Brazil is a strategic focus for foreign corporates. Its role as host of the 2014 FIFA World Cup and the 2016 Summer Olympic Games is acting as a catalyst for a major government-led programme of infrastructure projects across the country.

Foreign corporates are attracted to these high growth opportunities available across Brazil's economy. Brazil attracts one of the highest levels of FDI globally and with investment expected to reach a record US$70 billion in 2013, competition for high quality assets is increasing.

Key findings from our research:

- Foreign corporates from low growth economies are participating in Brazil's US$600 billion plus investment programme to upgrade infrastructure and increase energy production. The demand for experienced specialist providers is creating opportunities across the supply chain and driving inbound M&A.

- Brazil is forecast to be the fifth largest consumer market globally by 2020. Both foreign corporates and international financial investors are using acquisitions of leading domestic brands to enter the market and establish a platform for growth.

- Brazil has a complex operating environment and investors typically enter the market via a joint venture or through a majority stake acquisition which can include a path to full ownership.

“The increase in global cross-border capital flows combined with Brazil’s macro-economic fundamentals and disciplined policies makes Brazil a very attractive destination for foreign companies to invest.”

Leonardo Antunes, Managing Director, BroadSpan
Foreign direct investment to reach record US$70 billion in 2013

Brazil is the third most attractive investment destination by value globally with only China and the US attracting a higher proportion of inbound foreign direct investment (FDI).

- GDP growth is forecast to exceed 3% in 2013 (see Figure 1). The domestic economic stimulus implemented during 2012 will support higher growth. Real interest rates are currently close to historical lows, retail sales are increasing, unemployment is low by Brazilian standards and industrial and business confidence is rising.

- Higher growth means Brazil remains attractive for inflows of FDI. FDI are expected to increase from an estimated US$64 billion in 2012 to US$70 billion in 2013 and US$75 billion in 2014 (see Figure 2). The US, UK, Spain, Germany and China account for the majority of investment.

International companies have focused on sectors linked to rising consumer spending including food products and beverages, retail and consumer products, insurance and commodities (see Figure 2). Around 75% of investments have been made in projects with a value less than US$500 million.

Source: Brazilian Statistics Bureau, *Credit Suisse

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Top 5 FDI by segment 2012 (US$ billions)

- Financial services: 4.3
- Oil & gas extraction: 4.4
- Insurance: 4.4
- Commerce (ex. vehicles): 5.9
- Food products & beverages: 6.7
- Metals: 6.5

Source: Central Bank of Brazil, *Credit Suisse
Fifth largest consumer market globally by 2020

By 2020 Brazil is forecast to be the fifth largest consumer market in the world with household consumption of US$1.8 trillion. Foreign companies are attracted to consumers’ discretionary spending power (see Figures 3 and 4). The middle class has grown to around 133 million people in 2014 with 85% of the population living in urban areas. Brazilian consumers are optimistic about the outlook for their household income, and fiscal initiatives have been targeted to support consumption.

Foreign brands are taking advantage of the growth in spending on areas such as alcohol, technology and fashion. For example, UK drinks giant Diageo acquired the leading premium cachaça brand Ypióca for US$455 million in 2012. Cachaça is the largest spirits category in Brazil and the acquisition gives Diageo a platform for the sale of premium international spirits brands in Brazil.

As incomes have risen, consumers are also spending more on buying services such as education and healthcare. This is leading to M&A.

- H.I.G. Capital acquired Cel Lep Idiomas, a leading premium English Language Teaching network, in 2012
- Italian global medical device manufacturer Sorin Group recently acquired Alcard Industria Mecanica, a manufacturer of medical devices for cardiac surgery
- Canada-based Valeant is a serial acquirer and has established a strong presence in dermatology and the sports food supplement market with the acquisitions of Instituto Terapêutico Delta, Bunker Indústria Farmacêutica and Probiotica
- US-based Agfa HealthCare acquired healthcare IT company WPD, enabling Agfa to increase its market share for imaging and IT systems for radiology in Brazil

Figure 3: Global consumer market in 2020 US$ trillion

Source: Exame Magazine and McKinsey

Figure 4: Broad retail sales % YoY

Source: Brazilian Institute of Geography and Statistics
Demand for automobiles is increasing, but with light vehicle density just 137 per 1,000 people compared to more than 640 cars in the US, the potential for growth is significant. Brazil’s auto sales hit a record high in 2012, growing by over 6% from 2011 to reach over 3.6 million vehicles (excluding trucks and buses).

