





CORPORATE FINANCE

Deal Announcement

ADVISORY

KPMG Corporate Finance advised Dixon Ticonderoga Company (DXT), one of the oldest publicly traded companies in the United States, on its sale to Fila-Fabbrica Italiana Lapis ed Affini S.p.A.



Dixon Ticonderoga Company
KPMG Corporate Finance
acted as financial adviser to
Dixon Ticonderoga Company on
its sale to Fila-Fabbrica Italiana
Lapis ed Affini S.p.A.
US\$56 million
February 2005

AUDIT • TAX • ADVISORY

The Company

Dixon Ticonderoga Company manufactures and markets writing instruments, art supplies, and tools for self-expression. Headquartered in Heathrow, Florida, Dixon was established in 1795 and is one of the oldest publicly traded companies in the United States.

The Situation

Dixon was approached over a period of time by several parties that were interested in acquiring all of the issued and outstanding shares of the company. As such, the Board of Directors of Dixon formed a Negotiating Committee to assist them in negotiating a transaction, as the management and their families held a majority position in the company.

The Transaction

KPMG Corporate Finance was engaged by the Negotiating Committee of Dixon to assist the Negotiating Committee and the Board of Directors in reviewing and evaluating offers and offer terms with prospective buyers, and to assist in their analysis of a sale of Dixon. Additionally, KPMG Corporate Finance provided negotiation assistance and advice to the Negotiating Committee. A successful transaction was negotiated with Fila-Fabbrica Lapis ed Affini S.p.A., an Italian maker of pens and design instruments, for US\$7 a share, which represented a 75 percent premium to the stock price at the time of the initial offer from Fila. The acquisition will help Fila enter the U.S. market with Dixon's well-known art materials and writing and office products that include brands such as Ticonderoga®, Prang®, and Dixon®.

KPMG Corporate Finance: Objectivity. Insight. Experience.

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We welcome the opportunity to meet you, learn more about your company's objectives, and discuss our people and capabilities.

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