



cutting through complexity™

M&A activity from and to emerging markets

21 November 2011



Introduction



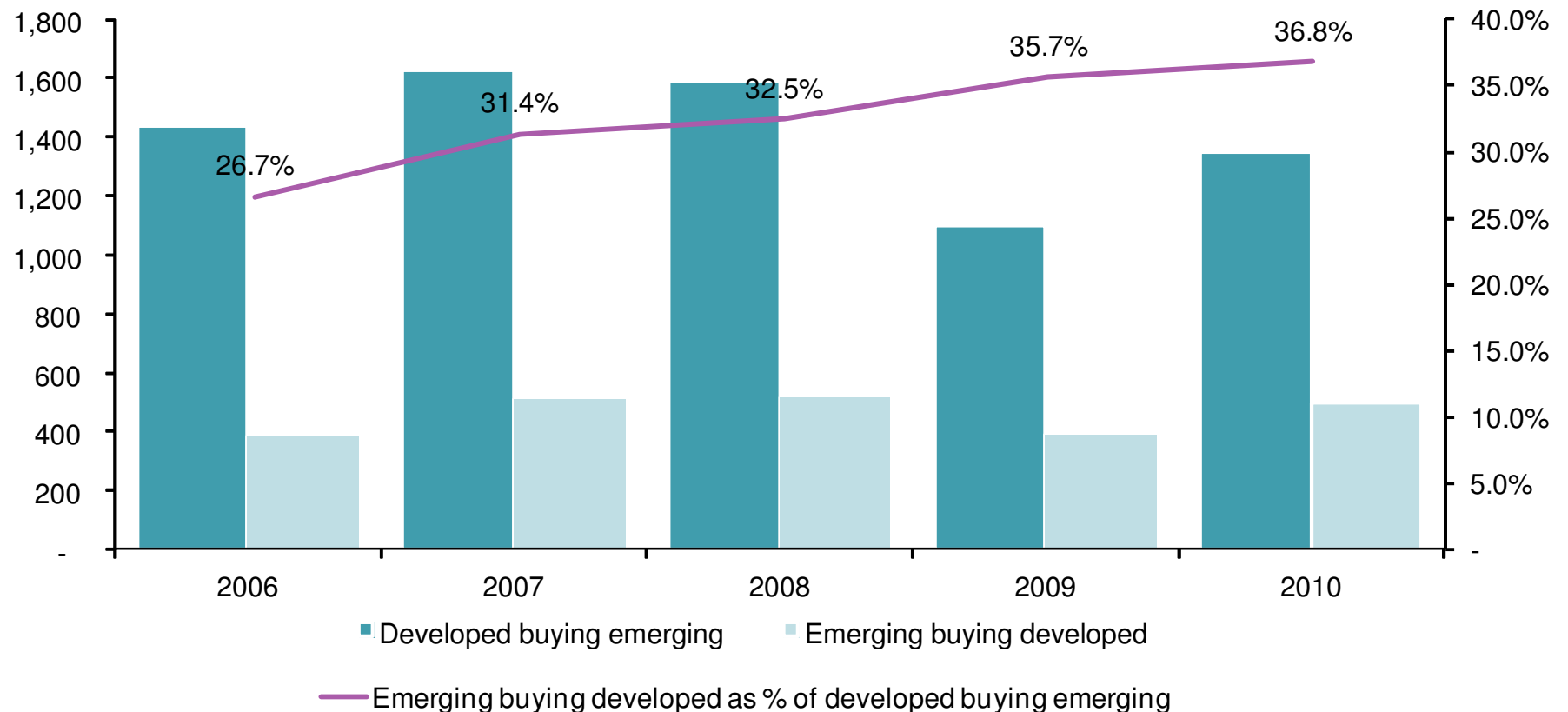
- Wouter van de Bunt
- Joined KPMG in 1997
- Head of the Dutch Corporate Finance practice
- Member of the global M&A board

M&A activity between emerging and developed markets

“Are developed markets buying more in emerging markets or are emerging markets buying more in developed markets?”

