

Corporate Restructuring

Exhibits

10/4/2011

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Mergers



ACQUISITIONS

.COM



Amity International Business School
Amity Universtiy

MERGER



Exhibit 1

VODAFONE & AIRTOUCH

The merger between UK's VODAFONE and US company AIRTOUCH overcame a number of tax and practical issues. On **15th January, 1999**, Vodafone, and AirTouch, leading UK and US mobile telecommunications companies, announced that they planned to merge, despite competing interest in AirTouch from Bell Atlantic and MCI WorldCom. The merger came into effect on 30th June, 1999, creating the world's largest mobile telecommunications company with a combined market capital of approximately £77 billion (US\$122 billion) and that operates, either itself or through associates or investments, in 23 countries.

The merger was structured to overcome a number of tax and practical issues that arise in a large UK/US merger.

Exhibit 2

Tata Chemicals buys UK's British Salt

Dec 21 2010: Tata Group firm Tata Chemicals Ltd has bought 100% stake British Salt Limited, a United Kingdom-based chemical company that produces pure white salt, for £93 million or Rs 673 Cr. The deal to acquire private equity owned British Salt was done through Tata Chemical's wholly owned subsidiary Brunner Mond. The deal will be entirely debt financed with no recourse to Tata Chemicals,

British Salt is one of UK's largest manufacturer of pure dried vacuum salt and enjoys a market share of 50% in the country. British Salt owns brine wells in the UK with residual life of 50 years. It employs 125 people, and produces approximately 800,000 tonnes of pure white salt every year.

This acquisition provides an opportunity to secure long term brine supplies for Brunner Mond's operations. Tata Chemicals had acquired UK's Brunner Mond, which has operations in Kenya and Netherlands in 2005 for \$113 million.

Tata Chemicals had revenues of Rs 9,543.79 and a net profit of Rs 724 crore in FY10. According to its AGM presentation, the vacuum salt business accounted for 7% of the revenues while soda ash constituted a major 45%. Other major contributors were fertiliser and urea. The company's net debt to equity ratio fell from 1.11 to 0.81 from FY09 to FY10.



ACQUISITION



Exhibit 3

WALT DISNEY-ABC

Aug 6 2011: In the second-largest corporate takeover ever, the Walt Disney Company moved to create the world's most powerful media and entertainment company, announcing that it would acquire Capital Cities/ ABC Inc. for \$19 billion. The combined company would bring together the most profitable television network and its ESPN cable service with Disney's Hollywood film and television studios, the Disney Channel, its theme parks and its repository of well-known cartoon characters and the merchandise sales they generate."These are the two premier family entertainment companies," Michael D. Eisner, the chairman and chief executive of Disney, told a news conference in New York. The deal, which had already been approved by the boards of both companies when it was announced yesterday morning, was a stunning surprise. In contrast to the much-discussed offer that the Westinghouse Electric Corporation is known to be preparing for CBS Inc., not a word had leaked out about a deal that would create the most powerful entertainment company in the world. Westinghouse is expected to announce its offer today.

Exhibit 4

Mahindra acquires SsangYong

Nov 24 2010: Mahindra seems to have taken one of their biggest steps in building themselves as a global brand. They have acquired a 70% controlling stake in SsangYong, the South Korean auto maker for US \$ 463 million.

SsangYong Motor Company initially became a part of Daewoo in 1998 and is now controlled by the Shanghai Automotive Industry Corporation (SAIC). The group's product portfolio comprises of a luxury sedan, four sport utility vehicles and a multipurpose vehicle

M & M will be able to strongly utilize the strong R & D capabilities of SsangYong. The fact that they have not been very good since 2003 in developing new models because of poor management is a problem. The fact that Mahindra is planning to launch 3-5 models in the next couple of years shows that they mean BUSINESS! They aim to improve on this by improving the entire management of the organization.

One of the biggest gains for them would be the 98 countries strong dealer network of SsangYong which would help them to market M & M as well as SsangYong models in an amazing manner. SsangYong also has an edge in premium segment vehicles and this could help Mahindra to expand its profile into this particular segment. Mahindra therefore aims to combine its strength in sourcing and marketing with SsangYong's strong capabilities in technology.



JOINT VENTURE

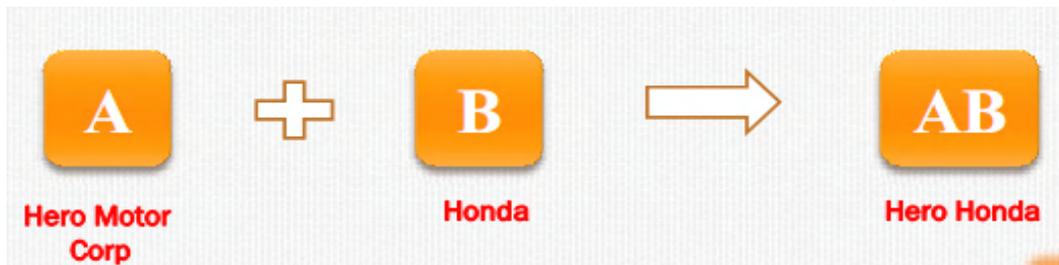


Exhibit 5

Sony and Ericsson's Joint Venture

Oct 01 2001: Japanese electronics giant Sony Corp. and Swedish telecom equipment maker Ericsson Tuesday sealed a pact to merge their worldwide mobile phone businesses in an effort to unseat reigning mobile monarch Nokia and take on Motorola.

The joint venture's global management will be based in London, and the two companies anticipate that it will take over all design, marketing and sales operations from its parents. Ericsson and Sony said it will have an initial workforce of 3,500 employees.

Sony has said the joint venture will be capitalized at \$500 million, and Ericsson has asserted it will be profitable from the start. Combined, the two companies sold about 50 million cellular phone units after one year with pro forma profits of \$7.2 billion.

According to reports, Sony Vice President Katsumi Ihara will serve as president of Sony Ericsson Mobile Communications, while Jan Wareby, former head of consumer products for Ericsson, will become executive vice president of the venture. The board will reportedly have eight members -- four from each partner -- and will be chaired by Ericsson Chief Executive Officer Kurt Hellstrom.

