ASIAN CONSUMER & LUXURY NEWSLETTER

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A quarterly newsletter of developments in the consumer & luxury products sector in Asia

Business Development Asia ("BDA") is an investment banking firm which advises on cross-border transactions in Asia, especially acquisitions, divestments, joint ventures and capital raising.

We have offices throughout Asia, the Middle East, Europe, and the US. If you think that BDA's services may be useful to you, or you would like to speak to a member of our Consumer & Luxury Goods Practice team, please contact us at one of our offices or email me at pdigiacomo@bdallc.com.

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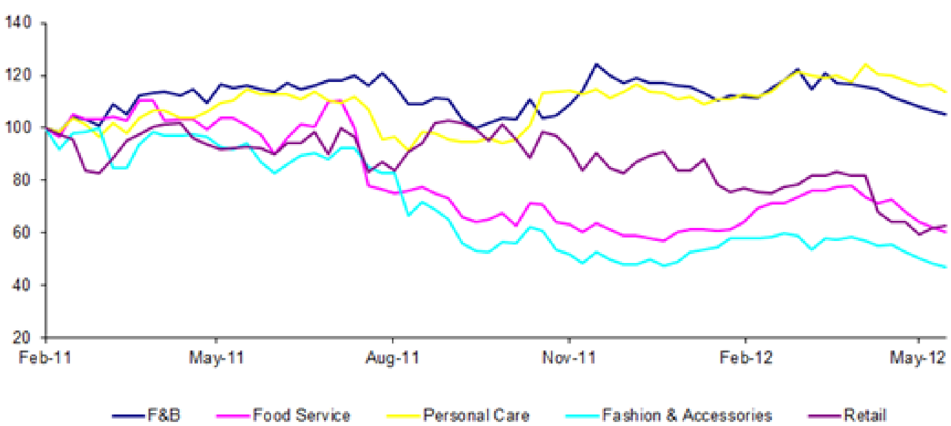
Fashion & Luxury

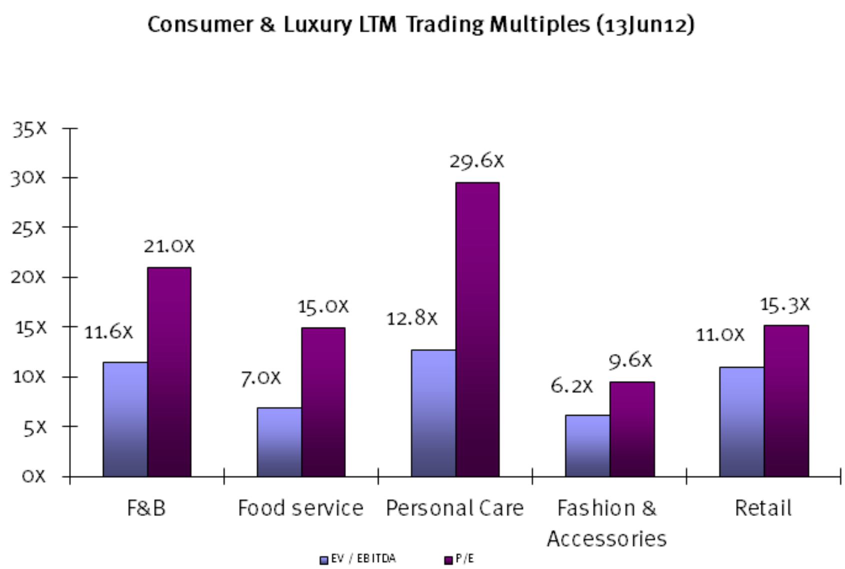
Chu Yuet-Wah, the heir of the Macau gaming tycoon, has agreed to acquire **Sincere Watch**, a Singaporean watch retailer with outlets in Singapore, Malaysia, Hong Kong, Macau, Thailand, Korea, Taiwan, Indonesia, China, and India, for S$230m (US$184m). The stake acquired includes those held by **L Capital** and **Standard Chartered Private Equity**, who invested in Sincere Watch in October 2009. *February 21, 2012*

