

## *Livingston International Income Fund announces increased cash offer of \$9.50 per unit from CPP Investment Board and Sterling Partners*

**FOR IMMEDIATE RELEASE**

**Attention Business Editors**

December 15, 2009

**Unitholders representing approximately 60% have committed or voted to support the offer**

TORONTO, Canada - Livingston International Income Fund (TSX: LIV.UN) ("Livingston"), Canada Pension Plan Investment Board ("CPPIB") and Sterling Partners announced today that they have agreed to amend the acquisition agreement dated October 7, 2009 to increase the amount of consideration to be received by unitholders from \$8.00 to \$9.50 in cash per unit (less any amounts withheld from non-resident unitholders on account of taxes, as applicable).

CPPIB and Sterling Partners have advised Livingston that unitholders representing 20,379,669 units, or approximately 59.7% of the total outstanding units, including 10 large institutional unitholders representing 19,531,621 units, or approximately 57.2% of the total outstanding units, have voted for the existing offer or committed to support the amended offer, provided that no superior offer is made. In the case of committed unitholders representing 33.6% of the total units, a superior offer is defined as one under which Livingston unitholders would receive more than \$10.10 per unit.

The amended price represents a premium of 19% to the original offer and of 54% based on the volume-weighted average price of the units for the 30 trading days ended October 7, 2009, the day before the original offer by CPPIB and Sterling Partners was announced. The amended offer has the unanimous support of Livingston's board of trustees.

"Now that a majority of our investors have indicated their support for this offer, we are confident that remaining unitholders will also elect to receive the significant cash premium and immediate liquidity," said Peter Valentine, Chairman of Livingston's Board of Trustees. "With CPP Investment Board and Sterling Partners as owners, Livingston will be well positioned for future growth."

Rick Elfman, Senior Managing Partner for Sterling Partners, said, "Since we first made our offer over two months ago, the debt markets have improved. This has enabled us to put a more appropriate capital structure in place and amend our valuation of the company."

Added Mark Wiseman, Senior Vice President, Private Investments CPPIB, "Recent improvements in economic conditions, unexpected gains in the Canada-U.S. trade surplus and more favourable

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terms from our lending syndicate have had a positive impact on Livingston's outlook and have altered the fundamentals of this transaction. We are pleased to have the support of Livingston's board, management and a majority of investors and look forward to completing this transaction to acquire a leading Canadian company."

Under the amended acquisition agreement, CPPIB and Sterling Partners would be entitled to an increased termination fee of \$11.9 million in certain circumstances. The closing of the transaction would occur on the later of January 19, 2010 and that date which is five business days after the receipt of the final required approval. Investment Canada Act approval of the transaction is expected to be received on or before December 23, 2009. The transaction continues to be subject to other customary closing conditions.

The transaction is subject to approval by unitholders holding more than 66 2/3% of the units actually voting at the special unitholder meeting. As previously announced, the special unitholder meeting to approve the acquisition by CPPIB and Sterling Partners is now scheduled for Wednesday, December 23, 2009 at 9:30 a.m. EST, and the voting deadline has been extended to Monday, December 21, 2009 at 9:30 a.m. EST. The record date for the special meeting remains October 14, 2009, and the location remains the offices of Stikeman Elliott LLP, 199 Bay Street, Commerce Court West, in Toronto.

Livingston has also retained Scotia Capital Inc. as soliciting dealer manager. Scotia Capital Inc. will form a soliciting dealer group consisting of members of the Investment Dealers Association of Canada. Members of the soliciting dealer group will be invited to solicit Livingston unitholders in Canada to vote for the arrangement resolution. Subject to certain exceptions, a solicitation fee of Cdn\$0.05 for each Livingston unit voted for the arrangement resolution will be payable to the soliciting dealer whose name appears in the appropriate space on the Livingston proxy form or voting instruction, subject to a minimum fee of Cdn\$100.00 and a maximum fee of Cdn\$1,500.00 in respect of each beneficial owner of Livingston units holding at least 500 units. Livingston will also be reimbursed by CPPIB and Sterling Partners for all reasonable costs and expenses, including communication expenses, incurred by the dealer manager. No solicitation fees will be payable if the arrangement is not completed. CPPIB and Sterling Partners will bear the costs of the solicitation of proxies.

***Update to tax considerations included in Management Information Circular***

Because the effective date of the transaction is expected to occur in 2010, Livingston estimates that the portion of the Final Redemption Amount, as defined in the Management Information Circular dated October 28, 2009 ("Circular"), that will constitute income, other than taxable capital gains, will be a nominal amount per unit. However, unitholders of record on December 31, 2009 are expected to be allocated an amount equal to the Fund's undistributed net income for 2009, which Livingston has estimated to be approximately Cdn\$0.21 per unit. Such income will be distributed to unitholders in the form of additional units. Immediately following the distribution of such additional units, the units of the Fund will be consolidated such that, after the consolidation, unitholders will own the same number of units as they owned prior to the distribution, except to the extent that additional units have been withheld for the purposes of satisfying non-resident withholding taxes.