Global M&A activity between emerging and developed markets

Global deal activity between developed and emerging markets



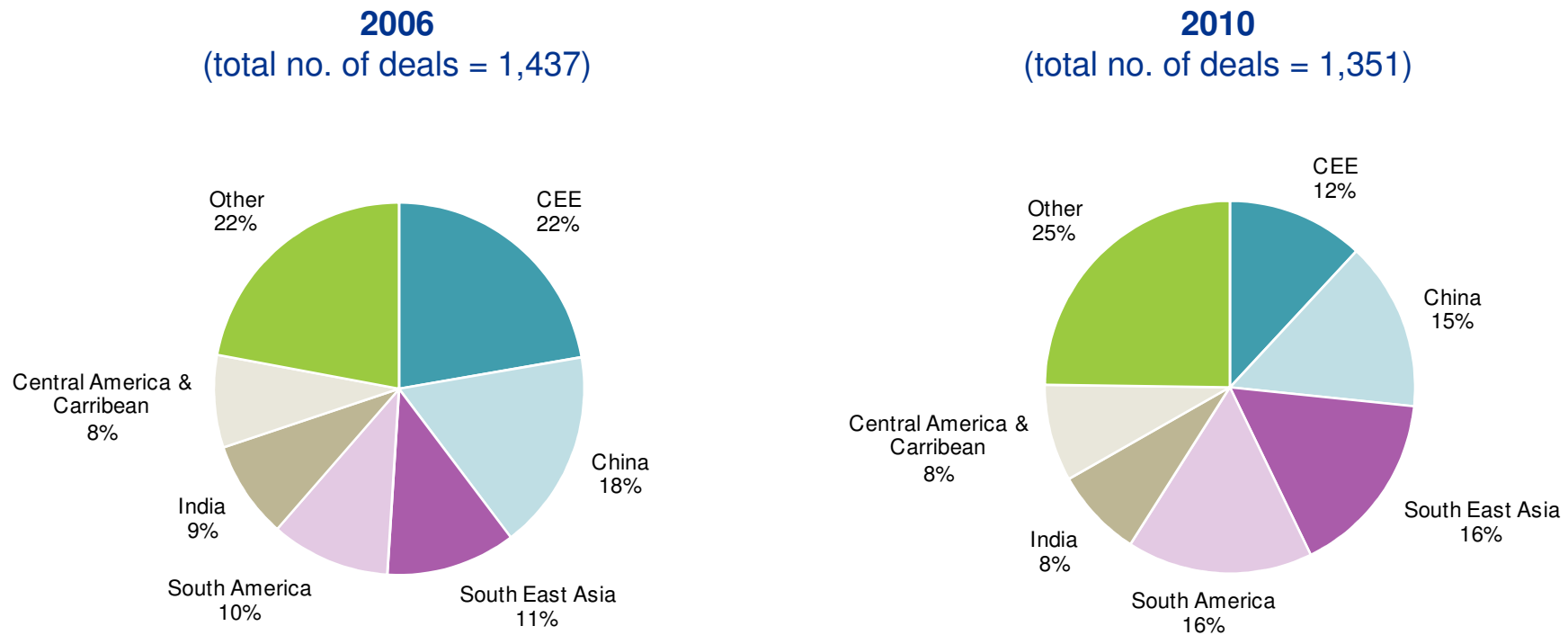
Source: Thomson Reuters SDC; KPMG analysis.

Global M&A activity between emerging and developed markets (2)

*“In which emerging markets,
developed countries invest the most?”*

Global M&A activity between emerging and developed markets (3)

Developed market acquirers of emerging market targets (by emerging)