Fujibo, a Japanese manufacturer of textile products and specialty chemicals, has agreed to acquire **Angle-Miyuki**, which manufactures nightwear and lingerie for men and women, from its parent group, **Miyuki**, a manufacturer of carded wool fiber, for an undisclosed amount. Angle-Miyuki sells products under the *N-One*, *Pierre Cardin*, *Paul & Joe* and *DAKS* brands. *May 11, 2012*

Asian Consumer Companies Stock Indices for Selected Sectors (12 months ending 5Jun12)



Source: Capital IQ, BDA



Source: Capital IQ, BDA

Future Ventures India, the investment arm of **Future Group**, a leading Indian retailing group, has acquired 95% of **Indus-League Clothing**, a Bengaluru-based apparel company which offers fashion wear, formal wear, and yoga apparel, for an undisclosed amount. Indus-League sells products under the *Indigo Nation*, *Scullers*, *Urbana*, *Jealous21*, *Urban Yoga*, *Daniel Hechter* and *John Miller* brands. It operates over 100 exclusive retail stores in India. *April 2, 2012*

Lafaso.com, the Beijing-based online cosmetics retailer founded by Chinese celebrity **Li Jing**, has raised tens of millions of US dollars from undisclosed investors. Lafaso has 5 million registered users and a repeat purchase rate of 56%. It generated sales of RMB1bn (US$156m) in 2011, and is expected to break even by the end of 2012. *April 19, 2012*

Neiman Marcus, the US-based high-end shopping mall operator, has acquired a minority stake in **Glamour Sales**, the Japanese discount website for luxury designer goods and lifestyle products, for US$28m. *March 22, 2012*

Paixie.net, an online sports and casual shoes retailer based in China, has raised tens of millions of US dollars in its first round of funding from **SIG Asia**, a China-focused venture fund, and **Goldman Sachs Merchant Banking Division**. *March 26, 2012*

Rakuten, one of the largest Japanese online retail platforms, has agreed to acquire 33% of **Stylife Corp**, the Tohuko-based e-commerce business which sells fashion apparel and accessories online and through mobile networks, from its parent group, **Samantha Thavasa**, a jewelry and handbag retailer. The deal has valued Stylife at US$24m. *May 14, 2012*

The management of **Ocean Sky International**, a company which provides integrated apparel services including apparel research, design, product development, and sourcing for global fashion brands such as *Gap*, *H&M*, *Calvin Klein* and *Lucky Brand*, have acquired the entire assets of the company, for US$50m. *April 2, 2012*

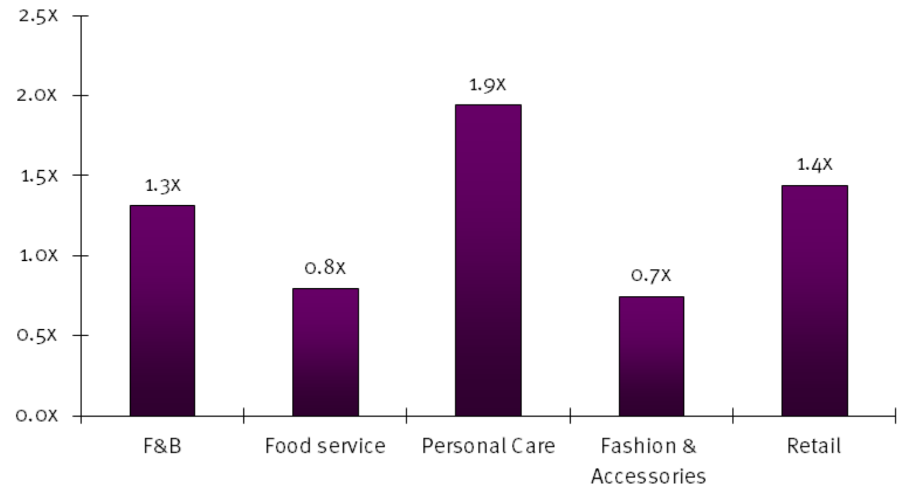
Food & Beverage

Asahi, the leading Japanese brewery, has agreed to acquire **Calpis**, the Japanese manufacturer of lactic acid beverages and dairy drinks, from **Ajinomoto**, the food ingredients and seasoning company, for JPY120bn (US$1.5bn). *May 8, 2012*