As noted in the Circular, in addition to withholding taxes payable in respect of the income distributions referred to above, if the aggregate of the Fund's taxable capital gains for the 2010

taxation year, which is the year in which the effective date of the transaction is expected to occur, that are designated to non-resident unitholders exceeds 5% of such taxable capital gains designated to all unitholders for that taxation year, a non-resident unitholder will be subject to Canadian non-resident withholding tax at the rate of 25% (or such other rate as applies under the provisions of an applicable income tax convention) of the aggregate Capital Gain Distribution paid to the non-resident unitholder. Livingston's revised estimate, as a result of the increase in the purchase price, is that the Capital Gain Distribution will be approximately Cdn\$1.85 per unit. As noted in the Circular, non-resident unitholders may wish to consider disposing of their units on the TSX with a settlement date that is prior to the effective date of the arrangement. Non-resident unitholders should consult their own investment and tax advisors with regard to this decision.

#### ***How to vote***

If unitholders wish to attend and vote at the special meeting in person, they should contact their broker, securities dealer, trust company or other intermediary well in advance of the special meeting to obtain information on how to vote in person. Alternatively, unitholders should exercise their right to vote by following the instructions provided with the Circular or by otherwise following instructions provided by their broker or other intermediary. Unitholders are advised to provide their voting instructions via Internet, telephone or mail. Details are explained in the Circular under the heading "General Proxy Matters".

#### ***How to change a vote***

If unitholders who voted against the acquisition previously now wish to support the amended acquisition, it is essential that they change their vote and vote in favour of the amended acquisition at \$9.50 per unit. Livingston's trustees recommend that unitholders who had previously voted against the acquisition change their vote to support the amended offer. Unitholders can change their vote by Internet, telephone or mail by re-submitting voting instructions using the voting instruction form provided by their broker, securities dealer, trust company or other intermediary. Unitholders who require a new copy of their voting instruction form should contact their broker, securities dealer, trust company or other intermediary. It is also possible to revoke or change previously submitted voting instructions given to a broker, securities dealer, trust company or other intermediary by simply providing written notice of such revocation or change to them. Laurel Hill Advisory Group can also assist unitholders in changing their vote, by calling 1-800-209-3068.

#### ***For further information***

Unitholders wishing further information or who have questions should contact Laurel Hill Advisory Group toll free in North America at 1-800-209-3068. Unitholders may also visit the Investors section of Livingston's web site at [www.livingstonintl.com](http://www.livingstonintl.com).

#### ***Forward-looking statements***

Certain statements in this release may be considered forward-looking statements, which reflect the board and management's current beliefs and expectations and which involve assumptions about expected future events or results that are subject to inherent risks and uncertainties. There is significant risk that assumptions and other forward-looking statements will not prove to be accurate. Many factors could cause actual future results, conditions or events to differ materially from the results or outcomes expressed, including risks related to trade volumes, deterioration of economic conditions, currency and interest-rate volatility, the ability to meet credit facility covenants and borrowing limits, the continued availability of credit facilities and bonds, pandemics and regulatory

change, among others. Furthermore, there can be no assurance that the acquisition agreement will receive all necessary consents and approvals and that the proposed transaction will materialize. Investors are cautioned not to place undue reliance on assumptions or forward-looking statements.

***About Livingston***

Livingston International Income Fund is a trust that holds the securities of Livingston International Inc., a leading North American provider of customs, transportation and integrated logistics services. Headquartered in Toronto, Ontario, Livingston has approximately 2,500 employees located at some 100 key border points, seaports, airports and other strategic locations across Canada and the United States. As at the date of this release, Livingston had 34,147,667 units outstanding.

***About CPP Investment Board***

The CPP Investment Board is a professional investment management organization that invests the funds not needed by the Canada Pension Plan to pay current benefits on behalf of 17 million Canadian contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, the CPP Investment Board invests in public equities, private equities, real estate, inflation-linked bonds, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in London and Hong Kong, the CPP Investment Board is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At September 30, 2009, the CPP Fund totalled \$123.8 billion. For more information about the CPP Investment Board, visit [www.cppib.ca](http://www.cppib.ca).

***About Sterling Partners***

Sterling Partners is a private equity firm with a 25-year history of generating superior returns, with a focus on business services, health care and education. With approximately US\$4 billion of capital under management, the firm invests in industries with positive, long-term trends and provides ongoing support with a diverse and balanced team of industry veterans, operators, investors, strategy experts and human capital professionals. Sterling Partners is co-headquartered in Chicago and Baltimore, with additional offices in Mexico City and Delhi. For more information, visit [www.sterlingpartners.com](http://www.sterlingpartners.com).

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