The move comes in a soft period for the mobile phone market. Ericsson in particular recorded a \$1.39 billion loss in the second quarter and announced earlier this year that it would layoff 20,000 workers, about 20 % of its workforce. In January, when it recorded a 64 % plunge in fourth quarter profits, Ericsson announced plans to outsource its handset manufacturing business through Singapore-based Flextronics International.

Exhibit 6

Magneti Marelli, Suzuki Motor Corporation, Japan and Maruti Suzuki India enter into a joint venture

Oct 11 2007: Magneti Marelli, Suzuki Motor Corporation and Maruti Suzuki India Limited have signed an agreement for the creation of a joint venture in India, aimed at the production of electronic control units (ECU) for diesel engines.

According to the agreement, Magneti Marelli will contribute 51% of the share capital of the new company, Suzuki, 30% and Maruti, 19%. The initial investment is expected to total approximately Euro 15 million (about Rs 750 Mill)

The project will be funded through a mix of equity and debt. The start of production is scheduled for the end of 2008. As part of the objectives, the production of this plant should reach a total of about 500,000 control units per year, when working at full stretch. The electronic control units produced in Manesar will be initially used for Maruti Suzuki diesel cars and, later on, will also cater to other car manufacturers.

The joint venture with Suzuki and Maruti significantly strengthens an important partnership already in existence, giving the car-maker the possibility to rely on competitive systems featuring cutting-edge technology and the components maker the chance to increase its presence in a strategic and fast-growing market



TENDER OFFER



Exhibit 7

HITACHI KOKUSAI ELECTRIC TENDER OFFER

In 2009 Hitachi Ltd purchased additional common share of Hitachi Kokusai electric through tender offer to obtain majority of voting rights. Due to the fact that the plans call for Hitachi Kokusai Electric to remain listed even after completion of the tender offer, Hitachi has set upper limits for number of purchasing share. Hitachi focused on establishing a stable, high profit structure the groups collective capabilities and improving the efficiency of group management.

The conversion of Hitachi Kokusai Electric into consolidated subsidiary is intended to strengthen the equity based relationship between Hitachi & Hitachi Kokusai Electric. Hitachi had 37.98% of Hitachi Kokusai Electric's issued share and thus accounts for Hitachi Kokusai Electric as an equity method affiliation. Hitachi purchased 13,406,000 additional equity shares in Hitachi Kokusai electric (12.74%) through tender offer.

STRATEGIC ALLIANCE

Exhibit 8

MICROSOFT CORP & NORTEL

In 2006 the convergence of the communications and IT industries took a significant as Microsoft Corp. and Nortel went for a strategic alliance based on a shared vision for unified communications. By engaging the companies at the technology, marketing and business levels, the alliance will allow both companies to drive new growth opportunities and has the potential to ultimately transform businesses communications, reducing costs and complexity and improving productivity for customers.

By combining Nortel's world-class network quality and reliability with Microsoft® software's ease of use, the alliance will accelerate the availability of unified communications — an industry concept that uses advanced technologies to break down today's device- and network-centric silos of communication and makes it easy and efficient for workers to reach colleagues, partners and customers with the devices and applications they use most.

It's components are as follows:

- The companies will enter into a four year alliance agreement, with provision for its extension.
- Nortel will be Microsoft's strategic partner for advanced unified communications solution and system integration.
- The two companies will form the Innovative Communication Alliance as go to market vehicle.



Asset Acquisition

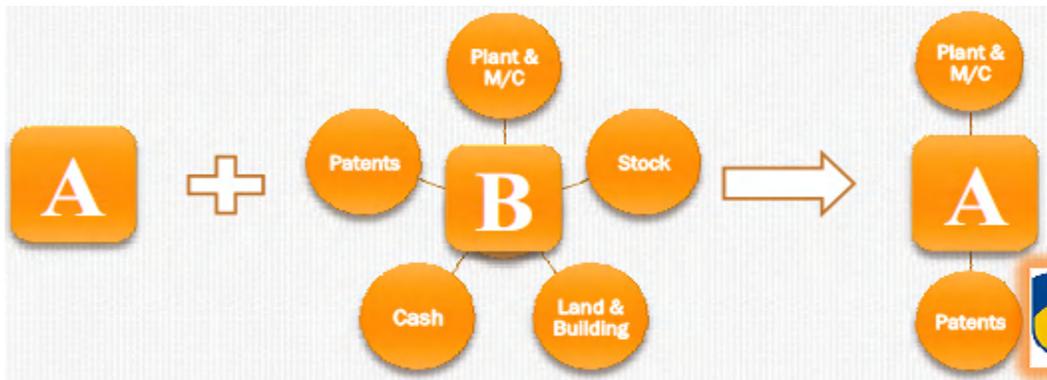


Exhibit 9

Zygo Corp. and ASML Optics

Zygo Corp. of Middlefield, Conn., a high-precision optical components and optical metrology instruments provider, has announced that it will buy ASML US Inc.'s optics facility in Richmond, Calif., for between \$7 million and \$10 million. Zygo will expand its optical manufacturing capabilities considerably with the addition of high-precision optical machining and polishing equipment, aspheric lens manufacturing and diamond turning assets, the company said. It also expects to hire key management and other employees of ASML Optics Richmond, a 60,000-sq-ft facility.

Exhibit 10

Ericsson - Telenor Connexion's M2M Asset Acquisition

Apr 19 2011: Ericsson to strengthen its position in the M2M (Machine To Machine) market.

Telecom networking equipment maker Ericsson has completed the asset purchase agreement to acquire Telenor Connexion's M2M (machine-to-machine) technology platform

The acquisition includes Telenor Connexion's M2M technology platform and transfer of 11 employees who will continue to work with development of the service offering provided on Ericsson's M2M service, Device Connection Platform.

Ericsson's Device Connection Platform enables telecom operators to set up tailored M2M services for enterprise customers. Ericsson aims the deal will help it focus solely on the M2M communication market and strengthen its position, complement its service and improve the offerings.