Bright Food, the Chinese, state-owned food conglomerate, has agreed to acquire 60% of **Weetabix**, the UK-based manufacturer of breakfast cereals and bars, from **Lion Capital**, the London-based private equity fund, for £1.2bn (US$2bn), including debt. Founded in 1932, Weetabix sells cereal products under the brands including *Crunchy Bran*, *Weetos* and *Alpen*. It is the world's eighth-largest producer of breakfast cereals by market share. *May 3, 2012*

Campina Zuivel, a subsidiary of **FrieslandCampina**, the Dutch dairy group, has agreed to acquire the remaining 31% of Philippine-based **Alaska Milk**, for PHP6.7bn (US$156m). Alaska Milk manufactures dairy products including fresh milk, sweetened condensed milk, powdered milk, condensed creamer, and coffee creamer. The company sells its products under the *Alaska*, *Carnation*, *Alpine*, *Liberty*, *Milkmaid*, and *Krem-Top* brands. *April 24, 2012*

Consumer & Luxury EV /Revenue Ratios (13Jun12)



Source: Capital IQ, BDA

Emperador Distillers, the Philippine-based producer and marketer of brandy, has acquired a production plant facility in Laguna Province from **Diageo Philippines**, the subsidiary of the global leading liquor and wine maker, for an undisclosed amount. *May 4, 2012*

General Mills, the US food conglomerate engaged in the production of ready-to-eat cereals, ice creams, ready-to-serve soup, and frozen dumplings, has acquired **Parampara Foods Products**, an Indian producer of ready-to-cook spice and sauce mixes, for an undisclosed amount. *May 9, 2012*

Guangdong Tiandi Yihao Beverage, a Chinese company which specializes in producing fruit vinegar beverages, has raised RMB200m (US$32m) from **China Science & Merchants Investment (Fund) Management** and **Shenzhen Capital Group**, two Chinese local private equity funds. The investors will hold a total of 5% to 6% of the company after the funding raising. *April 5, 2012*

India Agri Business Fund, an Indian firm specializing in middle-market agricultural investments, has acquired 20% of **Super Agri Seeds**, an India company which produces and markets seeds for vegetable and field crops, for INR500m (US$10m). *March 30, 2012*

JM Smucker, the US-based manufacturer of ice cream topping, jam and peanut butter, has acquired a minority stake in **Guilin Seamild**, a Chinese manufacturer of oat products, from the **founding Xie Family**, for US$35m. Seamild has an annual oats processing capacity of 10,000 tons. *May 26, 2012*

Legend, a Chinese investment holding company with interest in the IT, consumer and real estate sectors, has acquired 51% of **Sichuan Luzhou Shuguang Liquor**, the southwestern-based Chinese wine producer, for RMB140m (US$22m). *April 1, 2012*

Life Corp, a Japanese retailer which operates a chain of supermarket stores that focus on providing sea foods, ham, fruits and vegetables, has agreed to acquire **Nihon Food Corp**, which makes and distributes packaged foods and meats in Japan, for JPY1.9bn (US$24m). *April 10, 2012*

LottVision, the Hong Kong-based networked video hosting solutions provider, has agreed to acquire 55% of **Nutryfarm Biomedicine ("Nutryfarm")**, a Chengdu-based company engaged in the research, development, and manufacture of nutritional and herbal food products. The deal has valued Nutryfarm at US$16m. *May 9, 2012*

