

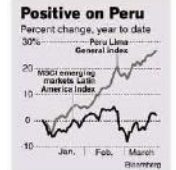
Edited by the International Herald Tribune

MARKETPLACE by Bloomberg

International Herald Tribune | 15 Tuesday, March 27, 2007

AROUND THE MARKETS Peru stocks soar on solid growth

DOMESTIC GROWTH, driving the mining-dominated stock market in Peru into the best performer in the Americas this year... The Lima General Index has surged 181 percent in the past 12 months...



and silver — are lower than their 2006 records even after recovering some of those losses this year. A strong economy is helping to counter those declines...

Peruvian economy grew at the fastest pace in 12 years last year as the government bought hedge debt held in dollars and increased foreign reserves to fortify an expansion...

Peru's stock market rose 27 percent this year, compared with 4.4 percent growth and 15 percent profit for the region and a 9 percent gain for the rest of the world...

Rivals merge to form top U.K. house builder

BY SOPHIE KERRON AND BRIAN MCGEE LONDON: Taylor Woodrow and George Wimpey said Monday that they would merge to form the biggest house builder in Britain, countering increased competition at home and a prospect of a 50 percent rise in share prices...

A lawyer who became GE's top deal maker

BY RACHEL LAYNE BOSTON: On a Thursday evening in September 2003, Pamela Daley, General Electric's top mergers and acquisitions lawyer, boarded Jeffrey Immelt's custom-built 757 in the company's hangar...



Pamela Daley, GE's chief lawyer, is seen in a photo with other executives.

At Barrat, Redfern said that he was targeting a figure of 28 percent, but that the deal would be done at 25 percent...

Porsche increases VW stake

BY CHAD THOMAS AND JEREMY VAN LAM

BERLIN: Porsche has raised its stake in Volkswagen to 30.8 percent and said Monday that it planned to defend VW, the largest European automaker, against possible takeover from hedge funds and buyout groups...

Porsche also is offering 600,000 of an ordinary share for the rest of the company, 14 percent below the close in Frankfurt on Friday...

Porsche obtained a €35 billion line of credit to finance the purchase of Volkswagen, which is based in Wolfsburg, though it does not want a majority stake at this time...

Macquarie raises stakes in Alinta bid

BY JOYCE MOUNIKAS AND ANGELA MACDONALD-SMITH

SYDNEY: A group led by Macquarie bank took more than 74 billion Australian dollars in cash and stock for Alinta, the biggest Australian owner of gas pipelines and power grids...

Xstrata bids for LionOre \$4 billion effort to corner more nickel output

BY BRETT FOLEY

LONDON: Xstrata said Monday that it would buy LionOre Mining International of Canada for \$4 billion, a deal that would increase its nickel production by 36 percent at a record cost...

Macquarie raises stakes in Alinta bid

Alinta, based in Perth, merged back in January after being informed of a management buyout and it would measure any offers against a restructuring that involves splitting the business into two public entities...

Porsche increases VW stake

By Chad Thomas
and Jeremy van Loon

BERLIN: Porsche has raised its stake in Volkswagen to 30.9 percent and said Monday that it planned to defend VW, the largest European automaker, against possible influence from hedge funds and buyout groups.

Porsche, based in Stuttgart, Germany, paid €100.92, or \$134.08, a share for the additional 3.6 percent stake, said Frank Gaube, a Porsche spokesman. "There has been a lot of speculation in the market about hedge funds or private equity coming in and buying a stake" in Volkswagen, Gaube said. That "would give us a lot of headaches."

The Volkswagen chairman, Ferdinand Piëch, whose family controls Porsche, has increased his dominance of VW since Porsche first bought a stake in 2005, installing Porsche executives on the board and forcing out its chief executive. German politicians and family controlled companies have protested against increased takeovers by venture capital firms, which last year were branded asset-stripping "locusts" by the German labor minister, Franz Müntefering.

Porsche also is offering €100.92 an ordinary share for the rest of the company, 14 percent below the close in Frankfurt on Friday, which values Volkswagen at €42.7 billion. German securities regulators will determine the minimum offer for VW's preferred shares.

"Once again, a cunning move from Mr. Piëch," said Jürgen Meyer at SEB Asset Management in Frankfurt. "If Porsche had bid, say, €130 for Volkswagen, every hedge fund would have jumped in and driven the price even further upward. Instead, they are going the much smarter way, making this low offer and waiting until things cool down."

"The price indicates that Porsche management is acting in a rational way," said Daniel Broby, chief investment officer at Bankinvest in Copenhagen. "This is a takeover by stealth and it will be a long time before we see the final endgame."

Shares of Volkswagen on Monday fell €3.75 to close at €113.95 in Frankfurt. Porsche rose €6.52 to close at €1,121.45.

Porsche obtained a €35 billion line of credit to finance the purchase of Volkswagen, which is based in Wolfsburg, though it does not want a majority stake at this time, Gaube said Sunday. "We want to be able to act, to increase our stake when it suits us."

Porsche exercised the purchase option to take its holding to 30.9 percent from 27.3 percent, the carmaker said in a statement Monday. Porsche will complete the acquisition of the shares on Wednesday. German law requires an investor to make a takeover offer to all shareholders once its holdings pass the 30 percent threshold.

The benefit of bidding now is that Porsche is freed up to make future Volkswagen stake purchases as it sees fit. Once having made the minimum legal bid to all shareholders, Porsche is no longer required by law to present further purchase offers to all stakeholders, the company said Saturday.

"With such an unattractive offer they certainly do not run the risk of winning a majority stake," said Christopher Kummer, the director of the Institute of Mergers, Acquisitions and Alliances at Webster University in Vienna. "In the long run, however, anything short of a majority stake won't make any sense."

"Piëch and Wiedeking are looking at this as a 1,000-year investment," said Adam Jonas, an analyst at Morgan Stanley in London. "This isn't a hedge fund making a trading investment that they'll get rid of in a few years."

Bloomberg News

Porsche increases stake in Volkswagen

By Chad Thomas and Jeremy van Loon

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