Demand is being boosted by reduced industrial products tax and an increase in financed car purchases. As shown in Figure 5, a range of foreign manufacturers including Fiat and Volkswagen have a significant market share for their locally-produced vehicles and are investing heavily to develop local production capabilities.

Brazil is auctioning concessions for major airports, railways and toll roads. Auctions, which will typically be won on price, are open to international competition. Foreign corporates are attracted to companies with concessions. For example, in 2012 US-based Brookfield Infrastructure established a joint venture with Abertis Infraestructuras to acquire a majority stake in Arteris for US$1.7 billion. Arteris is one of the largest owners and operators of toll road concessions in Brazil.

Foreign corporates are using their technical expertise to supplement Brazil’s less mature infrastructure capabilities. Companies from the UK are particularly active:

- Balfour Beatty entered the market via a partnership with leading construction company Camargo Corrêa and is working on rail links to the mining industry based in north Brazil.

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**Bottlenecks driving major infrastructure spend**

The 2014 FIFA World Cup and 2016 Summer Olympic Games are acting as a catalyst for public and private investment to upgrade Brazil’s infrastructure, which is running at overcapacity and slowing economic growth.

The Government will spend US$33 billion on preparations to host the World Cup and Olympics including building stadiums, water sports venues, hotels, roads, subways and airports. This will be supplemented by investment from the corporate sector in the supply chain related to the events.
- JCB, which has a factory in Brazil, has won orders to provide over 1,000 backhoe loaders worth around US$60 million.
- Engineering consultant Arup, which has two offices in Brazil, is working on two venues for the Olympic Games.
- Engineering and development consultancy Mott MacDonald has been involved in designing and planning tolling systems, designing construction supervision for new highway communications systems and developing control centres for maintenance and rescue services.
- Passenger simulation software designed by Legion is being used across a range of transport projects across Brazil.

"Arup has worked in Brazil for years, but previously we used project offices set up to deliver specific schemes. The opening of the new permanent offices in Rio and São Paulo plants a clear marker that we are here to stay and that we believe there is a strong future for Arup in this country."

Ricardo Pittella, Arup’s Country Director for Brazil

Source: Arup press release

Figure 6: Over US$600 billion is being invested across infrastructure projects by the Brazilian government

Source: Brazilian Statistics Bureau
A perspective on M&A trends and market entry strategies

BroadSpan is the Brazilian partner of Mergers Alliance. Leonardo Antunes, BroadSpan’s Managing Director has completed deals, capital raising and project finance worth over US$15 billion in South America. He discusses M&A trends and provides insights into how foreign companies are entering Brazil.

BroadSpan is helping a range of investors access opportunities in Brazil

We are currently working with both public and private foreign companies, as well as private equity who recognise that they need to supplement their expertise with local specialists who have significant strategic and transaction experience. Most inbound interest is currently coming from the US, UK, France and Spain.

M&A activity is focused on three key areas

Companies based in the low growth developed economies are being forced to look to faster growing countries like Brazil for opportunities. Developed economies have mature industrial sectors, sophisticated business services providers and leading consumer brands. Companies in these areas are taking advantage of the scale of investment being made across Brazil’s infrastructure and energy supply chain, and the spending power of the rapidly increasing middle class. This is being reflected in M&A activity (see page 8).

While the mega deals grab the headlines, there is a lot of activity by large and mid-sized foreign players acquiring smaller niche players such UK-based Intertek, which recently acquired an 85% stake in Brazilian toy and consumer products testing laboratory E-Test for US$9.9 million.

Using a local advisor is critical to developing and implementing the right market entry strategy

The operating environment for businesses in Brazil is complex and poor advice will lead to costly delays and missed opportunities. It’s vital that companies work with a local advisor who is able to use their market insight and personal relationships with companies and the government to help formulate the right entry strategy, use their expertise to evaluate the best local opportunities and deliver a transaction successfully.

Potential acquirers need to consider issues specific to Brazil

Around 90% of businesses in Brazil are family-owned and many will not have considered an exit strategy. This presents challenges to potential overseas acquirers. It is common for these businesses to maintain two sets of books and for results to be unaudited. High taxes based on revenue rather than profit mean owner-managers are careful about what they declare to the tax authorities. But this often creates a valuation gap with an overseas buyer because of the difference between the declared profit and the actual profit.

