan	Japan
Pre-bid price	JPY 271	JPY 310
Current price	JPY 322	JPY 409
Dividend	JPY 1	JPY 4
Ex-date	26-Mar-09	25-Sep-09
Market cap (USDm)	347	5,891
Free Float	16%	85%
Liquidity (USDm)	3.71	40.84
GICS Sector	Materials	Materials
GICS Industry Group	Materials	Materials
Financial Advisor(s)	JPMorgan and Mizuho	Mitsubishi
Bloomberg	3404 JP	4188 JP
RIC	3404.T	4188.T
Cost of borrow	GC	GC
Availability	Fair	Good
Listed options	No	Yes
Convertible bonds	No	Yes

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Akzo Nobel	6.6x	6.2x	13.7x	11.9x	-2.2%
Bayer Ag	6.7x	6.3x	11.0x	9.9x	-11.6%
Du Pont (Ei)	7.6x	7.1x	13.4x	11.9x	-0.2%
Mitsubishi Chemi	7.2x	6.9x	n.a.	10.4x	31.9%
Sumitomo Chem Co	9.0x	8.0x	18.1x	10.5x	-3.6%
Average	7.4x	6.9x	14.0x	10.9x	2.9%
Mit. Rayon at offer	**7.8x**	**7.0x**	**25.5x**	**13.3x**	**18.8%**
Premium / Discount	*5%*	*2%*	*82%*	*22%*	

Source: Bloomberg consensus estimates

Event Calendar

19-Nov-09	JPY 380 offer announced
08-Feb-10	Mitsubishi Rayon Results
16-Feb-10	Docs
17-Feb-10	JPY 380 offer opens
26-Feb-10	EC approval obtained
19-Mar-10	JPY 380 offer closes
30-Mar-10	Settlement of JPY 380 offer
28-Apr-10	0.8 Mit Chem per Rayon ann.
29-Jun-10	Rayon AGM
28-Sep-10	Delisting
01-Oct-10	Effective date

Main Conditions

Shareholder approval (formallity as Mitsubishi holds 78.19% of the votes).

Comments

On 19-Nov, Mitsubishi Chemical Holdings (MCH) and Mitsubishi Rayon (MR) announced that MCH would acquire MR through a JPY 380 per share tender offer after reviews by antitrust authorities in Japan and overseas. After completion of the offer and the settlement due by the end of March, MCH will buy the shares it still doesn't own in MR via a stock swap in case it fails to buy all MR shares through the tender offer. On 28-Apr, MCH announced a share swap ratio of 0.8 MCH shares for each MR share.

Strategic rational

Players in the Japanese materials industry are keen to consolidate at a time when rising petrochemical production in the Middle East and China is fuelling fears of a looming supply glut. The deal will add products, including graphite golf-club shafts and water purification systems, and reunite the companies that were split in 1950.

MCH is aiming to achieve cost synergies of JPY 3bn and business operation synergies of JPY 7bn in FY2012 by seeking economies of scale in logistics and purchasing as well as by integrating affiliated companies handling operational bases and similar businesses.

A combined Mitsubishi Chemical-Rayon would establish the company as one of the world's top ten chemical makers with estimated revenue of about JPY 3.25trn, but it will still be a long way behind industry leaders like BASF.

Financing

MCH will finance approximately 50% of the tender offer using current cash reserves with the remainder being provisionally funded through a bridge loan.

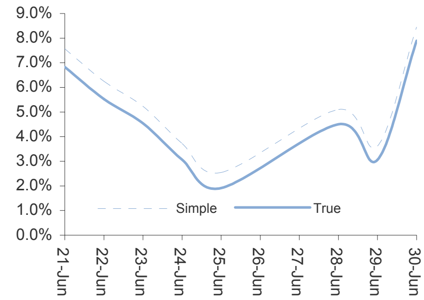
PROSAFE / BW OFFSHORE

Deal Terms / Spread Calculations

Deal Terms	1 PROD = 1.2 BWO + NOK 5.25
Transaction Type	Voluntary offer
Simple value of bid	NOK 14.37
Current value of target	NOK 13.25
Simple absolute spread	NOK 1.12
Simple spread	*8.45%*
True spread calc	
Acquiror price * Exch. ratio	NOK 9.12
Cash	NOK 5.25
Rebate * Exchange ratio	NOK 0.07
Acquiror div. * Exch. ratio (FV)	NOK 0.00
Target dividends (FV)	NOK 0.00
True value of bid	NOK 14.30
True spread	7.89%
Annualised true spread	*72.00%*

	Target	Acquiror(s)
Target / Acquiror(s)	PROSAFE	BW OFFSHORE
Country	Cyprus	Norway
Pre-bid price	NOK 13.25	NOK 9.13
Current price	NOK 13.25	NOK 7.60
Dividend	n.m.	n.m.
Ex-date	n.m.	n.m.
Free Float Market cap (USDm)	320	167
Free Float	61%	31%
Liquidity (USDm)	1.07	0.27
GICS Sector	Energy	Energy
GICS Industry Group	Energy	Energy
Financial Advisor(s)	Pareto and First Securities	Carnegie and HSBC
Bloomberg	PROD NO	BWO NO
RIC	PROD.OI	BWO.OL
Cost of borrow	Expensive	Expensive
Availability	Tight	Tight
Listed options	No	No
Convertible bonds	No	No

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Aker Floating Pr	7.9x	7.7x	n.m.	n.m.	-7.4%
Bw Offshore Ltd	7.0x	5.4x	7.0x	4.7x	-16.8%
Fred Olsen Produ	6.9x	6.9x	n.m.	15.9x	17.0%
Sbm Offshore Nv	6.1x	5.5x	10.7x	9.3x	-8.3%
Average	7.0x	6.4x	8.9x	10.0x	-3.8%
Prosafe at offer	**5.6x**	**5.0x**	**11.3x**	**10.4x**	**0.0%**
Premium / Discount	*20%*	*22%*	*27%*	*4%*	

Source: Bloomberg consensus estimates

Event Calendar

21-Jun-10	Offer announced
22-Jun-10	Prosafe appoints Pareto and First Securities to evaluate strategic and financial options
30-Jun-10	National Oilwell Varco requests an extension of the Letter of Intent until after the offer has been concluded and the future ownership structure of PROD is clarified. PROD grants extension; still with the intention to close a transaction during 3Q
30-Jun-10	BW says it is considering dropping its offer in order to "facilitate a swift closing of the sale of the Turret Business"
12-Jul-10	Offer docs (est.)
09-Aug-10	Offer closes (est.)
25-Aug-10	Prosafe 2Q10 Results
31-Aug-10	BW Offshore Results

Main Conditions

90% acceptance. Sale of Turret Business. Regulatory approvals. MAC.

