

Q4 — Report

- Acquisition International's final quarterly review of 2012 examines the factors driving the global economy, discusses some of the major findings of the last quarter and profiles the leading experts.



Mr. Chiagozie Hilary-Nwokonko is Managing Partner and Head of the Energy & Natural Resources Group.

Commenting on the most recent growth forecast Mr. Chiagozie Hilary-Nwokonko said: "The National Bureau of Statistics predicted a GDP growth rate of 6.77% for 2012 at the start of the year which is fairly consistent with the actual growth rate observed this year give or take a few percentage points."

Further he added: "This projected growth rate is at odds with the shrinkage in GDP seen in the developed world. The most recent forecast from the NBS estimates continued growth at these rates (6-8%) between now and 2015 and projects continued growth in the Nigerian economy. Their position tallies with the increasing attentions of states and institutions bringing in foreign direct investment to Nigeria."

Mr. Chiagozie Hilary-Nwokonko noted the following deal from the last quarter: "We acted as solicitors in the acquisition of 45% participating interest in an

onshore mining lease known as OML 40 by Elcrest Exploration & Petroleum Nigeria Ltd."

He further added: "In the course of the transaction, we oversaw the incorporation of the special purchase vehicle and the eventual fulfilment of the purpose of acquiring the 45% share of the oil asset jointly-owned by Shell Petroleum Development Company, Total Exploration & Production Nigeria Limited and Nigerian Agip Oil Company in OML 40."

"The eventual listing of Eland Oil & Gas Plc on the AIM, a subsidiary exchange of the London Stock Exchange, was the largest listing on the bourse by an oil and gas firm in the last five years" he noted.

He stated that the time needed to complete a deal could vary between 6 and 12 months. That depends on various factors: "The degree of technical expertise required, the disposition of the parties, the nature of the transaction and whether it is in the public or private domain, the size of the enterprise involved and the scale of financing required".

Mr. Chiagozie Hilary-Nwokonko stated that the overall attitude towards growth and deal opportunities is positive. "Growth is progressing largely according to forecast and a major stumbling block to that progress namely, power sector reform, is finally being addressed," he concluded.



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Jakarta / Indonesia

"In early October, a steering committee announced a \$34 billion master plan for Jakarta, following a meeting held in Tokyo with the participation of a number of Japanese companies and the Indonesian Coordinating Minister for Economic Affairs. Additionally, an MoU between the US Overseas Private Investment Corporation (OPIC), and the Indonesia Infrastructure Guarantee Fund (IIGF) has been signed. Such outreach by Indonesian public institutions and the support associated will go a long way to attracting potential investors and increase their comfort level with Indonesia-based investments" he noted.

Dr Ganie shared his thoughts on the Government which appears to be backing away from some of the restrictions placed on the mining industry at the start of the year. "This has materialised through an earlier softening of the unprocessed mineral export ban and recent talk of a postponement of the divestment obligations," he concluded.

Dr. Mohamed Idwan ('Kiki') Ganie is the Managing Partner of Lubis Ganie Surowidjojo (LGS).

With more than 30 years of legal experience, Dr Ganie specialises in commercial transactions and commercial litigation, including alternative dispute resolution. His work includes general corporate/company law, banking law, finance, bankruptcy and restructuring, mining, investment, acquisitions, infrastructure projects/project finance, antitrust, and shipping/aviation, with a particular focus on corporate governance and compliance.

LGS is the largest corporate transactions and corporate litigation firm in Indonesia. It was founded in 1985 by Timbul Thomas Lubis, Dr Ganie and Arief Tarunakarya Surowidjojo.

Commenting on the previously independent state oil and gas contracting agency (BP Migas), which was the counterparty to all Indonesian production sharing contracts (PSC) and its recent placement under the Ministry of Energy and Natural Resources following a Constitutional Court decision concerning Oil and Gas Law, Dr Ganie said: "This creates some temporary uncertainty as the regulatory regime and business practices are adjusted and heralds the likely introduction of a new Oil and Gas Law in the near future".

Dr Ganie further spoke about the major fiscal policies and economic reforms that were recently introduced and outlined their intended outcomes.



