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Movers & Shakers

Publication Date: **Monday, February 26, 2007**

Financing Alert

GE's Global Media & Communications business unit has expanded its presence in the enthusiast publishing market by providing financing to **InterMedia Outdoor** Inc to support the acquisition of PRIMEDIA Outdoors, a leading media resource to outdoor lifestyle, hunting, fishing and shooting enthusiasts. GE - Global Media & Communications is a market lender for niche markets, including enthusiast publishing with financial commitments totalling nearly US\$300 million to date.

Financial Advisor Alert

Deutsche Bank acted as sole financial advisor to **BrightPoint** Inc in its Stock Purchase Agreement to acquire all of the outstanding shares of **Dangaard Telecom A/S**. "This transaction will join together two of the most prominent players in the wireless handset distribution and logistics industry to create the true global leader," stated Robert J. Laikin, Chief Executive Officer and Chairman of the Board of Brightpoint Inc. "I firmly believe our two companies complement each other perfectly in terms of geography, service offerings and shared commitment to operational excellence. Our vendors, customers, employees and shareholders will all benefit from the global platform created by this transaction."

Cobblestone Advisors is pleased to announce the sale of **Mid-West Wholesale Hardware Co**, a portfolio company of **BancBoston Capital**, to **Sentinel Capital Partners**. Cobblestone acted as the exclusive advisor to Mid-West in the sale process. The transaction was led by John Dickinson from the firm's Richmond office. Mid-West Wholesale Hardware Co is a full-service wholesaler of architecturally specified commercial door hardware, including manual and electronic locks, exit devices, door closers, and specialty items, such as door trim, door stops, hinges, and kick plates. Headquartered in Kansas City, Missouri, with branch locations in Orlando, Florida and Visalia, California, Mid-West serves over 4,300 active customers throughout the US, which are primarily commercial contract hardware distributors.

Kaulkin Ginsberg is pleased to announce that **United Recovery Systems LP**, a collection agency, headquartered in Houston, Texas, has signed an agreement to assume the lease and acquire certain assets of a modern call center facility from **Merchants' Credit Guide Co (MCGC)**. Kaulkin Ginsberg initiated this transaction and served as advisor to MCGC. The call center in Phoenix, Arizona, will provide URS with approximately 15,000 square feet and capacity for up to 150 call stations with scalable network infrastructure. The facility includes seven executive offices, two conference rooms, one training room with 12 fully equipped training stations, an employee lounge, and a secure data station.

Robert W. Baird & Co served as the exclusive financial advisor to Go2Call on this transaction.

deltathree Inc announced that it has acquired the service provider and consumer businesses of **Go2Call.Com** Inc, a privately held US-based Voice over Internet Protocol ("VoIP") solutions provider. Headquartered in Evanston, Illinois, Go2Call is an internationally recognized provider for the development and deployment of hosted VoIP solutions. Go2Call has provided its VoIP services and solutions to more than 200 service providers in nearly 100 countries around the world. Go2Call was founded in 1998.

Rothschild has acted as financial advisor to **Aprovia**, a company owned by **Cinven**, **Carlyle** and **Apax** for the disposal of **Groupe TESTS to NextRadioTV**. The transaction values the company at EUR80 million.

Rothschild has advised **Apollo Management LP** on its acquisition of **Smart & Final** Inc, valued at approximately US\$813 million including assumed debt.

Global M&A Stats

US

Year	Volume	Value
2007	2506	\$359.4B
2006	2716	\$337.2B
2005	1952	\$230.0B

Europe

Year	Volume	Value
2007	2578	\$230.6B
2006	2866	\$438.9B
2005	2160	\$77.1B

* Comparative YTD

Publications (PDFs)

-
- [Weekly](#)

M&A Deal Search

Search Keyword Below.

