

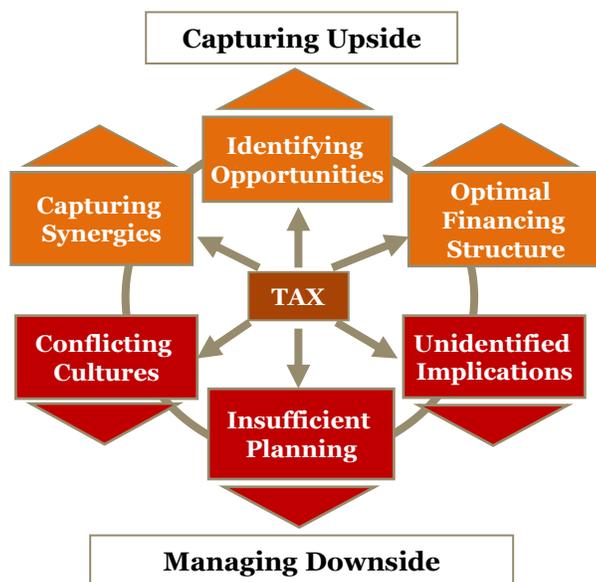
Mergers & Acquisitions Tax Services



Tax issues have a major impact on the successful completion of transactions and post-deal integration. Early involvement and development of a tax efficient plan/structure will maximize the return on your deal.

At PwC, we provide more than technical tax expertise. We work with our clients not only to identify and manage the tax risks involved in the transaction, but more importantly to identify and capitalize on opportunities.

A merger and acquisition (M&A) transaction presents a unique opportunity to implement tax planning and create substantial synergies which are unlikely to have been taken into account when evaluating the merger. Similarly, if not planned and implemented properly, a merger can create huge costs which were also not planned for.



The PwC Advantage

Our approach to M&A tax services:

- emphasizes clear communication of tax and structuring issues;
- provides creative solutions for business problems;
- uses an international team of deal experienced M&A tax specialists; and
- is supported by a detailed methodology.

The Canadian Mergers and Acquisitions Tax Services group consists of dedicated full-time mergers and acquisitions tax professionals located in Montreal, Toronto, Calgary and Vancouver.

We're also a part of the PwC global mergers and acquisitions tax team, the largest team of mergers and acquisitions tax specialists in the world. More important than size, is the common methodology which promotes efficiency and effectiveness.

Our merger and acquisition tax services include:

- tax due diligence;
- transaction structuring and financing;
- complex restructurings;
- transaction cost analysis; and
- post-acquisition reorganization, integration and compliance matters (e.g., large scale tax election filings).

M&A tax services form one component of our transaction support/deal advisory practice.

PwC has one of Canada's largest multidisciplinary teams of M&A professionals. *The Global Tax Monitor*, an independent global study conducted by Taylor Nelson Sofres (TNS), recently ranked PwC as the lead in the market for M&A tax services in Canada according to reputation and usage figures for 2011





Tax Due Diligence Investigation

A tax strategy that meets your deal objectives prior to formal bids, letters of intent or commencement of due diligence, should be developed.

Formal tax due diligence involves a detailed review and analysis of the target company's tax position. The areas of our analysis include:

- Canadian and US tax compliance
- Contingencies and aggressive filing positions
- Transfer pricing
- Identification of risk areas
- Commodity taxes , and
- Tax planning opportunities

Our focus is on purchase price issues and purchase agreement considerations. We communicate issues in a concise, non-technical manner along with an estimated quantification of any exposures.

Transaction Structuring and Financing

Structuring to take advantage of opportunities or to facilitate the integration of operations can add value to a transaction and help achieve synergies. Structuring tends to be very deal specific given the objectives of the parties. The focus can be on a number of areas including creative financing structures, maximizing tax basis, purchase price allocation, deferral of vendor gains, managing future tax costs, partnership arrangements or exit strategies.

If your organization is contemplating a merger, acquisition, spin-off, reorganization or divestiture transaction, we will conduct a review to identify the most tax efficient structure that meets your needs.

We prepare a detailed structure memorandum setting out each stage of the project. This acts as an important communication tool to ensure that liaison with other advisors and communication of each stage of the process, is handled in a disciplined way.

Our group also specializes in complex corporate reorganizations including butterfly reorganizations, post-acquisition basis "bumps" etc. Our link to the global PwC team provides a one-stop shop for international structuring solutions.

Post-acquisition Reorganization and Integration

In the period immediately following a merger or acquisition, it is imperative that management is able to rapidly and effectively implement its business strategies.

To streamline the process, we offer advice on the necessary reorganizations to integrate business operations. We can also assist in identifying and implementing tax planning opportunities to optimize the group tax position.

Our team can also handle all your post-acquisition compliance requirements including tax return and tax election preparation.

Transaction Cost Analysis

Many companies find that their deal costs are capitalized or not otherwise deductible, thereby increasing the cost of transactions. The goal of transaction cost analysis is to provide you with a CRA ready analysis, allocating costs to deductible and non-deductible categories. Through detailed analysis, interviews with your service providers and our past experience, we are able to support the highest level of current deductions.

At PwC our M&A Deal Service Offerings cover the deal spectrum from origination through post-closing

Corporate Finance

- Deal sourcing
- Buyer identification
- Lead management
- Financial sponsoring
- IPO advisory
- Valuation
- Project finance
- Privatization

Transaction Services

- Financial due diligence
 - for buyers
 - for sellers
- Investigative and management due diligence
- IT systems due diligence
- Post acquisition reviews and other post deal services
- Sale and purchase agreements
 - representations, warranties, indemnities
 - purchase price adjustment mechanism
 - completion audit

M&A Tax

- Tax due diligence
 - for buyers
 - for sellers
- Tax structuring
 - for holding structure and repatriation planning
 - tax-effective financing planning
 - tax incentive planning
 - tax rulings
- Post deal integration
 - transaction cost analysis
 - internal reorganizations
 - compliance/elections



For further information, contact:

Toronto

Eoin Brady	416-869-2354
Jim Briggs, National Leader	416-365-8874
Peter Dale	416-869-2437
Doug Frost	416-365-8852
David Glicksman	416-947-8988
David Klassen	416-869-2430
Janice Russell	416-365-8810
Marc Ton-That	416-814-5775
Jim Wilson	416-869-2988

Montreal

Alex Bearzatto	514-205-5207
Alain Perusse	514-205-5121

Calgary

Johnson Tai	403-509-7544
Jay Black	403-509-6630

Vancouver

Ronnie De Zen	604-806-7065
John Robinson	604-806-7099