



*cutting through complexity™*

# M&A activity from and to emerging markets

21 November 2011



# Introduction



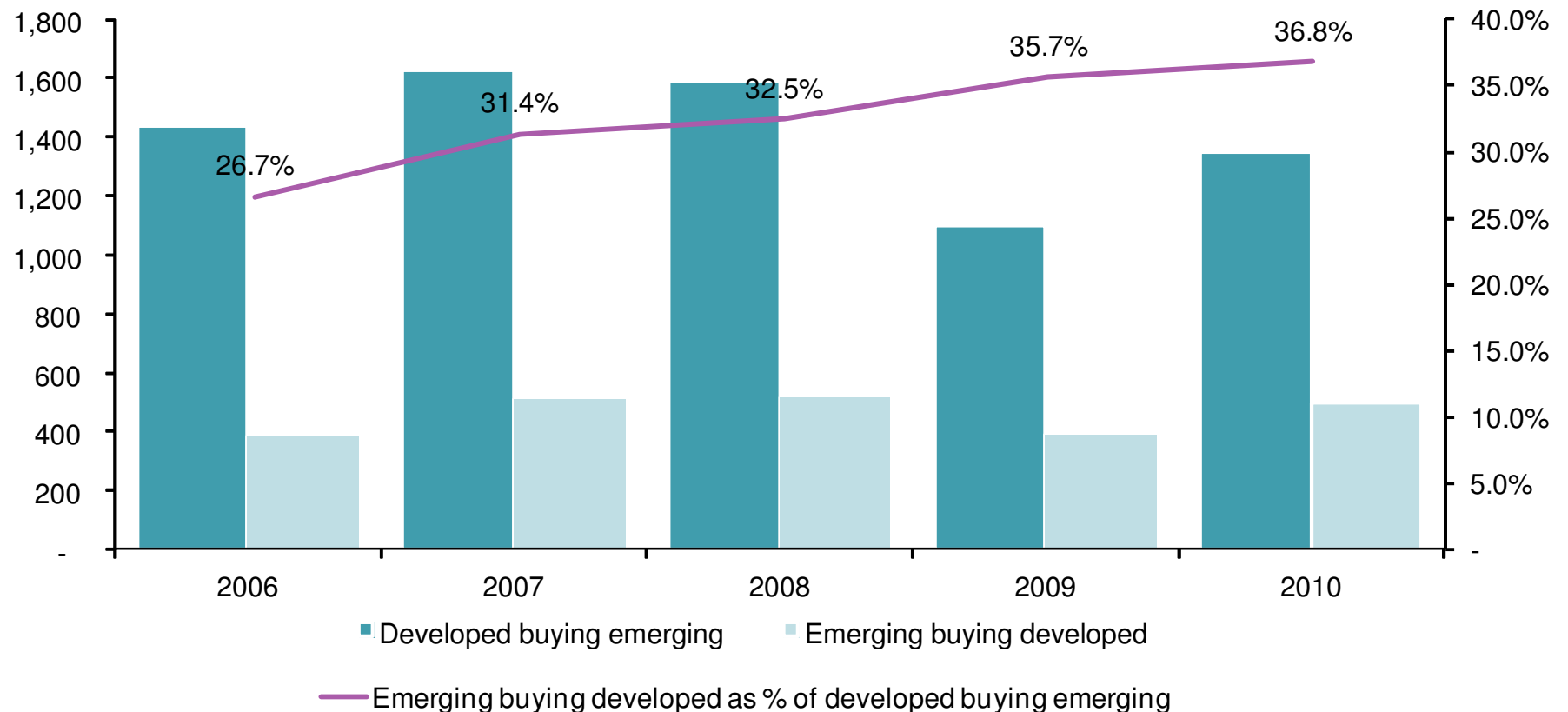
- Wouter van de Bunt
- Joined KPMG in 1997
- Head of the Dutch Corporate Finance practice
- Member of the global M&A board

