



December 2012

The Global Corporate Advisor

The Corporate Finance newsletter of Crowe Horwath International

Welcome to the December edition of the Global Corporate Advisor (GCA) newsletter



Our final issue of 2012 provides an insight into some of the many transactions we facilitated during the year – from Australia to the United States and everywhere in between.

Over the past 12 months, we delved into the intricacies of conducting culturally appropriate due diligence. We examined valuation methodologies for closely held companies, shone a spotlight on M&A activity in South America, Central and Eastern Europe, and The Caribbean, and took a close look at many industries including mining and renewable energy.

In 2013, we'll continue to provide you with an in-depth examination of M&A activity from all corners of the globe.

On behalf of GCA, may your New Year be prosperous and safe. Happy holidays!

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Corporate Transactions Overview – 2012

Crowe Horwath's Global Corporate Advisors have played a central role in enabling clients to assess and complete significant transactions worldwide. Here we provide a digest of some of our 2012 deals by country.

Australia

Crowe Horwath Sydney advised listed company Symex on the sale of DCS International, a distributor of chemicals for the coatings, cosmetics and food industries, to New Zealand-based Scott Chemicals. We also advised Circle C, an Australian manufacturer of specialized electrical transformers for the mining and power transmission industries, on its sale to Kirkwall Holdings, a New Zealand company looking to grow its Australian business.

In addition, the Sydney team advised Sunrise Plastics, a manufacturer of rigid plastic packaging products for the food industry, on its sale to Pact Group, a large, privately owned manufacturer of packaging solutions for branded products with annual revenue of approximately A\$1 billion. We also worked on the sale of Australian Government home-care contracts previously owned by a provider of nursing, palliative care and domestic services. The contracts were sold to a not-for-profit provider of home nursing and healthcare services in Australia.

Meanwhile, the Perth team in Western Australia acted as an advisor to the VDM Group on the sale of its subsidiary, Cape Crushing, to a private entity in a deal valued at approximately US\$50 million. The team also advised the diversified chemicals manufacturer Klen International on the sale of its business to VWR International.



Brazil

Crowe Horwath Brazil provided buy-side due diligence for Frutarom, one of the world's largest producers of flavoring ingredients for the food, beverage, functional food, flavor, fragrance, pharmaceutical, nutraceutical and cosmetic industries.

In addition, we provided buy-side due diligence for Graal Investment Corporation Group, a Brazilian private equity company, for its acquisition of Atlas Jaymar, a company in the marine navigation industry.

Crowe Horwath Brazil also provided buy-side due diligence for Locaweb, one of Latin America's leading internet service providers, for its acquisitions of two internet service providers located in São Paulo, Brazil.

In addition, we provided buy-side due diligence for Attitude Global, an international marketing and communications organisation, for its acquisition of two similar companies located in São Paulo, Brazil.

Croatia

The Zagreb M&A advisory team acted as the exclusive financial advisor to KupiMe d.o.o., a regional daily deal and collective buying company. KupiMe sold an equity stake to iEurope, a private equity firm, to fund business development. The team provided sell-side financial advice and transaction support.



Dominican Republic

Crowe Horwath in the Dominican Republic provided the Cisneros group of companies with a market-value appraisal for the project development and financing of a large, mixed-use tourism complex in the eastern town of Miches, which involved a long-term total investment of approximately US\$2 billion.

We are currently acting as the lead advisor to Playa Diamante Resort Project, developed by Atlantic Ocean Partners, based in Detroit, Michigan, on its financing application to a national bank in the Dominican Republic.

France

Crowe Horwath France advised Bigben Interactive, a designer and distributor of video game console accessories, on its alternative takeover bid for 100% of the share capital of the ModeLabs Group, valued at €130 million. We issued a fairness opinion on ModeLabs Group share value.

The team also provided a fairness opinion on Eurofins, a laboratory testing service provider, on the public-offer launch of its own shares related to the move of its headquarters from France to Luxembourg, valued at €1.746 billion.

In addition, we provided a fairness opinion for Ardagh Group, an international packaging business, on the contribution of operating activities from Ardagh Metal Packaging France to Ardagh Production France, valued at €50 million.



Germany

The Munich office provided a share valuation for Austrian IT groups Quanmax and S&T to determine the stock exchange ratio for S&T's merger with Quanmax. Quanmax and S&T develop client-specific IT hardware and software and provide consultancy services.

To calculate each company's value, we used a discounted cash flow approach in accordance with German valuation standard IDW S 1 and Austrian valuation standard KFS/BW 1. Based on our findings, new Quanmax shares were issued to S&T shareholders.

Also in Germany, Crowe Horwath provided buy-side financial and tax due diligence services to a leading US provider of pharmaceutical analytics and social network intelligence to life sciences companies owned by a US private equity fund, for its acquisition of a German competitor.

In addition, Crowe Horwath provided a European property fund with buy-side tax due diligence, advice on structuring, SPA and finance agreements, and post-acquisition process structuring for a portfolio of 30 German retail properties. The portfolio was purchased from another European property fund in a combined share and asset deal valued at €154 million.

Italy

Crowe Horwath Italy provided buy-side due diligence to a private equity partner for its bid to purchase several businesses including the Italian franchise Juice Bar, the snack company San Carlo, and the elevator/escalator manufacturer Kone.