Comments

On 21-Jun, BW Offshore that it intends to make a voluntary offer for Prosafe Production. The approach is unsolicited and Prosafe has appointed advisors to evaluate its strategic and financial options. The FPSO sector is in need of larger companies that can meet the increasing requirements from clients and regulators in terms of technical competence, scope and investments per unit. BW is of the opinion that a combination with Prosafe will create an FPSO company with the diversification, presence, financial scale and competence to meet such increased requirements going forward.

Offer price / premium

On announcement the implied offer price of NOK 16.21 implied 8.0x LTM EV/EBITDA and represents a premium of 22% on the closing share price on 18-Jun and a 16% premium to the 3-month VWAP of NOK 13.97. When Teekay bought Petrojarl in 2006 it paid 18.5x LTM EV/EBITDA / 4.1x LTM P/E. It is however worth bearing in mind that Petrojarl had LTM Net Debt / EBITDA of 4.6x, which is why the price paid for Petrojarl looks very full on an EV/EBITDA basis, which does make a comparison harder.

Turret Business sale

Note that the 1.2 BWO + NOK 5.25 offer is conditional on the sale of Prosafe's Turret Business being completed no later than 2 business days prior to the offer closing. If this condition is not met, then the offer will be reduced to 1.2 BWO + NOK 2.0 per share. Prosafe announced that it had entered into a Letter of Intent with National Oilwell Varco to sell the turret and swivel business for USD 165m on 22-Mar-10. In addition there will be a deferred payment corresponding to 10% of the sold business' third-party sales for a period of seven years.

Shareholders

BW owns directly or indirectly 23.88% of Prosafe, while BW Euroholdings, a wholly owned subsidiary of BW Group (the largest shareholder in BW), owns 6.01% of Prosafe. BW Group will be diluted to 47-49% in the combined company at an acceptance level of between 90-100%.

Financing

The cash consideration will be financed by BW from available credit facilities. In connection with the offer, BW has established a new bridging credit facility of USD 1.1bn from BW Group.

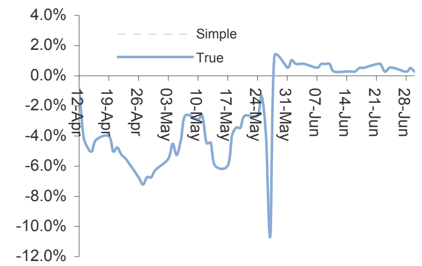
SCORPION / SEADRILL

Deal Terms / Spread Calculations

Deal Terms	1 SCORE = NOK 40.50
Transaction Type	Mandatory
Simple value of bid	NOK 40.50
Current value of target	NOK 40.40
Simple absolute spread	NOK 0.10
Simple spread	*0.25%*
True spread calc	
Acquiror price * Exch. ratio	
Cash	NOK 40.50
Rebate * Exchange ratio	
Acquiror div. * Exch. ratio (FV)	
Target dividends (FV)	
True value of bid	NOK 40.50
True spread	0.25%
Annualised true spread	*3.01%*

	Target	Acquiror(s)
Target / Acquiror(s)	SCORPION	SEADRILL
Country	Bermuda	Norway
Pre-bid price	NOK 35.60	NOK 149.90
Current price	NOK 40.40	NOK 119.00
Dividend	n.m.	USD 0.55
Ex-date	n.m.	15-Mar-10
Market cap (USDm)	376	4,707
Free Float	67%	62%
Liquidity (USDm)	5.05	115.89
GICS Sector	Energy	Energy
GICS Industry Group	Energy	Energy
Financial Advisor(s)	SEB	Carnegie, Fearnleys and Pareto
Bloomberg	SCORE NO	SDRL NO
RIC	SCORE.OL	SDRL.OL
Cost of borrow	Expensive	GC
Availability	Tight	Good
Listed options	No	Yes
Convertible bonds	No	Yes

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Fred Olsen Energ	4.4x	4.0x	4.5x	3.9x	-27.3%
Odfjell Se-A Sh	8.7x	7.1x	n.m.	11.5x	-20.8%
Pride Intl Inc	8.8x	5.3x	12.8x	7.4x	-27.2%
Sapuracrest Petr	6.0x	5.4x	13.2x	11.6x	-7.5%
Seawell Ltd	6.8x	5.8x	0.0x	0.0x	-13.6%
Average	6.9x	5.5x	7.6x	6.9x	-19.3%
Scorpion at offer	**6.8x**	**6.0x**	**10.2x**	**8.2x**	**13.5%**
Premium / Discount	*2%*	*8%*	*34%*	*19%*	

Source: Bloomberg consensus estimates

Event Calendar

27-Apr-07	Seadrill buys 6.2% stake
04-Sep-07	Seadrill holds 10.2%
16-Jan-08	Seadrill holds 15.93%
06-Feb-08	Seadrill holds 20.5%
12-Apr-10	Seadrill increase stake to 40.1%
10-May-10	Docs
10-May-10	Offer opens
27-May-10	Ensco ann. NOK 39.50 per share partial tender offer for 19%
28-May-10	Ensco has received acceptances and irrevocables for 36% of SCORE
28-May-10	SCORE reiterates rec to accept Ensco offer
28-May-10	SDRL says it won't accept Ensco offer and that it may increase its offer to get more than 50%
28-May-10	Pareto says it has an order to buy 10.1% of SCORE at NOK 40
28-May-10	Ensco increases offer to NOK 40
28-May-10	SDRL increases offer to NOK 40.5
28-May-10	Ensco offer fails
31-May-10	SDRL holds 50.11%; ann. intention to launch new mandatory offer of NOK 40.50 which will run for 6 weeks
04-Jun-10	Docs / offer opens
16-Jul-10	Offer closes
30-Jul-10	Settlement

Main Conditions

None; offer is mandatory.

Comments

On 12-Apr, Seadrill announced that it had bought 1.3m shares of Scorpion Offshore at NOK 36.00 per share. This toke Seadrill's stake to 40.1% and triggered a mandatory offer of NOK 36.00 per share which had to be launched within 4 weeks. Historically, Seadrill has made an acquisition of a large stake in a target prior to bidding for the remainder of the shares. This was true for Mosvold, Eastern Drilling, Aker Drilling and also for Scorpion.

