

News release

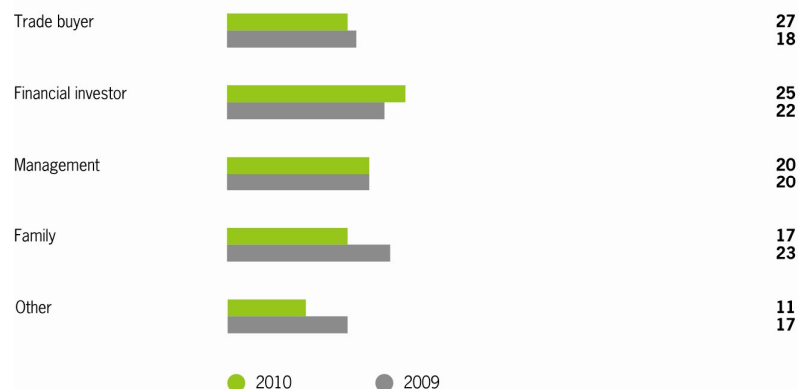
M&A activities set to increase as privately held businesses anticipate the return of financial and trade buyers

Singapore - 10 February 2010

With the whiff of economy recovery in the air and privately held businesses (PHBs) are more confident that the upturn has started or will take place during the course of 2010, the latest findings coming out from the Grant Thornton International Business Report (IBR) which has been surveying the views of privately held businesses (PHBs) for 18 years; found that the globally 10% of respondents expect a change of ownership in their business in the next three years compared with 6% twelve months ago. Of those, 27% anticipate selling to a trade buyer compared to only 18% last year, and 25% to a financial investor (22% in 2009). See chart Fig 2 below.

Despite an improving business environment, PHBs are treading with caution when asked about their intentions for acquisitions. The survey revealed that globally businesses considering this route to expansion fell from 37% to 26%. This same cautious approach is also reflective of Singapore PHBs; 32% in 2009 to 21% in 2010. (Fig 1 page 2)

Figure 2: Anticipated purchasers in the event of a change of ownership
Percentage of businesses globally



Source: Grant Thornton IBR 2010

Commenting on the findings, Kon Yin Tong, Director of Grant Thornton Corporate Finance Pte Ltd said, “This is not surprising as PHBs wanting to grow through M&A are naturally cautious. For businesses that do have cash resources, the combination of a brighter global economy and comparatively low valuations is throwing up interesting acquisition opportunities not only for domestic transactions but also for cross-border deals.”

He added, “Over the last 18 months, many businesses have taken actions to reduce costs. 2010 is likely to see some stronger PHBs undertaking strategic acquisitions or mergers to drive further efficiency, resume growth and enhance margins. For home grown PHBs, acquiring global brands, gaining access to overseas markets and leveraging new technologies can offer a whole new spring board of opportunities.”

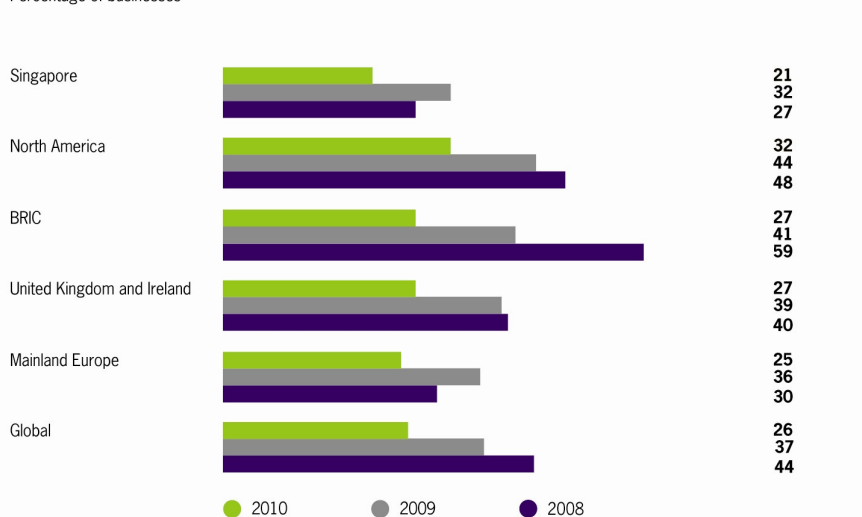
Grant Thornton member firms are reporting a clear revival in M&A activity, a change evident both in the number of transactions being completed and in the general shift in mood. According to the findings, access to new geographic markets (57%) and build scale (48%) are key drivers behind M&A.