Ericsson has over 2 billion subscribers and offers mobile and fixed network infrastructure, telecom services, software, broadband and multimedia solutions for operators, enterprises and the media industry.



Spin Off

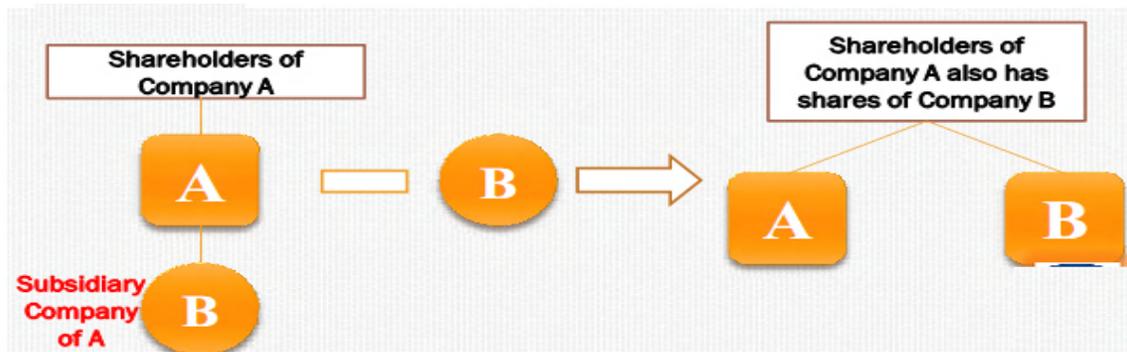


Exhibit 11

eBay to spin off Skype

Apr 14 2009: eBay announced today that it is planning to spin off Skype, despite the fact that the Internet phone company's revenues are expected to top \$1 billion in 2011. eBay announced today that it is planning to spin off Skype, despite the fact that the Internet phone company's revenues are expected to top \$1 billion in 2011. As a VoIP phone service that bills itself as a cheaper alternative to traditional telephone carriers, Skype has attracted more than 400 million users and has generated revenues of \$551 million over the past year. eBay has said that it projects the company will nearly double its revenues over the next three years. eBay purchased Skype in the fall of 2005 for \$2.6 billion. At the time of the purchase, some analysts were already raising questions over whether an Internet phone company and an online auction house had congruent business models that would allow both companies to thrive in tandem.

Exhibit 12

Time Warner Board Backs AOL Spinoff

May 28 2009: Jeffrey L. Bewkes, Time Warner's chief executive, has set about paring down one of the world's largest media conglomerates, in particular shedding delivery mechanisms. The company spun off its cable television subsidiary in March. And AOL, though much-reduced in size, remains a supplier of Internet service to millions of people. He said "We're focusing the company now on its core content businesses — TV and film production, television networks and publishing." He also said "for AOL, becoming a standalone company will give it more focus and more strategic flexibility." With AOL's revenue and profit shrinking steadily for years, analysts have called it a drag on Time Warner's stock price. "There's still a substantial business at AOL, but Time Warner investors are giving it little to no — potentially negative — value, so separating out should be a positive," said Richard Greenfield, a managing director of Pali Capital Research. "It won't be worth nothing, and people have viewed it as worth nothing, or even a liability." More important, he said, was the message that Mr. Bewkes is pursuing a clear, well-understood strategy. "They said they were going to get rid of cable. They said they were going to get rid of AOL. And they're doing it."



Split Off

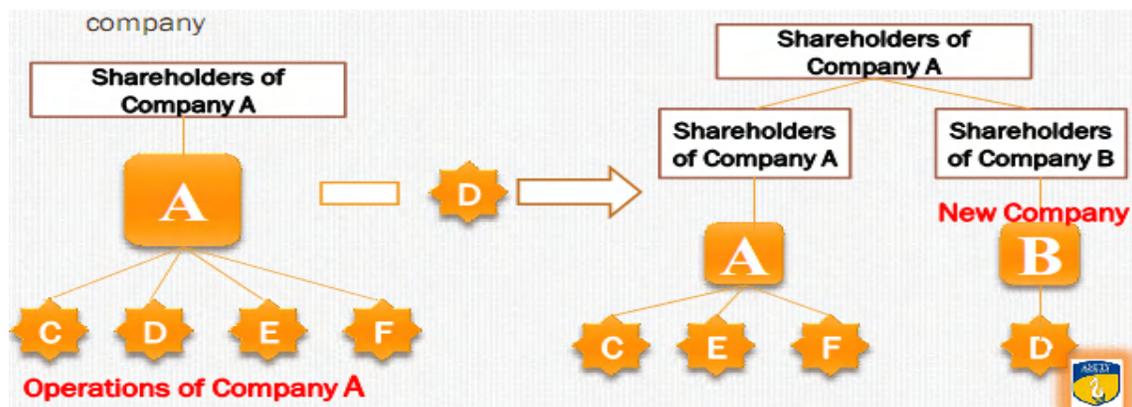


Exhibit 13

Reliance Industries

Jun 19 2005: India's largest private sector group has split. The group will be split under two heads rather than one serving under another. Investors on their part saw the Reliance feud as an opportunity for growth rather than path to destruction as is evident from the rise in market capitalization of Reliance between November 22, 2004, and June 18, when the split deal was clinched, from Rs 74,399 crore to Rs 83,729.05 crore. The feud came to the open on Nov 18 after Mukesh admitted to ownership issues in Reliance.

