Bloomberg BRIEF

Mergers

NEWS, ANALYSIS AND COMMENTARY

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THURSDAY

M&A WATCH

BIDVEST GROUP GETS OFFERS FOR FOOD SERVICE UNIT. The unit may fetch $4 billion, a person with knowledge of the offers said.

VOLKSBANKEN CLOSE TO $1 BLN UNIT SALE TO SBERBANK. The Austrian bank's eastern European unit is priced at close to book value, according to people with knowledge of the matter.

BSKYB BID UNDER FIRE, LAWMAKERS CITE HACKING PROBE. U.K. lawmakers urge the government to delay a decision on News Corp.'s $12.5 billion bid for BSkyB until the phone-hacking probe ends.

ATCO AUSTRALIA TO BUY WESTNET INFRASTRUCTURE. Atco will pay about $1.1 billion for the gas company, including the assumption of A$644m in debt.

DEUTSCHE BANK, KLEINWORT BENSON IN TALKS ON BHF-BANK SALE. Deutsche Bank sought at least $860 million for the unit in a failed 2010 auction

POSCO BIDS FOR CONTROLLING THAINOX STAINLESS STAKE. The bid values Thainox at $567 billion, a 55% premium to 20-day average closing price.

TENCENT BUYS $115 MLN KINGSOFT STAKE. The 15.7% Kingsoft stake builds Tencent's computer-security services business.

VERSACE, CAVALLI MAY BE TARGETS IN COMING MONTHS, CORRIERE SAYS. The Italian companies may be takeover targets in coming months, Corriere della Sera reported, citing a survey of merger and acquisition experts.

Priciest Media Takeover Since 2006

BY ALEX SHERMAN AND TARA LACHAPELLE

Don Draper and zombies may be enough to entice **News Corp.** and **Walt Disney Co.** to chase the most costly American media takeover in five years.

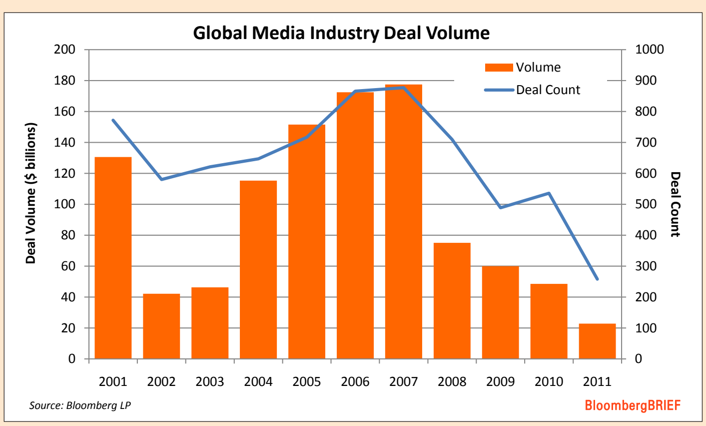
AMC Networks Inc., the cable-television channel owner spun off last week from **Cablevision Systems Corp.**, may lure buyers from News Corp. to Disney and **Time Warner Inc.**, according to **Gamco Investors Inc.** If an acquisition fetches $42 a share as **Collins Stewart LLC** expects, AMC would be valued at 25 times this year's projected earnings, making it the most expensive U.S. media takeover greater than $500 million since 2006, Bloomberg data show.

continued on next page

Daily Data (includes announced and amended deals)

Comparisons

SUMMARY	TOTAL	YEAR TO DATE	PRIOR YTD
Number of Deals	26	13,522	13,045
Volume	$2.11 billion	$1.32 trillion	$1.01 trillion
Avg Disclosed Deal Size	$140.4 million	$180.3 million	$146.7 million
Average Premium	31%	22%	23%



Global deal volume in the media industry rose less than 1% to $22.8 billion YTD from 2010's level, according to data compiled by Bloomberg.

Breaking Deals

TARGET NAME	ACQUIRER NAME	TOTAL VALUE ($M)	TARGET PRICE/ EBITDA
WA Gas Networks Pty Ltd	Canadian Utilities Ltd	1,072.6	-
Thainox Stainless PCL	POSCO	408.7	16.3
Elexis AG	SMS GmbH	254.2	6.9
Norcast Wear Solutions Inc	Bradken Ltd	202.0	-
SKC Co Ltd	Multiple acquirers	47.0	11.3
Australian and Overseas All.	Bradken Ltd	21.4	-
Bukit Enim Energi PT	United Tractors Tbk PT	21.0	-
Land & Building	Dexus Property Group	18.3	-
Certain Assets	Sapura Resources Bhd	9.3	-
Power Champ Co Ltd	Logistics Energy Korea Co	8.2	-