Strategic rational

Seadrill views its holding in Scorpion as a long term, strategic investment and will, as a consequence of the increase of its shareholding, request a shareholder meeting in Scorpion for the purpose of electing a board that, to a larger extent than today, reflects the ownership structure of Scorpion. In addition Seadrill will put forward a proposal to Scorpion to enter into an arm's length management contract with Seadrill Management AS with the target of reducing rig operating and overhead costs in Scorpion. Market demand for Ultra Premium rigs remains strong (+90% utilisation as of Feb-10) and there are few rig operators available for sale. However, we believe that Seadrill may not be intent on acquiring 100% of Scorpion, unless it is able to do so at NOK 40.50 per share, as it usually a very disciplined buyer. In order to finance the Scorpion offer (and the potential acquisition of a CJ70 jack-up rig) Seadrill issued 12.5m shares in a private placement on 13-Apr.

Offer period

In the case of mandatory offers, the bidder must give a time limit of no less than four weeks and no more than six weeks for acceptance of the offer by the shareholders. During this period, the bidder may make a new offer, provided the new offer is accepted by the Oslo Stock Exchange. In such case, the offer period is extended so that the offer stays open for at least two weeks after the new offer is made. Seadrill has 4 weeks to launch the offer post having crossed the 50% threshold - but has announced that it expects to launch the offer in the first week of June.

Scorpion background

Founded in 2005, Scorpion has a fleet of seven jack-up rigs, which have retractable legs that extend to the seafloor and are the most common type used for shallow-water drilling. Two of the rigs have been delivered and the five under construction are due to be delivered by the end of next year.

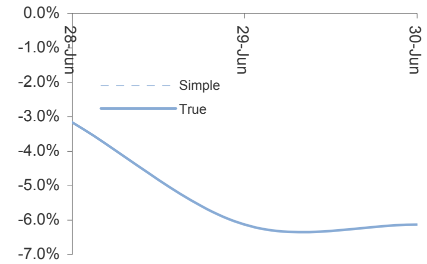
SCOTT WILSON / CH2M HILL

Deal Terms / Spread Calculations

Deal Terms	1 SWG = GBp 245.00
Transaction Type	Unsolicited offer
Simple value of bid	GBp 245.00
Current value of target	GBp 261.00
Simple absolute spread	GBp 16.00
Simple spread	*-6.13%*
True spread calc	
Acquiror price * Exch. ratio	
Cash	GBp 245.00
Rebate * Exchange ratio	
Acquiror div. * Exch. ratio (FV)	
Target dividends (FV)	
True value of bid	GBp 245.00
True spread	-6.13%
Annualised true spread	***neg***

	Target	Acquiror(s)
Target / Acquiror(s)	SCOTT WILSON	CH2M HILL
Country	Britain	United States
Pre-bid price	GBp 87.00	n.m.
Current price	GBp 261.00	n.m.
Dividend	GBp 1.33	n.m.
Ex-date	20-Jan-10	n.m.
Market cap (USDm)	233	n.m.
Free Float	81%	n.m.
Liquidity (USDm)	2.78	n.m.
GICS Sector	Industrials	Industrials
GICS Industry Group	Commercial & Professional Serv	Commercial & Professional Serv
Financial Advisor(s)	Greenhill and Brewin Dolphin	Rothschild
Bloomberg	SWG LN	15565Z US
RIC	SWG.L	n.m.
Cost of borrow	GC	n.m.
Availability	Fair	n.m.
Listed options	No	n.m.
Convertible bonds	No	n.m.

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Aecom Technology	6.2x	5.2x	11.4x	10.1x	-5.9%
Grontmij-Cva	6.7x	5.5x	9.1x	7.6x	4.1%
Hyder Consulting	4.6x	4.3x	7.8x	7.4x	14.1%
Urs Corp	5.2x	4.8x	10.9x	10.7x	-8.6%
Wsp Group Plc	5.5x	5.3x	9.2x	8.7x	0.6%
Average	5.7x	5.0x	9.7x	8.9x	0.8%
Scott Wilson at offer	**7.0x**	**6.0x**	**15.1x**	**14.0x**	**200.0%**
Premium / Discount	*23%*	*19%*	*56%*	*57%*	

Source: Bloomberg consensus estimates

Event Calendar

07-Jun-10	Confirms having received approaches
28-Jun-10	URS announces GBp 210 offer
28-Jun-10	CH2M Hill offers 245p in cash having bought a 12.97% stake
29-Jun-10	URS announces it continues to consider its options
26-Jul-10	Docs (est.)
16-Aug-10	First Close (Day 21) (est.)
10-Sep-10	Last day to revise offer (D46) (est.)
24-Sep-10	Last day for offer to be declared unconditional as to acceptances (Day 60) (est.)
15-Oct-10	Last day for offer to be declared wholly unconditional (Day 81)
29-Oct-10	Settlement (est.)

Main Conditions

90% acceptance. Regulatory approvals. MAC.

Comments

Following Scott Wilson on 7-Jun confirming that it was in talks with a (then unnamed) potential bidder URS on 28-Jun announced a recommended offer of GBp 210 per share to be structured as a Scheme. Before the day was over CH2M had announced that it had bought a 13.1% stake for GBp 245 per share and that it would launch an offer for all of Scott Wilson at the same price. CH2M also has irrevocables from Artemis (1.8%) and Aviva (3.2%). Both irrevocables lapse if a counteroffer of GBp 269.50, or higher, is made. CH2M will finance the offer from its existing cash resources. If URS increases its offer it will probably raise it to GBp 270 or more per share in order for the irrevocables to lapse as having an additional 5% could prove important when taking into account that CH2M already holds 13.1%.

Valuation

An offer of GBp 245 per share implies 9.0x LTM EV/EBITDA (including the GBP 63.3m pensions deficit; would be 6.6x if it was excluded) and 12.7x LTM P/E. When Scott Wilson bought Cameron Taylor in 2006 it paid 0.77x LTM Sales / 11.3x LTM EBIT. If this was applied to Scott Wilson it would imply an offer of GBp 270 / GBp 245 per Scott Wilson share. One can probably justify as much as 1.0x Sales, which would imply GBp 375 per share. The offer also represents a 182% premium to the last closing price prior to URS approaching Scott Wilson, a 168% premium to the 3-month VWAP and a 105% premium to the GBp 119 per share price prior to the actual offer announcement.

Rational

Scott Wilson's infrastructure market segment focus and geographic footprint align well with CH2M's long and short term strategic objectives for expansion in Europe, India, China and the Middle East. The combination will also enable CH2M to broaden its existing customer base and service capability in the US in particular in terms of accelerating the development of its rail and transit capabilities as well as broadening its offering in South America, notably in transport and infrastructure projects including in Brazil. The acquisition of Scott Wilson will augment CH2M's executive leadership team and provides strong operations management and project delivery capabilities in targeted geographies, all of which align well with CH2M's strategic objectives to strengthen its international operations. Furthermore, the acquisition will provide CH2M with a strong platform for further development of CH2M's infrastructure and other businesses outside of the Americas.