## 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



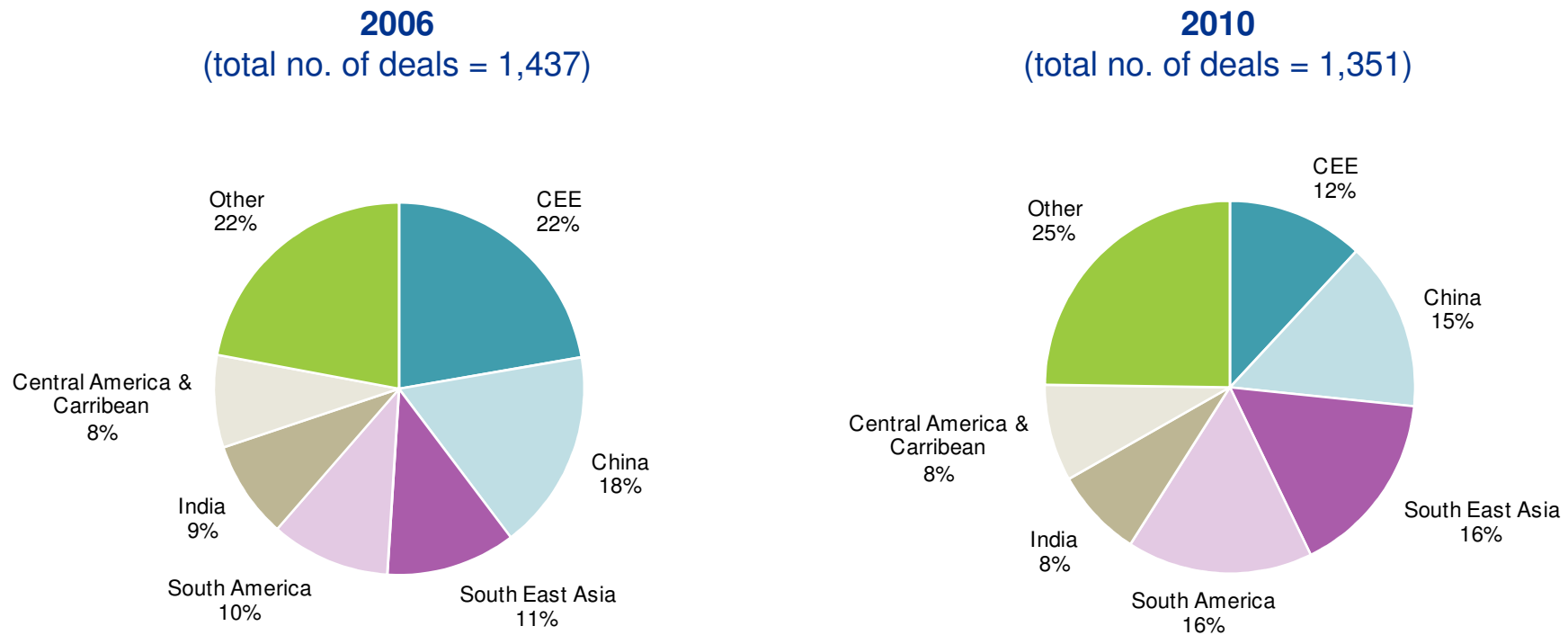
Source: Thomson Reuters SDC; KPMG analysis.

## 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)



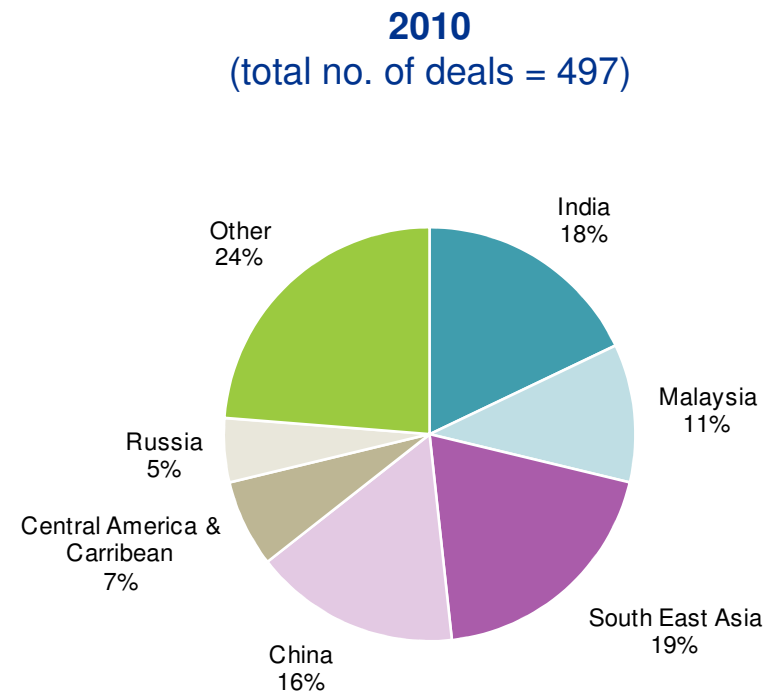
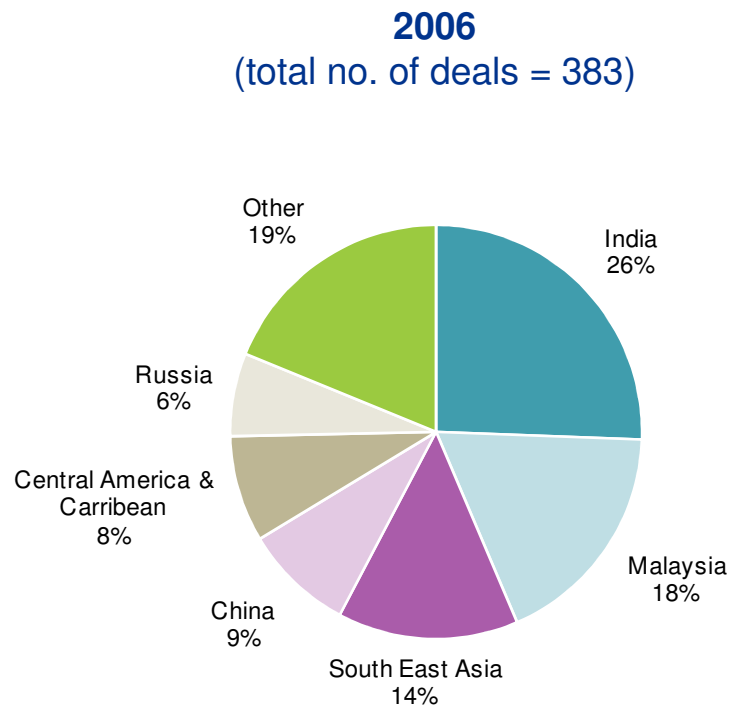
Source: Thomson Reuters SDC; KPMG analysis.

