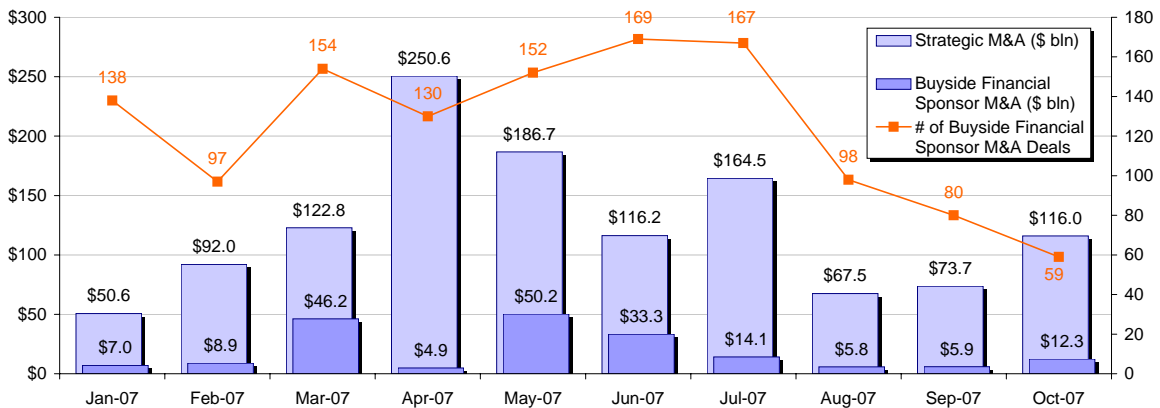


THOMSON FINANCIAL PRIVATE EQUITY IN FOCUS - NOVEMBER 2007

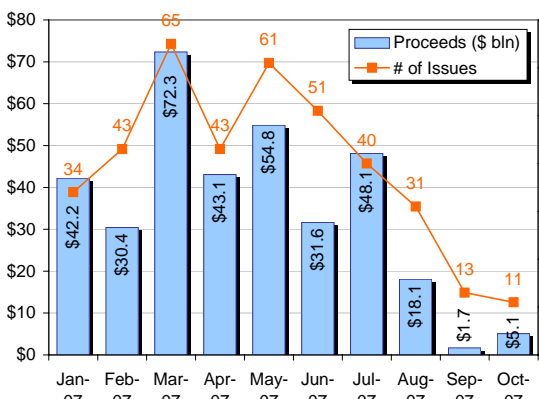
- **European Buyouts Still Low** - Only 59 transactions in October worth \$12.3 bln, far from the highest level in May at \$50.2 bln. Financial sponsor deals represented around 25% of all M&A deals during May and have fallen to around 10% in recent months. Strategic M&A is back to more normal levels in October (\$116 bln). **Chart 1**
- **Financing at a standstill** – Dramatically reduced activity of European leveraged syndicated loans issuance in the 3 months following the credit crunch. There was only one European high yield bond between July and October. **Chart 2 & 3**
- **Mega Deals worst hit** – Buyside financial sponsor M&A deals above \$2bln are worst hit in Europe during Q3 2007. The combined value of all deals over \$2bln totals just \$5.5bln in Q3 against \$54.6bln in Q2 07.
- **Minimal impact on sub \$500m deals** - mid market deals remain unaffected by the credit crunch. Total Q3 deals amounted to \$8.7bln versus \$9.3 bln in Q2 07. **Chart 4.**
- **All time high Debt/EBITDA ratio** – The average debt/EBITDA ratio for European buyout in 2007 stands at 5.9x driven by a large appetite for buyout debt. Going forward extreme multiple such as 9.5x are expected to be the exception, as a result we could anticipate a lower average multiple. **Chart 5**
- **Financial Sponsor IB Fees Shrink** – In the absence of leveraged syndicated loans, refinancing and IPOs, financial sponsor IB fees are down over the last 2 months to reach a year low in September. European fees reached \$69 mln in September, down 90% from June 07 (year high of \$ 624mln) **Chart 6**
- **Top PE firms outspend Corporations in 2007** – Thanks to a strong first half of the year, analysis of fee payers show that mega funds like Blackstone & KKR have paid more in fees than Corporates. On average the top 10 private equity firms spent twice as much on fees compared to the top 10 corporates. **Chart 7 & 8**
- **PE Performance** - Buyout returns (net of fees) in Europe are at their highest levels in the 1-3 yr range (42.7-18.8%). Looking at the normal timeframe to judge PE fund performance, 5 year and 10 year returns (13.3 -16.6%) still shows buyout funds outperform public equity, bond and hedge fund returns. It remains to be seen whether long term returns will be affected by the recent lack of refinancings and a decrease in leverage multiples. **Chart 9**
- **P/E vs Premiums** - Analysis of average premiums paid in buyout transactions shows financial sponsors not paying excessive premiums compared to strategic buyers (**Chart 11**). Public company P/E ratios are forecast to stay at current levels or even decrease slightly over the next few years as companies better manage their earnings and demonstrating that the high levels of M&A activity have not led to an overvaluation in stock markets. **Chart 10**