Regionally, North America, Latin America and the Nordic countries top the league table (all at 32%) with more plans to grow through acquisitions. On a country level, Poland ranks highest with 66% planning to grow through acquisitions in the next three years. Whilst domestic acquisition is the top choice (84%) for businesses considering M&A, it is interesting to note that businesses in Mexico expect to grow through cross-border acquisitions, the highest percentage (65%).

The study also revealed that compared with the global average of 7%, more Singapore PHBs (11%) are keen to undergo a public listing in the next three year. Regionally the listing action is lead by BRIC economies (15%) followed by Asia Pacific 12%. On a country level India tops the ranking with 33% expecting to undergo a public listing in the next 3 years.

Notes to Editors:

Figure 1: Planning to grow through acquisition in the next three years
Percentage of businesses



Source: Grant Thornton IBR 2010

G1: Do you plan to grow through acquisition in the next 3 years? (%yes) // G1b: If so, would this be through domestic or cross-border acquisition? (%)			
	% Yes	Domestic acquisition	Cross-Border acquisition
2010			
Poland	66	76	48
Botswana	54	72	41
Chile	47	*	*
Netherlands	41	79	41
Finland	38	*	*
New Zealand	38	79	27
South Africa	37	88	41
Australia	35	87	25
Armenia	35	*	*
Canada	35	84	18
Russia	34	81	13
Mexico	34	80	65
United States	32	90	25
Argentina	31	*	*
Sweden	30	79	27
Brazil	30	*	*
Denmark	29	*	*
Ireland	29	*	*
Philippines	27	*	*
France	27	85	25
United Kingdom	26	87	29
Mainland China	26	81	17
Belgium	24	*	*
India	22	69	42
Singapore	21	*	*
Hong Kong	21	*	*
Spain	20	76	35
Vietnam	19	*	*
Malaysia	19	*	*
Italy	19	*	*
Turkey	18	*	*
Germany	17	78	43
Greece	15	*	*
Thailand	11	*	*
Taiwan	10	*	*
Japan	9	*	*
European Union	25	81	33
Nordic	32	79	33
NAFTA	32	88	28
Latin America	32	88	39
Asia Pacific	21	80	25
Asia Pacific excl Japan	24	78	26
North America	32	89	25
UK & Ireland	27	86	30
Mainland Europe	25	79	34
BRIC	27	80	20
Rest of World	20	83	42
Global	26	84	28

Source: Grant Thornton IBR 2010

About International Business Report

Entering its eight year, Grant Thornton's International Business Report (IBR) 2010 was carried out over 7,400 senior executives of medium to large privately held businesses (PHBs) from 36 countries/regions in late 2009. Grant Thornton International started a major annual survey of the attitudes and expectations of small and medium-sized businesses in 1992 called the European Business Survey (EBS). In 2003 the research project was widened to an international perspective covering medium-sized businesses and renamed the International Business Owners Survey (IBOS).

In 2007, the survey's name was changed from IBOS to the International Business Report (IBR). The IBR draws upon 17 years of trend data for original EBS participants and 7 years for original IBOS countries. The 17 year trend data is available for: France, Germany, Greece, Ireland, Italy, Netherlands, Spain, Sweden and the United Kingdom, while the 7 year trend data is available for Australia, Canada, Hong Kong, India, Japan, Mexico, Russia, Singapore, South Africa and the United States.

A privately held business (PHB) includes businesses such as entrepreneurs, family businesses and non-listed entities which account for over 98% of businesses worldwide.

The research is conducted by Experian Business Strategies Ltd. Grant Thornton International donates US\$5 to UNICEF for every completed IBR questionnaire; this has resulted in a donation of US\$36,600 in 2009.

To find out more about the Grant Thornton International Business Report, please visit www.internationalbusinessreport.com

About Foo Kon Tan Grant Thornton LLP

Foo Kon Tan Grant Thornton LLP is a member firm of Grant Thornton International Ltd (Grant Thornton International),

Established in 1973, Foo Kon Tan Grant Thornton LLP has advanced from a traditional public accounting firm to one delivering a full range of services tailored to the needs of privately held businesses and public interest entities. The Firm and its associated entities in Singapore employ more than 300 people. Clients can access the knowledge and experience of more than 2,600 partners in over 100 countries in the Grant Thornton International network and receive the same distinctive, high quality and personalised service wherever they choose to do business. For more information, please visit www.grantthornton.com.sg

Grant Thornton International is one of the world's leading organisations of independently owned and managed accounting and consulting firms. Member firms provide assurance, tax and specialist business advice and share a commitment to providing the same high quality service to their clients wherever they choose to do business. Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered by member firms independently.

Further enquiries, please contact:

Penny Yick

Foo Kon Tan Grant Thornton LLP

Corporate Communications

T +65 6511 1475

E pyick@grantthornton.com.sg