

InterChina

Strategy | Corporate Finance

**Consumer & Retail
Group**

InterChina



英特华



www.InterChinaConsulting.com
www.InterChinaPartners.com

Exclusive China Partner of  CLEARWATER
INTERNATIONAL

InterChina Profile

Leading strategy and corporate finance firm specialized in China

Our Value

- China specialist.
- Strategy and Corporate Finance.
- 20+ years of experience.
- Focused on 5 sectors, including Consumer.

Our People

- Multicultural partnership.
- 50 professionals.
- Chinese, senior, industrial background.
- Located in Beijing and Shanghai.



Our Clients

- Medium-sized to Fortune 500.
- 600+ strategy projects.
- 170+ transactions (USD 8+ bn).
- 2/3 of projects are returning clients.

Our Global Reach

- China partner of Clearwater International.
- Mid-market cross-boarder transactions.
- 15 offices, 40 partners and 200 staff.
- 1100+ transactions (EUR 43+ bn).



Leadership

Partner led firm, partner led engagements



Jan Borgonjon
President



Eduardo Morcillo
Managing Partner



Barry Chen
Partner In Charge
(Corporate Finance)



Simon Zhang
Partner In Charge
(Strategy)



Wu Zhifang
Partner



Huang Qingbo
Partner



James Sinclair
Partner



Franc Kaiser
Partner



Lin Tao
Partner



Strategy | Corporate Finance

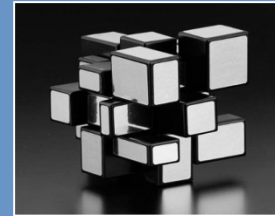
A symbiotic combination of capabilities and services

Strategy Practice



Strategy Development

- China Entry.
- Market Development.
- Market Penetration.
- Growth Strategy.
- Profit Protection.
- Government Affairs.



Strategic Operations

- Growth Simplification.
- Post-merger Integration.
- Operating Model Revamp.
- Portfolio Optimization.
- Network Rationalization.

Corporate Finance



Investment Banking

- Corporate Buy-Outs.
- Divestitures.
- Strategic Alliances.
- Target/ Partner Search.
- Fairness Opinion & Valuations.



Capital Raising / Debt Advisory

- Capital Raising.
- Project Finance.
- Debt Advisory.
- Corporate Restructuring.

Sector Focus

Experience, insight and contact networks in China's major growth sectors


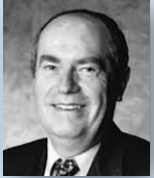



- ➔ 90% of our **engagements** are concentrated in 5 industry sectors.
- ➔ Partner-led **sector teams** that consolidate our experience, insight and contact networks.
- ➔ 2~3,000 executive meetings and **trade interviews** per annum for the past 20 years.
- ➔ Sector **thought pieces** distributed to 10,000 readers in our InterChina Insight newsletter.
- ➔ Bench of **Senior Advisors** that have 30+ year corporate careers in China.




Our Board of Senior Advisors

Experts in their sectors with years of experience and extensive networks in China

 Christoph Hoene Fmr APAC Director, EMAG	 Antonio Farese Fmr President, BLM Group	 Dadong Zhao Fmr President, Emerson China	 Nor Coquillard Fmr President, Cargill China	 George Zhang Fmr CEO, Huaxia Dairy	 Frank Gibson Fmr Strategist, Fonterra and Lion Nathan
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 Lan Ma Fmr Global Marketing Director, Dupont	 Michel Ybert Fmr AP President, Solvay	 John Sun Fmr GM, Chemtura; VP, Novacap
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 Michael Wenderoth Fmr Managing Director, Invisalign	 William Keller Fmr GM, Roche China	 Khai Meng Ng Fmr VP Asia Hospira
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 Jay Cheng Fmr President, Halla Visteon Climate Control	 Ling Wu Fmr Head of Outbound M&A, KPMG	 John Mack Fmr President, CIE Automotive; Fiat Thailand	 Michael Thurow Fmr EVP, Sanitec Fmr CEO, Marsh	 Francisco Minoves Fmr Atlantic Bank, International Financial Mgmt	 Jose Riba Vidal Partner, Riba Vidal Abogados
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Consumer Clients

Our clients are among the world's leading consumer multinationals

Consumer Clients

Appliances	Furniture/Décor	Fashion	Personal Care	F&B	Food Service	Sports/Leisure	Retail	Services
B/S/H/		MISSONI	L'ORÉAL		<i>sodexo</i>		Walmart 	
	Kartell	 CORNELIANI <i>Cordiani</i>						中坤 
	arper	LITTLE KISS	 PUIG			HUFFY BICYCLES	Sainsbury's	
	composad <i>A new Life for Italian Design</i>	<i>Is Patricia Shoes</i> PATRICIA FERNÁNDEZ	FORTÉ PHARMA LABORATOIRES	Wyeth			Dia 	
FRANKE	 SIMON LI FURNITURE	UNO AERRE ITALIAN JEWELLERY	 JOJOBA DESERT For Natural Beauty		telepizza	ShOp247		
Haier	 LLADRÓ	Candiani DENIM	 BASF The Chemical Company				 NEINVER	Kids&Us school of english 
								