Chronology of a split for posterity

2004

Nov, 18: Mukesh Ambani admits to ownership issues in Reliance

Nov 23: Reports say RIL Board bestowed overwhelming powers to Mukesh in a meet held in J

Nov 25: Six directors quit Reliance Energy (REL)

Nov 30: REL board asks directors who quit to reconsider their decision

Dec 2: RIL's Rs 8,100 crore investment in Reliance Infocomm comes to the fore

Dec 8: Reports say Mukesh got 12% sweat equity in Infocomm

Dec 12: REL seeks RIL's opinion on gas supply

Dec 13: Market regulator SEBI asks bourses to look into RIL corporate governance issues

Dec 15: Anil seeks board meeting to discuss corporate governance issues

Dec 20: Anil aide Amitabh Jhunjunwala quits as RIL treasurer and REL director

Dec 23: Mukesh gives up 50 crore sweat equity in Reliance Infocomm

2005

Jan 3: Anil quits IPCL boards, blasts Mukesh aide Anand Jain

Jan 19: REL directors withdraw resignation. IPCL asks Anil to reconsider resignation

Jan 21: Reliance board backs Mukesh on buyback, ignores Anil's pleas on corporate governance issues

Feb 15: Infocomm takes back one crore shares gifted to Promod Mahajan aide Ashish Deora

Apr 7: Anil alleges phone tapping

April 27: Anil refuses to sign RIL accounts for 2004-05

June 18: Kokilaben announces Reliance settlement



Split Ups

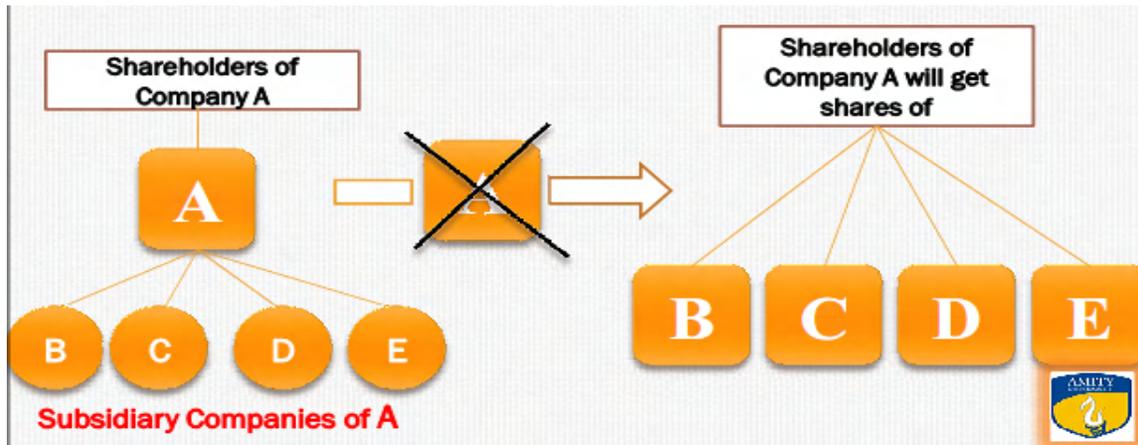


Exhibit 14

Motorola Will Split up

Feb 12 2010:

Motorola will be split into two publicly traded companies in the first quarter of next year, with one focusing on handsets and home entertainment devices and the other on making enterprise communications gear. The company's two co-CEOs, **Sanjay Jha** and **Greg Brown**, will lead the two new entities.

Jha was named CEO of Motorola's Mobile Devices and Home businesses, effective immediately. Brown was immediately named CEO of the Enterprise Mobility Solutions and Networks businesses

The company plans to carry out the separation through a tax-free stock dividend of shares to current shareholders.

"The Mobile Devices and Home entity will own the Motorola brand and license it royalty free to the enterprise business," Motorola said

Motorola's handset operation, its biggest business, has been lagging behind other parts of the company as it struggles against growing competitors such as Apple. The company has been talking for years about separating this unit, which competes in the consumer arena, from other Motorola businesses that sell to enterprises and carriers

"As independent companies with focused management and operational and strategic flexibility, each company has a better opportunity for success in their respective industries and the creation of long-term shareholder value," Brown said

"Consumers will enjoy uniform experiences for discovery, consumption, creation and sharing of content, as well as social collaboration and connectivity, anywhere, anytime," Jha said

Motorola announced the upcoming split far in advance to give customers, employees and investors time to prepare for the realignment, the executives said. The company said it was not changing its financial forecast, which calls for a loss in the first quarter of this year. But it still expects to turn a profit in its handset business by the end of the year, with 20 new models coming out this year, according to Jha.

"We're fully committed to making this separation," Jha said.



Divestitures

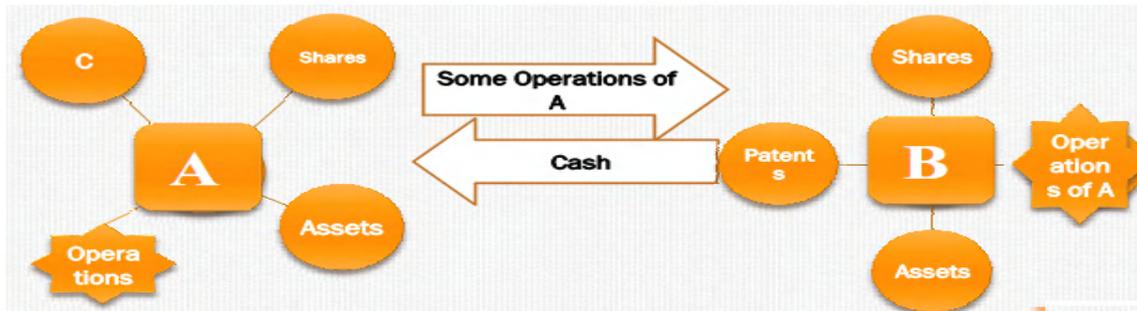


Exhibit 15

Danaher

Jun 29 2007: The Company periodically disposes of existing operations that are not deemed to fit strategically with its ongoing operations or are not achieving the desired return on investment. There were no dispositions during the six months ended June 29, 2007.

In July 2007, the Company announced that it had agreed to sell its power quality business for a cash sales price of \$280 million net of estimated transaction costs. This business, which is part of the Industrial Technologies segment and designs and manufactures power quality and reliability products and services, had aggregate annual revenues of \$130 million in 2006. The transaction is subject to regulatory approval and customary closing conditions and is expected to close in the third quarter of 2007. The Company expects to report an after-tax gain on the sale of the business of approximately \$150 million or approximately \$0.46 per diluted share. The Company committed to sell the business subsequent to the end of the second quarter and is evaluating the accounting for this disposition for its third quarter 2007 reporting.