Yesterday's Deals

TARGET NAME	ACQUIRER NAME	TOTAL VALUE ($M)	TARGET PRICE/ EBITDA
Tazhong Mining Co Ltd	Tibet Summit Industrial Co Ltd	760.0	-
Meetic SA	IAC/InterActiveCorp	441.7	8.9
Spicers	Unipapel SA	320.0	-
S3 Graphics Co Ltd	HTC Corp	300.0	-
dynaTrace software Inc	Compuware Corp	256.0	-
Norcast Wear Solutions Inc	Castle Harlan Inc	190.0	-
Land & Building	Alstria Office REIT-AG	128.7	-
Kingsoft Corp Ltd	Tencent Holdings Ltd	114.6	13.6
Cityfront Place	Deutsche Bank AG	107.0	-
Huai Hai Mall	Treasury China Trust	89.1	-

PRICIEST MEDIA TAKEOVER SINCE 2006 ...

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The TV shows "Mad Men" and "The Walking Dead" have helped propel AMC from a movie channel to a bastion of original programming that could be integrated with a larger network to boost advertising rates and fees from cable operators. While AMC commands a higher valuation relative to profit than 88 percent of U.S. broadcast and entertainment companies, its $2.8 billion market capitalization makes it a smaller target than standalone cable channel owners **Scripps Networks Interactive Inc.** and **Discovery Communications Inc.**

"AMC would be a very attractive asset for a number of larger media companies," said **Chris Marangi**, a fund manager at Gamco. "AMC is a hot network, and there are a lot of companies looking for more cable network exposure because they like the predictable, recurring dual-revenue streams of advertising and subscription fees."

AMC, the owner of cable networks AMC, IFC, WE tv and Sundance Channel, began trading as a separate public company July 1 after Cablevision completed a tax-free spinoff of the division, formerly known as **Rainbow Media Holdings**. AMC, formed in 1980, also owns independent movie distributor IFC Films, an international programming business and a TV-programming distribution unit.

The channel AMC was started in 1984 as American Movie Classics. Its show "Mad Men," which follows creative director **Don Draper** in the 1960s New York advertising industry, won the Emmy for best drama for three straight years. The start of the fifth season was pushed back until early 2012 amid a standoff with creator **Matthew Weiner**, which AMC and producer **Lions Gate Entertainment Corp.** resolved in March.

"There's an attractiveness about these highly targeted cable channels," said **Walter Todd**, who helps manage $950 million at Greenwood Capital. "Content companies like Disney, News Corp. and others need to find compelling and unique content that's going to set them apart."

AMC NETWORKS INC.

METRIC	2012E	2011E	CURRENT
ENTERPRISE VALUE	-	-	3,740.5
EV/T12M SALES	2.9	3.2	3.4
EV/T12M EBITDA	7.7	8.4	-
EV/T12M EBIT	-	-	12.9
PRICE/T12M EARNINGS PER SHARE	20.0	24.5	-
EV/MARKET CAP	-	-	1.4
TOTAL DEBT/EV	-	-	0.3
EV/T12M NET INCOME	27.1	32.5	38.8
EV/BOOK VALUE	-	-	46.0

Source: *Bloomberg LP*

Based on a 25 percent premium to where peers including Scripps Networks trade relative to earnings before interest, taxes, depreciation and amortization, AMC may fetch about $42 a share in a sale, said **Tom Eagan**, an analyst at Collins Stewart. The $3 billion price tag would value AMC at about 25 times its projected 2011 net income of $120 million, according to analysts' estimates compiled by Bloomberg.

That would be the most expensive U.S. media takeover greater than $500 million since **Univision Communications Inc.** was taken private for 57 times net income. The $13.7 billion deal, including debt, was announced in June 2006 and completed in March 2007.

"There's a very good chance that AMC does get acquired in the future," said **Richard Greenfield**, an analyst with BTIG LLC. "I think it's the reason for doing the spin."

Greenfield estimates AMC is worth at least $50 a share.

Cablevision may be liable for taxes from the spinoff if AMC is acquired within two years in what is deemed to be part of a prior plan between the buyer and Cablevision.

As long as the acquirer didn't have discussions prior to the spinoff with Cablevision or its controlling shareholders about buying AMC, then a deal would likely avoid triggering the tax issue, said **Jason Factor**, a tax partner at law firm Cleary Gottlieb Steen & Hamilton LLP.

Potential acquirers will likely wait at least six months before making an offer, according to Marangi and Greenfield. Cablevision implied at analyst meetings that it didn't have substantive discussions to sell AMC, Marangi said.

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PEOPLE WATCH

■ **Kevin McQuilkin** joined **Wells Fargo Securities** as head of its industrials mergers and acquisitions practice. He reports to John Laughlin, head of M&A at the company. McQuilkin previously was managing director of metals and mining investment banking at **Deutsche Bank**. He also was head of industrials M&A at **JP Morgan Chase & Co.** He graduated from Gonzaga University and earned a master's degree from Northwestern University's business school.