BroadSpan has significant experience of creating deal structures which recognise fair value and meet the governance standards demanded by overseas buyers.

Different sectors have specific legislation and tax rules

Foreign corporates need to be aware of the specific requirements associated with operating in Brazil which govern a range of issues including the level of foreign ownership permitted, local content and licensing requirements and taxation and employment practices.

For example, Brazil has multiple taxation regimes with different levels of taxing authorities. Tax laws change frequently, so it’s not unusual for companies and their advisors to work with more than one tax specialist.

The status of employees can also raise issues, especially in the business services sector and consulting in particular. For example, to reduce employment taxes many employees in the service sector are contractors but if an acquirer wants to make employees permanent post-deal, this may trigger historic payroll tax and social security liabilities (see Case study on page 7).

To protect overseas acquirers from claims, Sale & Purchase Agreements tend to include a higher number of indemnification clauses than an overseas acquirer might be used to.
Undertaking rigorous due diligence is especially important in Brazil

We always try to identify and qualify potential issues for our clients in advance of commencing full diligence to avoid surprises and gain early visibility of those areas which may have a significant impact on the value and the transaction process.

Should a client wish to proceed and given the issues discussed earlier, due diligence is critical and can uncover issues such as liabilities associated with existing litigation and potential claims, which affect the valuation of a target and potentially negotiations.

Ensure the acquisition structure is tax efficient

Acquirers need to engage early with tax and legal specialists to ensure a transaction is structured to repatriate dividends and earnings in the most tax efficient way possible. Brazil has signed double tax treaties with only a handful of countries and so holding companies and investment vehicles are often located in jurisdictions like the Netherlands.

New pre-merger review requirement affects transaction planning

New competition laws introduced in 2012 are potentially a significant hurdle for cross-border transactions. Under the previous notification process, transactions could be completed before CADE (Administrative Council for Economic Defense) had given its approval. Now reportable transactions (one party has turnover in Brazil of approximately US$400 million and the other US$40 million) need to receive CADE’s approval before a transaction can complete. The waiting period for a reportable transaction to be reviewed can be up to 330 days. As yet there is no fast track process, although to date “non-complex” transactions have been cleared in around 18 days. Although this creates uncertainty for the vendor and acquirer, the new process removes the possibility of post-merger remedial action.

The new notification and approvals process needs to be factored into the timetable planning for a transaction, especially as the information required in a notification form for a complex transaction is considerable.

Companies prefer to create joint ventures or acquire a majority position

Most companies prefer to enter the market via a joint venture or through a majority stake acquisition. Deal structures range from 50% to 80% and can include a path to full ownership over a two to four year period. The scale of a foreign company’s first acquisition varies with some preferring to make smaller acquisitions in order to understand the market better before making a larger move. Our experience suggests that a staggered approach to full ownership helps to align the interests of a company’s founder or shareholders.

Outlook for foreign investors over the next 12 months is positive

The upcoming World Cup and Olympics, rising purchasing power of the middle class and range of government-supported growth measures means Brazil has the attention of global corporates and investors looking for strategic growth. This will drive increasing competition for high quality assets and stimulate inbound, outbound and domestic M&A.

Case study: Accenture’s acquisition of RiskControl

BroadSpan advised RiskControl, a privately held risk consulting company based in Rio de Janeiro, on its recent sale to US consulting and technology services company Accenture.

Reason for acquisition

The acquisition complemented and expanded Accenture’s risk service in the rapidly growing Brazilian market. It also gave Accenture access to the end-to-end software tool RiskControl, a software platform that helps companies manage, monitor and evaluate risks throughout their business.

How the deal was transacted

BroadSpan navigated through complex deal structures which addressed issues associated with contingent workers including contractors and permanent employees in order to maximize RiskControl’s value.
M&A has a strategic focus

Total deal volumes have increased year-on-year following a dip in 2009 (see Figure 7). There were 643 deals in 2012. Activity has a strategic focus as foreign corporates look to enter Brazil or increase their market share.

- The industrials sector dominated inbound activity in 2012 as foreign corporates used acquisitions to take advantage of the massive investment in the energy and infrastructure sectors.

- M&A activity in consumer-focused areas including food and drink, healthcare and financial services was also high (see Figure 8). Foreign acquirers want to gain access to rising consumer spending via leading brands. M&A levels will remain strong in these sectors in 2013.