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Conferences

- 3/13/2007 - 3/15/2007
[B. Riley & Co. 8th Annual Las Vegas Investor Conference](#)
The Palms Casino Resort, Las Vegas, Nevada
- 3/27/2007 - 3/27/2007
[ACG NY/CT/NJ 4th Annual Tri-State Conference](#)
The Roosevelt Hotel, Madison at 45th Street, NYC

- [Sullivan & Cromwell](#)
- [Weil Gotshal & Manges](#)
- [Shearman & Sterling LLP](#)
- [Simpson Thacher & Bartlett](#)
- [Latham & Watkins](#)
- [Wachtell Lipton Rosen & Katz](#)
- [Davis Polk & Wardwell](#)
- [Dewey Ballantine](#)
- [Gibson Dunn & Crutcher](#)
- [Cleary Gottlieb Steen & Hamilton](#)

Rothschild provided advice to **Dairy Crest** on the acquisition of **St Hubert SAS** from **Uniq** plc for EUR370 million (US\$472.1million).

Rothschild has advised the **Queensland Government** on the sale of **Powerdirect Australia** Pty Ltd to **AGL Energy** Limited for a total consideration of A\$1.2 billion.

Venture Management Inc, a technology-focused investment banking firm, announced that it has successfully advised the US-based consulting company, **SM&A**, in its acquisition of **Project Planning** Inc of Andover, Massachusetts. As the exclusive investment banking advisor to SM&A, the Venture Management deal team leveraged its transaction experience and IT services industry expertise to strengthen SM&A's program management services business with the acquisition of a leading provider of consulting, implementation, and support services for enterprise project management solutions. SM&A, headquartered in Newport Beach, California, is the world's leading provider of competition management and program management services to the aerospace, defense and information technology industries. PPI is a leading provider of consulting, implementation, and support services for enterprise project management solutions to the aerospace and defense industry.

Los Angeles-based investment bank **B. Riley & Co** and its affiliates, led by chairman Bryant Riley purchased the luxury motor coach subsidiary of Perris, California-based **National RV Holdings** for US\$38.7 million plus assumption of approximately US\$13 million in debt. National RV Holdings issued a news release when the deal was announced. The sold subsidiary is **Country Coach**, based in Oregon.

CIBC World Markets is representing **TALX** Corp in its US\$1.4 billion sale to **Equifax** Inc.

ITOCHU Corp announced it has acquired **Galleher** Inc, a full-service flooring distributor. **Lincoln International**, a mid-market investment bank based in Chicago, acted as the exclusive financial adviser to ITOCHU Corp. Terms of the transaction were not disclosed. ITOCHU Corporation, headquartered in Japan, is a general trading company with more than US\$18 billion in revenues and 675 subsidiaries and affiliates worldwide. Galleher Inc, headquartered in Santa Fe Springs, California, distributes wood and other flooring products to the Southwest region of the US. Galleher is one of the largest floor covering distributors in the US and primarily serves builders, contractors and retailers.

Haymarket Media acquired **DMNews** from **Courtenay Communications** Corp. DMNews was launched in 1979 by Adrian Courtenay, who as owner and CEO over the past 28 years, has built an impressive multi-channel franchise, including DMNews magazine, DMNews.com Web site and six e-mail newsletters. **The Jordan, Edmiston Group** Inc, the New York-based investment banking firm that specializes in media and information, represented Courtenay in the transaction and acted as its exclusive financial advisor.

Legal Advisor Alert

Skadden represented **Wild Oats Markets** Inc in its approximately US\$671 million acquisition via a tender offer by **Whole Foods Market** Inc. Both companies are retailers of natural and organic foods and groceries.

Skadden represented **Smart & Final** Inc, an operator of non-membership warehouse stores that sell groceries, paper products, cleaning supplies and restaurant equipment, in its approximately US\$813 million leveraged buyout via an auction by an affiliate of private equity firm **Apollo Management** LP, in a going-private transaction.