■ **Douglas Whitaker** joined **Wedbush Securities Inc.** as director of consumer investment banking. He previously worked at **Piper Jaffray Cos.** for 26 years as a senior banker. Whitaker graduated from Duke University and earned a master's degree at Harvard Business School.

■ **Peter Kiernan,** the **Lazard Ltd.** banker who helped advise Kraft Foods Inc. on its takeover of Cadbury Plc in 2010, plans to step down later this year, according a person briefed on the decision. Kiernan is still considering what he'll do after leaving, said the person, who asked not to be named because the talks are private. Kiernan, 50, joined Lazard in 2004 from **Goldman Sachs Group.**

■ The U.S. Justice Department's top antitrust official, **Christine Varney**, said she will leave her post next month to return to private practice. Varney, 55, will join the New York-based law firm **Cravath, Swaine & Moore LLP**, a person familiar with the matter said.

■ **Rodney L. Moore** joined **Weil, Gotshal & Manges LLP** as a partner in the firm's private-equity practice. He previously worked at **Vinson & Elkins LLP** and will split his time between Weil's Houston and Dallas office.

— Sara Forden, Liam Vaughan, Rob Williams

E-mail people news to mergerbrief@bloomberg.net.

THE WIRE

Bidvest Gets Unsolicited Bids for Main Unit

Bidvest Group Ltd. received unsolicited offers for its Foodservice unit, its biggest business. Foodservice may fetch $4 billion, according to a person familiar with the transaction. Bidders may include **Sysco Corp.**; **U.S. Food Services**, owned by **KKR & Co.** and **Clayton Dubilier & Rice Inc.**; and **Brakes Group**, owned by **Bain Capital LLC**, said the person, who asked not to be named. It's unclear whether these companies have made approaches.

Bidvest's board formed a subcommittee to consider options for the unit, the company said. The Foodservice business may be valued at 20 billion rand, **Macquarie First South Securities Ltd.** said in a note to clients. **Peter Steyn**, an analyst at Macquarie who co-wrote the note, has an "outperform" recommendation on Bidvest and values the entire company at 61 billion rand, or 192 rand a share.

– Sikonathi Mantshantsha and Brett Foley

BSkyB Bid Under Fire, Lawyers Cite Hackers Probe

British Sky Broadcasting Group Plc extended its decline in London trading on concern that a probe over phone-hacking at the **News of the World** tabloid may delay approval for owner News Corp.'s takeover of the broadcaster.

A consultation on conditions imposed by the U.K. government over **Rupert Murdoch's** 7.8 billion-pound ($12.5 billion) bid for BSkyB ends tomorrow. While Culture Secretary Jeremy Hunt has said he is minded to accept the proposals, U.K. lawmakers have called for the bid to be delayed before a public inquiry. Regulator Ofcom, which monitors broadcasters, can also intervene separately.

Murdoch, News Corp. chairman and CEO, said he would stand by News International CEO **Rebekah Brooks** after U.K. Prime Minister **David Cameron** promised an inquiry into phone-hacking at the U.K. unit's News of the World, the newspaper she once edited.

– Jonathan Browning

Dutch Fund Manager Renews Hunt for Warehouses

The Dutch manager of the world's third-largest pension fund is trying to add to its investments in warehouses and industrial buildings to take advantage of rising Internet sales in Europe after failing to buy **ProLogis European Properties** last year.

APG Algemene Pensioen Groep NV sold its stake in ProLogis European, or PEPR, for 150 million euros ($215 million) last month. APG's 1.1 billion-euro bid was trumped by **Prologis Inc.**, the U.S. company that manages PEPR, Europe's biggest warehouse operator.

"We remain keen to expand our exposure to logistics centers because of the consequences of e-commerce," said **Patrick Kanters**, who leads the APG team that oversees 21 billion euros of real-estate investments.

— Simon Packard

Kookmin Selling Stake in Parent KB for Up to $1.7 Bln

Kookmin Bank is selling its stake in parent company **KB Financial** Group Inc. for as much as $1.7 billion. The shares are being offered at 51,600 won to 52,000 won each, according to terms for the transaction obtained by Bloomberg News. That's a discount of 2.8 percent to 3.6 percent to today's closing price. **Bank of America Corp.** and **Citigroup Inc.** are managing the offering, according to the terms.

KB Financial Chairman Euh Yoon Dae was meeting domestic and overseas investors to divest the banking unit's holding, he said in an interview in December.

