

Doing the right deal

Corporate Finance



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Dear Reader,

Doing deals is very exciting but it is challenging and can expose you and your company to both significant reward and risks.

The Mergers & Acquisitions history is littered with transactions that have resulted in value destruction for shareholders due to overpricing, ill-advised structuring, post-deal discovery of hidden issues or unsuccessful integration.

This is why counselled guidance is critical to the success of your projects especially when these define the future of your company.

With more than ten years experience on the Luxembourgish market, solid credentials and a team of 35 professionals dedicated to deals, we believe PwC Luxembourg Corporate Finance is best placed to assist you in every aspect of your deal activity, should it be:

- sourcing and review of external growth opportunities;
- disposals;
- succession issues;
- shareholding restructuring and fund raising;
- valuation-related issues.

This brochure describes the services that PwC Luxembourg Corporate Finance provides to assist you making the right decisions on critical strategic issues.

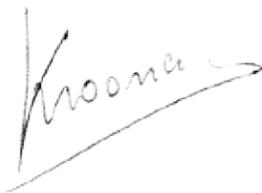
As we put our client's interests at the forefront of our concerns, our approach ensures that each client receives insightful advice, and tailored to deliver the best particular solution to each specific situation.

We believe in longstanding and fruitful relationships. We are not in the business of pushing deals through for the sake of it. We are also ready to tell you when we believe that a transaction does not make sense for you.

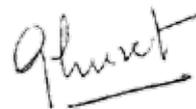
You will discover in this brochure what our clients say about us, as well as an illustration of our recent deal activity.

We hope you will enjoy reading this document and we encourage you to engage a dialogue with our Corporate Finance experts, should you wish to discuss in all confidentiality.