Exhibit 16

IBM

Jan 24 2007: The company announced an agreement with Ricoh Company Limited (“Ricoh”), a publicly traded company, to form a joint venture company based on the Printing System Division. The company initially created a wholly owned subsidiary, InfoPrint Solutions Company, LLC (InfoPrint), by contributing specific assets and liabilities from its printer business. The Printing Systems Division generated approximately \$1 billion of revenue in 2006. The InfoPrint portfolio includes solutions for production printing for enterprises and commercial printers as well as solutions for office workgroup environments and industrial segments. On June 1, 2007 the company divested 51 % of its interest in InfoPrint to Ricoh. The company will divest its remaining 49 % ownership to Ricoh quarterly over the next three years from the closing date. At December 31, 2007, the company’s ownership in InfoPrint was 40.8 %.

The total consideration the company agreed to on January 24, 2007 was \$725 million which was paid in cash to the company on the closing date. The cash received was consideration for the initial 51% acquisition of InfoPrint by Ricoh as well as a prepayment for the remaining 49 % to be acquired and certain royalties and services to be provided by the company to InfoPrint. Final consideration for this transaction will be determined at the end of the three-year period based upon the participation in the profits and losses recorded by the equity partners. The company evaluated its ownership and participation in InfoPrint under the requirements of FIN 46(R). The company concluded that InfoPrint met the requirements of a variable interest entity, the company is not the primary beneficiary of the entity and that deconsolidation of the applicable net assets was appropriate.



Equity Carve Out

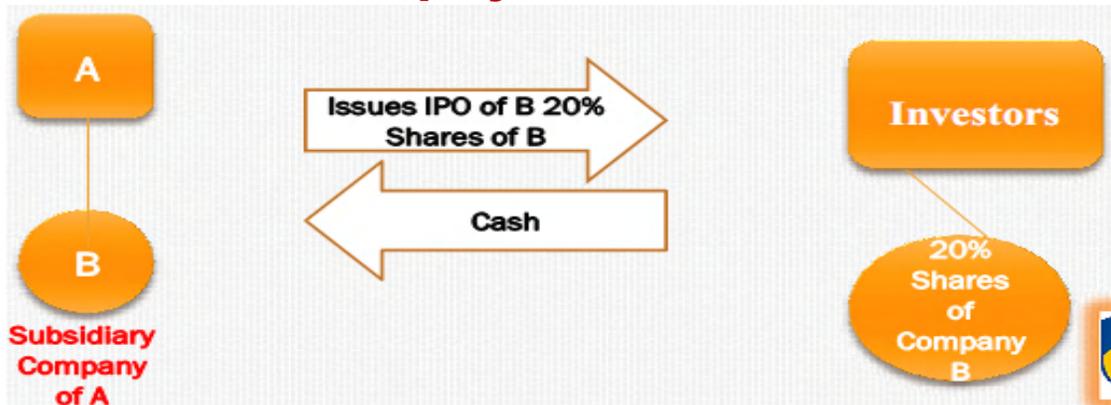


Exhibit 17

AT&T

1996: AT&T's 1996 ownership restructuring provides a striking example. Before the company announced that it would spin off Lucent Technologies and NCR, its market value was just \$75 billion. Little more than a year later, in January 1998, the separately trading AT&T, Lucent, and NCR had a combined market capitalization of \$159 billion.

AT &T wanted to see whether this level of value creation is the exception or the rule. To that end, we studied the performance of the large ownership restructurings — those in which the parent company had revenues upward of \$200 million at the time of disaggregation — that have taken place in the United States during the past decade. We found that such restructurings can indeed increase shareholder value if properly carried out.

Our research looked at three ways of restructuring:

- Tracking stocks, also known as letter or targeted stocks, are a class of parent company stock that tracks the earnings of a division or subsidiary. Typically distributed as a dividend to shareholders in the parent company, these shares can also take the form of an initial public offering (IPO).
- Equity carve-outs are an IPO of a stake in a subsidiary. The parent usually keeps majority ownership.
- Spin-offs occur when the entire ownership of a subsidiary is divested as a dividend to shareholders.

In the case of tracking stocks, control remains in the hands of the parent company's board; in carve-outs and spin-offs, by contrast, management reports to new and separate boards. Similarly, the assets of companies with tracking stocks are not physically separated from those of their corporate parents, though they do have to report earnings separately. In carve-outs and spin-offs, conversely, the subsidiary's assets are transferred to the new company's balance sheet.

Carve-outs have assumed a prominent place in US equity activity. In the past ten years, the US stock market has seen an average of almost 50 carve-outs a year, or about 10 percent of all IPOs. One recent example of a substantial carve-out is DuPont's IPO of Conoco, in October 1998. DuPont raised \$4.2 billion for a 30 percent stake in its subsidiary.



Take Over Defenses Green Mail

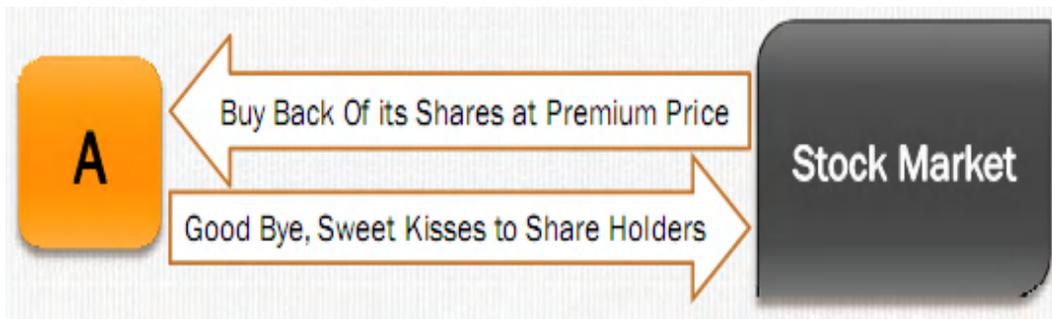


Exhibit 18

St. Regis Paper Company

Greenmail or greenmailing is the practice of purchasing enough shares in a firm to threaten a takeover and thereby forcing the target firm to buy those shares back at a premium in order to suspend the takeover

1980 - 1984: Greenmail proved lucrative for investors such as T. Boone Pickens and Sir James Goldsmith during the 1980s. In the latter example, Goldsmith made \$90 million from the Goodyear Tire and Rubber Company in the 1980s in this manner. Occidental Petroleum paid greenmail to David Murdock in 1984.