– Philip Lagerkranser and Seonjin Cha

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PRIVATE EQUITY

■ **Kinetic Concepts Inc.** is in exclusive talks to go private in a leveraged buyout, according to people with knowledge of the matter. Kinetic is discussing a sale with a group of at least two private-equity firms that may value the company at more than $5 billion excluding debt, said two of the people, who declined to be identified because the situation is private. **Blackstone Group LP** is looking at the company, one person said. Kinetic's market value was $4.3 billion as of its July 5 close. The transaction has become more difficult to pull off in recent weeks because of tightening debt markets, the people said. A takeover of Kinetic may surpass Del Monte Foods Co. as the biggest private-equity buyout since the collapse of Lehman Brothers in 2008. A group led by **KKR & Co.** agreed to buy the food company for about $5.3 billion including net debt in November.

■ **Capsugel** is seeking $1.07 billion of loans to help finance its acquisition by **KKR & Co.**, according to a person with knowledge of the transaction. **UBS AG** is leading the deal, which includes a $150 million revolving credit line due in five years and a $920 million term loan B maturing in seven years, said the person, who declined to be identified because the terms are private. The bank will host a lender meeting on July 11 at 2:30 p.m. in New York. **Barclays Plc, Deutsche Bank AG, Mizuho Financial Group Inc.** and KKR's financing arm are also arrangers on the loans. KKR is purchasing Pfizer's Capsugel business for $2.375 billion in cash.

■ **Carlyle Group** and a unit of **Blackstone Group LP** are among firms raising collateralized loan obligations at the fastest pace since the start of 2009 as funding costs decline. Four CLOs totaling $2.3 billion were raised in June, the most in a month since January 2009, according to **Morgan Stanley**.

— Cristina Alesci, Michael Amato, Kristen Haunss, Jeffrey McCracken and Meg Tirrell

THE WIRE
continued from page 3

Posco Bids 2.20 Baht a Share for Thainox

Posco offered to buy the shares it doesn't already own in Thailand's **Thainox Stainless Pcl** for 2.20 baht apiece. Posco, which owns 15 percent of Thainox, offered to buy a stake held by Thailand's Mahagitsiri family, and will tender for the remaining shares at the same price, Thainox said. The family owns about 59 percent of the company, according to data compiled by Bloomberg.

The agreement ends more than three years of negotiations between Posco and Thailand's largest maker of rust-proof steel. The steelmaker failed to reach an accord with the company's biggest shareholder in December 2009 because they couldn't agree on terms.

The stake in Thainox that Posco doesn't already own is valued at about 12.5 billion baht ($412 million) based on the last-traded price of 1.9 baht before the stock was halted from trading today on the Thai exchange. Thainox shares jumped 12 percent to 2.12 baht when they resumed trading in Bangkok.

– Anuchit Nguyen

Deutsche Bank, Kleinwort Benson in Talks on BHF-Bank

Deutsche Bank AG is in exclusive talks to sell **BHF-Bank** AG to **RHJ International**'s **Kleinwort Benson** Group, three months after discussions collapsed with Liechtenstein's **LGT Group**.

"BHF-Bank will, in the German market, complement Kleinwort Benson Group's offering in the U.K., Ireland and the Channel Islands," Deutsche Bank said.

Deutsche Bank has been seeking a buyer for its BHF unit, which offers private banking, asset management and investment banking, since acquiring it through the purchase of Sal. Oppenheim Group last year. Exclusive talks with LGT Group ended in April after Germany's financial regulator BaFin voiced concern about the transaction.

Deutsche Bank had been seeking at least 600 million euros ($860 million) for BHF during the failed auction in 2010, a person familiar with the matter said in November.

– Aaron Kirchfeld

Tencent Holdings Buys $115 Million Kingsoft Stake

Tencent Holdings Ltd. agreed to buy a 15.7 percent stake in **Kingsoft** Corp. for HK$892 million ($115 million) to expand in computer-security services.

Tencent will buy 111.5 million shares from Kingsoft Chief Executive Officer Kau Pak Kwan and 66.9 million shares from non-Executive Director Cheung Shuen Lung, Kingsoft said in a filing to Hong Kong's stock exchange. The company will double to 10 billion yuan ($1.5 billion) the size of a fund it set up this year to invest in technology developers, Chief Executive Officer Ma Huateng said last month.

– Mark Lee

Zuma Success With Wal-Mart Crimps South Africa M&A

South African President **Jacob Zuma's** success in getting foreign buyers such as **Wal-Mart Stores Inc.** to guarantee jobs may curb the pace of takeovers in the region's biggest economy.

The Wal-Mart acquisition was "so politically charged," said **Nick Matthews**, head of mergers and acquisitions at **KPMG International's** South African unit. "Debates about ANC policy and the fact that they have put nationalization on the agenda will be a worry for foreign investors." Companies announced 86 deals valued at 49.2 billion rand ($7.3 billion) in the first half of this year, the lowest level since the final two quarters of 2009, according to data compiled by Bloomberg. There were 106 transactions in the year-earlier period totaling 55.3 billion rand.