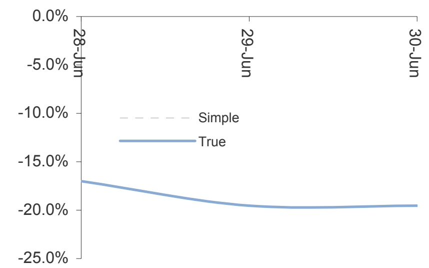
SCOTT WILSON / URS CORP

Deal Terms / Spread Calculations

Deal Terms	1 SWG = GBp 210.00
Transaction Type	Scheme
Simple value of bid	GBp 210.00
Current value of target	GBp 261.00
Simple absolute spread	GBp 51.00
Simple spread	*-19.54%*
True spread calc	
Acquiror price * Exch. ratio	
Cash	GBp 210.00
Rebate * Exchange ratio	
Acquiror div. * Exch. ratio (FV)	
Target dividends (FV)	
True value of bid	GBp 210.00
True spread	-19.54%
Annualised true spread	***neg***

	Target	Acquiror(s)
Target / Acquiror(s)	SCOTT WILSON	URS CORP
Country	Britain	United States
Pre-bid price	GBp 87.00	USD 43.68
Current price	GBp 261.00	USD 39.92
Dividend	GBp 1.33	n.m.
Ex-date	20-Jan-10	n.m.
Market cap (USDm)	233	3,254
Free Float	81%	98%
Liquidity (USDm)	2.78	36.33
GICS Sector	Industrials	Industrials
GICS Industry Group	Commercial & Professional Serv	Capital Goods
Financial Advisor(s)	Greenhill and Brewin Dolphin	DC Advisory Partners and Citi
Bloomberg	SWG LN	URS US
RIC	SWG.L	URS.N
Cost of borrow	GC	GC
Availability	Fair	Good
Listed options	No	Yes
Convertible bonds	No	No

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Aecom Technology	6.2x	5.2x	11.4x	10.1x	-5.9%
Grontmij-Cva	6.7x	5.5x	9.1x	7.6x	4.1%
Hyder Consulting	4.6x	4.3x	7.8x	7.4x	14.1%
Urs Corp	5.2x	4.8x	10.9x	10.7x	-8.6%
Wsp Group Plc	5.5x	5.3x	9.2x	8.7x	0.6%
Average	5.7x	5.0x	9.7x	8.9x	0.8%
Scott Wilson at offer	**6.0x**	**5.0x**	**13.0x**	**12.0x**	**200.0%**
Premium / Discount	*6%*	*0%*	*34%*	*35%*	

Source: Bloomberg consensus estimates

Event Calendar

07-Jun-10	Confirms having received approaches
28-Jun-10	URS announces GBp 210 offer
28-Jun-10	CH2M Hill offers 245p in cash having bought a 12.97% stake
29-Jun-10	URS announces it continues to consider its options
30-Jun-10	UK Takeover Panel gives URS until 2-Jul to clarify whether it will increase its offer to GBp 245 or keep it at GBp 210
02-Jul-10	Deadline for URS to raise offer
26-Jul-10	Docs (est.)
30-Jul-10	Court Hearing (est.)
30-Jul-10	EGM (est.)
13-Aug-10	URS Corp Results (est.)
10-Sep-10	Effective date (est.)
24-Sep-10	Settlement (est.)

Main Conditions

75% acceptance. Regulatory approvals. MAC (including chg. to pension scheme).

Comments

Following Scott Wilson on 7-Jun confirming that it was in talks with a (then unnamed) potential bidder URS on 28-Jun announced a recommended offer of GBp 210 per share to be structured as a Scheme. Before the day was over CH2M had announced that it had bought a 13.1% stake for GBp 245 per share and that it would launch an offer for all of Scott Wilson at the same price (see prior page for further details).

Valuation

An offer of GBp 210 per share implies 8.0x LTM EV/EBITDA (including the GBP 63.3m pensions deficit; would be 5.7x if it was excluded) and 10.9x LTM P/E. The offer also represents a 141% premium to the last closing price prior to URS approaching Scott Wilson, a 130% premium to the 3-month VWAP, a 123%, a 123% premium to the 12-month VWAP and a 76% premium to the GBp 119 per share price prior to the actual offer announcement.

Rational

Upon completion of the transaction, URS would be among the top ten UK engineering firms by revenue, with the added scale and expertise to perform infrastructure assignments that are among the largest and most complex in the country. Outside of the UK, Scott Wilson's offices in Warsaw, Hong Kong, New Delhi and Dubai provide a strong complement to URS's locations in Frankfurt, Paris, Madrid, Milan, Shanghai, Sydney and Toronto, further expanding their geographic footprint and ability to support public and private sector clients worldwide. Scott Wilson's market sectors are also well aligned with URS's existing focus. In addition to its strong infrastructure practice, Scott Wilson is well positioned in the environment and natural resources sectors, including the nuclear power market, which is a key area of strength for URS.

Financing

URS will finance the offer from its existing cash resources.

Scott Wilson background

Scott Wilson is a global integrated design and engineering firm for the built and natural environments. Scott Wilson has a worldwide network of 80 offices and over 5,500 employees and offers strategic consultancy and multi-disciplinary professional services in the railways, buildings & infrastructure, environment & natural resources and roads sectors.

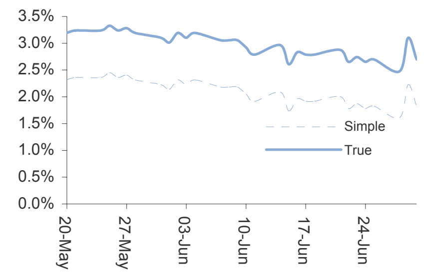
SPERIAN / HONEYWELL

Deal Terms / Spread Calculations

Deal Terms	1 SPR = EUR 117
Transaction Type	Voluntary offer
Simple value of bid	EUR 117.00
Current value of target	EUR 114.90
Simple absolute spread	EUR 2.10
Simple spread	*1.83%*
True spread calc	
Acquiror price * Exch. ratio	
Cash	EUR 117.00
Rebate * Exchange ratio	
Acquiror div. * Exch. ratio (FV)	
Target dividends (FV)	EUR 1.00
True value of bid	EUR 118.00
True spread	2.70%
Annualised true spread	*12.79%*