The St. Regis Paper Company provides an example of greenmail. When an investor group led by Sir James Goldsmith acquired 8.6% stake in St. Regis and expressed interest in taking over the paper concern, the company agreed to repurchase the shares at a premium. Goldsmith's group acquired the shares for an average price of \$35.50 per share, a total of \$109 million. It sold its stake at \$52 per share, netting a profit of \$51 million. Shortly after the payoff in March 1984, St. Regis became the target of publisher Rupert Murdoch. St Regis turned to Champion International and agreed to a \$1.84 billion takeover. Murdoch tendered his 5.6% stake in St. Regis to the Champion offer for a profit. (Source: J. Fred Weston, Mark L. Mitchell J. Harold Mulherin -- Takeovers, Restructuring, and Corporate Governance: page 529)



White Knight

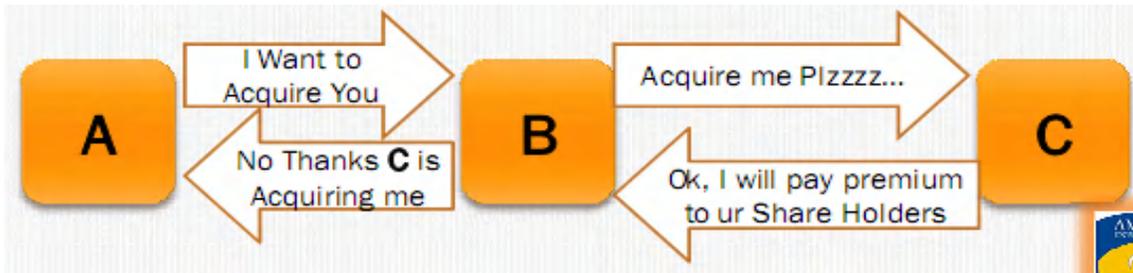


Exhibit 19

Zarlink

Sep 1 2011: Specialty chipmaker Zarlink Semiconductor said on Thursday it expects a white knight to best a hostile C\$550 million (\$561 million) takeover offer from U.S. rival Microsemi, and is in talks with at least 15 potential buyers.

Zarlink said third parties were interested in buying either part or all of the Ottawa-based company, which designs computer chips for communications and medical applications.

"Based on the level of interest which has been expressed to date ... it is likely that a transaction will emerge from the board's strategic process which is superior to the Microsemi offers,"

Zarlink did not identify the suitors, but analysts say its award-winning medical applications technology - it builds wireless chips for medical devices such as pacemakers and defibrillators - could attract such industry giants as Intel, Texas Instruments and Qualcomm, which are either entering or active in the sector.

California-based Microsemi has offered C\$3.35 a share for Zarlink, but the shares have consistently traded higher than that since Microsemi first made its proposal public in July, suggesting the market thinks a higher bid is likely.

Zarlink said several parties have started due diligence and expressed interest in pursuing a transaction.

Exhibit 20

AMAG

Aug 9 2011: AMAG Pharmaceuticals Inc. (Nasdaq: AMAG) announced Monday its board of directors has unanimously voted to reject a takeover bid by New York investment firm MSMB Capital. MSMB, a shareholder in AMAG, had launched a takeover effort in hopes of halting a proposed merger between AMAG and Allos Therapeutics Inc. (Nasdaq: ALTH).

AMAG, a Lexington, Mass. biotech, markets a therapeutic iron compound to treat iron deficiency anemia. The company hit a rough patch this spring, when sales of the drug came in lower than expected. Allos markets a small-molecule drugs aimed at improving cancer treatments. The merger between the two is expected to save the combined entity between \$55 million and \$60 million a year.

In a news release announcing its opposition to the MSMB offer, the AMAG board reaffirmed its decision to go ahead with the Allos merger.

However, MSMB principal **Martin Shkreli** said the Allos merger would not benefit AMAG or its shareholders. Valued at \$686 million in total, the merger would give Allos shareholders a 39 percent stake in the combined entity. Shkreli has offered to buy AMAG for \$378 million.



White Squire

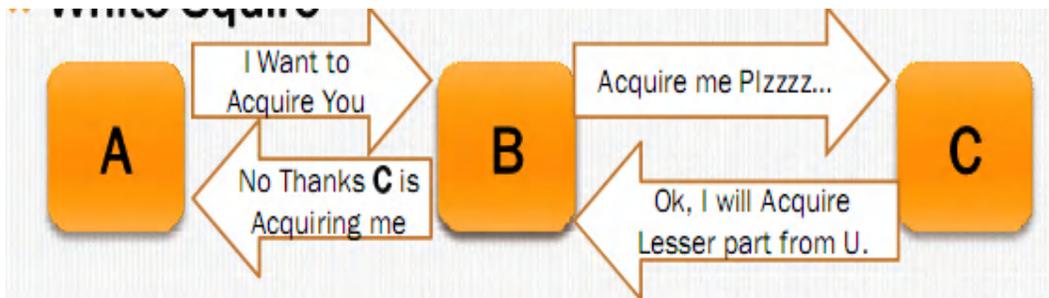


Exhibit 21

Carter Hawley Hale Stores Inc.

'White squire' takeover defense risky

NEW YORK (AP) — Carter Hawley Hale Stores Inc. has shown again that an anti-takeover ploy dubbed the "white squire" defense holds its own risks for companies using the maneuver.

The term's name is a Wall Street derivative of the more popular "white knight" defense, where a company facing a hostile takeover attempt allows itself to be acquired instead by a friendlier suitor.

In using the white-squire tactic, a takeover target places a large block of its shares with a "friendly" investor in order to insulate itself from a hostile bidder.

Carter Hawley, one of the nation's largest retailers, did that in 1984 when it sold General Cinema Corp. a 38.6 percent stake to defuse an unwelcome takeover bid by Limited Inc.