Best regards,



Jean-François Kroonen



Grégoire Huret

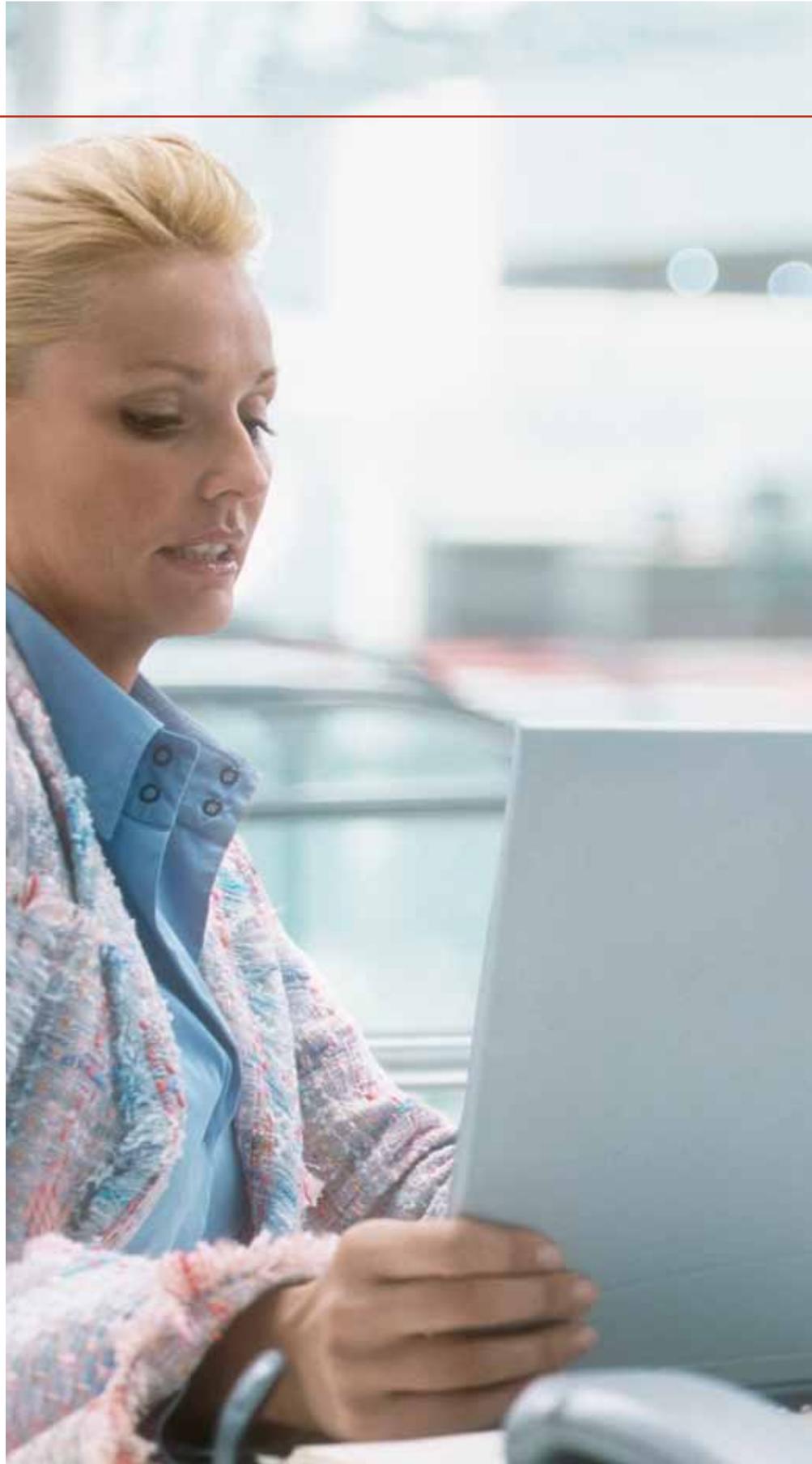


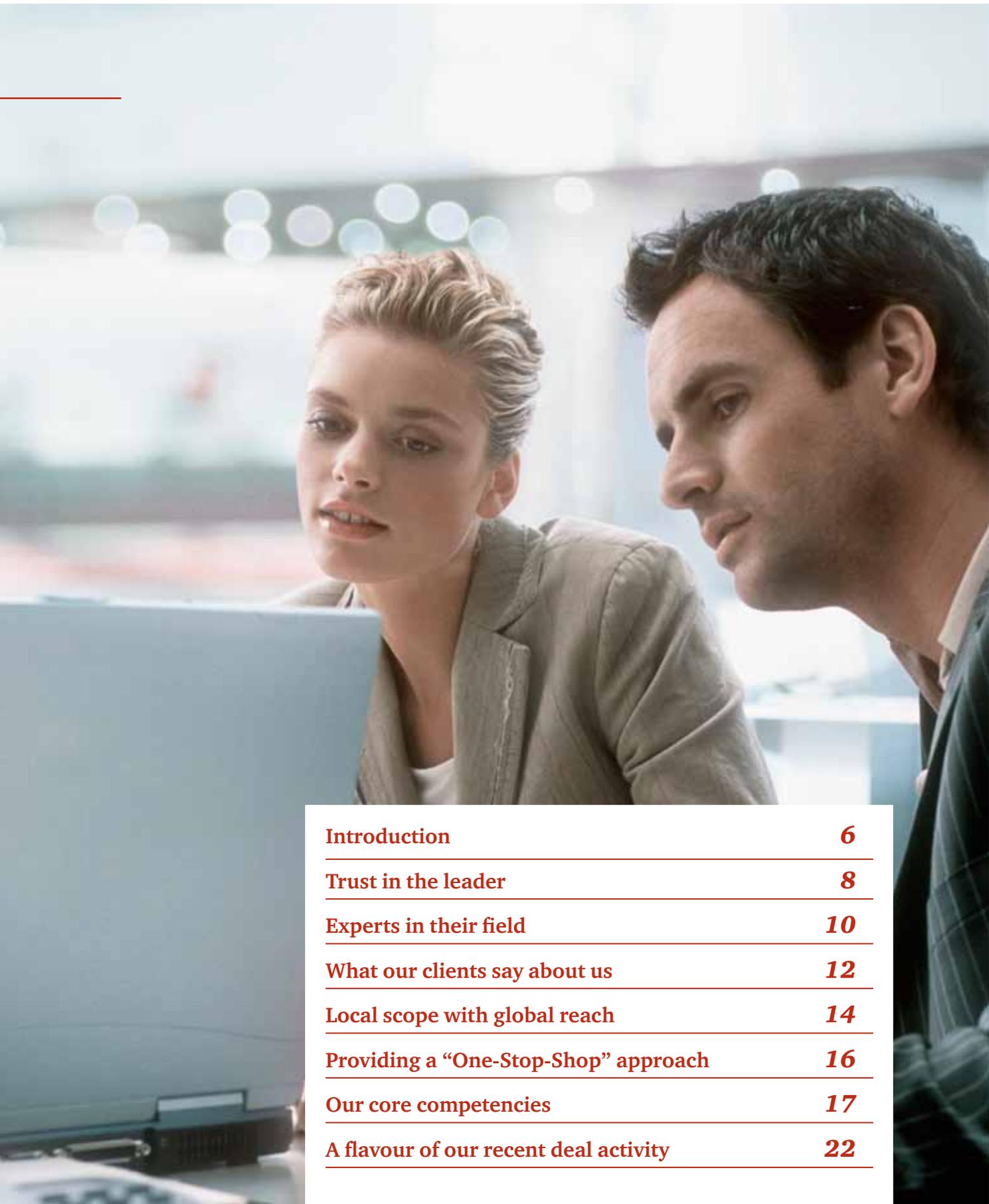
Corporate Finance
Partner



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Introduction

PwC Corporate Finance (“PwC CF”) brings together a team of professionals dedicated to all aspects of your Corporate Finance issues, including:

- Sourcing and review of external growth opportunities;
- Disposals;
- Succession issues;
- Shareholding restructuring and fund raising;
- Valuation-related issues.

PwC CF adds value to these situations through:

- Superior financial knowledge and quality of delivery;
- Expertise in financial modelling;
- Valuable industrial insights and broad network contact;
- Seamless process management;
- Creative structuring;
- Negotiation skills;
- Unquestionable professionalism and highest commitment.

PwC CF is dedicated to providing effective decisions on critical strategic issues.

"PwC has international relationships, a deeply-rooted local presence, industry knowledge and understands what assets are likely to interest which investors like no other player in the market."

Why use PwC as your Corporate Finance Adviser?

Leader

With 35 professionals fully dedicated to deal execution, PwC is the unrivalled leader in Corporate Finance services in Luxembourg, as illustrated by M&A League tables and its awards as “Best Financial Advisory Firm” and “Best M&A Advisory Services” by CFO World.

Specialists

Our Corporate Finance team comprises more than ten full time dedicated Financial Services specialists, including one partner, who exclusively works on deals in that industry. Other transaction specialists include life sciences, industrial and commercial companies, business services and real estate.

Track Record

We have an unparalleled track record in Luxembourg of carrying out deals and have close relationships with major local and global financial investors, as well as corporations regardless of size.

Local Scope

We are able to provide our clients with a unique scope of local business insights relative to target or acquirer opportunities thanks to our network in over 150 countries and our strong relationships with local entrepreneurs and investors.

One-Stop-Shop

We provide you with a “One-Stop-Shop” solution for your deal activity (e.g. M&A advisory, due diligence, valuation, tax structuring, project management and post merger integration).

Experience

PwC CF in Luxembourg has over 10 years of extensive experience of managing projects in all aspects of the deal continuum.

Confidentiality

We are committed to confidentiality and quality of personal relationship with our clients.