	Target	Acquiror(s)
Target / Acquiror(s)	SPERIAN	HONEYWELL
Country	France	United States
Pre-bid price	EUR 60.50	USD 44.72
Current price	EUR 114.90	USD 39.75
Dividend	EUR 1.00	USD 0.3025
Ex-date	29-Jun-10	18-Aug-10
Market cap (USDm)	618	30,429
Free Float	57%	100%
Liquidity (USDm)	9.14	264.02
GICS Sector	Industrials	Industrials
GICS Industry Group	Commercial & Professional Serv	Capital Goods
Financial Advisor(s)	Rothschild and Calyon	Deutsche Bank and Lazard
Bloomberg	SPR FP	HON US
RIC	SPR.PA	HON.N
Cost of borrow	Expensive	GC
Availability	Tight	Good
Listed options	No	Yes
Convertible bonds	No	No

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Boss Holdings	n.m.	n.m.	n.m.	n.m.	-15.2%
Delta Plus Group	n.m.	n.m.	n.m.	n.m.	5.1%
Ironclad Perform	n.m.	n.m.	n.m.	n.m.	-14.3%
Lakeland Inds	n.m.	n.m.	n.m.	n.m.	11.8%
Mine Safety Appl	9.7x	8.0x	18.8x	15.6x	-9.1%
Average	9.7x	8.0x	18.8x	15.6x	-4.3%
Sperian at offer	**11.8x**	**10.5x**	**24.0x**	**20.5x**	**89.9%**
Premium / Discount	*22%*	*31%*	*28%*	*32%*	

Source: Bloomberg consensus estimates

Event Calendar

31-Mar-10	Cinven EUR 70 offer announced
28-Apr-10	Sperian 1Q10 Sales
30-Apr-10	Cinven exclusivity period ends
30-Apr-10	Les Echos: Governance for Owners (c10%) questioning the fairness of the offer and feel that the minority shareholders were not treated in the same way as the two main shareholders
05-May-10	Cinven says it is continuing to work on its EUR 70 offer
18-May-10	SPR announces that the deadline to file the offer has been extended by mutual agreement until 21-May. Also announces that it "received serious acquisition proposals on 100% of Sperian Protection shares from strategic buyers, at a price significantly higher than the one proposed by Menelas France"
19-May-10	Sperian AGM
19-May-10	Sperian suspended
19-May-10	Honeywell ann. EUR 117 offer
22-Jun-10	AMF approval obtained
21-Jul-10	Offer opens
02-Sep-10	Offer closes
10-Sep-10	Offer results published
15-Sep-10	Settlement

Main Conditions

57% acceptance (including Essilor and Dalloz stakes). Regulatory approval (AMF, Ministère de l'Économie, de l'Industrie et de l'Emploi on foreign investments, EU and US).

Comments

On 31-Mar, Essilor announced that it and Mrs. Ginette Dalloz, who hold a combined 28% of Sperian, had signed an agreement with Cinven under which they would effectively end up as shareholders of BidCo alongside Cinven, while offering minority shareholders EUR 70 per share. However, these talks fell apart as Honeywell on 19-May announced a EUR 117 per share offer, with the support of both Mrs. Ginette Dalloz and Essilor

Offer price / premium
The EUR 117 per share offer implies 11.9x LTM EV/EBITDA and 47.6x LTM P/E and represents a premium of 93% on the closing share price on 30-Mar and a 67% premium over the EUR 70 previously offered by Cinven.

Shareholders
Essilor (15.0% of capital) and Mrs. Ginette Dalloz (13.2% of capital) have entered into a binding agreement for the sale of their shares to Honeywell. This sale is subject to EU and U.S. anti-trust clearance and to the approval of the Ministere de l'Economie, de l'Industrie et de l'Emploi on foreign investments. This sale will be completed immediately upon the satisfaction of these conditions precedent.

Strategic rational
Honeywell anticipates that buying Sperian, its Safety Products business will benefit from significant synergies, expanded access to global distribution channels, and a strong retail presence. The combined business will offer a full range of complementary "head to toe" products for those who work in environments where safety is paramount, including the general industrial, construction, fire service, and electrical safety segments. The transaction is expected to be dilutive to Honeywell by four cents per share in 2010 and accretive in 2011.

Sperian Protection background
Sperian Protection is the reference leader in personal protective equipment (hearing, eye, respiratory and fall protection, gloves, clothing and footwear) resolutely geared towards international markets. Sperian offers innovative products adapted to high-risk environments so that workers in the manufacturing and services industries can work with confidence.

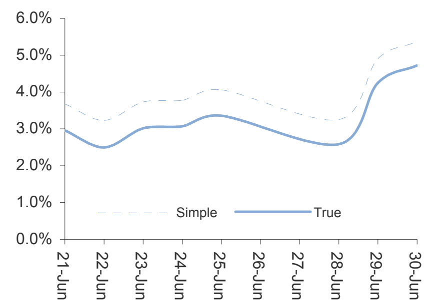
SUBSEA 7 / ACERGY

Deal Terms / Spread Calculations

Deal Terms	1 SUB = 1.065 ACY
Transaction Type	Cayman Island Scheme
Simple value of bid	NOK 104.16
Current value of target	NOK 98.85
Simple absolute spread	NOK 5.31
Simple spread	*5.37%*
True spread calc	
Acquiror price * Exch. ratio	NOK 104.16
Cash	NOK 0.00
Rebate * Exchange ratio	NOK 0.64
Acquiror div. * Exch. ratio (FV)	NOK 0.00
Target dividends (FV)	NOK 0.00
True value of bid	NOK 103.52
True spread	4.72%
Annualised true spread	*9.37%*

	Target	Acquiror(s)
Target / Acquiror(s)	SUBSEA 7	ACERGY
Country	Britain	Britain
Pre-bid price	NOK 103.90	NOK 100.60
Current price	NOK 98.85	NOK 97.80
Dividend	n.m.	USD 0.23
Ex-date	n.m.	01-Jun-10
Free Float Market cap (USDm)	1,218	2,643
Free Float	54%	90%
Liquidity (USDm)	22.84	37.18
GICS Sector	Energy	Energy
GICS Industry Group	Energy	Energy
Financial Advisor(s)	Citi, Deutsche Bank and DnB NOR	Rothschild
Bloomberg	SUB NO	ACY NO
RIC	SUB.OL	ACY.OL
Cost of borrow	GC	GC
Availability	Fair	Good
Listed options	No	No
Convertible bonds	Yes	No

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Acergy Sa	6.0x	5.3x	14.5x	13.2x	-2.8%
Dof Asa	4.0x	2.9x	21.6x	7.9x	-2.3%
Helix Energy Sol	4.8x	4.0x	14.2x	7.4x	-7.8%
Saipem Spa	n.a.	n.a.	15.1x	13.5x	-6.2%
Technip Sa	4.5x	4.1x	13.5x	12.2x	-7.3%
Average	4.8x	4.1x	15.8x	10.8x	-5.3%
Subsea 7 at offer	**5.4x**	**4.5x**	**14.1x**	**11.9x**	**-4.9%**
Premium / Discount	*13%*	*9%*	*11%*	*9%*	

Source: Bloomberg consensus estimates

Event Calendar

21-Jun-10	Offer announced
17-Jul-10	Acergy Results
30-Jun-10	SUB confirms $75m contract from Apache North Sea
27-Jul-10	Subsea 7 2Q Results
26-Oct-10	Subsea 7 3Q Results
31-Dec-10	Completion (est.)