1 - EUROPEAN TARGETED STRATEGIC VS. BUYSIDE FINANCIAL SPONSOR M&A

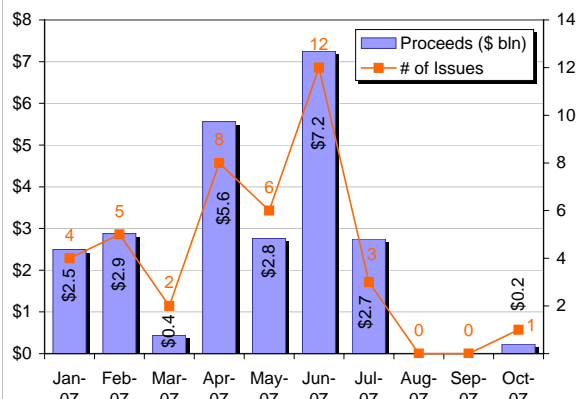


Source: Thomson Financial

2 - EUROPEAN LEVERAGE SYNDICATED LOANS

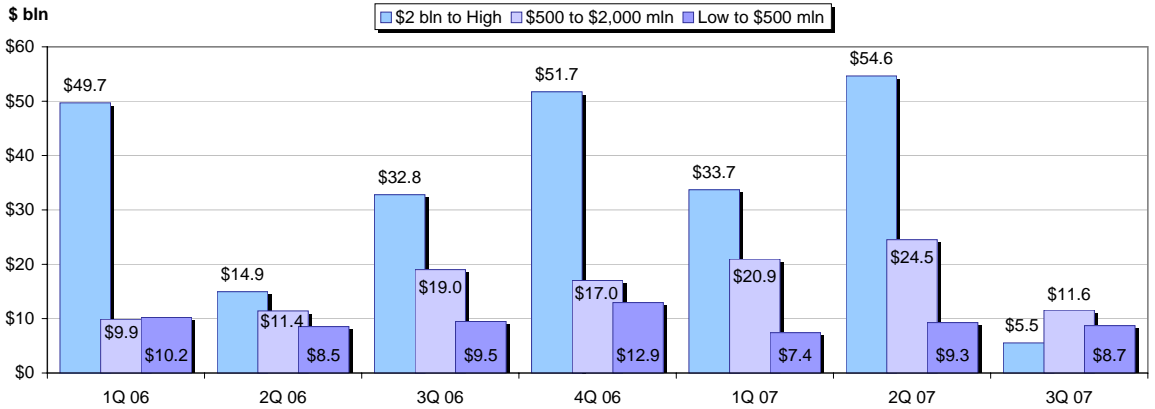


3 - EUROPEAN HIGH YIELD CORPORATE BONDS



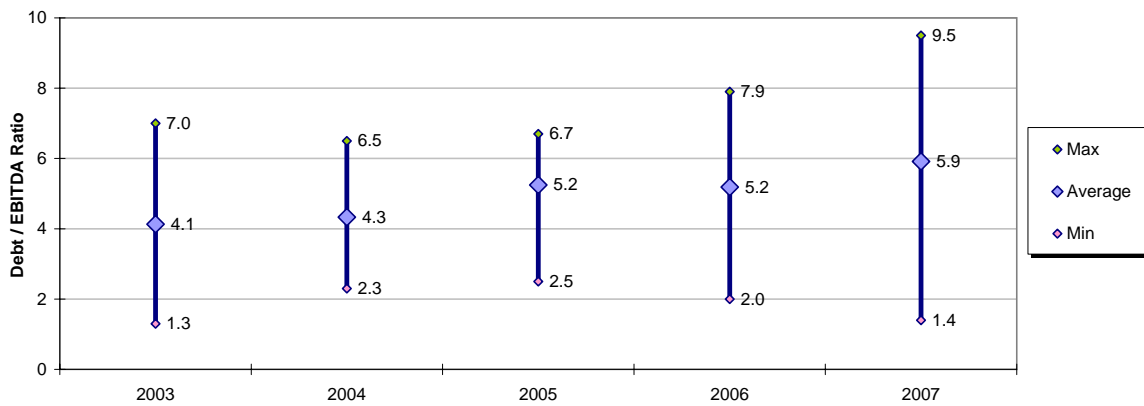
Source: Thomson Financial

4 - VALUE RANGE ANALYSIS - EUROPEAN BUYSIDE FINANCIAL SPONSOR M&A



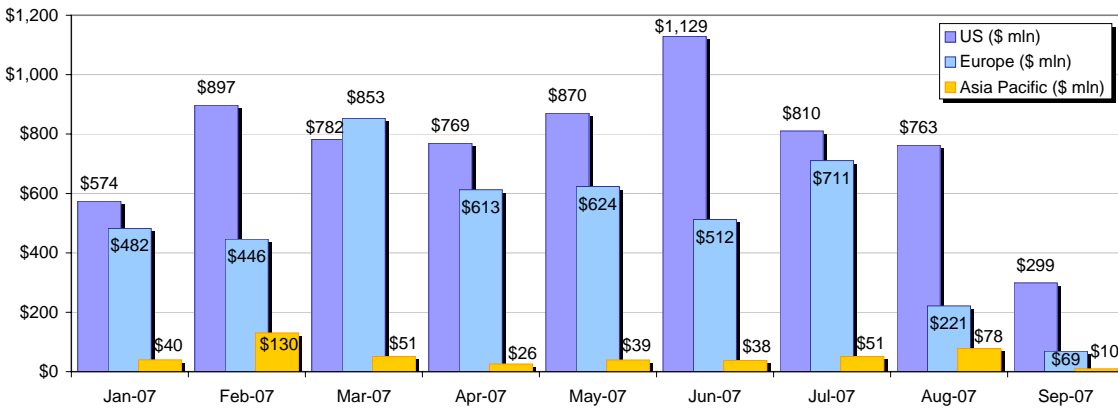
Source: Thomson Financial

5 - AVERAGE DEBT/EBITDA RATIO - EUROPEAN BUYOUT TRANSACTIONS



Source: Thomson Financial

6 - GLOBAL FINANCIAL SPONSORS IB FEES BY REGION



Source: Thomson Financial/Freeman & Co

7 - TOP FINANCIAL SPONSORS BY IB FEES PAID IN 2007*

Rank	Sponsor	Fees Paid (\$mln)
1	Blackstone Group	921.5
2	KKR	779.7
3	Apollo Management	533.3
4	Goldman Sachs	381.9
5	Warburg Pincus & Co	331.6
6	CVC Capital Partners	324.8
7	Carlyle Group	321.3
8	Apax Partners Ltd	284.1
9	Madison Dearborn	267.3
10	Cerberus Group	259.9
Total Market		11,886.1

8 - TOP COMPANIES (EXCL. FINANCIAL) BY IB FEES PAID IN 2007*

Rank	Company	Fees Paid (\$mln)
1	General Electric Co	394.2
2	Freeport-McMoRan	333.3
3	ENEL SpA	227.3
4	General Motors Corp	218.3
5	Alliance Boots PLC	218.1
6	Tata Group	182.6
7	Smurfit Kappa Group	165.1
8	Linn Energy, LLC	155.5
9	Iberdrola SA	154.7
10	AstraZeneca PLC	142.1
Total Market		78,083.7