—Stephen Gunnion

M&A ROUNDUP

Buffett Said to Join Bid for Citigroup's Consumer-Lending Unit

Billionaire **Warren Buffett** has joined a group seeking to buy **Citigroup Inc.'s** consumer-lending unit, said two people with knowledge of the talks.

Buffett's **Berkshire Hathaway Inc.** has teamed with **Centerbridge Partners LLC** and **Leucadia National Corp**. to bid for the business formerly known as CitiFinancial, said the people, who spoke on condition of anonymity because the talks with New York-based Citigroup are private. Buffett has said he's looking for acquisitions and has $41.2 billion in cash to back his offer.

—Donal Griffin

Citigroup Said to Seek First Round of EMI Offers This Month

Citigroup Inc. plans to seek initial bids for **EMI Group** by the end of July or early August, and aims to clinch a sale of the record label in a couple months, two people with knowledge of the situation said.

Sony Corp. and **BMG Rights Management GmbH** have expressed interest in EMI, as has **Len Blavatnik**, who is leading the $1.3 billion purchase of **Warner Music Group**, said the people, who weren't authorized to speak publicly. **Universal Music Group** and private-equity investor **Alec Gores** are also interested in EMI.

Citigroup will provide offering materials in the next week, once the bidders agree not to disclose confidential EMI data, said the people.

—Jeffrey McCracken and Amy Thomson

Warner Music Plans $1.05 Billion Junk Bond Sale Before Buyout

Warner Music Group Corp. plans to sell $1.05 billion of high-yield bonds before its takeover by **Len Blavatnik**.

WMG Acquisition Corp. may sell $150 million of 9.5 percent senior secured notes due June 2016 that are an addition to existing bonds, and $695 million of senior debt maturing in October 2018, said a person with knowledge of the transaction. **WMG Holdings Corp.** plans to offer $200 million of senior bonds due in October 2019, said the person, who declined to be identified because terms aren't set.

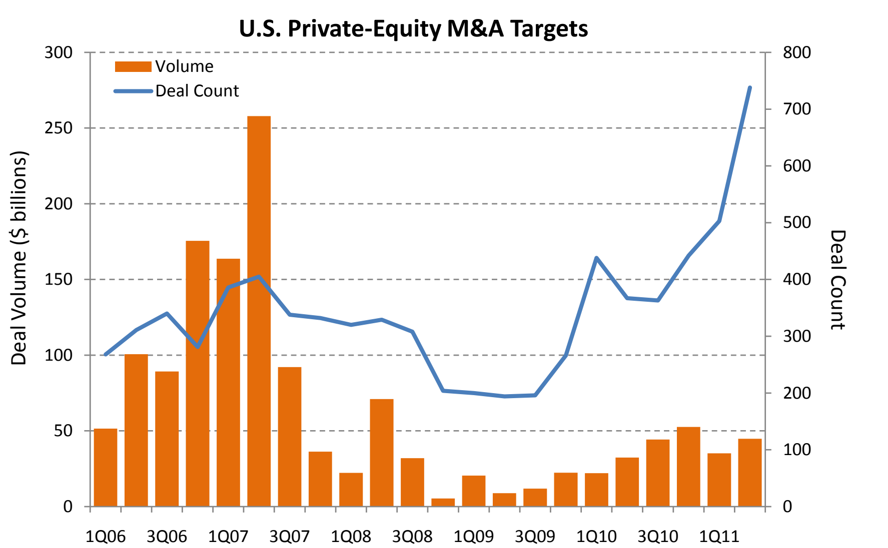
—Sapna Maheshwari

BP-Reliance Deal Said Likely to Get India Approval Next Week

BP Plc's plan to buy stakes in 23 oil and gas blocks in India operated by **Reliance Industries Ltd.** for $7.2 billion may get cabinet approval next week, an oil ministry official with knowledge of the matter said.

The oil ministry has recommended that the deal go through and referred it to the cabinet because of the large investment involved, the official, who asked not to be identified, told reporters in New Delhi.

—Rakteem Katakey



Source: *Bloomberg; data through July 6*

Disney's Iger Says Hulu Owners Are 'Committed to Selling'

Walt Disney Co.'s CEO **Robert Iger** said that the owners of **Hulu LLC**, the video-streaming service, are "committed to selling."

"There's a lot of interest," he said in an interview at the **Allen & Co.** conference in Sun Valley, Idaho. Bankers for Hulu have met with **Google Inc., Yahoo Inc.** and **Microsoft Corp.** as the company explores a sale, people familiar with the process said last week. The 10 to 12 potential bidders **Morgan Stanley** and **Guggenheim Partners** have reached out to also include **AT&T Inc.**

—Brett Pulley

Volksbanken Said Close to $1 Billion Sale of Unit to Sberbank

Oesterreichische Volksbanken AG may sell its eastern European unit for at least 700 million euros ($1 billion) to **OAO Sberbank** in a deal set to be signed in July, said two people with direct knowledge of the deal.