Main Conditions

Acergy (2/3) and Subsea 7 (75%) shareholder approval, regulatory approvals (Brazil, Norway, UK and US) and other customary closing conditions.

Comments

On 21-Jun, Acergy and Subsea 7 announced that their Boards of Directors had agreed to combine the two companies. The combination is based on an agreed ratio between the equity value of Acergy and Subsea 7 of 54:46.

Offer price / premium

On announcement the implied offer price of NOK 107.14 implied 4.7x LTM EV/EBITDA and 9.3x LTM P/E and represents a premium of 3% on the closing share price on 18-Jun and a 2% discount to the 3-month VWAP of NOK 109.87. When Superior Energy Services bought Hallin Marine Subsea last year it paid 4.5x LTM EV/EBITDA / 5.9x LTM P/E. When DOF ASA bought DOF Subsea in 2008 its offer implied 14.3x LTM EV/EBITDA; but it has to be said that DOF Subsea was heavily indebted, which raised the EV of the transaction significantly.

Strategic rational

The combination will create a global leader in seabed-to-surface engineering and construction able to provide clients a step-change in service offering. This includes engineering, procurement, installation and commissioning services for Subsea Umbilical, Riser and Flowline projects (SURF), Conventional field development and Life-of-Field services (including Inspection, Repair and Maintenance, Survey and Decommissioning). NewCo will provide access to a high-end, well diversified fleet, comprising in aggregate 43 vessels that will allow more flexibility to optimise fleet schedules. It will also be able to offer clients a greater depth of project management, engineering, technical expertise and high-value technologies. The strategic fit of the different strengths of each company positions NewCo to deliver enhanced long-term value for all stakeholders. Annual synergies of at least USD 100m are expected to be realised within three years of completion from overhead and operating cost savings, more efficient supply chain management and the benefits of an enlarged global fleet. Acergy is strong in West Africa and Asia while Subsea 7 is strong in the North Sea and Brazil; so from a geographical point of view the combination appears to be complimentary.

Shareholders

Siem Industries, representing approximately 20% of the combined entity's outstanding shares has agreed to vote irrevocably in favour of the combination. Siem Industries is to have the right to appoint two directors if holding remains >80% of its percentage holding at completion.

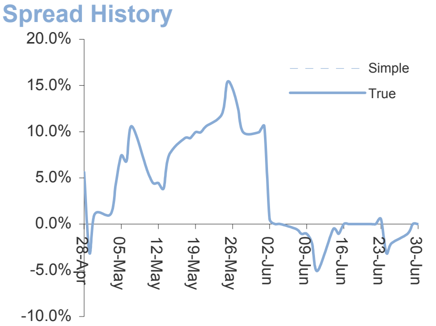
TRAFFICMASTER / VECTOR CAPITAL

Deal Terms / Spread Calculations

Deal Terms	1 TFC = GBp 47
Transaction Type	Scheme
Simple value of bid	GBp 47.00
Current value of target	GBp 47.00
Simple absolute spread	GBp 0.00
Simple spread	*0.00%*
True spread calc	
Acquiror price * Exch. ratio	
Cash	GBp 47.00
Rebate * Exchange ratio	
Acquiror div. * Exch. ratio (FV)	
Target dividends (FV)	
True value of bid	GBp 47.00
True spread	0.00%
Annualised true spread	***0.00%***

	Target	Acquiror(s)
Target / Acquiror(s)	TRAFFICMASTER	VECTOR CAPITAL
Country	Britain	United States
Pre-bid price	GBp 39.25	n.m.
Current price	GBp 47.00	n.m.
Dividend	n.m.	n.m.
Ex-date	n.m.	n.m.
Free Float Market cap (USDm)	102	n.m.
Free Float	96%	n.m.
Liquidity (USDm)	0.54	n.m.
GICS Sector	Industrials	n.m.
GICS Industry Group	Commercial & Professional Serv	n.m.
Financial Advisor(s)	Canaccord	Panmure Gordon
Bloomberg	TFC LN	208627Z US
RIC	TFC.L	n.m.
Cost of borrow	Expensive	n.m.
Availability	Tight	n.m.
Listed options	No	n.m.
Convertible bonds	No	n.m.

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Alpine Elec Inc	2.8x	2.6x	13.6x	11.6x	-19.4%
Garmin Ltd	6.0x	6.3x	10.3x	10.8x	-21.5%
Tomtom	5.0x	4.9x	6.9x	6.5x	-26.4%
Trimble Navig	13.5x	11.9x	20.4x	16.8x	-7.4%
Xata Corp	n.m.	n.m.	n.m.	18.9x	-14.5%
Average	6.8x	6.4x	12.8x	12.9x	-17.8%
Trafficmaster at offe	**5.2x**	**4.5x**	**9.4x**	**4.5x**	**19.7%**
Premium / Discount	*23%*	*30%*	*26%*	*65%*	

Source: Bloomberg consensus estimates

Event Calendar

28-Apr-10	TFC confirms receiving approach
19-May-10	TFC IMS
02-Jun-10	GBp 47 per share offer ann.
02-Jun-10	Daily Mail: Cites shareholders as saying offer is too low; sees GBp 60-80 as closer to fair value
11-Jun-10	Docs
16-Jun-10	Investors Chronicle: L&G and Gartmore may hold out for a higher offer
28-Jun-10	TFC AGM
28-Jun-10	TFC says it hasn't received any more approaches
05-Jul-10	Court Meeting
05-Jul-10	EGM
26-Jul-10	Scheme Hearing
27-Jul-10	Suspension of listing
28-Jul-10	Reduction Hearing
29-Jul-10	Effective date
12-Aug-10	Settlement

Main Conditions

75% acceptance. Regulatory approval. MAC.

Comments

On 27-Apr, Trafficmaster (TM) confirmed that it was in discussions regarding a potential takeover. On 2-Jun, TM and Vector announced that they had reached agreement on a GBp 47 per share all cash offer to be structured a a Scheme. It is worth noting that the management of TM will be granted 6.9% of the increase in value of TM following the effective date - so one could make a case for this being classified as an MBO.