Trust in the leader



2010-2011 league tables Luxembourg M&A

Top 10 Luxembourg advisers (by volume) from January 2010 to September 2011
Deal values sub € 300m

Rank	Adviser	# of deals	Rank value (€'m)
1	PwC	6	432*
2	KPMG	4	236
3	Rothschild	3	341
4	Leonardo & Co.	3	245
5	UBS Investment Bank	3	203
6	Lincoln International	3	24
7	Citigroup	3	n.a
8	BNP Paribas	2	140
9	Mediobanca	2	62
10	Credit Suisse	2	n.a

Source: Mergermarket, league table on Luxembourg targets and bidders by volume, 22 September 2011

* figure restated from undisclosed deal values on Mergermarket

1st

by volume and value of Luxembourg deals up to €300m in 2010-2011

"PwC is the unrivalled leader in Corporate Finance services in Luxembourg, as illustrated by the 2010-2011 Luxembourg M&A league table and the CFO World awards gained as "Best Financial Advisory Firm" and "Best M&A Advisory Services" respectively three years and two years in a row."

*A Corporate Finance practice
awarded both locally and globally*

Awards & recognition

Luxembourg

2011



BEST M&A ADVISORY SERVICES



**BEST FINANCIAL
ADVISORY FIRM**

2010



BEST M&A ADVISORY SERVICES
LUXEMBOURG FINANCE MANAGEMENT AWARDS



BEST FINANCIAL ADVISORY FIRM
LUXEMBOURG FINANCE MANAGEMENT AWARDS

2009



Best Financial Advisory Firm
LUXEMBOURG FINANCE MANAGEMENT AWARDS 2009



Global

**ACQUISITIONS
MONTHLY
AWARDS
2011**

**Upper Mid-Market
Adviser of the Year**

**ACQUISITIONS
MONTHLY
AWARDS
2010**

**Upper Mid-Market
Adviser of the Year**

Experts in their field



With 35 professionals dedicated to deals, PwC Corporate Finance has the resources and skills to advise you on any project.

Our team includes sector specialists in:

- Financial Services
- Life Sciences
- Industrial and commercial companies
- Business Services
- Real Estate



What our clients say about us

Having the right resources and skills to deliver financial advice is important, but having the experience is better.

PwC Luxembourg Corporate Finance has more than ten years' experience in the project management of all aspects of the deal continuum and that makes the difference.

This experience translates into solid negotiation skills, creative structuring but above all into the delivering of the right solution that fits your needs and expectations.

The statements of our clients (herein enclosed) acknowledge this experience.

We additionally invite you to contact us directly for a more detailed description of what we have done since PwC Luxembourg Corporate Finance has been created more than ten years ago.

Marc Hoffmann, CEO of Quilvest Wealth Management and Compagnie de Banque Privée

Compagnie de Banque Privée ("CBP") was founded in 2007 and has successfully developed into a leading independent private bank in Luxembourg. Following a first phase of development and the Bank's breakeven in 2009 our Board of Directors conducted a strategic review to identify the options available to secure the continued development of CBP. We called upon the Corporate Finance team of PwC to assist in the brainstorming and we subsequently hired them to execute the preferred option retained by the Board. This resulted into the merger of CBP with the Wealth Management activities of the Quilvest group to create Quilvest Wealth Management, a Luxembourg Private Banking Group with AuM over EUR 10 billion.

I would say that PwC was "spot on" in identifying the right development options for CBP but what really made a difference though was their ability to introduce us to the right partner addressing our strategic objectives and sharing our vision of the business model. I also valued the team's commitment and enthusiasm throughout the transaction which contributed to create a favourable working atmosphere amongst the future partners.

Giacomo Sella, Director of Gruppo Banca Sella

Gruppo Banca Sella conducted in Luxembourg Private Banking and Securities Services operations through its subsidiary Banque BPP ("BPP"). However considering the size of BPP relative to the wider Sella Group this entity was considered non-core and mid 2010 the Group made the decision to sell its entire stake in BPP.

To execute this disposal, I organised a beauty contest to find a suitable M&A adviser. I finally chose PwC Corporate Finance Luxembourg over other firms as they convinced me that they had the relevant knowledge, connections and experience to assist us on this important yet challenging project.

I was very satisfied with PwC's work as they organised a swift and competitive process – it took them just three months to seal a deal from the initial contact with potential acquirers. They identified Credit Andorra as the right acquirer looking for a full fledged banking operation in Luxembourg and negotiated a deal that optimises the objectives of both parties.



