

Press Announcement

Klein Farber Advises On and Secures Financing for the Leveraged Buy-in of I. Magid Distributors

TORONTO—September 7, 2005—Klein Farber Corporate Finance Inc. has announced the successful closing of the leveraged buy-in of Montreal-based food and household products distributor, I. Magid Distributors on behalf of its clients, Irwin Katz and Nelson Neil.

Klein Farber negotiated, engineered and arranged the financing for this multi-faceted, seven-figure deal, which allows for the existing family owners, the three Magid brothers, to maintain an ongoing interest in the future of the business, while positioning it for even greater success.

“We have known Irwin personally and professionally for many years and have great faith in his and Nelson’s ability to open up new marketing and distribution channels for the solid base of products we have established over the years,” said Michael Magid, who will now share the CEO title with Irwin Katz.

Founded in 1966 by the brothers’ late father Issy Magid, I. Magid sources and distributes consumer-packaged goods mainly to the discount channel. Their products cover the snack-food, household and traditional grocery, and health & beauty aid categories. Katz and Neil, who worked together through the ‘80s and ‘90s at Mars Canada (now Effem Foods), have strong track records in sales, marketing and general management with consumer goods multi-nationals. Their plan is to leverage their expertise to upgrade the I. Magid product portfolio and accelerate expansion into the existing core as well as the new North American channels with which they are so familiar.

According to Katz, “With its mix of branded and private label products and diverse and well-established international suppliers, I. Magid is the ideal platform for us to build from.” Neil added, “Irwin and I had been planning a joint business venture, and I. Magid proved to be the best opportunity for us.”

Katz and Neil engaged Klein Farber to value, negotiate and structure the deal and to raise the required capital. “Having worked with some of the leading private equity and professional financial firms in Canada, I can say that Klein Farber supported us throughout the challenging and constantly changing process with the highest level of skill, creativity and integrity. It was very clear that they bring many years of experience to their dealings,” said Katz.

Eric Klein and André Kleynhans are the operating partners of Klein Farber, a member of the Farber Group of specialty financial services. Klein Farber raised the buy-in capital and operating financing from TD Commercial Banking in Montreal. Katz and Neil were represented by Montreal attorneys Kugler Kandestin for the definitive agreements, Ernst & Young for tax planning, and Capital Assist Inc. for due-diligence examinations. The Magid brothers were represented by PSB Accountable Solutions of Montreal during the negotiations and for their tax planning needs, and the Montreal office of McCarthy Tétrault LLP for legal advice.

About Klein Farber Corporate Finance

Klein Farber Corporate Finance Inc., part of the Farber Group, offers specialist advisory and execution services to owner-operated and mid-sized corporate clients in mergers & acquisitions, disposals and joint ventures, equity, mezzanine and debt capital raisings and refinancing, business valuations, and business and financial strategic planning. The practice assumes engagements only where it believes that genuine value can be added to client needs. Our team of experienced corporate finance partners will work seamlessly with you and your other professional advisors to ensure that your transaction is pro-actively and expertly managed and negotiated to achieve optimal results. Other specialty services provided by the Farber Group include forensic accounting, fraud investigations, insolvency and restructuring, turnarounds and CFO placement services. For more information please visit: www.afarber.com

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