Maruha Nichiro Foods, a processed food producer in Japan, has agreed to acquire 63% of **Yayoi Foods**, a Japanese manufacturer and distributor of frozen prepared food such as pasta, mixed vegetables and ham, from **Itochu**, the trading conglomerate, for JPY4bn (US$49m). Yayoi Foods had sales of JPY33bn (US$406m) in 2011. *April 23, 2012*

PT Japfa Comfeed Indonesia, a leading animal feed producer, has agreed to acquire the remaining 27% of **PT Multibreeder Adirama**, which breeds livestock in Indonesia, for IDR240bn (US$26m). *April 11, 2012*

Starzen, a Japanese company engaged in breeding, processing and manufacturing of meat products, has agreed to acquire the remaining 42% of **Lohmeyer Corp**, for JPY1.3bn (US$16m). Founded in 1921, Lohmeyer produces frozen ham and sausages in Japan. *May 10, 2012*

VuQo, the US-based spirit group which manufactures and distributes *VuQo Premium Vodka* in California, Texas, and Georgia, as well as in Guam and the Philippines, has acquired **El Coco Wine Distillery**, which produces coconut-based liquor under the brand *Lambanog*, for an undisclosed amount. *April 25, 2012*

Food Service

Adiga's Fast Food, an Indian fast food chain, has raised an undisclosed amount from **New Silk Route**, a US-based private equity fund specialized in growth capital and buyout investments. Adiga's Fast Food operates a chain of vegetarian restaurants in Bengaluru, offering vegetarian dishes and fresh juices. The company was founded in 1965, and formerly known as **Brahmin's Coffee Bar**. *April 21, 2012*

Beijing Xiangeqing has agreed to acquire 90% of **Shanghai Qiding Food** from Qi Dawei and Qi Chunsheng, the two founding shareholders, for RMB135m (US$21m). Beijing Xiangeqing is a full service restaurant chain based in Beijing, with 28 outlets in Beijing, Shanghai, Changsha, Shenzhen, Chengdu, Wuhan, Zhuzhou, Taiyuan, Nanjing, Xi'an, Hohehote, and Zhengzhou. Shanghai Qi Ding Food operates restaurants under two brands, *Wishdoing* and *Dingzhongding Macau Dolar*, in Shanghai, with over 65 outlets in total. *April 13, 2012*

Daehan Flour Mills, which produces and sells bread flour and cake flour in Korea, has acquired **Bonavie**, a Korean food service chain which operates the *Artisee Bakery*, from **The Shilla Hotels & Resorts**, the country's leading hospitality group, for KRW30bn (US$27m). *April 27, 2012*

Orix Capital, the private equity arm of the Japanese lease financing and insurance provider, has acquired **Kinrei Corporation**, the Osaka-shi based Japanese cuisine casual dining chain, for an undisclosed amount. Kinrei also produces and sells frozen ready-to-cook noodles through modern retail channels. *April 4, 2012*

Sequoia Capital and **Carlyle Group**, two international private equity groups with investment interests in the food service sector, plan to invest US$40m to US$50m in **JSM Corporation**, the franchisee for *Hard Rock Café, California Pizza Kitchen*, and *Trader Vic's* in India. JSM announced that **PremjiInvest**, an Indian investment company, and **New Silk Route**, a US-based fund, may also join this round of funding. *April 11, 2012*

Shinmei, the Japanese company engaged in the wholesale and trading of rice and grains, has agreed to acquire 28% of **Genki Sushi**, a chain of sushi restaurants in Japan and internationally, from **Gourmet Kineya**, a group which is involved in restaurants and catering businesses, real estate investments, and transportation services in Japan, for an undisclosed amount. Genki Sushi had revenue of over US$280m in 2011. *April 27, 2012*

Tano Capital, a US-based private equity firm which focuses on investments in India and China, has agreed to acquire a minority stake in **Barbeque-Nation Hospitality**, a Mumbai-based grill casual dining restaurant chain with 19 outlets in India, for US$20m. *April 23, 2012*

