

1 **Q. Reference pages 34-37: DCF Estimates: Would Mr. McDonald confirm that in**  
2 **order for estimates from one country to be used in another the “law of one price”**  
3 **has to hold and that the markets be perfectly integrated with identical**  
4 **fundamentals? If not, why not?**

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6 A. The US DCF evidence relates to a comparable proxy group of companies. Mr.  
7 MacDonald does not believe that the markets need to be perfectly “*identical*” to construct  
8 a comparable proxy group.