Skadden represented **Wilbur Acquisition Holding** Co LLC (a special purpose entity created by the real estate unit of an institutional asset manager and **Norge Churchill** Inc) in its approximately US\$800 million leveraged buyout of **Winston Hotels** Inc, a real estate investment trust. Norge Churchill is owned via investment entities by the clients of **Acta Holding ASA**, a publicly-owned investment company in Norway.

Skadden represented **SCOR** (France) in its approximately US\$830 million acquisition of a 33% stake in **Converium Holdings** AG (Switzerland). Both companies are reinsurance providers.

Skadden represented **Macau Legend Development** Limited, the owner of

The Landmark Hotel (a hotel complex that also houses **Pharaoh's Palace Casino**), in its proposed acquisition of **Macau Fisherman's Wharf**, the largest theme park and casino in Macau.

Skadden represented **New River Pharmaceuticals** Inc in its proposed US\$2.6 billion acquisition via a cash tender offer by **Shire** plc (UK), a pharmaceutical company.

Skadden represented **ABN AMRO Bank** NV and **J.P. Morgan Securities** Inc as financial advisers to **ISA Capital do Brasil** SA (Brazil) in its approximately US\$1 billion acquisition of **Companhia de Transmissão de Energia Elétrica Paulista** (CTEEP), an electricity transmission company in Brazil.

Davis Polk & Wardwell advised **Scania** AB in connection with its successful defense of an unsolicited tender offer by **MAN** AG for 100% of Scania's outstanding share capital. Based in Sweden, Scania AB is the world's leading manufacturers of trucks and buses for heavy transport applications, and of industrial and marine engines. Based in Germany, Man AG is a German commercial vehicle and industrial equipment group. **Hammarskiöld & Co** acted as Swedish counsel, and **Shearman & Sterling** LLP acted as German counsel to Scania

Davis Polk is advising **J.P. Morgan Securities** as financial adviser to **XM Satellite Radio** in connection with the proposed merger of XM with **SIRIUS Satellite Radio**. XM, broadcasting live daily from studios in Washington, DC, New York City, Chicago, the Country Music Hall of Fame in Nashville, Toronto and Montreal, is America's largest satellite radio company. Based in New York, SIRIUS broadcasts over 130 digital-quality channels, including 69 channels of 100% commercial-free music, plus exclusive channels of sports, news, talk, entertainment, traffic, weather and data. The companies will be combined in a tax-free, all-stock merger of equals with a combined enterprise value of approximately US\$13 billion, which includes net debt of approximately US\$1.6 billion. Under the terms of the merger agreement, XM shareholders will receive a fixed exchange ratio of 4.6 shares of SIRIUS common stock for each share of XM they own. XM and SIRIUS shareholders will each own approximately 50 percent of the combined company. The transaction, which is subject to approval by both companies' shareholders, the satisfaction of customary closing conditions and regulatory review and approvals, is expected to be completed by the end of 2007.

Davis Polk & Wardwell is serving as US counsel to **Shire** plc on its acquisition of **New River Pharmaceuticals** Inc. New River Pharmaceuticals is a specialty pharmaceutical company developing pharmaceuticals that are generational improvements of widely prescribed drugs in large and growing markets. The transaction is structured as a tender offer followed by a merger in which Shire will pay US\$64 per New River share, valuing the transaction at approximately US\$2.6 billion. The tender offer, which is expected to commence on or before March 2, 2007 and to close early in April 2007, unless extended, is subject to the approval of Shire's shareholders as well as customary closing conditions.

Jones Day (Kathryn Fenton & Joe Sims, lead lawyers) are acting as antitrust counsel to **XM Satellite Radio** in its US\$13 billion merger-of-equals with **SIRIUS Satellite Radio**. SIRIUS's financial advisor on the transaction is **Morgan Stanley** and **Simpson Thacher & Bartlett** LLP and **Wiley Rein** LLP are acting as legal counsel. XM's financial advisor on the transaction is **J.P. Morgan Securities** Inc and **Skadden Arps, Slate, Meagher & Flom** LLP; and **Latham & Watkins** LLP are acting as legal counsel.