Trimble Navigation, Ituran Location or other buyout groups have been mentioned as potential counterbidders. As shareholders holding 28.05% (Schroders and Aberforth) of TM have given irrevocables, which lapse in the case of an offer of GBp 51.70 (10%) or higher being made, we do not believe a counterbid to be likely. Even though the offer does not come across as being particularly rich when compared to the peer group - it does look like a good offer when compared to Francisco Partners' acquisition of Cybit earliere in the year.

Offer price / premium

The GBp 47 per share offer implies 7.0x LTM EV/EBITDA and 13.1x LTM P/E. Francisco Partners paid 3.1x LTM EV/EBITDA and 9.3x LTM P/E for Cybit in Dec-09/Jan-10. The offer also represents a premium of 19.75% to the closing price on 27-Apr, being the last trading prior to the offer announcement, a 40.13% premium to the 3-month VWAP and a 45.89% premium to the 12-month VWAP.

Strategic rational

Vector Capital has a significant track record of making acquisitions in the technology sector and believes that it can enable TM to maintain and grow its worldwide telematics
platform and fleet management business. Vector has identified a number of factors that it believes support engaging in the acquisition which
would contribute to the success and the future performance of TM, including:

- greater financial, operational and technical resources for TM to use to develop innovative new products for TM's customers;
- Vector’s experience in investing in companies facing transformational situations and helping management teams overcome them will enable TM to attain greater success; and
- Vector’s presence in the US to assist TM in its expansion and growth plans in its largest market.

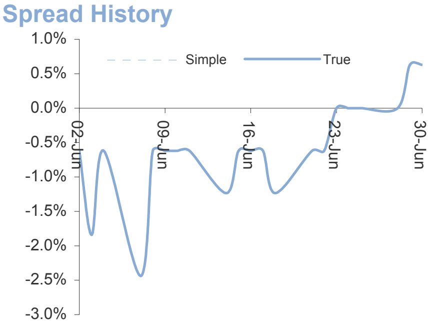
TRICORONA / BARCLAYS

Deal Terms / Spread Calculations

Deal Terms	1 TRIC = SEK 8.00
Transaction Type	Recommeded offer
Simple value of bid	SEK 8.00
Current value of target	SEK 7.95
Simple absolute spread	SEK 0.05
Simple spread	*0.63%*
True spread calc	
Acquiror price * Exch. ratio	
Cash	SEK 8.00
Rebate * Exchange ratio	
Acquiror div. * Exch. ratio (FV)	
Target dividends (FV)	
True value of bid	SEK 8.00
True spread	0.63%
Annualised true spread	*28.69%*

	Target	Acquiror(s)
Target / Acquiror(s)	TRICORONA	BARCLAYS
Country	Sweden	Britain
Pre-bid price	SEK 5.70	GBp 303.30
Current price	SEK 7.95	GBp 270.60
Dividend	SEK 0.70	GBp 1.00
Ex-date	28-Apr-10	12-May-10
Free Float Market cap (USDm)	124	37,023
Free Float	82%	76%
Liquidity (USDm)	1.56	320.02
GICS Sector	Industrials	Financials
GICS Industry Group	Commercial & Professional Serv	Banks
Financial Advisor(s)	Carnegie and Evli Bank	Swedbank
Bloomberg	TRIC SS	BARC LN
RIC	TRIC.ST	BARC.L
Cost of borrow	Expensive	GC
Availability	Tight	Good
Listed options	No	Yes
Convertible bonds	No	No

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Camco Intl Ltd	2.0x	1.3x	7.6x	7.6x	22.0%
Carbon Conscious	n.a.	n.a.	n.a.	n.a.	0.0%
Carbondesk Group	n.a.	n.a.	n.a.	n.a.	-2.5%
Leaf Clean Energ	n.a.	n.a.	n.a.	n.a.	1.6%
Trading Emission	n.a.	n.a.	n.a.	n.a.	0.0%
Average	2.0x	1.3x	7.6x	7.6x	4.2%
Tricorona at offer	**1.6x**	**0.6x**	**3.9x**	**2.2x**	**39.5%**
Premium / Discount	*23%*	*58%*	*49%*	*71%*	

Source: Bloomberg consensus estimates

Event Calendar

10-Feb-10	Opcon ann 1 Opcon share for 6.5 TRIC offer
29-Mar-10	TRIC BoD recommends shareholders NOT to tender their shares to Opcon
15-Apr-10	2.8% of TRIC shares tendered to Opcon; offer fails
02-Jun-10	BARC ann recommended SEK 8.00 per share cash offer
02-Jun-10	Docs
03-Jun-10	Offer opens
07-Jun-10	Opcon sells its 2.8% TRIC stake
23-Jun-10	Aktiespararna recommend shareholders to tender their shares
29-Jun-10	BARC holds 9.43%
01-Jul-10	Offer closes
08-Jul-10	Settlement

Main Conditions

90% acceptance. Regulatory approvals (Irish Competition Authority and Swedish FSA). MAC.

Comments

On 2-Jun, Barclays and Tricorona announced that they had reached agreement on a SEK 8.00 per share all cash offer. The BoD and management of Tricorona, who hold a combined 14% of Tricorona, have undertaken to tender their shares to Barclays as have holders of 20.6% of Tricorona (Volati Ltd and AB Stena Metall Finans). The irrevocables will lapse if a competing offer of SEK 8.55, or higher, is made. The management of Tricorona will become shareholders of TEV (the Barclays BidCo) upon the offer becoming unconditional.

Offer price / premium
The SEK 8.00 per share offer implies 5.6x LTM EV/EBITDA and 9.8x LTM P/E and a premium of 40% to the closing price on 1-Jun, a 23% premium to the 3-month VWAP of SEK 6.48 and a 6% premium to the 12-month VWAP of SEK 7.55.

Strategic rational
Barclays has been involved in the carbon markets since establishing its emissions trading desk in 2004, prior to the ratification of the Kyoto Protocol and the commencement of the EU Emissions Trading Scheme. Barclays has noted Tricorona's development and success to date in realising value from originating, developing and trading environmentally-related market instruments. The acquisition of Tricorona would build on Barclays reputation in the carbon markets and would position it as a leading global origination and trading house.

Barclays expects the transaction to be accretive to earnings within one year from completion. The acquisition is expected to have no material impact on Barclays Core Tier 1 ratio.

Financing
The offer is not subject to any conditions concerning the availability of financing. Barclays has agreed to provide TAV with the necessary funds to finance the Offer.