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Calum McKenzie is the Managing Director of Folio Corporate Services Limited, a BVI based company offering a full suite of offshore corporate services in a number of jurisdictions.

Continuing the recent trend in the BVI, the perception is that general business levels in quarter four were positive, especially in the traditional Business Company sector. How positive the upward trend is will be revealed when the comparative statistics are released by the Regulator in late quarter one 2013.

From the investment business sector the exciting news for practitioners and clients alike is the introduction effective December 10, 2012 of the Approved Manager regime under SIBA. As discussed in previous quarterly releases, the purpose of the 'Approved Manager' regime is to essentially establish a legal framework for approved investment managers and advisers providing a regulatory 'light-touch' approach for their approval meaning a lower and more appropriate level of regulation for those that qualify. Amongst other benefits, Approved Managers will not be required to prepare and submit audited financial statements and will not need to have a formal Compliance and Money Laundering reporting Officer appointed. Folio anticipates that the demand for this product will be high amongst both existing clients and users of the BVI and also those who have previously used alternative jurisdictions and products.

One other small but significant piece of legislation that has been introduced is an amendment to the Mutual Legal Assistance (Tax Matters) Act, 2003. As a result of the amendment, all companies and

limited partnerships registered in the BVI are now required to maintain "records and underlying documentation" and to keep such records and underlying documentation for a minimum of five years. The records and underlying documentation can be kept at any location(s) but if they are not kept at the office of the company's registered agent the company must provide a written record to its registered agent of the physical address of the place or places at which the records and underlying documentation are kept. These amendments are effective immediately so clients and users of the BVI Business Companies should expect contact from their BVI agents soon providing clarity on this matter.

Should you require any further information or assistance with the foregoing matters or indeed any BVI business related matters please do not hesitate to contact Calum Mckenzie.



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Mkono & Co. Africa is a leading East-African law firm headquartered in Dar es Salaam, Tanzania. Founded in 1977 by the firm's managing partner, Honourable Nimrod E. Mkono, the firm has gradually developed to become Tanzania's leading law firm and a prominent corporate, commercial and financial practice in the East-African region.

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SECTOR SPOTLIGHT:

Q4 Report



Keith Walker is the Managing Director of the Bluemoon Investigations Group, based at their HQ in Peterborough.

To take or not to take? That is the Question that a lot of our clients were asking themselves earlier in 2012, this was obviously due to the recession. During this final quarter in 2012 we have noted that the answer has become an increasing "Yes".

However, to take, or make, a "Balanced Decision" one first has to have all the information available and the facts verified. As the year has moved forward we have seen an increasing number of clients seeking advice about this deal, this merger, this possible acquisition, in particular for "facts".

We have seen an upturn in "Diligence, Surveillance and Fraud" enquiries from Small, Medium and National Companies, it seems to have been a common trend. So why this upturn now? The answer is simple, clients are more concerned, cautious and cost conscious therefore they want to be able to make better decisions. Yes there is a cost to saving money, there is a cost protecting yourself, your position or your business but having no protection can be very expensive, if not critical.

We have seen our own business "ebb & flow" over the past couple of years but there has been a constant, our client base continues to grow and their needs get ever diversified. It is believed that 2013 will be

a similar year and all businesses, companies and individuals will need to make "Balanced Decisions".

One such decision saved one our clients an estimated £70k, our client was about to purchase Printing Machines to that value, we were in discussions concerning another enquiry for the client when they happened to mention this "Really good deal", although a Director of the client had past meetings with the seller, and seen the goods they were still advised to have the seller checked out.

It transpired that the Machines were stolen and had, in fact, been sold to another company the day before our client decided to purchase, this is why the seller was asking for a £35k deposit, which our client was willing to pay before "Bluemoon" stepped in, if we had not our client would have certainly been caught. So, make a "Balanced Decision" now, make note of our contact details.

**Bluemoon
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**Bluemoon
Investigations Group**

Lawrence B. Hunt is the President of Hunt & Associates.