Weil, Gotshal & Manges was Counsel to **Florida Rock** in the recent US\$4.6 billion sale to **Vulcan Materials**.

Weil, Gotshal & Manges was Counsel to **GE Energy Financial Services** in the acquisition of a gas storage project in Louisiana from **Haddington Energy Partners** LP.

Weil, Gotshal & Manges was Counsel to acquirer **Avista Capital Partners** in the following deal. Avista Capital Partners is acquiring **BioReliance** from **Invitrogen** Corp for about US\$210 million.

Weil, Gotshal & Manges was Counsel to acquirer **Flint Hills Resources** in the deal below. **Huntsman** is selling its US-based Chemicals and Polymers business to Flint Hills Resources, a subsidiary of **Koch Industries** Inc, for

US\$456 million in cash plus inventory, valued at US\$286 million.

Weil, Gotshal & Manges is counsel to **Diamond Castle Holdings** in their pending acquisition, along with **Stirling Square Capital Partners**, of the Public Safety Equipment business of **Seton House**.

Weil, Gotshal & Manges is counsel to **Altra Holdings** Inc in their pending acquisition of **TB Wood's** Corp. The Weil Gotshal team included Partners Craig Adas, Matthew Bloch, Annemargaret Connolly and Helen Goldstein, along with Associates Angela Kao, Chayim Neubort.

Cleary Gottlieb is currently representing **Casino Guichard-Perrachon** SA (Groupe Casino), the French supermarket operator, in connection with the sale of NYSE-listed **Smart & Final** Inc to **Apollo Management LP**. Groupe Casino, which holds 55% of Smart & Final, is the company's controlling shareholder.

Cleary Gottlieb is representing **Owens Corning** in the formation of a worldwide joint venture with **Compagnie de Saint-Gobain**. The joint venture will be established as a global company, to be named OCV Reinforcements SPRL. The transaction agreements were signed on February 20, 2007, and closing is expected in the second quarter of 2007.

Cleary Gottlieb is representing Dutch multi-utility company **Delta NV** in its successful bid for the acquisition of the **Indaver Group**. Following the announcement in mid-December that Delta NV was the preferred candidate among more than 20 bidders, Delta NV and the 17 selling shareholders of Indaver entered into exclusive negotiations with regard to the purchase of 60% of Indaver's shareholding. On February 15, Delta NV signed a share purchase agreement with the majority shareholder of Indaver, **Vlaamse Milieuholding**, a holding company of the Flemish Region.

Cleary Gottlieb is advising **Hellman & Friedman** in its sale of **Mitchell International** Inc to an investment group led by **Aurora Capital Group** and including **General Electric Pension Trust**. The definitive agreement was signed February 15, 2007 and is expected to close in March 2007.

Willkie represented **Sartorius** AG in its acquisition of a controlling stake in French peer **Stedim** SA from the company's founders, but in an unusual twist will attempt to convince minority shareholders not to tender their shares. Göttingen, Germany-based Sartorius will pay EUR43 per share for at least 66% of Stedim, which is controlled by its founders, valuing the Aubagne-based group at EUR296 million (US\$388 million), a 2.4% premium to its closing price Wednesday, February 21, the two companies said in a statement. Stedim's founders will reinvest in the combined company and own a "substantial" stake in the business.

Willkie represented **The Blackstone Group LP**, the financial advisor to **Central Parking** Corp. The lead attorneys were David Boston and Robert Langdon. Central Parking Corporation has entered into an agreement and plan of merger with **KCPC Holdings** Inc, a company formed by affiliates of **Kohlberg & Company** LLC, **Lubert-Adler** LP, and **Chrysalis Capital Partners** LP. Under the terms of the merger agreement, Central Parking's shareholders will receive US\$22.53 per share in cash, representing a premium of approximately 30.8% over Central Parking's closing share price on November 27, 2006, the day before the company announced that it had engaged The Blackstone Group LP to assist it in evaluating strategic alternatives.