Tricorona background
Tricorona is focused on environmentally related market instruments, mainly through investments in, and the trading of, Certified Emission Reductions (CERs), within the framework of the Kyoto Protocol. Tricorona is organized in the following areas: Emissions Trading, Carbon Offsetting and Brokerage and has activities in Sweden, China, Singapore and Japan.

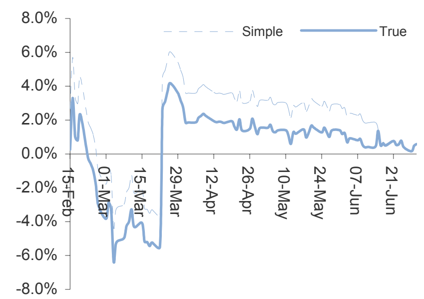
VT GROUP / BABCOCK INTL

Deal Terms / Spread Calculations

Deal Terms I VTG = 0.701 BAB + GBp 361.60	
Transaction Type	Scheme
Simple value of bid	GBp 780.80
Current value of target	GBp 776.00
Simple absolute spread	GBp 4.80
Simple spread	*0.62%*
True spread calc	
Acquiror price * Exch. ratio	GBp 419.20
Cash	GBp 361.60
Rebate * Exchange ratio	GBp 0.29
Acquiror div. * Exch. ratio (FV)	GBp 0.00
Target dividends (FV)	GBp 0.00
True value of bid	GBp 780.51
True spread	0.58%
Annualised true spread	*23.56%*

	Target	Acquiror(s)
Target / Acquiror(s)	VT GROUP	BABCOCK INTL
Country	Britain	Britain
Pre-bid price	GBp 508.00	GBp 554.00
Current price	GBp 776.00	GBp 598.00
Dividend	GBp 4.30	GBp 12.80
Ex-date	25-Nov-09	16-Jun-10
Free Float Market cap (USDm)	2,091	2,012
Free Float	99%	98%
Liquidity (USDm)	10.13	15.91
GICS Sector	Industrials	Industrials
GICS Industry Group	Commercial & Professional Serv	Commercial & Professional Serv
Financial Advisor(s)	Merrill Lynch and Rothschild	JPMorgan and Evercore
Bloomberg	VTG LN	BAB LN
RIC	VTG.L	BAB.L
Cost of borrow	GC	GC
Availability	Fair	Good
Listed options	No	No
Convertible bonds	No	No

Spread History



Peer Group

	FY0 EV/EBITDA	FY1 EV/EBITDA	FY0 P/E	FY1 P/E	Perf. since ann.
Babcock Intl Grp	8.0x	7.3x	10.9x	9.9x	7.9%
Balfour Beatty	3.5x	3.3x	7.1x	6.8x	-7.7%
Carillion Plc	6.0x	5.8x	7.8x	7.6x	12.2%
Mitie Group	6.7x	6.2x	10.2x	9.4x	-4.9%
Serco Group	10.4x	9.3x	17.3x	15.0x	16.6%
Average	6.9x	6.4x	10.7x	9.7x	4.8%
VT Group at offer	**10.3x**	**9.6x**	**20.1x**	**18.0x**	**52.8%**
Premium / Discount	*49%*	*49%*	*88%*	*85%*	

Source: Bloomberg consensus estimates

Event Calendar

03-Feb-10	BAB sends letter to VT BoD proposi
15-Feb-10	BAB announces approach
15-Feb-10	VT rejects approach
07-Mar-10	Telegraph: BAB could afford to fund deal, despite the drop in its share price. DD could turn up cost synergies of GBP 50m
12-Mar-10	Telegraph: BAB, depending on the synergies it finds, could comfortably fund a bid worth GBp 750-755
23-Mar-10	Agreement reached on 0.701 BAB + GBp 361.60 Scheme
23-Mar-10	Guardian: Talk of Boeing or Lockheed considering bidding for BAB
31-Mar-10	VT financial year end
31-Mar-10	BAB financial year end
19-Apr-10	OFT deadline for submissions
19-Apr-10	HSR approval
26-Apr-10	Docs
19-May-10	BAB Suppl. Prospetus published
21-May-10	CFIUS approval obtained
09-Jun-10	BAB EGM
10-Jun-10	VTG EGM
10-Jun-10	Court meeting
16-Jun-10	BAB XD GBp 12.80
25-Jun-10	OFT approval obtained
05-Jul-10	Court Hearing (Sanction)
08-Jul-10	Court Hearing (Reduction)
08-Jul-10	Effective date
09-Jul-10	Settlement

Main Conditions

75% acceptance. BAB shareholder approval (50%). Regulatory approvals (US: HSR, CFIUS). MAC.

Comments

On 15-Feb, Babcock announced that it had sent a letter to the board of VT Group (VT) on 3-Feb setting out the rationale, benefits and basis for combining with VT. The 3-Feb approach followed two formal approaches made by Babcock to VT during 2009. As VT declined to discuss these approaches any further Babcock chose to make this information public. VT has rejected the approach as it sees it as a step backward in its strategy of reducing its exposure to the defence sector as combining with Babcock would lead to a greater exposure to this sector. On 23-Mar, VT and BAB announced that they had agreed on a 0.701 BAB + GBp 361.60 per VT share offer structured as a scheme.

The implied offer price of GBp 734.9 per share represented a premium of 45% to the VT share price at the time of the announcement of the approach. On an LTM basis the initial offer valued VT at 11.1x EV/EBITDA and 16.6x P/E. The 18-Feb revised GBp 680-715 proposal represented a premium of 33.9% to 40.7% and valued VT at 12.0x to 12.7x EV/EBITDA and 17.8x to 18.7x P/E on an LTM basis. The agreed 0.701 BAB + GBp 361.60 offer (at GBp 734.90) valued VT at 13.1x EV/EBITDA and 19.2x P/E.

Strategic rational

Babcock believes that a combination with VT has significant industrial and commercial logic as it would bring together two complementary businesses to create a large and focused international engineering support services company. Through its enhanced range of engineering skills and knowledge, the enlarged group would be better placed to lead in complex bids, achieve greater work-share and deliver increased services and efficiencies for its customers. Babcock has identified pre-tax cost synergies of GBP c50m per annum (up from GBP c27m initially). Substantially all of the benefits are anticipated to be achieved by the end of the first full year following completion of the acquisition. In addition, a further benefit of GBP c8m per annum (up from GBP c6m initially) is estimated to come from a reduction in the effective corporation tax rate of the combined group. Gross one-off realisation costs of GBP c45m in total are expected to be incurred by the end of the second full year following completion.

VT Group background

VT is active in a wide range of market sectors, including aviation, broadcast, defence, emergency services, security, nuclear, waste, education and training.

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