Hunt & Associates, P.C is a company which specialises in advising and helping clients concerning their entity structure with respect to tax and areas of risk, governance issues and issues between and among equity owners; employment issues, expansion by acquisition or other means and downsizing.

Commenting on the growth and deal opportunities in his region of work, Lawrence B. Hunt, President of Hunt & Associates, said: *"While some are quietly optimistic about the potential for growth in their own business, there is general apprehension about the immediate future for the economy as a whole."*

Mr Hunt remarks that the forecast for the last quarter was "essentially flat." However this could be explained with the long term of time that deals take to complete: *"Depending on various variables, 4 – 6 months funded primarily by private equity sources"* he adds.

"Some manufacturing, distribution and service businesses are now exceeding '09 numbers" commented Mr Hunt on the sectors that recorded the most investment and growth over the Q4 period.

Mr Hunt also commented that the *"Banks remain hesitant to lend"* which affected the growth levels throughout this Q4 period.

Mr Hunt expressed his uncertainty about the outcomes of the recent fiscal policies and economic reforms *"We remain uncertain about the federal tax situation for 2013 as well as the increasing needs of state and local governments to increase their revenues to meet present and future obligations primarily due to employee retirement benefits"*.

From the company commented that doing business in the light of attracting new investment, setting up new business and getting access to banking and credit facilities has not improved much.

"We have lost some clients," he further notes *"but gained others due to pressures resulting from the economic downturn and relatively slow recovery"*.

Finally, Mr Hunt revealed that the predictions regarding the GDP growth for 2013 would be *"flat at best"*.



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Dr Alexander Loos is a partner at Hogan Lovells International LLP, office Düsseldorf.

Dr Loos has been ranked as one of Germany's Top-20 arbitration and mediation lawyers, particularly for corporate matters, since 2005. On his recent deals Mr Loos commented:

"I have been involved in a number of disposals by Italian vendors regarding their German affiliates, especially industrial component suppliers for power generation."

"The German GDP is expected to grow per 2.6 % in 2012," commented Dr Loos on the consistency of the last quarter.

Dr Loos further outlined German energy-related industry, cable production and cable installation as the drivers in the last Q4 period.

In comparison with Q4 2011, Mr Loos described a growth in the deal values: *"The number of deal opportunities has remained static while average deal values have increased by approximately 12 %."*

Moreover Dr Loos added: *"While import volumes have remained quite stable, export volumes from Germany continued to grow throughout 2012. However, indicators for the business climate are dwindling."*

He stated that due to the increased tax revenues, the German federal government will not need new loans in order to fund public households. Dr Loos noted that this has not happened in 30 years in Germany.

Further Dr Loos added that the increasingly dense regulatory legislation, both in the financial and in the environmental sector, has made it more and more expensive to establish new businesses *"especially if small or medium sized. Access to credit facilities is considerably facilitated by the ECB's policy of flooding the market with liquidity,"* he said.

Dr Loos concluded that *the so called 'Eurozone debt crisis' is, from a German perspective, non-existent and, compared to other currencies, the relatively stable Euro together with the healthy German economy are still attracting investors from abroad."*



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Dr Muhammad Razikun is the founder of MUC Consulting Group (MUC) and a Public Accountant Firm, namely KAP Razikun Tarkosunaryo (KAP RTS).

MUC has been acknowledged as one of leading tax firms in Indonesia according to surveys by International Tax Review that is published by a Euromoney Publication in the World Tax Book.

"My role is to ensure that MUC and KAP RTS have achieved its objective to be a leading business firm in Indonesia by enhancing ethical value and provide one stop business consulting services with international standard of quality," said Dr Razikun.

He further states that *"throughout 2012, BPS-Statistics Indonesia records the Indonesia economic growth at 6.3% (First Quarter), 6.4% (Second Quarter), and 6.17% (Third Quarter)"*.

He noted that the third quarter this year is lower by 0.2% than the forecasted 6.32%. *"However, in general the growth is relatively good,"* he concludes.

According to Dr Razikun, the sectors showing the most investment and growth in Indonesia in Q4 are automotive, construction, transportation, and communication industry.