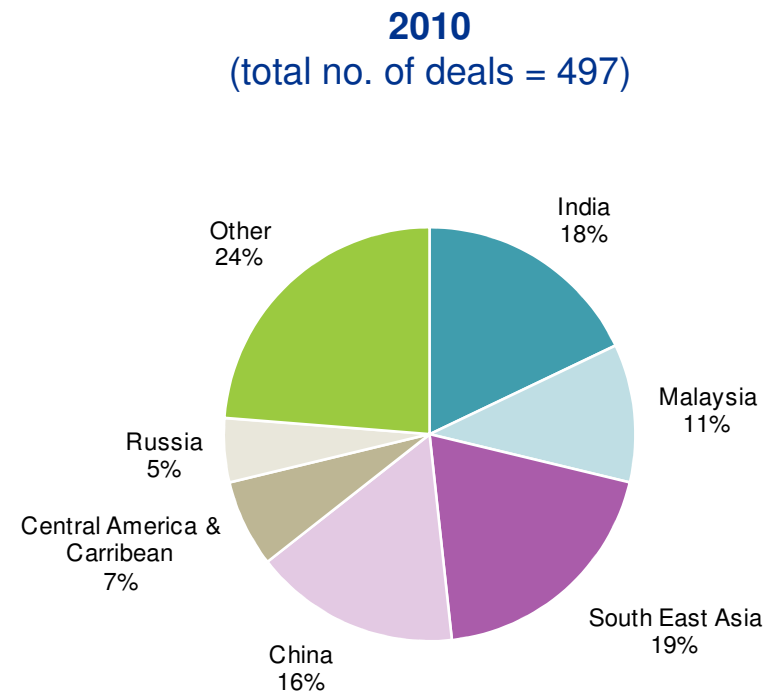
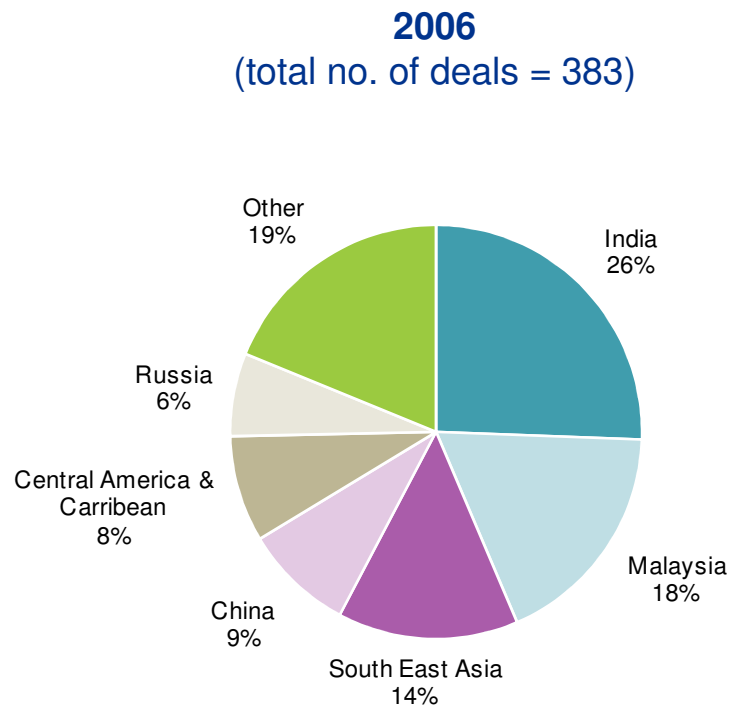
Source: Thomson Reuters SDC; KPMG analysis.

Global M&A activity between emerging and developed markets (4)

“Which are the main emerging markets investing in developed markets?”

Global M&A activity between emerging and developed markets (5)

Emerging market acquirers of developed market targets (by emerging)



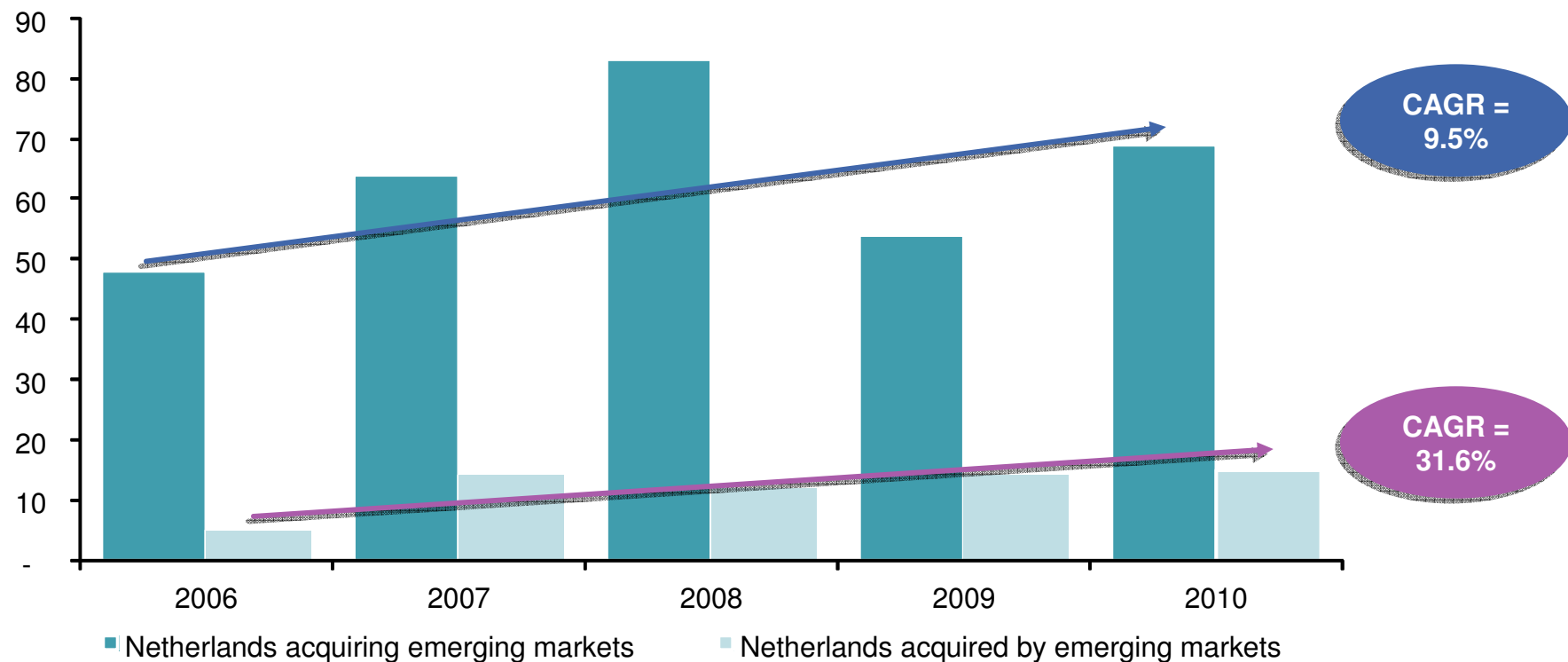
Source: Thomson Reuters SDC; KPMG analysis.