Meanwhile, our M&A team provided sell-side advice to companies operating in a wide cross-section of industries including Aeromeccanica Stranich, a provider of industrial ventilation and dust control technology. We also assisted Cetra, a specialist in automotive and medical equipment, and Sidemar, a producer of luxury silk clothing.



Kuwait

We provided due diligence services to the Joyalukkas Group in its acquisition of a money exchange company in Kuwait. This due diligence covered financial, operational and compliance areas.

Joyalukkas Group operates in several industries including jewelry, money exchange, luxury air charter, fashion and silks, and shopping malls. The group has over 10 million customers worldwide and employs more than 5,000 people in nine countries.



The Netherlands

The Dutch team recently advised Cornelissen Logistics, a family owned international operating logistics firm, on its acquisition of René Holweg Logistics. We also provided sell-side due diligence to Fleuren Compost, a family owned business, in relation to its acquisition by CNC Grondstoffen.

In addition, we provided buy-side services to Van Hooff Intern Transport, a family owned forklift rental business, on its acquisition of Bosveld Heftrucks.

In an unrelated litigation matter, members of our team were appointed by the Dutch Court Office to a case regarding the damage calculation of uncollectable cash flows.

Singapore

Crowe Horwath in Singapore recently provided buy-side due diligence services for a company listed on the Malaysian Stock Exchange, with annual turnover of approximately US\$45 million. The company specializes in collecting, treating, recovering and recycling industrial waste, and selling recycled waste products. Its target companies are two Singapore-based sewage pipe businesses with more than US\$100 million in contracts, including local and overseas projects, and approximately 25% to 35% market share.

South Korea

Crowe Horwath in Korea recently provided sell-side due diligence, valuation and advisory services to SPP Steel Pipe Co. Ltd, a Korean steel pipe manufacturer. The company was acquired by Se-Ah Steel, Korea's leading steel pipe manufacturer.

Switzerland

Crowe Horwath in Switzerland performed financial and tax due diligence for Genolier Swiss Medical Network, an SIX Swiss Exchange-listed network of private Swiss clinics, for its acquisition of Privatlinik Obach Solothurn.



Taiwan

Crowe Horwath Taiwan provided buy-side financial and tax due diligence services to Tian Yi Ltd for its acquisition of Siltron Technologies Corporation, in a deal valued at approximately US\$25 million.

Ukraine

Crowe Horwath advisors in the Ukraine provided corporate finance services to Indore Chemical Ltd, one of Estonia's largest traders in chemicals and petroleum. The services included the valuation of properties in Kazakhstan.

United Kingdom

The UK team provided financial and tax due diligence to Chengudu Geeya Technology Co. Limited, a Shenzhen Stock Exchange-listed company, on its acquisition of Harvard International Plc, a company listed on the London Stock Exchange's AIM market. The team also provided financial and tax due diligence to Cromsource SRL, an Italian private company, on its acquisition of Pleiad Devices Limited, which had operations in Scotland and the US.

The UK team was appointed reporting accountants to three capital market transactions (AIM) during 2012 including Auhua Clean Energy, an environmental technology group based in the Shandong Province of Eastern China.

Our bank finance specialists provided pre-lending due diligence for HSBC on ST Shaw and Blu-3, and for Santander on the SO Group.



United States

Crowe Horwath provided buy-side due diligence and tax structuring advice to VO2 Partners and Arlon Capital Partners, which teamed up to acquire Chia Holdings, an Australian company with interests in all aspects of chia seed production and consumption – from farming to milling, product development, and distribution – for around US\$40 million in cash. Chia's offerings add to VO2 and Arlon's existing portfolio of food and healthy lifestyle-focused holdings.

We also supported Leggett & Platt when it acquired Western Pneumatic Tube, a fabricator of titanium, nickel, and other specialty materials for the aerospace industry, for US\$188 million. Leggett & Platt is a diversified manufacturer (and member of the S&P 500) located in 18 countries. It conceives, designs and produces a variety of engineered components and products that can be found in most homes, offices, and automobiles.

Crowe Horwath provided buy-side due diligence for Cameron International, which has agreed to acquire the TTS Energy Division from TTS Group ASA in an all cash transaction valued at US\$270 million. The TTS Energy Division delivers high-performance drilling equipment, rig packages and rig solutions for jack-up and onshore rigs. The addition of TTS Energy's portfolio of drilling equipment follows Cameron's acquisition of LeTourneau Technologies, which occurred last year, and further complements Cameron's growth opportunities for its drilling systems platform.



WESTERN PNEUMATIC
TUBE COMPANY



Crowe Horwath International is a leading international network of separate and independent accounting and consulting firms. The following firms provided the services reported in this issue:

Australia – Crowe Horwath
Brazil – Crowe Horwath Brasil
Croatia – Grubisic & Partners
Dominican Republic – Horwath Sotero Peralta & Asociados
France – Crowe Horwath Partenaires
Germany – Dr. Kleeberg & Partner GmbH and HSA Horwath GmbH
Korea – Horwath Choongjung LLC
Kuwait – Horwath Kuwait Consulting
Italy – Crowe Horwath AS S.r.l.
Netherlands – Crowe Horwath Corporate Finance
Singapore – Crowe Horwath First Trust
Switzerland – Berney Associés
Taiwan – Crowe Horwath (TW) CPAs
Ukraine – Donoway Assurance TOV
United Kingdom – Crowe Clark Whitehill
United States – Crowe Horwath LLP

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