Xavier Lesueur, CEO and co-founder of Vanksen

Vanksen is a fast growing digital media and social network company based in Luxembourg. In order to keep the pace of our growth the shareholders decided to raise additional equity from new investors as traditional bank financing was not available for our type of company. The problem is that we started looking at raising equity at a difficult time, in the midst of the financial crisis. At Vanksen we are in a very specific business and we had to be fairly selective in identifying the most appropriate advisers to assist us. As CEO and co-founder of the company, I also needed to keep on managing the business and delivering growth. We decided to hire PwC based on their reputation and track record. Their Corporate Finance team was instrumental in identifying investors which had the understanding of our business and the ability to figure out the long-term potential of Vanksen even in a very difficult context. Managing a fund raising process in such a context was challenging. But the team at PwC showed perseverance in this process and persistently stayed at our side. One year after the start of the process, they eventually succeeded in closing a €4mln capital increase funded by Quilvest.

Frank Reimen, CEO of Cargolux

At the end of 2009, Cargolux had been severely hit by the financial crisis and was in need of a recapitalisation. At the time SAir, formerly known as Swiss Airlines (in liquidation), owned a minority stake of 33.7% and was a potential threat to the recap. In that context we hired the Corporate Finance team of PwC Luxembourg to assist in the buy-out of SAir and to structure the USD 100mln capital increase necessary for the survival of the Company, which took place in December 2009. As a consequence, Cargolux conducted an in-depth strategic review, also in order to identify preferred partners. Qatar Airways and Cargolux initiated discussions concerning a possible acquisition of a minority stake in Cargolux. Both parties were convinced that such a deal would create value for both Cargolux and Qatar Airways through a sound commercial cooperation plan. Beyond the industrial partnership, the deal aims to reinforce relations between Luxembourg and Qatar. PwC was retained to act as our financial adviser on the transaction based on their in-depth understanding of our business, their financial expertise and last but not least their 24/7 availabilities which was key for the success of the transaction.

Marc Wagener, Managing Director of Landewyck Group

The PwC Corporate Finance team assisted us in 2010 in the acquisition of Lyfra, the second largest tobacco wholesaler in Belgium, servicing around 4,000 customers. As a manufacturer and distributor of tobacco-related products, this acquisition represented a strategic move for us as well as the entry into a new market on the distribution segment so far essentially focused on Luxembourg and Hungary. When presented with the investment opportunity, we turned naturally to PwC Corporate Finance as they already had assisted us in the acquisition of a cigarette manufacturer in Belgium a few years ago. The timing of the transaction was challenging and we appreciated PwC reactivity which ensured that we coped with the tight deadlines imposed by the seller. They advised us throughout the process providing value-added at each milestones, on various aspects as strategy definition, valuation assistance, negotiation tactics, due diligences and project management up to the closing. Their help was instrumental in assisting us in the decision-making process.

Local scope with global reach

We are able to provide our clients with a unique perspective of local business insights relative to target or acquirer opportunities thanks to our network presence in over 150 countries and our strong relationships with local entrepreneurs and investors.

Our Global Network

Services

Buy-Outs and Buy-Ins

Debt Advisory

Deal Origination

Initial Public Offerings

M&A Advisory

Infrastructure Finance

Investment Funds

Project Finance & PPPs

Public to Private

Specialist Government Services

Global

North America
70 Professionals

**Luxembourg 35
Professionals**

Latin America
50 Professionals

coverage

Europe
750 Professionals



Africa
100 Professionals

Asia/Pacific
300 Professionals

Sector industries

- Business Services and Construction & Building Products
- Consumer
- Central Government
- Environment & Waste
- Financial Services
- Health
- Industrial Products
- Social Infrastructure & Real Estate
- Technology, Media & Telecommunications
- Transport

Providing a “One-Stop-Shop” approach

We provide you with a “One-Stop-Shop” solution for your deal activity (e.g. M&A advisory, due diligence, valuation, recovery services, tax structuring, project management and post merger integration). As your Corporate Finance adviser, we liaise with all parts of our organisation to offer you a complete transaction:



Our core competencies

1. M&A Advisory (Buy & Sell)

Our Corporate Finance specialists help you source the right deals and execute transactions effectively:

- Our global network in combination with our **extensive industry knowledge** means that we are in constant touch with the markets and can spot opportunities in any industry and assemble teams to execute a deal as the need arises;
- On **sell-side mandates**, we identify appropriate buyers and will implement a competitive sale process to generate the best price and conditions for our client;
- On **buy-side mandates**, we select appropriate targets that would add value to your current business through synergies derived from the acquisition;
- Our extensive industry knowledge means that we can help companies identify other businesses that offer **a good strategic fit** and assist them with acquisitions, mergers and alliances that allow them to maintain and build their competitive advantage;
- We assist you in **building the appropriate and value creation sale/purchase strategy** and support you during negotiations with sellers/purchasers;
- We help you in each phase of the deal continuum and enable you to benefit from our **extensive experience in deal completions** (e.g. process, marketing of the transaction and SPA drafting);
- We coordinate your advisers during the acquisition/disposal process so that you focus on the strategic aspects of deals.



Acquisitions

- *Criteria formulation*
- *Target / partner identification*
- *Assessment*
- *Financial & tax structuring*
- *Negotiations*
- *Public company takeovers*

Disposals

- *Strategic options evaluation*
- *Value enhancing initiatives*
- *Buyer identification*
- *Information memoranda*
- *Marketing*
- *Negotiations*
- *Project management*



2. Fund Raising

Assisting you in preparing the company...

- Our involvement in your fund raising exercise begins with **the assessment of your needs** both in terms of how much capital should be raised and what type of capital is the most appropriate for your company.
- Then, we will assist you in preparing the various **marketing documents** that are required to contact the market of potential investors. The drafting of these documents is the opportunity to present to investors the key strengths of the company, the merits of its product or service offering and the strategic vision of its management team.
- To complete the preparatory phase, our team will also assist you in **the development or review of your financial projections** and develop with you the initial valuation range that can be expected from your company.

...and finding the right type of capital & investor base

- We are dedicated to ensuring that the investors we bring on board share your vision and operating philosophy throughout their involvement with your company. To do so, we will in collaboration with your team, **identify the right target investor base** before going to the market.
- Once the targeted audience has been defined, we will then assist you throughout **the marketing and due diligence period**. Our team will be with you when dealing with investors' questions and requests. We will also coordinate your other advisers where applicable (e.g. legal and accounting).
- Finally, we will be with you during the various **negotiations** that will take place with investors over valuation, structuring, corporate governance and other matters as well as throughout the closing phase of the transaction.

3. Succession Advisory

One of the key challenges faced by family-owned businesses is leadership and ownership succession.

In instances where a family-owned firm does not have natural heirs, or wishes to partially or totally exit the business, a Management Buy-Out/Management Buy-In (MBO/MBI), leveraged or not, can be an effective solution to ensure the continued existence of the business.

An MBO/MBI consists in having the current (if it differs from the owners) or an external management team - sometimes backed by financial investors - acquiring the business (with leverage or not).

The management team, through its knowledge of running businesses and incentive of holding equity in the business can ensure that the company continues to develop.

One of the critical issues in such instances is to find the right partner and structure the transaction appropriately.

PwC has significant experience in structuring tailor-made solutions to ensure smooth and efficient transitions between current family management/owners and new managers/shareholders.

Our services are tailored to the specific needs of your situation and help you make the right decision concerning your project.

- Identification of right partner
- Financial Modelling
- Valuation
- Funding the transaction
- Assistance in negotiations
- Management incentive scheme

4. Valuation

Our dedicated Corporate Finance team will help you:

- **Value all or part of a business** through the understanding and analysis of a variety of complex factors. These include both detailed technical knowledge of value drivers and in-depth industry knowledge;
- Understand the value likely to be created through the transaction (synergies) in the event of a **merger, acquisition or alliance**;
- By providing a comprehensive understanding of the value of every aspect of the business in case of **restructuring** all or part of a business;
- By providing an independent valuation that will resolve issues swiftly in the event of a **dispute**;
- By providing an independent valuation that will bring robustness to your **tax structuring projects**.