M&A activity between the Netherlands and emerging markets

“What is the position of the Netherlands?”















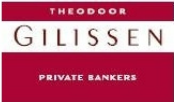



M&A activity between the Netherlands and emerging markets (2)

Global deal activity between the Netherlands and emerging markets



Source: Thomson Reuters SDC; KPMG analysis.

Recent examples of transactions

Selection of transactions with emerging markets			
Country	Company	Deal description	KPMG Involvement
		<ul style="list-style-type: none"> Beijing Hainachuan Automotive Parts Co. bought Inalfa Roof Systems Group for €300 million in 2011. 	
		<ul style="list-style-type: none"> Chinese companies Youngman and Pangda acquire shares in Swedish Automobile. 	
		<ul style="list-style-type: none"> Brazilian meat-processing giant JBS SA is pursuing a takeover of Sara Lee Corp., said people familiar with the matter*. 	
		<ul style="list-style-type: none"> Tata Steel acquires Anglo-Dutch steelmaker Corus for a consideration of \$7.6 billion. 	
		<ul style="list-style-type: none"> Unitas Capital Pte, a Hong Kong Based private equity firm. Ltd. has agreed to acquire Hyva Holding B.V. from 3i Group plc. 	
		<ul style="list-style-type: none"> Precision Capital, the Luxembourg-registered SPV owned by the Qatari royal family, has agreed to acquire KBL European Private Bankers 	
		<ul style="list-style-type: none"> Liquavista BV, announced that it has been acquired by Samsung Electronics. 	

Note: (*) Did not lead to a transaction.

Relative attractiveness of the Netherlands

“Why is the Netherlands such an attractive market for companies from emerging markets?”

The Netherlands is an attractive economy for outside investors



*“What is the M&A rationale
from different stakeholder perspectives?”*

M&A rationale for seller versus M&A rationale of buyer

Strategic rationale		
Stakeholder	Buyer	Seller
Management and employees	<ul style="list-style-type: none"> ■ Acquire foothold in new market ■ Acquire know-how and transfer this to local markets ■ Acquire brand name ■ Acquire highly educated personnel 	<ul style="list-style-type: none"> ■ Leverage on distribution network ■ Cross selling opportunities ■ Maintain number of employees
Society as a whole	<ul style="list-style-type: none"> ■ Keep HQ in local market ■ Takeover should not jeopardise long term stability of the buyer 	<ul style="list-style-type: none"> ■ Maintain employment levels ■ Maintain local know how ■ Taxation should remain in 'own' country

Key questions

Discussion topics

What can we do to shape the future of the Netherlands and take part in the ongoing international consolidation?

Does cross border M&A create value?

From a shareholder perspective, what are the pros and cons of a buyer out of an emerging market in a M&A process?

What can Dutch companies do to attract buyers from emerging markets and facilitate them in M&A processes?

What should be taken into account when acquiring a company located in an emerging market?