CBS Inc., Walt Disney Co. and Warner Communications Inc. also have used white squires in recent years to ward off unwanted bidders.

But while the white-squire defense might hinder an initial takeover attempt, it also poses the risk that the white squire could eventually cause problems for the company that sought its help.

When Carter Hawley sold the block of shares to General Cinema, for example, the companies also signed a "standstill agreement" that restricted General Cinema's ability to raise its holdings in Carter Hawley, sell its existing stake or vote its stake against management.

But General Cinema was freed from most of those restrictions late last month when

Limited, in a joint effort with Edward J. DeBartolo Corp., made a second attempt to acquire Carter Hawley.

Suddenly, General Cinema was the central figure in the battle over Carter Hawley's future. General Cinema, a Newton, Mass.-based bottler and theater operator, was in position to either side with Limited-DeBartolo or attempt to gain control of Carter Hawley itself.

In the end, General Cinema helped Carter Hawley again thwart Limited by striking a new deal whereby Carter Hawley would spin off its specialty retail stores to its stockholders and keep its department stores.

Even if a white squire does not pose a threat to a company's independence, it still can be a major influence on management.



Recapitalization

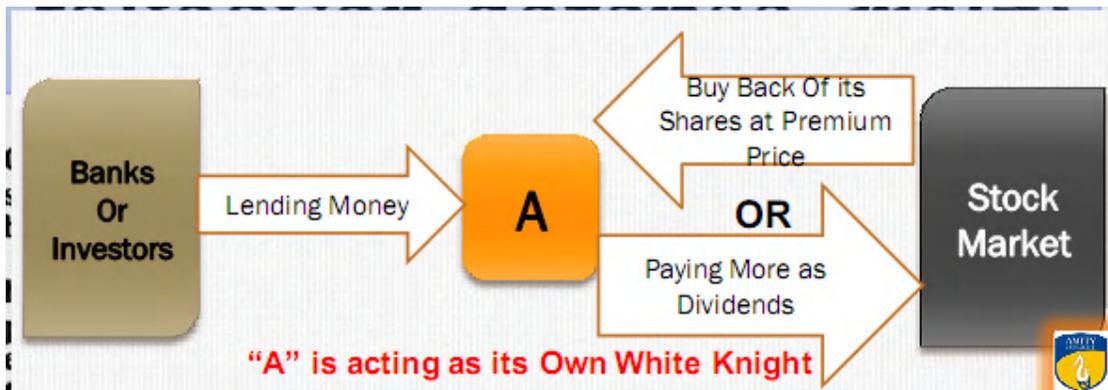


Exhibit 22

Crown Nears Hallmark Recapitalization

Mar 1 2010: Crown Media, the parent of the Hallmark Channel, has approved a proposed recapitalization by its largest debt and equity holder, Hallmark Cards, bringing the greeting card giant another step closer to gaining 90.1% of its outstanding shares, according to documents filed with the Securities and Exchange Commission Monday.

Hallmark Cards has been trying to push through a recapitalization of Crown, which owes the card maker \$1.1 billion, since May. Hallmark's initial proposal -- which would have swapped the \$1.1 billion in debt for a \$500 million loan and \$550 million in equity -- came under fire from some shareholders who claimed the deal would dilute their holdings into oblivion.

And it sparked one shareholder - S. Muoio & Associates - to file suit last year to block the deal.

But since then, Hallmark has amended its proposal to include less onerous terms. On Feb. 9, Hallmark proposed a deal that would recapitalize the company in two transactions - a \$315 million loan, and \$185 million in convertible preferred stock. The balance of Crown's debt (\$600 million) would then be converted into Class A common stock which would revert to Hallmark Cards. As a result of the deal, Hallmark would end up with 90.1% of Crown's outstanding shares.

"We believe the consummation of the recapitalization will be a very positive development for the company and with the significant reduction in our outstanding debt, will help us maintain the operating health of our company," Crown CEO Bill Abbott said in a statement.

If the deal were completed, Crown would have about \$315 million in debt.

Muoio, who agreed to put his lawsuit on hold while Crown and Hallmark worked on the recapitalization plan, declined to comment.

However, both Hallmark and Crown have agreed to allow Muoio seven weeks, beginning on March 1, to review the new proposal before closing on the deal. After that time, Muoio can decide whether to restart his lawsuit, seek an injunction on the deal or drop his litigation and allow the deal to go through.



Share Repurchases

Exhibit 23

COCA-COLA

May 16, 1984. Corporate managers are charged with a straightforward task to enhance shareholder value. In many cases, creating value means introducing a new product or taking steps to cut costs and overhead complex steps that can take years to implement. Coca-Cola (KO), for example, instituted its share repurchase program in 1984, and since that time it has repurchased more than 900 million shares. Given that Coke had just over 3 billion shares outstanding at the beginning of 1984, the company has repurchased nearly one-third of its outstanding share count over a 20-year period. Of course, share repurchase programs do far more than just directly boost shareholders' stake in a firm. Consistent repurchases of stock imply other positives about a company's fundamentals and management's confidence in a firm's prospects. Coke, for example, generated more than \$5.7 billion in free cash flow in 2005. It then used a good portion of this cash to fund its stock repurchases

Exchange Offers

Exhibit 24

AT&T v/s AT&T WIRELESS

April 2001. AT&T offered its stockholders shares in AT&T Wireless Group in exchange for shares of AT&T Corp. The exchange offer was intended to split off AT&T Wireless from the parent company as part of the firm's planned restructuring into three separate and independent corporations. At the time of the offer, AT&T owned approximately 70% of AT&T Wireless that traded on the New York Stock Exchange as a tracking stock. Japan's Nippon Telegraph & Telephone had earlier paid nearly \$10 billion for 16% of AT&T Wireless. According to terms of the exchange offer, AT&T would issue 1.176 shares of AT&T Wireless Group for each share of AT&T stock. The exchange ratio represented a 6.5% premium compared to AT&T's common stock, which was then trading for \$22 per share. AT&T announced it would accept up to 427.7 million shares of its common stock in the exchange, which would be conducted on a pro rata basis in the event AT&T stockholders tendered more than 427.7 million shares.