Valuation & Strategy

- *Business Valuation*
- *Fairness Opinion*
- *Purchase Price Allocation*
- *Asset / Goodwill Impairment Review*
- *Dispute/ Litigation Support Valuation*
- *Stock Option Plan Valuation*
- *Tax/ Intellectual Property Valuation*

5. Buyer & Vendor Financial Due Diligence

Buy-Side Due Diligence

When a company is up for sale - or wants to sell off one of its divisions - buyers need a detailed report attesting its financial health (a due diligence report).

Our due diligence process focuses on identifying risks, exposures, and opportunities early in the process, focusing on the following areas:

- Understanding the client base and contract terms
- **Analysing the profitability** and changes over time
- Understanding historical performance of the products and services sold, including comparisons with peers
- Understanding the quality of the target's financial reporting team
- **Analysing the target's Quality of Earnings, normalising EBITDA** for periods driving the deal valuation, and understanding run-rate EBITDA
- **Analysing the Quality of Assets, debts and specific debts like items** and off balance sheet contingencies
- Understanding historical working capital, cash flow management, and future capital requirements
- **Linking historical results to projections/valuation models**, scrutinising the projections and commenting on potential risks in seller's ability to achieve them
- **Providing advice on purchase contract considerations** (e.g. representations and warranties, escrow/indemnity terms and working capital closing mechanisms)
- Providing preliminary thoughts on the impact of purchase accounting on future earnings

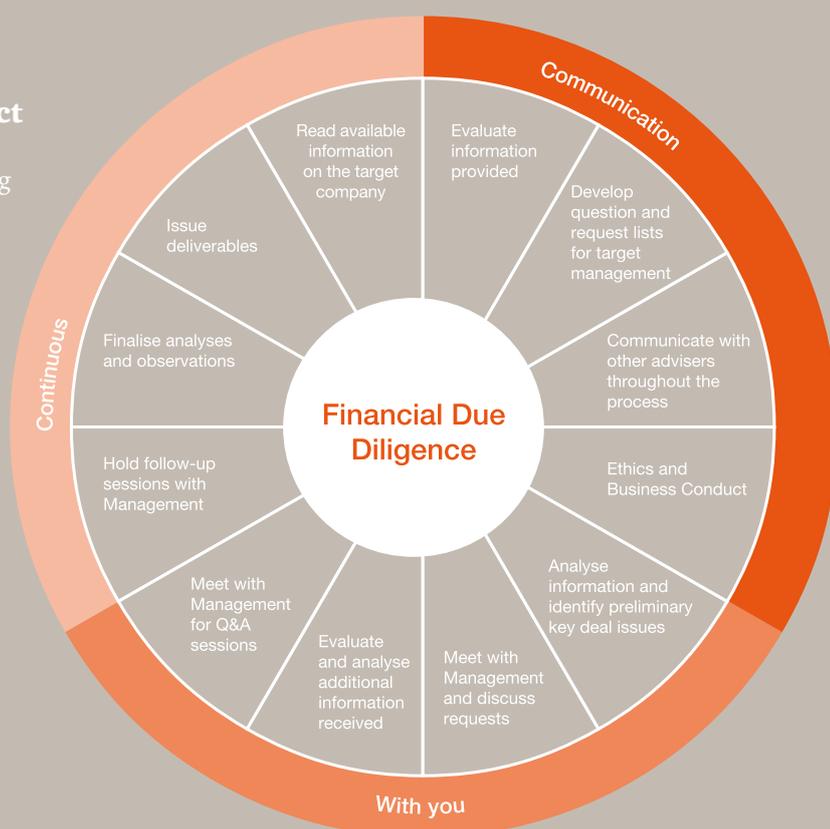
Vendor Due Diligence

Instead of granting access to confidential information to numerous bidders so that each of them carries out its own analysis, Vendor Due Diligence provides an in-depth report on the financial health of company that is for sale.