- Inbound investment M&A has been characterised by the acquisition of majority and minority stakes, as well as full acquisitions (see Figure 9). For example, US-based CVS Caremark recently acquired a majority stake in Drogaria Onofre, Brazil’s eighth largest retail drugstore chain. The deal is CVS Caremark’s first international acquisition and will act as a platform for the company to participate in the consolidation of a fragmented sector.
A major offshore oil and gas frontier

By 2020, Brazil is aiming to be one of the world’s top five oil producers. One third of global reserves discovered in the last five years have been found in Brazil, including the major find in the offshore deepwater “pre-salt” layers.

Whilst legislation ensures that there will be a significant amount of local content, Brazil needs the expertise of international corporates to achieve its production targets. This means there are significant opportunities for foreign producers and suppliers.

Global majors working alongside sector giant Petrobras

State-backed Petrobras accounts for around 90% of Brazil’s total oil & gas production. It benefits from regulatory advantages over other independent Brazilian and foreign producers such as the requirement that it will be the operator on all pre-salt oil fields.

Global oil & gas majors are committed to Brazil with around 40 companies including Chevron, BG, BP, Shell, Eni, Statoil, Total and ExxonMobil active in the upstream market.

US$400 billion investment programme underway

Petrobras is currently investing US$225 billion across the supply chain to meet its goal of doubling production by 2020. Major investment is also being made by leading independent producers OGX, Cosan and Queiroz Galvão in their exploration and production capabilities.

The Round 11 Auctions to be held in May 2013 (which will include 289 exploration blocks) and Pre-Salt and Shale Gas bidding rounds later in the year will increase the penetration of foreign majors, increase investment and boost M&A. Leading tier 1 suppliers like GE, Aker and Cameron have established a local presence and are positioning themselves to win a share of the spend.

Market entry strategies influenced by local regulations

Petrobras approved suppliers’ register: Companies awarded contracts and orders directly from Petrobras are chosen from the company’s supplier Approval Register. Acquisitions and joint ventures are often the easiest way to enter the register. There are over 5,500 companies on Petrobras’ supplier register so significant M&A opportunities exist. For example, in 2011 UK-based Hydrasun acquired Remaq Ltda, a Brazil-based provider of flexible hose assemblies which had a proven record with Petrobras.

Local content regulations: Goods and services used in the oil & gas industry must have a significant level of “local content”. Joint ventures enable international companies to ensure that they meet this requirement. For example, French oil service company Technip and Brazilian services provider Odebrecht agreed a joint venture which won a five-year contract estimated to be worth US$1 billion to supply two pipeline installation ships to Petrobras.

Selected opportunities in the subsea exploration & production supply chain

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Lead supplier</th>
<th>Support supplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Servicing</td>
<td>Brazil's Wilson Sons provides services within shipbuilding and shipping. It has a service contract with Petrobras to transport supplies</td>
<td>Netherlands-based Damen Shipyards is building new tugs (in Brazil) and providing offshore supply vessels (OSV) to Wilson Sons. OSV engines include Caterpillar generator sets that power Rolls Royce azimuth thrusters</td>
</tr>
<tr>
<td>Drilling vessels</td>
<td>Singapore’s Sembcorp Marine’s wholly-owned Brazilian shipyard Estaleiro Jurong Aracruz secured a US$793 million contract from Gusrupani Drilling BV, Netherlands, a subsidiary of Sete Brasil Participações</td>
<td>Austria-based Palfinger Dreggen has a US$121 million contract to supply cranes to the Jurong Shipyard</td>
</tr>
</tbody>
</table>

Source: Mergers Alliance, company press releases
Private equity investment

Private equity is an important driver of M&A in Brazil with deal volume over the last ten years worth around US$22 billion.

- Both domestic and international PE are focusing on companies benefiting from the growing spending power of the middle class. For example, in 2012 Brazil’s BTG Pactual acquired clothing retail store Leader Magazine for US$274 million in 2012, US-based Carlyle Group acquired furniture store Tok & Stok for US$348 million and UK-based 3i Group has recently led a consortium which has acquired Óticas Carol, Brazil’s second largest eyewear retailer, for US$54 million. Activity will continue to be strong in 2013.

- Large foreign institutional investors are also attracted to investment opportunities. For example, Ontario Teachers’ Pension Plan holds a 12.5% stake in Brazilian iron-ore company Manabi Holding and Canada’s Public Sector Pension Investment Board has acquired a stake in Isolux Infrastructure for US$402 million.