Proxy Contests

Exhibit 25

MICROSOFT v/s YAHOO

Feb, 2008. Microsoft Corporation made an unsolicited offer to buy Yahoo for \$31 per share. At that time, this offer represented to shareholders a 62% premium over Yahoo's stock price prior to the announcement. With the potential to realize a large capital gain on their investment, many shareholders would have liked to see the merger with Microsoft become a reality. Unfortunately, the board of directors at Yahoo felt the offer by Microsoft under-valued the company. Negotiations between the executives at Microsoft and Yahoo eventually stalled, and Microsoft withdrew their offer on May 3, 2008. Less than two weeks later, billionaire Carl Icahn launched an effort aimed at replacing the board of directors at Yahoo via a proxy contest.



Pac-Man defenses

Exhibit 26

Bendix Corporation

1982. The Bendix Corporation's attempted hostile takeover of the Martin Marietta Corporation. Bendix purchased a controlling stake in Martin Marietta, and essentially owned the company. However, in the brief period between Bendix owning and controlling the company, Martin Marietta's management sold off all non-essential assets to finance its own hostile takeover against Bendix. The Pac-Man defense was supported by United Technologies and Bendix was placed in the difficult position of fending off the counter-takeover. When the dust settled, Bendix was acquired, but not by Martin Marietta; instead, by the Allied Corporation.

ESOP

Exhibit 26

North Carolina Firm

A North Carolina firm with seven operating divisions: Asphalt, Commercial, Concrete Products, Equipment, Grade, Structures, and Utilities. In addition to the heavy construction operation, there are six district offices, ten asphalt plants, thirteen ready mix concrete plants and one concrete block manufacturing plant. Our ESOP involved a \$25 million acquisition plus an additional \$41 million in refinancing. This transaction is being completed in three steps. The first step closed in October of 2001 the last phase will close in mid 2003.

Mississippi specializing in commercial structures and retail complexes. The ESOP itself was \$30,450,000 for 70% of the company. We also provided refinancing of an additional \$10 million at an interest rate of 4.810% year term and a 10 year amortization. The total transaction was \$44.5 million and we saved the company 2% on debt. Over the next five (5) years we will move more than \$80 million to the selling owners after tax



Take Over Tactics

Bear Hug

Exhibit 27

Microsoft Puts Yahoo in a \$44 Billion

Bear Hug not all bear hugs offers results in purchases. For example, on 1 February 2008, Microsoft offered Yahoo shareholders to a bear hug, which represented a 62% premium on the closing price on the prior day. This bear hug offer was ultimately withdrawn three months later following resistance by Yahoo.

Proxy Contest

Exhibit 28

Microsoft and Yahoo

February of 2008, Microsoft Corporation made an unsolicited offer to buy Yahoo for \$31 per share. At that time, this offer represented to shareholders a 62% premium over Yahoo's stock price prior to the announcement. With the potential to realize a large capital gain on their investment, many shareholders would have liked to see the merger with Microsoft become a reality. Unfortunately, the board of directors at Yahoo felt the offer by Microsoft under-valued the company. Negotiations between the executives at Microsoft and Yahoo eventually stalled, and Microsoft withdrew their offer on May 3, 2008. Less than two weeks later, billionaire Carl Icahn launched an effort aimed at replacing the board of directors at Yahoo via a proxy contest

Street Sweep

Exhibit 29

Allied Stores

October 1986, for example as manager of allied stores corporation were basking in the news that they had just defeated a tender offer by Campeau corporation, Campeau bought 48% of Allied stock(5.8 millions shares) in a 27 minutes, \$1.73 billion street sweep.

Saturday Night Special

Exhibit 30

Garlock Inc

November 21, 1975: A "Saturday night special" (or "blitzkrieg") is a surprise takeover attempt. In 1975, Colt Industries (manufacturer of guns) attempted what would be a successful takeover of Garlock Inc., a gasket maker. In a New York (NY) *Times* advertisement on November 21, 1975, Garlock's chairman told Colt, "WE DON'T THINK YOUR RUSH 'SATURDAY NIGHT SPECIAL' TENDER OFFER IS A CREDIT TO AMERICAN BUSINESS AND WE DON'T THINK IT'S IN THE BEST INTEREST OF OUR STOCKHOLDERS."

Dawn Raid

Exhibit 31

Korea National Oil Co

Saturday, 18 September 2010: Korea National Oil Corporation was last night in touching distance of pulling off its £1.7bn hostile bid for Dana Petroleum, after a dawn raid that saw it snap up almost 30 per cent of the Scottish oil company's shares. While Knoc needs 90 per cent of Dana's shareholders to sell up for the deal to be finalized, the Koran state-backed company is now understood to be extremely confident of securing the prize at the end of what has been a bitter takeover battle.



LEVERAGE BUY OUT

Exhibit 32

Gibson Greeting Cards

In 1982, the company Gibson Greeting Cards was acquired by a financial group headed by Wesray Capital. The purchase price of the buyout was US\$80 million. The financial group itself put in only US\$1 million, borrowing the rest in junk bonds. Upon acquisition, the group turned Gibson Greeting Cards into a privately held corporation. A year and a half later, in the midst of a bull market, they went public with the company again. The total value of the company at this point was US\$220 million. One of the principle architects of the leveraged buyout, William Simon, who had initially invested US\$330,000, received US\$66 million from the final transaction.

MANAGEMENT BUY OUT

Exhibit 33

CONGOLEUM Corporation

In 1980, CONGOLEUM Corporation an NYSE listed company with nearly \$600 million annual sales revenue was acquired by a newly formed shell corporation in which Congoleum managers owned for 16 % of the common stock. The remaining stock in the new corporation was hold by small group of institutional investors and by the financial advisor that arranged the acquisition. Debt financing constituted 87 % of the new corporation public stockholders \$38 share in cash each and Congoleum was effectively transformed from a dispersed ownership corporation into a privately held firm in which top management held a significant equity stake.