Cravath is representing **The Container Store**, a privately held company, in its exploration of strategic alternatives, including a potential sale of the company.

Shearman & Sterling LLP represented **The Bank of Nova Scotia** in its US\$94 million acquisition of **First BanCorp** Inc.

S&S represented **Barrick Gold** Corp in the sale of its property portfolio in Santa Cruz, Argentina to **Patagonia Gold** PLC.

S&S represented **AB Volvo** in its US\$1.07 billion acquisition of **Nissan Diesel Motor** Co, Ltd.

Miscellaneous

The Fourth Quarter 2006 technology report is out from **Boston Corporate**

Finance, an M&A investment banking firm specializing in technology. The report provides an outlook for 2007, as well as key trends in enterprise software, IT services, storage and security. Fourth quarter M&A transaction volume in the technology sector continued to be robust and kept pace with the prior three quarters of the year. With record corporate profits and a continued influx of private equity capital, the M&A transaction activity in the four sectors of the technology industry that Boston Corporate Finance ("BCF") covers—Enterprise Software, IT Services, Storage and eSecurity—increased approximately 12.5% over the preceding quarter, amounting to approximately 425 M&A transactions (Source: Capital IQ). Smaller transaction sizes created a moderate decline in aggregate deal value as many of the aggressive technology companies and private equity players concentrated on fulfilling niche vertical expertise needs and augmenting and/or rounding out their product/services portfolios with interesting technology acquisitions.

Deal Alert

SEMCO ENERGY Inc announced that it has entered into a definitive agreement under which **Cap Rock Holding** Corp will acquire all of the outstanding Common Stock and 5% Series B Preferred Stock of SEMCO. Under the terms of the agreement, SEMCO's shareholders will receive US\$8.15 in cash for each share of Common Stock they hold, representing a premium of approximately 37% over SEMCO's average closing share price during the five trading days ended February 22, 2007. The holders of the Series B Preferred Stock will receive US\$213.07 per share plus a "make-whole" premium calculated at closing. The transaction is valued at approximately US\$867 million, including the assumption of approximately US\$515 million of debt. Cap Rock is a utility holding company with electric utility transmission and distribution assets serving 28 counties in the State of Texas.

The Riverside Company is proudly displaying its latest acquisition, **Nichols** Inc, an add-on to Moss Inc. The transaction marks the eighth acquisition banner raised by Riverside in the last two months and the 155th investment since the firm was founded in 1988. Nichols' tension fabric structures, stands and banner products are often used in the trade show, special event and point-of-purchase (POP) markets. Nichols' premier graphics technology, partnered with Moss' exceptional engineering in crafting custom structures, creates the most comprehensive manufacturer of tensioned fabric structures, display hardware and printed graphics in the world.

International Royalty Corp reports that it has concluded the second of two closings to acquire the **Pascua** gold royalty. The second closing, for a cash price of US\$26 million, covers approximately the final two-thirds of the total royalty being purchased. The Pascua gold royalty is a 0.338-2.25% sliding scale royalty on the Pascua project in Chile. This royalty is expected to produce, on average, US\$5.7 to US\$11.2 million in annual revenues to IRC. The mine is permitted and production is scheduled to begin in 2010.

International Royalty Corp reports that it has entered into an agreement to acquire a royalty on the **Legacy Sand Project** in Nance County, Nebraska for US\$12 million. Legacy is a new operation which is expected to produce a range of high-quality proppant or "frac" industrial sand products beginning in the first quarter of 2007 to take advantage of the rapid expansion of gas exploration and development drilling in North America. Since 2000, increasing demand has created a tight supply situation for these unique, high-quality sands which are expected to continue to be in high demand. During the primary term (years 1 through 12) the Royalty will pay US\$4.75 per ton on the first 500,000 tons per year produced and sold from the operation. This is expected to generate annual revenues to IRC of US\$2.4 million. After year 12, Legacy will pay a 2.0% gross royalty on all production with no tonnage cap.

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