Tiantian (Lecake), a Chinese online cake shop with home delivery services, has raised US$10m in series A funding from **GSR Ventures** and **HGI Capital**, two Greater China-based funds. The company was founded in 2000 and currently focuses on the Shanghai market. Its competitor includes **Legend Capital** backed **21Cake**, which operates in Shanghai, Beijing and Hangzhou. *April 30, 2012*

Personal care

Hoyu, the Japanese manufacturer and distributor of hair coloring products and cosmetics, has acquired the remaining 40% of **Kracie**, a manufacturer of toiletries, skin care products and dietary foods and supplements, from **Advantage Partners**, **MKS Partners** and **Unison Capital**, three Japanese private equity groups, for an undisclosed amount. Hoyu had previously acquired 60% of Kracie from the same financial investors. *March 31, 2012*

Marico, which manufactures hair and skin care products in India, has raised INR5bn (US$92m) from **Baring Private Equity** and **Indivest**, an affiliate of Government of Singapore Investment Corporation, through the issuance of preferred shares representing 4.5% of the company. Indivest will acquire 3.4% and Baring will acquire 1% in Marico. Marico will use majority of the proceeds to fund the acquisition of the **personal care business of Paras** from **Reckitt Benckiser**, the UK-based household products and pharmaceutical group. The proposed acquisition of Paras was announced earlier in February 2012. *May 16, 2012*

SCA Hygiene Products, a Swedish diapers and feminine care products manufacturer, has agreed to acquire an additional 5% stake in Vinda International, one of the largest and listed tissue paper manufacturers in China, for HK$700m (US$91m). *April 10, 2012*

Retail

Better Life Commercial Chain, which operates supermarkets, department stores, and household electrical appliances stores in China, is expected to raise RMB1.2bn (US$190m) from a total ten investors, through a private placement. The company had revenue of RMB8.4bn (US$1bn) in 2011 and a market capital of RMB6.3bn (US$987m). *April 13, 2012*

Dairy Farm, the Hong Kong-based group behind the *Wellcome* supermarkets, has acquired 50% of **Rustan's Supercenters**, the Philippine-based department store chain, from the **Tantoco Family** and **Spinnaker Capital Group**, a UK-based private equity group, for an undisclosed amount. Rustan's Supercenters have 20 outlets in Metro Manila and 2 in Cebu. It employs 30,000 employees. The Tantoco family and Spinnaker Capital have sold 36% and 14% of Rustan respectively to Dairy Farm. *May 7, 2012*

Jasper Infotech, which provides direct marketing services such as loyalty and reward program execution, samples promotion, and coupon management programs in India, has acquired **eSportsBuy.com**, the Indian online retailer of sports and fitness equipment, for an undisclosed amount. *April 4, 2012*

Lotte Shopping, the leading Korean retail group, has agreed to acquire two stores in Gyeyang and Yeongtong from **Grand Department Store**, another Korean department store chain, for KRW154bn (US$136m). *May 2, 2012*

Mom & Me, the specialized retail arm of Indian industrial conglomerate **Mahindra & Mahindra**, which is engaged in the retail of maternity wear and baby wellness products, has raised US$19m from undisclosed private equity investors. Mom & Me currently operates over 75 outlets in India. *May 4, 2012*

Nissen, the Japanese online retailer of fashion apparels, has agreed to acquire **Shaddy**, an e-commerce business engaged in the retail of gifts, flowers and gourmet foods, from **UCC**, the coffee group, for JPY13bn (US$154m). *March 26, 2012*

ARCS, which operates a chain of retail stores in Japan, plans to acquire **JOIS**, a chain of supermarkets and shopping centers with outlets located in Morioka, Hanamaki, Iwate Prefecture, Sanriku coastal area, and Akita, for JPY5.1bn (US$63m), via a share swap. *April 16, 2012*