Volksbanken is in advanced talks with Sberbank, Russia's biggest lender, to sell Volksbanken International AG, said the people, who declined to be identified because the talks are private. At 700 million to 750 million euros, the deal would be priced at about book value.

—Boris Groendahl

Joy May Resume Buying After LeTourneau, Baird Says

Joy Global Inc., the maker of mining equipment used to extract coal and copper, may buy additional business units after purchasing **LeTourneau Technologies Inc.** last month, an analyst said.

The purchase could add 50 cents a share for Joy Global in the next fiscal year, and the company may repay most of the $500 million term loan used to fund the deal by the end of December 2012, **Robert F. McCarthy**, an analyst for **Robert W. Baird & Co.**, said in a note to analysts. "Joy's free cash flow through calendar year 2012 appears ample enough to effectively retire acquisition-related debt, facilitating a potentially rapid resumption of acquisition activity," McCarthy said.

—Shruti Date Singh

ARB ANALYSIS

TOM BURNETT, GUEST COLUMNIST

Bucyrus Purchase of Terex Unit Was Favorable to Shareholders After Caterpillar Deal

Bucyrus International Inc. on Dec. 21, 2009, agreed to buy the mining-equipment division of **Terex Corp.**

The market reacted favorably to the announcement, as Bucyrus shares began trading upward, in contrast to the price movements of most buyers' stocks. From a $50.84 close prior to the announcement, the Bucyrus shares traded up to finish 2009 at $56.37. The companies completed the transaction on Feb. 19, 2010, as Bucyrus shares closed at $62.64.

The agreement called for Bucyrus to pay $1.0 billion in cash plus at least $300 million in Bucyrus shares, subject to Terex's election to take cash instead for that $300 million portion.

At closing, Terex chose to take $1.042 billion in cash (including inventory adjustments) and 5.8 million Bucyrus shares valued at $363.9 million, and both parties praised the transaction. Bucyrus expanded its potential market from $15 billion to $30 billion by occupying a leading role in the excavation and mining truck markets.

With annual expected synergies of $100 million, Bucyrus was paying less than 6.0 times Ebitda for this high-quality operation. Terex divested a non-core division at a great price. Based on the Bucyrus price of $62.64, Terex realized a pretax gain of $870.5 million, or $620.4 million after tax.

There remains a post-closing dispute over inventory valuation which has led Bucyrus to claim a $149 million payment from Terex in litigation pending in New York State Supreme Court. Despite this legal issue, the transaction appears to have been favorable to both companies. As it turned out, neither party realized at the time just how favorable the transaction would ultimately be.

On Nov. 15, only nine months after Bucyrus closed the acquisition of the Terex division, **Caterpillar Inc.** and Bucyrus agreed to a cash merger. That agreement would give Bucyrus shareholders $92 in cash per share, and is still pending a few final antitrust approvals (the Department of Justice approved the merger on May 20), with the transaction set to close by the end of July.

Terex has already benefited from the Caterpillar-Bucyrus transaction. In March, Terex sold 1.8 million shares of Bucyrus for proceeds of $165.8 million, realizing a gain of $51.6 million. As of March 31, Terex still owned the remaining 4.0 million Bucyrus shares, which will be exchanged for $368 million in cash when the cash merger with Caterpillar is completed, at which point Terex will have received total cash proceeds of $534 million for its Bucyrus shares.

The Terex gain on the Bucyrus share sales will exceed $170 million, in addition to the $620 million net gain it recorded in its 2010 year.

For Bucyrus, the Terex purchase was a crowning achievement that enabled the company to serve both the surface and the underground mining equipment market. In 2010, Bucyrus sales rose to a record $3.65 billion. Helped by the realization of $40 million in Ebitda synergies from the Terex business, Bucyrus generated record adjusted Ebitda of $720 million in 2010.

The Terex acquisition clearly helped to make Bucyrus an even more ideal target for a larger company and the Caterpillar transaction vindicates the Bucyrus expansion move. The lesson for investors generally is to look at both the target and the acquirer when a large acquisition is announced. Often, the buyer, as in the case of Bucyrus, can be perceived as evolving into a target itself as it emerges from a transformative transaction.

Note: Wall Street Access M&A Research is covering the Bucyrus-CAT merger.

Tom Burnett, CFA, is director of research at Wall Street Access; Linda Varoli, CFA, vice president of M&A research at the firm, assisted with this article.