- Exit activity includes trade sales, secondary buyouts and initial public offering. Stratus Group, a Brazilian mid-market private equity investor, listed technology service provider Senior Solution in 2012 and car rental company Locamerica, backed by the private equity arm of Banco Votorantim, floated in April 2012.

Find out more

Specialist advice on call…
For information on Brazil

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Leonardo is Managing Director of BroadSpan. His experience covers a range of sectors including power, oil & gas, mining, technology and healthcare. He has executed over 30 advisory transactions with a value in excess of US$10 billion and over US$5 billion in fund raising and project finance transactions.

Prior to joining BroadSpan, Leonardo was responsible for M&A, capital markets and project finance transactions in Banco Modal and Vice Preside Corporate Finance and Structured Finance for Latin America at ABN AMRO.

Languages spoken: English, Portuguese and Spanish

Michael is a founder and Managing Director of BroadSpan Capital. He has overseen a variety of M&A and restructuring assignments and taken an active role in the development of BroadSpan Asset Management LLC, the firm’s asset management subsidiary.

Before founding BroadSpan, Michael headed the Latin American Capital Markets division at Barclays Capital where he was responsible for capital markets origination and execution for a range of products. While with Barclays, Michael executed over US$3.5 billion of international capital markets financings for Latin American issuers.

Languages spoken: English, Portuguese and Spanish

Private equity has a successful record in Brazil
### Figure 9: Selected M&A transactions