99 Inn, the budget hotel chain based in Wenzhou, with additional operations in cities including Shanghai, Beijing, Tianjin, Guangzhou, Wuhan, Hangzhou, Suzhou, Nanjing and Changsha, has raised US$110m from private equity groups including **Goldman Sachs**. 99 Inn currently has over 200 budget hotels in China. *April 9, 2012*

Junkudo, a wholly-owned subsidiary of **Dai Nippon Printing** which operates books and magazines retail shops in Japan, has agreed to acquire 86% of **BigWill**, a Japanese retailer of books and CDs, from **Kintetsu Department Store**. *March 28, 2012*

Puregold Price Club, the Manila-based operator of Pure Puregold Price Club hypermarkets, Puregold Junior supermarkets, and Puregold Extra discount stores, has offered to acquire **Kareila Management Corp**, which owns the Filipino upscale **S&R Membership Shopping Club**, for PHP16.6bn (US$388m). The combined entity is expected to have a market share of 20% of the modern retail market in the Philippine. *March 27, 2012*

Selected Asia Consumer & Luxury Related Transactions with Multiples (3 months ending in 5Jun12)

Announce Date	Target Name	Target Country	Acquirer Name	Acquirer Country	Deal Value	Percentage Acquired	EV / EBITDA	EV / Revenue	P/E
8-May-12	Calpis Co Ltd	Japan	Asahi Group Holdings Ltd	Japan	$1,488	100%	-	1.1x	33.1x
27-Apr-12	Bonavie Co Ltd	Korea	Daehan Flour Mills Co Ltd	Korea	$27	100%	-	1.2x	25.2x
24-Apr-12	Alaska Milk Corp	Philippines	FrieslandCampina NV	Netherlands	$156	31%	10.8x	1.6x	19.7x
13-Apr-12	Shanghai Qiding Food Development Co Ltd	China	Beijing Xiangeqing Co Ltd	China	$21	90%	7.2x	0.7x	13.3x
12-Apr-12	Hua Lien International Holding Co Ltd	Hong Kong	China National Complete Plant Import and Export Corp Ltd	China	$167	86%	24.3x	7.6x	-
11-Apr-12	PT Multibreeder Adirama Indonesia Tbk	Indonesia	PT Japfa Comfeed Indonesia Tbk	Indonesia	$26	27%	10.2x	0.9x	37.0x
10-Apr-12	Nihon Food Corporation	Japan	Life Corporation	Japan	$24	100%	-	0.2x	11.6x
10-Apr-12	Vinda International Holdings Ltd	China	SCA Hygiene Products AB	Sweden	$91	5%	23.9x	3.3x	35.4x
2-Apr-12	Ocean Sky International Ltd	Singapore	Management of Ocean Sky	Singapore	$50	100%	1.9x	0.1x	5.5x
31-Mar-12	Sincere Watch Ltd	Singapore	Chu Yuet-Wah (Private Investor)	Hong Kong	$184	100%	11.2x	1.8x	24.2x
28-Mar-12	Kareila Management Corporation	Philippines	Puregold Price Club Inc	Philippines	$388	100%	17.0x	2.5x	25.2x
27-Mar-12	Zhongpin Inc	China	Xianfu Zhu (Private Investor)	China	$418	83%	7.3x	0.5x	7.9x
26-Mar-12	Shaddy Co Ltd	Japan	Nissen Holdings Co Ltd	Japan	$154	100%	-	0.2x	27.8x
				Median	**$154**	**100.0%**	**10.8x**	**1.1x**	**24.7x**

Source: Capital IQ, Mergermarket, BDA analysis

The stock indices and trading multiples graphs shown in this newsletter represent the ten largest publicly traded consumer products companies in Asia.

Business Development Asia is an investment banking firm which assists multinational companies in expanding their businesses in Asia through acquisitions, divestments, JVs, and capital raising. For further information on BDA's services or on any of the articles in this newsletter, please contact the offices listed.

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