BUCYRUS'S PURCHASE OF TEREX'S MINING DIVISION

ANNOUNCEMENT DATE	DECEMBER 21, 2009
BUCYRUS STOCK CLOSING PRICE ON PRIOR DAY	$50.84
CLOSING DATE	FEBRUARY 19, 2010
BUCYRUS STOCK CLOSING PRICE ON CLOSING DATE	$62.64
BUCYRUS PRE-DEAL REVENUES (2009)	$2.6 BILLION
BUCYRUS PRO FORMA REVENUES (2009)	$3.8 BILLION
BUCYRUS PRICE PAID	$1.406 BILLION
CASH:	$1.042 BILLION
STOCK (5.8 MILLION SHARES @$62.64:	$0.363 BILLION
TEREX MINING EBITDA (2009)	$150 MILLION
EXPECTED SYNERGIES	$100 MILLION
EV-TO-EBITDA	9.4 TIMES
EV-TO-EBITDA (WITH SYNERGIES)	5.6 TIMES
EV-TO-EBITDA (WITH SYNERGIES)	5.6 TIMES

Source: *Wall Street Access, Bloomberg LP, company filings*

Deal Arbitrage

TARGET	ACQUIRER	DEAL SIZE ($M)	ANNOUNCED DATE	EXPECTED COMPLETION DATE	OFFER PER SHARE	ANNOUNCED PREMIUM IN %	LAST TARGET PRICE	CURRENT PREMIUM %	SPREAD	LAST SPREAD MOVE
TMX Group Inc	Multiple	3,732	05/13/11	08/08/11	50.00	24.77	43.31	15.44	6.69	1.23
Family Dollar Stores Inc	Trian Fund Management	7,710	02/15/11	-	60.00	39.28	54.48	10.13	5.52	-0.87
EXCO Resources Inc	Multiple	5,183	11/01/10	-	20.50	37.71	17.41	17.75	3.09	0.14
Constellation Energy Group Inc	Exelon Corp	10,165	04/28/11	-	39.93	16.09	38.17	4.62	1.76	-0.07
Cephalon Inc	Teva Pharmaceutical Industries	6,155	05/02/11	09/30/11	81.50	6.81	80.02	1.85	1.48	0.01
Varian Semiconductor Equipment	Applied Materials Inc	4,572	05/04/11	-	63.00	41.12	61.53	2.39	1.47	0.03
NYSE Euronext	Deutsche Boerse AG	9,532	02/15/11	07/13/11	35.69	8.10	34.36	3.86	1.33	-0.18
Transatlantic Holdings Inc	Allied World Assurance Co	3,324	06/12/11	12/31/11	50.48	15.73	49.20	2.60	1.28	-0.08
Progress Energy Inc	Duke Energy Corp	25,531	01/10/11	12/31/11	49.82	6.13	48.90	1.88	0.92	-0.12
BJ's Wholesale Club Inc	Multiple	2,366	06/29/11	12/31/11	51.25	6.79	50.36	1.77	0.89	-0.02
Blackboard Inc	Private	1,714	07/01/11	12/31/11	45.00	8.31	44.19	1.83	0.81	-0.04
Lubrizol Corp	Berkshire Hathaway Inc	9,218	03/14/11	09/30/11	135.00	24.17	134.46	0.40	0.54	-0.03
Global Crossing Ltd	Level 3 Communications Inc	2,451	04/11/11	12/31/11	40.32	57.10	39.80	1.31	0.52	-0.35
Nicor Inc	AGL Resources Inc	3,138	12/07/10	-	56.44	17.61	55.95	0.87	0.49	-0.06
National Semiconductor Corp	Texas Instruments Inc	6,407	04/04/11	11/30/11	25.00	74.63	24.62	1.54	0.38	-0.04
Citadel Broadcasting Corp	Cumulus Media Inc	1,720	12/17/10	12/31/11	33.46	35.16	33.10	1.09	0.36	0.55
Bucyrus International Inc	Caterpillar Inc	8,609	11/15/10	-	92.00	31.29	91.74	0.28	0.26	0.01
SAVVIS Inc	CenturyLink Inc	2,978	04/27/11	12/31/11	40.00	10.11	39.75	0.63	0.25	-0.15
L-1 Identity Solutions Inc	Safran SA	1,582	09/20/10	-	12.00	31.13	11.76	2.04	0.24	0.00
Capital Power Income LP	Atlantic Power Corp	1,754	06/20/11	12/31/11	19.59	0.63	19.38	1.07	0.21	0.10