This helps significantly reduce disruption to the business thanks to the elimination of the management of multiple and extensive data rooms and due diligence processes.

But more importantly, it provides vendors with greater control over the sale process and the timing of the sale which in turn can help secure a fair price for the business.

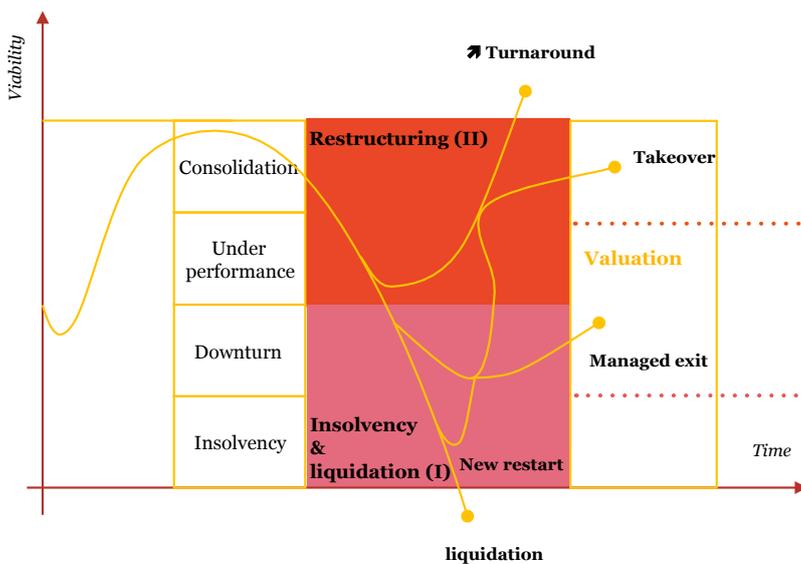
PwC provides comfort to both buyers and sellers, taking an independent view of the business, of the company's performance and prospects.



6. Business Recovery

When a company is plunged into serious financial distress, Business Recovery Services aim at restoring performance and value through a wide range of services.

Context for Business Recovery Services



I. Insolvency & Liquidation

- Voluntary liquidation (initial assessment, preparation for liquidation, initiation of liquidation, commencement of liquidation)
- Special mandates e.g. judicial liquidations
- Corporate insolvency

II. Restructuring

- Independent Business Reviews (IBR)
- Review of restructuring options
- Distressed operational restructuring
- Financial restructuring
- Crisis & stakeholder management
- Corporate simplification
- Accelerated M&A, optimised exit services
- Receivables management

A flavour of our recent deal activity

June 2011

Sale of a 35% stake in



cargolux

to



QATAR
AIRWAYS

Financial Adviser to Cargolux



April 2011

Advised



ALTER DOMUS

On its acquisition of



FIDEOS
LUXEMBOURG

Financial Adviser & Due Diligence provider to the Acquirer



December 2010

Advised



CBP LUXEMBOURG

on its merger with



QUILVEST
Wealth Management Activities

Financial Adviser to CBP



December 2010

Advised



GRUPPO BANCA SELLA

on the disposal of its Luxembourg subsidiary

Banque **BPP S.A.**

to



Crédit Andorra

Financial Adviser to the Seller



April 2010

Advised



LANDEWYCK
GROUP

On the acquisition of



LYFRA
on your way

Financial Adviser to the Acquirer



March 2010

Fund Raising for



vankсен

Private Equity raised from



QUILVEST

Financial Adviser to Vankсен



July 2009

Advised



KAUPTHING BANK
Luxembourg

In its €600m debt restructuring and sale process to



BLACKFISH
CAPITAL

Financial Adviser to Kaupthing Bank Luxembourg



February 2009

Advised



Foyer
Assurances - Prévoyance - Patrimoine

on the acquisition of



capital work
LUXEMBOURG

Financial Adviser to the Acquirer



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