He also commented on the regulations: *"Some of significant changes which may impact the growth level are the increase of down payment on leasing of motor vehicle and limitation on exportation of certain mining goods. Some believe that these policies may eventually reduce the interest in investing in the sector of automotive, financial, and mining."*

"Based on the data we acquired, cumulatively, the Indonesia's export volume from January-September 2012 was US \$143.00 billion or 6.06% lower than the same period in 2011. Similarly, the export volume from non-oil and gas sector was US \$114.36 billion or decreased by 5.35%. The decrease on export volume was resulted from the global crisis."

On the ease of doing business Dr Razikun said: *"Indonesia eased incorporation and post incorporation*

processes for new business registration through use of on-line service, increasing efficiency at the registry and cutting the company deeds legalization."

Discussing the predictions regarding GDP growth for 2013, Dr Razikun concluded that the projected gross domestic product is around 6.5%.



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SECTOR SPOTLIGHT:

Q4 Report



Alastair McIntyre is Senior Managing Director-Asia at Behre Dolbear.

Behre Dolbear Group Inc. is one of the oldest, continuously operating, mineral industry advisory firms in the world. Since 1911, the firm has specialised in studies for commercial and multilateral financial institutions, mining companies, governments and governmental agencies, legal firms, and other parties with interests in the minerals industry. Behre Dolbear's global experience covers the full spectrum of technical, operational, and financial issues in a broad range of commodities including base and precious metals, coal, industrial minerals, diamonds and gemstones, ferrous metals, and construction materials.

Kehinde Aina is Managing Partner at Aina Blankson, LP, based in Nigeria.

My proficiencies are the fields of Mergers & Acquisitions, Corporate Finance, and I have an equally enviable track record in commercial arbitration. My knack for lateral thinking, coupled with the in-bred belief that nothing is impossible, given the right mix of creativity and ingenuity are the foundations upon which my law practice is built; and for my clients, the joy is always in exceeding expectations. Staying relevant in the 21st century requires that lawyers anticipate the ever-changing nature of commercial disputes and be innovative in proffering business solutions even before inception of the challenges.

In Nigeria, the National Bureau of Statistics maintains and regularly publishes economic indices and statistics regarding the Nigerian economy. Its most recent forecast indicates that the economy would witness a growth rate of 6.65% in terms of GDP for 2012. Inflation will hover around 13.57%; and in terms of this fourth quarter, the picture is pretty much consistent with previous predictions, largely due to the Central Bank's monetary policy of achieving single digit inflation.

Through this Q4, the sectors which have shown the most promise are banking, telecoms and oil & gas. The Central Bank

Behre Dolbear, through its subsidiary Behre Dolbear Capital Inc., was the Commercial Advisor to the HKEx for the acquisition of the London Metals Exchange.

Using the Behre Dolbear model, team members with hands on practical industry experience and an in depth understanding of the LME business, financial modelling, the market and customers, competing bids, metals trading and the regulatory environment provided a unique knowledge base for the HKEx to draw from. This strategic position also added a significant value add for the participating advisors supporting the acquisition on the banking, legal and accounting side.

recently issued merchant banking licences to two new banks – FirstRand Merchant Bank Limited and First Securities Discount House Limited – with the added effect of boosting liquidity in the sector. In telecoms, apart from Shanduka's investment in MTN Nigeria, Starcomms Plc is also set to receive over \$210million in investments from Capcom, after the latter acquired Multilinks Telecoms earlier in the year.

Consequently, the business horizon remains bright. We only have to consider the crisis in the Eurozone, and the soap opera that is the US fiscal cliff to really appreciate how much the spotlight is on emerging economies. That said, oil theft is still massive and organized, while the loss attributable to the Boko Haram menace will probably amount to trillions of Naira when all is accounted for. The country is once again falling into debt, as the Debt Management Office forecasted that Nigeria could own about US\$25billion by 2015. Notwithstanding, there is reason to be optimistic. The semi-privatization of the power sector is ongoing, and that's a big positive for an economy like ours. Efforts to address weaknesses in the banking sector have largely paid dividends; there is buoyancy in the capital market with the Nigerian Stock Exchange recording 25.5% expansion in the first three quarters of the year. Investments have been heavy in tourism and real estate, and we expect to see more of that in 2013. I think overall, the national economic growth

remains positive, and opportunities abound for foreign investments as well.