Calendars

To submit an event email mergerbrief@bloomberg.net

Anticipated Approvals

DATE	TARGET	ACQUIRER	DEAL VALUE (SM)	TYPE
7/8	Donaldson Coal Holdings Ltd.	Gloucester Coal Ltd.	215	Acquirer shareholders
7/11	LoopNet Inc.	CoStar Group Inc.	553	Target shareholders
7/13	Savvis Inc.	CenturyLink Inc.	2,978	Target shareholders
7/14	Cephalon Inc.	Teva Pharmaceutical Industries Ltd.	6,155	Target shareholders
7/14	Warner Music Group Corp.	Access Industries Holdings LLC	2,963	European Commission
7/14	Polyus Gold OJSC	KazakhGold Group Ltd.	8,344	Target shareholders
7/15	SRA International Inc.	Providence Equity Partners Inc.	1,372	Target shareholders
7/15	Hainan Lanhai Group	Jilin Yatai Group Co Ltd	1,129	Acquirer shareholders
7/20	Cellestis Ltd.	Qiagen NV	319	Target shareholders
7/23	Gerber Scientific Inc.	Vector Capital Corp.	287	HSR expected expiration
7/26	Integral Systems Inc.	Kratos Defense & Security Solutions	260	Target, acquirer shareholders
7/27	Tong Yang Magic Co.	Tong Yang Major Corp.	91	Acquirer shareholders
7/28	Hite Brewery Co.	Jinro Ltd.	1,739	Target, acquirer shareholders
7/28	Rakuten KC Co.	J Trust Co.	513	Seller board of directors

Calls and Meetings

DATE	TIME	COMPANY	EVENT	DESCRIPTION
7/8		LDK Solar Co.	Annual general meeting	Agreed on Jan. 6 to buy a 70% interest in Solar Power Inc. for about $33 million.
7/11	After market close	Novellus Systems Inc.	Quarterly earnings	Lam Research Corp. may look for takeover targets among a list that includes Novellus, Cymer Inc. and KLA-Tencor Corp., said C.J. Muse, an analyst at Barclays Capital on May 5.
7/11	After market close	Alcoa Inc.	Quarterly earnings	BHP Billiton Chairman Jacques Nasser on May 8 said his company wasn't planning to bid for Alcoa, Reuters reported. Michael McCarthy, chief market strategist at CMC Markets, in May BHP purchase of Alcoa would “make sense."
7/12	11 a.m.	Applied Materials Inc.	Annual general meeting	The company on June 1 sold $1.75 billion of bonds in its first offering since October 1997 to help pay for its purchase of Varian Semiconductor Equipment Associates Inc.

Conferences

DATE	EVENT	FEATURING	LOCATION	CONTACT / REGISTRATION
July 13	5th Annual Korea Institutional Investment Forum	"Last year's Annual Korea Institutional Investment Forum attracted 30 top-level speakers and more than 160 delegates. "	Westin Chosun, Seoul	asianinvestor.net
July 19-21	Alliance of Merger & Acquisition Advisors Summer Conference	"AM&AA members convene regularly for training and continuing education."	Hilton, Chicago	amaaonline.com
Aug. 26	KC Standard's Global Mining M&A Outlook in 2011	Breakfast roundtable briefing bringing together "leading Chinese mining and minerals executives."	TBD, Beijing	kcstandardconferences.com
Sept. 5-8	Private Equity World Africa	"Africa's only conference and business zone dedicated to growing private equity opportunities in Africa."	Sandton Convention Center, Johannesburg	terrapinn.com
Sept. 12-16	AM&AA's Certified Merger & Acquisition Advisor Credentialing Program	"Course objectives taught by seasoned M&A professionals are designed to improve leadership competencies to a new 'gold standard' level of excellence."	Graziadio Executive Conference Center, Malibu, Calif.	amaaonline.com
Sept. 14-16	Private Equity World Brazil 2011	"Brings together the leading Brazilian and international investors and fund managers to discuss sourcing deals, growing investments, successful exits."	Sofitel São Paulo Ibirapuera	terrapinn.com
Sept. 15-16	5th Annual Private Equity Summit for Institutional Investors	"New Relationships, New Markets, New Models: How to navigate the evolving and shifting landscape"	Hyatt at Fisherman's Wharf, San Francisco	opalgroup.net
Sept. 22	Latin Lawyer Private Equity Conference 2011	The 2011 conference will "offer the best of legal minds from banks, funds, law firms and government."	New York	latinlawyer.com/events
Sept. 27-28	Dow Jones Private Equity Analyst Conference	Topics include social media frenzy, international opportunities, Washington regulation	Waldorf Astoria, New York	peaconference.dowjones.com
Oct. 16-19	SuperReturn Middle East	Bringing together global experts from around the region and the world; Dedicated Turkey Summit	Ritz-Carlton, Dubai International Financial Centre	informaglobalevents.com
Oct. 25-26	NextGen Private Equity Executive Summit	"Interactive roundtable sessions representing a diverse cross-section of the most knowledgeable players from the private equity investment community."	Venetian Hotel, Las Vegas	iibig.com