

**Quarterly Feature: Big Names – Global Expansion**

China outbound M&A this quarter was centred in three industries and led by major Chinese based groups committed to building larger, more international businesses.

**Technology**

Consistent with the global boom in TMT M&A during Q1 2014, China experienced a considerable increase in outbound TMT deals this quarter. 14 of the total 56 controlling / minority stakes M&A deals this quarter (25%) were in TMT as well as 25% of all JVs.

Lenovo Group made two largest technology acquisitions, totalling USD 5.2bn. Both of these were US based. The IBM server acquisition improved Lenovo's global market share in this business to 14%. Motorola Mobility, its other major acquisition this quarter, represents the 3rd largest US and Latin American smartphone producer.

**Automotive**

There were four significant M&A deals this quarter, all in the month of February, which are listed in the table below.

**Table 2: Automotive Transactions (Q1 2014)**

Announcement Date	Acquirer	Target	Target Country	Deal Value USDm	Stake Acquired (%)
28-Feb-14	Zhejiang Geely Automobiles	Emerald Automotives	United Kingdom	200.0	na
19-Feb-14	Dongfeng Motor Corporation	PSA Peugeot Citroen	France	1,100.0	14%
18-Feb-14	Beijing Automotive	Atieva	United States	na	25%
14-Feb-14	Wanxiang Group Corporation	Fisker Automotive, Inc.	United States	149.2	80%

Three of these targets involved clean energy vehicles/components, while the other represented one of the oldest players in the European automotive business. For a full analysis of these transactions and tactics, please refer to the Appendix.

**Commodities**

China National Cereals, Oils Foodstuffs Corp (“COFCO”), China's largest food trader, agreed to acquire a 51% stake in the agriculture and commodities group Nidera BV. The deal, which values the equity of Nidera at USD 2.4bn (NAV of USD 800m) (note: with the assumption of USD 1.6bn net debt, this produces an enterprise value for Nidera at USD 4.0bn). The two companies will also form a strategic partnership. This acquisition allows

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COFCO to bypass international trading houses and buy soybeans and grains directly from South America (Argentina).

The acquisition of this stake follows the 2013 discussions with COFCO potentially acquiring minority stake for USD 250m.

As this quarter ended, COFCO and Hopu were in discussions to form a JV involving Noble Group's Agricultural Commodities unit. This unit, which Noble considered IPOing in 2011, produced losses in 2013. The JV will purportedly involve Noble's sugar mills in Brazil, soybean plants in Argentina, Paraguay and Uruguay, grain silos in Ukraine and possibly Noble's network of ports and commodities terminals.

CIC is Noble's largest shareholder and bought its shares in 2009, prior to the commodities price slump. Since these discussions became public, COFCO's share price increased significantly, COFCO and Hopu have partnered together previously to take a 20% stake in China's largest domestic dairy group.

Overall, the global agribusiness is consolidating, with deals by Marubeni (making it China's top grains supplier) and a proposed ADM deal last year which followed a 2012 Canadian deal by Glencore. This quarter also saw a possible deal involving OLAM, leaving Noble's agricultural commodities business as one of the last remaining targets.