Most experts are of the view that GDP growth rate for Nigeria will be about 6.6%; however this outlook is invariably affected by government policies, especially the Central Bank's monetary policies. That said I believe the figures should hold steady, and I am positive of a very good outlook for the economy in 2013.

Lead by Project Manager Alastair McIntyre, Senior Managing Director-Asia and supported by industry veteran team members Nigel Dentoom and Paul Shellman, our practical experience and advice helped position the Exchange for a better understanding of the overall business and provided commercially relevant support to the Exchange leading to the successful agreement of the LME purchase.

Behre Dolbear was previously commissioned by the Stock Exchange of Hong Kong as its sole technical advisor to provide revisions to the Chapter 18 listing rules for natural resource companies and continues to work with the group.

Mr. Alastair McIntyre is Senior Managing Director, Behre Dolbear Asia in Hong Kong. Mr. McIntyre has more than 30 years of global experience in the mining business including 17 years in the banking and finance sectors. Mr. McIntyre began his career as a geologist and holds a B. Sc. (Geology) and a B. Comm. (Bus Admin and Economics) from Dalhousie University in Canada. Throughout his career, Mr. McIntyre has held senior positions in the mining, finance and banking sectors in Hong Kong, Sydney and Toronto and has been involved in numerous multi-product commodity capital markets and hedging deals. Mr. McIntyre has a diversified understanding of the mining and metals business through running metals sales and marketing desks, managing mining companies and working as an underground mine geologist. His combined technical experience and financial experience in the capital markets provides him a unique perspective into understanding and executing client's needs and opportunities.



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Jonathan Seed is a director at Xafinity Consulting and part of the Corporate Solutions team providing advice on pensions and benefit issues for buyers, sellers and trustees.

Xafinity Consulting has a deep understanding of the issues faced by companies, gained through many years of experience. With transactions, effective communication of the relevant issues and associated risks is key. Of course technology also plays a part and our advice is supported by market leading software, modelsolutions, which provides real time information and scenario modelling. Our aim is to ensure that our clients can make fully informed decisions within their timescales.

The latest information published by official sources (in Q3 2012) shows that overall M&A activity in the UK is low, due to risk aversion and lack of confidence in the current economic climate. However, the value of the UK's private equity buy outs is up 23 percent

compared to 2011. This is due to the UK being seen as the safest location in Europe combined with banks' willingness to finance quality deals.

When it comes to pensions, liabilities can be large and volatile. A small change in bond yields can have a large impact on pension liabilities; this can significantly impact on a company's purchase price. Pensions are also complex because of the many ways the value of liabilities can be assessed, all of which may have a different purpose and require different assumptions. It is essential that any deal is based on the appropriate value of pension liabilities.

We help our clients to de-risk pension schemes by combining a long term risk reduction approach with dynamic de-risking so that clients can take advantage of market opportunities. The recent spike in gilt prices was such an opportunity with clients able to

remove longevity risk at little or no cost by selling gilts to buy bulk annuity policies.

We also advise on 'surgical' de-risking such as enhanced transfer value (ETV) exercises and pension increase exercises as well as use of the increasing range of liability driven investment (LDI) products. In each case, the appropriate solution depends on the client's risk appetite and circumstances.

If economic conditions improve and interest rates rise in 2013, we may see dynamic de-risking strategies being triggered. In the meantime, long term plans will continue the gradual de-risking of defined benefit schemes. In addition, more employers will need to comply with the UK Government's auto-enrolment requirements - the direct and indirect costs should be considered as part of any deal.

The secret is to plan ahead and to be ready to move quickly when the time is right!



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Joaquim L. Mendes is a co-founder of Grant Thornton Consultores and currently Managing Partner of the Tax and Advisory Services, besides acting as Country Head of Tax.

Grant Thornton provides high quality and partner led advice.

"We help dynamic organisations unlock their potential for growth by providing meaningful, actionable advice through a broad range of services. Proactive teams led by approachable partners use insights, experience and instinct to solve complex issues for our clients," commented Mr Mendes.