## 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.

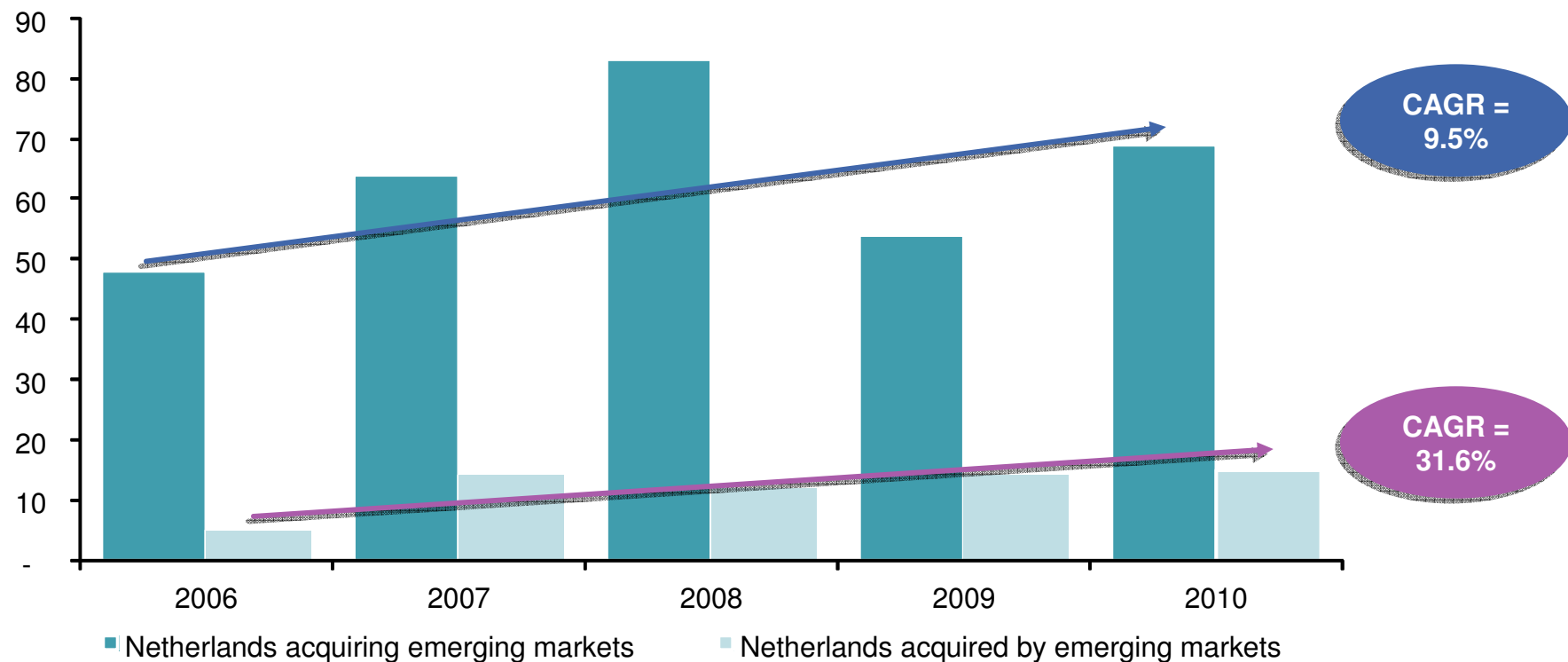


# M&A activity between the Netherlands and emerging markets

*“What is the position of the Netherlands?”*















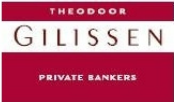



# M&A activity between the Netherlands and emerging markets (2)

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

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

# 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?**