<table>
<thead>
<tr>
<th>Date</th>
<th>Target company</th>
<th>Country</th>
<th>Target Activities</th>
<th>Acquirer</th>
<th>Country</th>
<th>Deal value (US$ mm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar-13</td>
<td>E-Test laboratorio do Ensaio (85% Stake)</td>
<td>Brazil</td>
<td>Toy testing and related services</td>
<td>Intertek Group plc</td>
<td>United Kingdom</td>
<td>10.3</td>
</tr>
<tr>
<td>Feb-13</td>
<td>Drogaria Onofre Ltda</td>
<td>Brazil</td>
<td>Distributor of healthcare and personal care products</td>
<td>CVS Caremark Corporation</td>
<td>USA</td>
<td>NA</td>
</tr>
<tr>
<td>Jan-13</td>
<td>UAB Motors Participacoes S.A.</td>
<td>Brazil</td>
<td>Automotive retailer</td>
<td>Group 1 Automotive, Inc.</td>
<td>USA</td>
<td>207.5</td>
</tr>
<tr>
<td>Dec-12</td>
<td>Vivo Participacoes, S.A. (800 towers in Brazil)</td>
<td>Brazil</td>
<td>800 free-standing, ground-based towers</td>
<td>SBA Communications Corporation</td>
<td>USA</td>
<td>176.8</td>
</tr>
<tr>
<td>Dec-12</td>
<td>Repom S.A. (62% Stake)</td>
<td>Brazil</td>
<td>Computer facilities management solutions for trucks</td>
<td>Edemred SA</td>
<td>France</td>
<td>69.8</td>
</tr>
<tr>
<td>Dec-12</td>
<td>Bunge Limited (Fertilizer Business in Brazil)</td>
<td>Brazil</td>
<td>Fertilizer business of Bunge Limited</td>
<td>Yara International ASA</td>
<td>Norway</td>
<td>750.0</td>
</tr>
<tr>
<td>Dec-12</td>
<td>XP Investimentos CCTVM SA (31% Stake)</td>
<td>Brazil</td>
<td>Brokerage and insurance house involved in corporate financial education</td>
<td>General Atlantic LLC</td>
<td>USA</td>
<td>230.8</td>
</tr>
<tr>
<td>Nov-12</td>
<td>Orbis Pharma S.A.S.; Fioren Ervas; ApodanKordic PharmaPackaging a/s</td>
<td>Brazil</td>
<td>Supplies pharmaceutical extracts and tinctures</td>
<td>Fagron BV</td>
<td>Netherlands</td>
<td>26.0</td>
</tr>
<tr>
<td>Oct-12</td>
<td>Jari Celulose S.A. (Industrial packaging assets (75% Stake)</td>
<td>Brazil</td>
<td>Containerboard mills and box plants of Jari Celulose S.A.</td>
<td>International Paper Company</td>
<td>USA</td>
<td>596.0</td>
</tr>
<tr>
<td>Oct-12</td>
<td>Sernasa S.A. (29.6% Stake)</td>
<td>Brazil</td>
<td>Credit, economic and financial analysis and information company</td>
<td>Experian Plc</td>
<td>United Kingdom</td>
<td>1,500.0</td>
</tr>
<tr>
<td>Oct-12</td>
<td>Amil Participacoes SA (90% Stake)</td>
<td>Brazil</td>
<td>Health care services company</td>
<td>UnitedHealth Group Inc</td>
<td>USA</td>
<td>3,945.0</td>
</tr>
<tr>
<td>Sep-12</td>
<td>Kromaw Engenharia Ltda. (50% Stake)</td>
<td>Brazil</td>
<td>Offshore oil and gas and marine engineering company</td>
<td>Amec Plc</td>
<td>United Kingdom</td>
<td>12.5</td>
</tr>
<tr>
<td>Sep-12</td>
<td>Carvajal Empaques S.A. (Holdings carton production plant in Brazil)</td>
<td>Brazil</td>
<td>Folding carton producing plant of Carvajal Empaques S.A.</td>
<td>Mayr Melnhof Packaging International GmbH</td>
<td>Austria</td>
<td>15</td>
</tr>
<tr>
<td>Sep-12</td>
<td>Yok &amp; Stak Ltda. (60% Stake)</td>
<td>Brazil</td>
<td>Furniture retailer</td>
<td>The Carlyle Group, LLC</td>
<td>USA</td>
<td>346.5</td>
</tr>
<tr>
<td>Aug-12</td>
<td>Manabi Holding S.A.</td>
<td>Brazil</td>
<td>Iron ore exploration</td>
<td>Ontario Teachers’ Pension Plan; EX Global Energy Partners</td>
<td>USA; Canada</td>
<td>301.1</td>
</tr>
<tr>
<td>Aug-12</td>
<td>Tortuga Companhia Zootecnica Agraria</td>
<td>Brazil</td>
<td>Agribusiness and providing animal feed</td>
<td>Royal DSM N.V.</td>
<td>Netherlands</td>
<td>575.1</td>
</tr>
<tr>
<td>Aug-12</td>
<td>ETEP Consultoria, Gerenciamento de Ativos Ltda.</td>
<td>Brazil</td>
<td>Water engineering and consultancy</td>
<td>Arcadis NV</td>
<td>Netherlands</td>
<td>NA</td>
</tr>
<tr>
<td>Aug-12</td>
<td>Asseto Saneamento Ambiental Ltda.</td>
<td>Brazil</td>
<td>Pest control company</td>
<td>Rentokil Initial Plc</td>
<td>United Kingdom</td>
<td>NA</td>
</tr>
<tr>
<td>Jul-12</td>
<td>Rubayat (70% Stake)</td>
<td>Brazil</td>
<td>Restaurant chain</td>
<td>Mercapital, S.L.</td>
<td>Spain</td>
<td>56.9</td>
</tr>
<tr>
<td>Jul-12</td>
<td>Grupo Posadas (South American hotels portfolio)</td>
<td>Brazil</td>
<td>Hotel operator</td>
<td>Accor SA</td>
<td>France</td>
<td>275.0</td>
</tr>
<tr>
<td>Jul-12</td>
<td>Laminimax de Brasil Equipamentos Industriais Ltda (80% Stake)</td>
<td>Brazil</td>
<td>Manufacturer and distributor of power transmission equipment</td>