Mr Mendes expressed his thoughts on the growth forecast for 2013: *"It is estimated a decrease in the economic activity of 3%,"* he said. *"The previous official forecasts have all pointed to decreases but unfortunately they do not seem to have been able to grasp the complexity of the situation and therefore have indicated smaller decreases than those that came to happen in reality."*


Mr Mendes noted that his company has assisted with a financial and tax due diligence the acquisition of

the health branch (HPP) of the Portuguese Public Bank (CGD) over the last year.

On the matter of the length of time it takes to complete a deal, Mr Mendes commented: *"During the last two years and likely during the next couple of years as well, most of the deals happening in Portugal will be made by the Government. In fact, many companies that are still State-owned are now being privatised. They cover a wide range of economic areas, from electricity and infrastructures, to healthcare, aviation and transportation, airport management, water supply and waste management, etc. In all these sectors, deals have happened or are planned to happen soon."*

Mr Mendes further commented that severe measures such as cuts on expenditure and investment, tax increases and others that take place in Portugal since 2011 when Portugal got under an International Assistance Program led by IMF, the EU Commission and the ECB *"are having an impact on investment levels and therefore on growth levels as well"*.

On the subject of growth and deal opportunities since Q4 in 2011 Mr Mendes said: *"As a consequence of the measures that are being taken, the general attitude is of suspense. Everyone understands the need to make some sacrifices and expect that such sacrifices are for the greater good."*



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Keith Provins is Head of Corporate and Nigel Rowley is Managing Partner at Mackrell Turner Garrett.

As a national and international award winning law firm based in London and with offices in the South of England we are ideally placed to handle Corporate and M&A transactional work both UK based, and Internationally.

We are a founder member of Mackrell International – www.mackrell.com – an international association of law firms with 87 firms in 110 cities; this gives us access to over 4500 lawyers in just about every jurisdiction in the world, and equally gives us the necessary experience to comment on the nature and development of global transactions.


Whilst the media outlook on the future remains negative, the reality is somewhat different. The quantity [and quality] of international and national corporate transactions that we have seen in the last couple of years continues to improve; there is a

definite increase in corporate confidence, in a variety of sectors.

We have handled recent M&A deals in the sectors of recruitment, food and beverage, cosmetics, computer software, transport, finance, and particularly property; all of these areas were affected by the downturn in 2008 but all are showing significant signs of renewed confidence.

Deals are not necessarily massively complex; they are equally not necessarily high value. However, in the main they tend to need a very quick conclusion, something which with our international network we are very good at doing.

The future of corporate transactions in the UK depends on the confidence of the parties; without that confidence, corporates will not transact. There is every reason to believe that with confidence comes an increase in transactions and thus a boost to the corporate economy; something that the Bank of England manifestly fails to appreciate.



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Flávia Turci is a founding partner of Turci Advogados.

Turci Advogados specialise in corporate law. The firm also has relevant experience in mergers and acquisitions as well as in assisting businesses ran by families.

Mrs Turci shared that the prediction published by official sources is for a growth of 0.98% for 2012. *"Up to now, Brazil has managed to stay only a bit below the previous growth forecasts, but, like anywhere else in the world, there is a considerable level of uncertainty right now as to how the economy will behave in the following quarters,"* she added.

"Despite difficulties faced by some industries as a reflex of the global economic conditions, 2012 has been a generally positive year for Brazil. There have been relevant deals, such as the business combination between TAM Airlines and LAN Airlines, the result of which was LATAM Airlines Group" commented Mrs Turci. *"Its market value was recently estimated as being around US\$ 14 billion, which at the time was the*

highest value among all airlines in the world, and we are proud to have participated in this transaction."