* YTD to 30/09/07

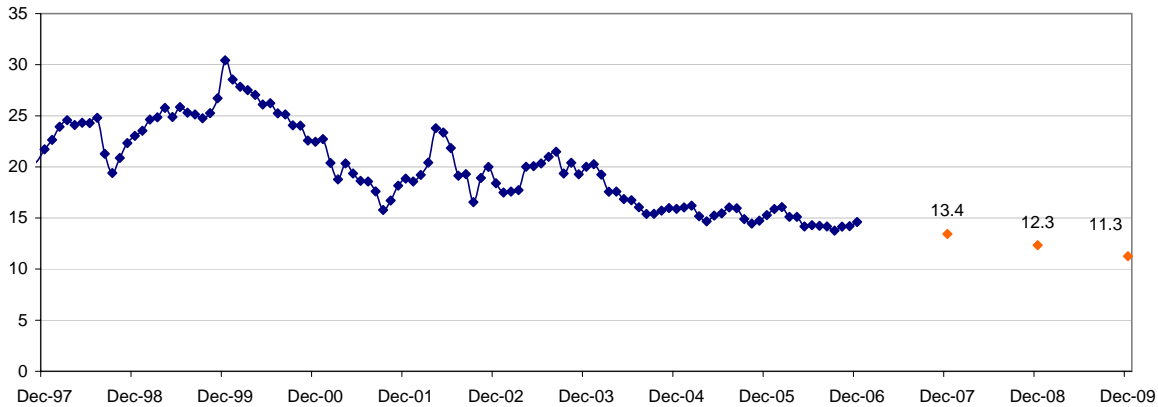
Source: Thomson Financial/Freeman & Co

9- EUROPEAN PRIVATE EQUITY PERFORMANCE BENCHMARKS

Fund Type	1 Yr	3 Yr	5 Yr	10 Yr	20 Yr
Early Stage VC	8.8	2.4	-3.2	-0.8	0.3
Balanced VC	42.1	12.1	-0.7	4.4	6.9
Development Stage VC	-9.9	9.7	2.5	6.7	8.3
All Venture	24.0	7.2	-0.7	3.0	5.1
Small Buyouts	48.2	7.8	5.5	11.4	12.6
Med Buyouts	24.7	15.8	10.3	21.3	17.6
Large Buyouts	7.6	6.7	2.8	25.6	21.0
Mega Buyouts	44.1	24.2	18.5	15.4	15.3
All Buyouts	42.7	18.8	13.3	16.6	15.8
All Priv Equity	41.0	16.1	9.3	12.0	11.8

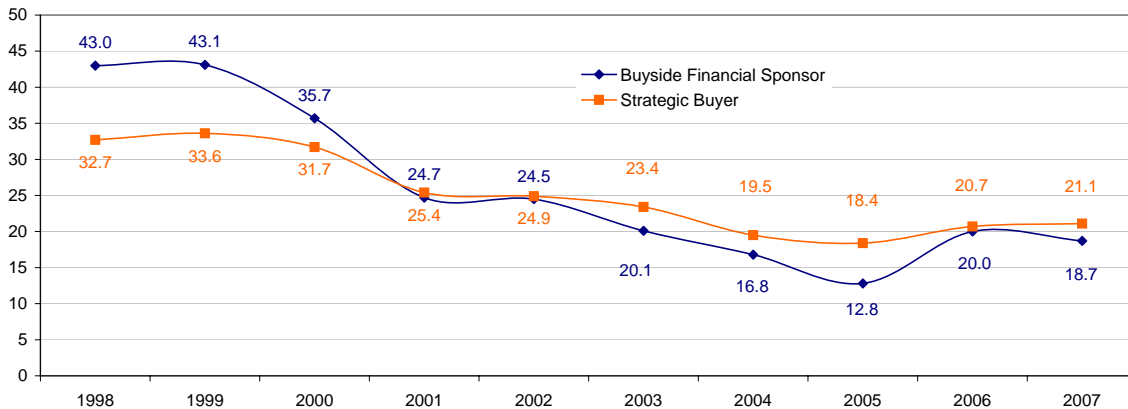
Source: Thomson Financial

10 - AVERAGE P/E RATIOS AND MEAN ESTIMATES FOR MSCI AC EUROPE



Source: Thomson Financial

11 - AVERAGE 4 WEEK DEAL PREMIUM (%) - EUROPEAN TARGETED M&A



Source: Thomson Financial

About Thomson Financial

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