<td>Altra Industrial Motion Netherlands BV</td>
<td>Netherlands</td>
<td>8.5</td>
</tr>
<tr>
<td>Jul-12</td>
<td>Usina Fortaleza Industria e Comercio de Massa Fina Ltda.</td>
<td>Brazil</td>
<td>Manufacturer of materials and quality adhesives</td>
<td>Bostik, Inc.</td>
<td>USA</td>
<td>NA</td>
</tr>
<tr>
<td>Jul-12</td>
<td>Rheozel Industria e Comercio de Aditivos Ltda.</td>
<td>Brazil</td>
<td>Manufactures admixture concrete products</td>
<td>W. R. Grace &amp; Co.</td>
<td>USA</td>
<td>NA</td>
</tr>
<tr>
<td>Jul-12</td>
<td>Neogama / BBH</td>
<td>Brazil</td>
<td>Advertising agency</td>
<td>Publicis Groupe SA</td>
<td>France</td>
<td>NA</td>
</tr>
<tr>
<td>Jun-12</td>
<td>CP Eletronica SA</td>
<td>Brazil</td>
<td>Manufactures power systems for data centers, hospitals, and businesses</td>
<td>Schneider Electric SA</td>
<td>France</td>
<td>NA</td>
</tr>
<tr>
<td>Jul-12</td>
<td>Isolux Infrastructure S.A. (undisclosed stake)</td>
<td>Brazil</td>
<td>Operates as a construction and engineering company</td>
<td>Public Sector Pension Investment Board</td>
<td>Canada</td>
<td>754.5</td>
</tr>
<tr>
<td>Jun-12</td>
<td>Watercryl Quimica Ltda.</td>
<td>Brazil</td>
<td>Provides coatings solutions</td>
<td>Elementis Plc</td>
<td>United Kingdom</td>
<td>24.0</td>
</tr>
<tr>
<td>Jun-12</td>
<td>Folhatocardio Tecnologia em Sistemas S.A. (75% Stake)</td>
<td>Brazil</td>
<td>Provides accounting, tax and payroll and regulatory compliant software</td>
<td>The Sage Group Plc</td>
<td>United Kingdom</td>
<td>196.8</td>
</tr>
<tr>
<td>May-12</td>
<td>Brazil Online Holdings (21% Stake)</td>
<td>Brazil</td>
<td>Provides online employment services</td>
<td>SEEK Limited</td>
<td>Australia</td>
<td>78.8</td>
</tr>
<tr>
<td>May-12</td>
<td>ACS Actividades de Construcion y Servicios, S.A. (Seven electric power projects)</td>
<td>Brazil</td>
<td>Electric power transmission lines operated by ACS Actividades de Construcion y Servicios, S.A.</td>
<td>State Grid Corporation of China</td>
<td>China</td>
<td>942.2</td>
</tr>
<tr>
<td>May-12</td>
<td>Ypica Agroindustrial (Ypica brand and other production assets)</td>
<td>Brazil</td>
<td>Ypica brand and other production assets of Ypica Agroindustrial</td>
<td>Diageo Plc</td>
<td>United Kingdom</td>
<td>454.6</td>
</tr>
<tr>
<td>May-12</td>
<td>Neodent (49% Stake)</td>
<td>Brazil</td>
<td>Manufactures dental implants and related prosthetic components</td>
<td>Straumann Holding AG</td>
<td>Switzerland</td>
<td>275.3</td>
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<tr>
<td>Apr-12</td>
<td>Negocios nos Trilhos Participacoes Ltda</td>
<td>Brazil</td>
<td>Cargo and rail business tradeshow organizer</td>
<td>United Business Media Limited</td>
<td>United Kingdom</td>
<td>NA</td>
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<td>Apr-12</td>
<td>Tekom Fios E Cabos Para Telecomunicacoes S/A (50% Stake)</td>
<td>Brazil</td>
<td>Manufacturer of copper wires, and cables for telecommunication, data and TV cabling markets</td>
<td>Prysmian Cables &amp; Systems</td>
<td>Italy</td>
<td>27.4</td>
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<tr>
<td>Mar-12</td>
<td>Companhia Brasileira de Lociacoes</td>
<td>Brazil</td>
<td>Temporary power supplier</td>
<td>Agupeco Plc</td>
<td>United Kingdom</td>
<td>256.4</td>
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<tr>
<td>Mar-12</td>
<td>Transbank; Nordeste Segurana</td>
<td>Brazil</td>
<td>Security company specializing in cash in transit, guarding and technology</td>
<td>Prosegur Compania de Seguridad, S.A.</td>
<td>Spain</td>
<td>64.4</td>
</tr>
</tbody>
</table>

Source: Mergers Alliance, Capital IQ
Join in the mergers and acquisitions discussion

BroadSpan and the Mergers Alliance partners are expertly placed to offer advice.

In particular, we offer:

- Advice on structuring and completing deals in Brazil
- Identifying acquisition opportunities around the world
- Information on sector trends and valuations
- Access to corporate decision-makers and owners

Mergers Alliance is a group of award-winning corporate finance specialists who provide high quality advice to organisations who require reach for their International M&A strategies.

Global coverage

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<td>Mexico</td>
<td>South Africa</td>
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