"In relation to the legal environment, one relevant fact this year was that a new anti-trust law was enacted. Now, the approval of the local antitrust authority became a condition precedent for the effectiveness of closed deals, and the criteria to determine whether a transaction must be submitted became clearer and more focused" she explained. *"The new law aligned Brazil with the most modern jurisdictions."*

Regarding the growth and deal opportunities for 2013 Mrs Turci added: *"There is a general feeling in the sense that now is a good time to focus on the internal Brazilian market, where the crisis has had a smaller magnitude so far. Moreover, the government has adopted a number of anti-cyclic measures to stimulate consumption, and several industries have thrived as a result. Perspectives remain high as the FIFA World Cup and the Olympics approach and heavy investments are being made in infrastructure, both by the government and by*

Brazilian and foreign companies. I expect to see more deals closing."

Mrs Turci concluded: *"We believe that even if the crisis persists, Brazil continues to be a growing market in general, with a huge potential for expansion, with several industries still with plenty of room to mature and consolidate."*



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SECTOR SPOTLIGHT:

Q4 Report

Mr Richard Neff is the founder and senior partner of Neff Law Firm, a Los Angeles-based transactional boutique law firm with a strong international presence.

The Firm is focused on technology, ecommerce and media, with about one-third of the Firm's clients based outside the United States, in Canada, France, Germany, England, Sweden, Switzerland, Brazil, Chile, Malta and Belorussia. Their clients range from \$4 billion public companies to tech and internet startups.

"We are truly unique for a small firm in the scope of our international practice, our knowledge of international laws and our ability to do deals in multiple languages. I spend a large portion of each week working in Spanish and Portuguese, and we have handled French transactions as well," added Mr Neff.

Mr Neff commented that despite the tough financial times some of the leading players in the technology/internet world such as Google, Apple and salesforce.com have remained "virtually recession-proof". However he noted that "the key problem faced by some of my larger clients has been very slow growth in the European Union, and some slowing in BRIC economies such as Brazil, China and India. Weak European sales are definitely affecting the tech sector worldwide".

Mr Neff also suggests that "another drag on growth in the United States has been the uncertain regulatory framework. Laws that affect tax levels, investment incentives (deductions and credits) and health care are all in flux, which many executives blame for holding back growth and higher employment".

"He believes that US growth rates should outpace most growth rates in the European Union in 2013, as the US emerges from its recession."

Regarding growth in 2013, Mr Neff said: "In 2013, the tech sector in the United States should grow about 5%, perhaps double the rate of the US economy in general. The growth of Cloud services and mobile apps should continue. Companies that sell networks and system software may experience continued difficulty from slow growth in much of the world."



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Zia Mody – Managing and Founding Partner – AZB & Partners, a national Indian Law Firm

AZB & Partners is one of the prominent law firms in India. The firm provides clear, concise and practical advice based on an in-depth knowledge of the legal, regulatory and commercial environment within which their clients operate and a full understanding of their overall business objectives.

The legal services rendered by AZB & Partners cover the corporate, commercial, regulatory, and financial and tax planning aspects of modern businesses. Also the company has been involved in advising in the field of mergers, acquisitions, joint ventures and general corporate, regulatory practice and securities laws, private equity, capital markets, funds practice, banking and finance, microfinance, derivatives, infrastructure and project finance, real estate, media and entertainment, information technology and business process outsourcing, employment, insurance, intellectual property, pharmaceuticals

and biotechnology, taxation, aviation, competition law, and litigation and arbitration.

Mrs Mody noted the following deals from the last quarter:

- AZB & Partners was Indian counsel to Infosys Limited in the acquisition of 100% of Lodestone Holding AG by Infosys Limited
- AZB & Partners acted as transaction counsel to Tech Mahindra Limited (TML) in the acquisition of 100% of the Hutchison Global Services Holdings Limited shares from Hutchison 3 Global Services Holdings Limited (seller).

She stated that the timelines for deals vary from six to nine months. However she further noted that "leverage funding is not easy available".

"There has been tighter oversight by the regulators which will affect the M&A space, specially, for example the Competition Commissioner of India," commented Mrs Mody on the change of regulations throughout the recent Q4 period.

Discussing the fiscal policies and economic reforms and their outcomes Mrs Mody stated:

"A few economic reforms have been introduced e.g Foreign Direct Investment into Multi-brand retail. India hopes as a result to get a large inflow of FDI in next four to five years on this account."



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Panagiotis Drakopoulos is the Senior Partner in Drakopoulos Law Firm.

Drakopoulos Law Firm is a regional firm offering legal services in 11 countries throughout Southeast Europe.

"We always keep in mind that what clients need is not lawyers who know the law and tell them what they cannot do, but rather lawyers who know the law, understand their business vision and assist them materialise their objectives in a secure, effective and sustainable way," said Mr Drakopoulos. The firm offers turnkey solutions to businesses from incorporation to liquidation.

Mr Drakopoulos noted that "things seem to be improving compared to last year," however he further added: "growth and concrete deal opportunities are not in the picture as yet".

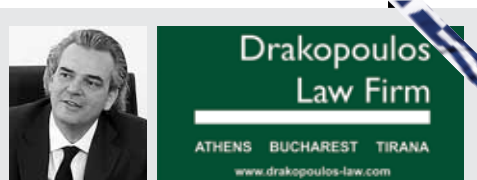
According to Mr Drakopoulos, "the Greek trade deficit has decreased, mainly due to the austerity measures imposed".

"In Greece, a lot of new policies and reforms have been introduced, with the intention to restructure public finances, improve market conditions and induce growth."

Mr Drakopoulos explained that his firm was indeed affected by the Eurozone crisis.

"Having one of our main offices in Greece, i.e. in the middle of the Eurozone crisis, we have certainly been affected, mainly in relation to work coming from domestic businesses."

As for the GDP growth for 2013, Mr Drakopoulos concluded: *"Although the outlook does not seem optimistic, the Southeast Europe region seems to be generally in a better position with regard to GDP growth, compared to Central and Western Europe."*



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2013 - The Year of Regulation



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David Bailey is the Group Head of Marketing, Communications and Product Development at Augentius.

The Alternative Investment Industry will start to become highly regulated during 2013. This is the first time that the industry will be expected to comply with high levels of regulation. This global phenomenon is arriving in a number of guises. However there is no doubt that it will have a substantial effect upon the day to day operations of managers, increase operating costs and, as a result of the costs involved, have the potential to reduce returns for investors.

Both the volume and complexity of the new global legislation is having a major effect upon fund managers and their organisations. Augentius specialises working

with the Private Equity and Real Estate managers and we are already assisting clients with issues and helping them manage through the processes.

Traditionally such managers have been small, boutique, investment houses. Focussed around the asset management processes and being actively involved in their portfolio investments, few Private Equity or Real Estate managers have had the need for substantial "back office" resources or infrastructure. With the increased level of legislation not only are managers having to consider how they manage their businesses going forward but also how they are able to resource to meet the legislative and reporting requirements going forward.

In addition Investors and Regulators are becoming more demanding. More data needs to be collected, understood and processed. Systems need to be enhanced and developed and resources hired (if that is the considered option) to cover this additional workload. Undoubtedly the fixed costs of the Manager will increase at a time when management fees are fixed or even reducing due to the difficulties of the fund raising market.

As a consequence there is an increasing trend to outsource work to the professional administrators around the globe. Outsourcing provides a flexible solution – you only pay for what you need – and

provides levels of technical ability and technology unlikely to be achieved by the manager in-house. The outsource providers themselves are sophisticated businesses, expert in what they do and for many a very safe pair of hands.

As the world becomes more complex and competitive, the businesses that survive and grow will be those that are expert in everything that they do and deliver the required products and returns to their clients/investors. The days of the "jack of all trades" has gone - it is the experts that will survive. And that means doing yourself what you really are good at and delegating the rest to other experts.

About Augentius

Augentius is a specialist in the servicing of Private Equity and Real Estate funds. It's all we do.

With 200 staff in offices right across the globe Augentius, unlike others, is a truly global player. No matter where you are based or your fund is domiciled Augentius can provide you with the services that you need.

Over 100 fund managers have selected Augentius to administer their funds. They receive the highest levels of service, from qualified staff, who are expert in what they do, and will always go the extra mile for their clients.



Complexity Made Simple

Augentius specialises in Private Equity and Real Estate Fund Administration.

That's all we do – across the globe.

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