FAGOR 								
airgle								



Consumer Projects

Our projects span strategy, corporate finance and operations



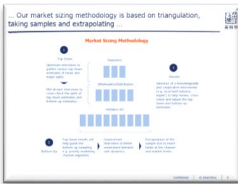
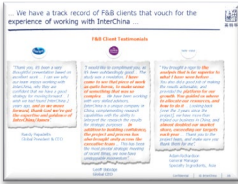
Consumer Projects

Strategy	Market Entry Strategy E.g. Bicycle Brand	Market Expansion Strategy E.g. Auto Assistance Services	Route-To-Market Strategy E.g. Luxury Fragrances
	<ul style="list-style-type: none"> • Size, nature of opportunity? • Entry point? • Products, positioning? • Route-to-market? • Investment model? • Capabilities needed? • Expected financial return? 	<ul style="list-style-type: none"> • Voice of customer? • New customer segments? • New regions, city tiers? • New products, proposition? • New business model? • New partners? • Organic vs. inorganic? 	<ul style="list-style-type: none"> • Internal diagnostic? • Territorial coverage? • Modern vs. traditional trade? • Direct vs. distributor? • Division of activities? • Trade terms, incentives? • Qualified distributors?
Corporate Finance	Partnerships/Acquisitions E.g. Outlet Center Operator	Commercial Partnership E.g. Specialty Health Ingredients	Franchise Networks E.g. QSR Chain (Pizza)
	<ul style="list-style-type: none"> • Acquisition strategy? • Ideal target profile? • Available targets, best target? • Evaluation? Valuation? • Transaction structure? • Negotiation strategy? 	<ul style="list-style-type: none"> • Commercialization strategy? • Ideal partner profile? • Business pitch presentation? • Available partners, best partner? • Partnership structure? • Negotiation strategy? 	<ul style="list-style-type: none"> • Franchise model? • Ideal franchisee profile? • Business pitch presentation? • Available franchisees? • Franchise manual/terms? • Franchisee education?
Operations	Supply Chain Model E.g. Hypermarket Chain (New Entrant)	Shopper Marketing E.g. Supermarket Chain (Premium)	Sales Force Effectiveness E.g. Diversified CPG (Seasonings)
	<ul style="list-style-type: none"> • Leading suppliers? • Current operation models? • Volume and price guarantees? • Traceability controls? • Respect for contract terms? • Retail organization? 	<ul style="list-style-type: none"> • Shopper insights? • Category structure? • Conceptual shelf? • Communication? • Store environment? • Brand activation? 	<ul style="list-style-type: none"> • Sales force scale? • Sales force organization? • Best practices routines? • Special programs? • KPI design, control? • Sales rep training?

Consumer KSF

The requisite experience and capabilities needed to advise on China issues

Key Success Factors (Strategy Projects)

Key Success Factors	The Potential Risks	InterChina's Proposition	
Significant Direct Experience <ul style="list-style-type: none"> Specialized in China. Significant depth of experience in the specific category and application markets. 	<ul style="list-style-type: none"> Too much time is spent on basic learning rather than deep drilling. Lack of experience risks poor strategic judgment. More critical in China than other markets given its complexity. 	<ul style="list-style-type: none"> We are a leading consulting firm in China's consumer market. The 2 senior members of our Consumer Group have long been with InterChina, and account for ~95% of this experience. 	
Senior & Specialized Team <ul style="list-style-type: none"> Senior commitment to the project. Combination of expatriate and Chinese consultants. No outsourcing. 	<ul style="list-style-type: none"> Many consulting firms delegate to junior consultants and/or outsource work. Given the immaturity of the consulting profession in China, this severely risks project quality. 	<ul style="list-style-type: none"> Our projects are Partner-led. The 2 senior members of our Consumer Group have a combined 35 years in consumer consulting in China. We do not outsource research. 	
Relevant Core Capabilities <ul style="list-style-type: none"> The ability to gather data and insight from trade players. And to also use interviews to test strategic ideas. The ability to model/project an opaque and fragmented market. 	<ul style="list-style-type: none"> Trade interviews require rapport and technique to be successful. Sizing/segmentation doesn't generally exist, and without competent modeling, good strategy won't be possible. 	<ul style="list-style-type: none"> We conduct 2,000~3,000 successful trade interviews per annum. We have conducted dozens of market modeling projects using our own tested methodology. 	
Proven Successful Outcomes <ul style="list-style-type: none"> Having clients that choose to continue working with the consulting firm. And are prepared to recommend the consulting firm to others. 	<ul style="list-style-type: none"> Many consulting firms in China over-promise and under-deliver. Clients are left feeling unclear on the path forward. Sometimes projects need to be conducted again. 	<ul style="list-style-type: none"> Our deliverables are often referred to for years afterwards. 2/3 of our business is with long-term clients. We have a track record of clients that vouch for working with us. 	



Consumer Client Experience

Many clients vouch for the experience of working with InterChina

Consumer Client Testimonials (Selection)

"You brought a rigor to the analysis that is far superior to what I have seen before ... You also did a good job of making the results actionable, and provided the platform for our growth. You guided us where to allocate our resources, and how to do it ... Looking back [over the 3 years since the project], we have more than tripled our business in China, and almost doubled our market share, exceeding our targets each year ... Thank you to the project team, and make sure you thank them for me".



Adam Richardson
General Manager
Specialty Ingredients, Asia

"I would like to compliment you, as it's been outstandingly good ... The study was a revelation, I have come to see that piece of work as quite heroic, to make sense of something that was so complex ... We have been working with very skilled advisors, InterChina is a unique company in China, complementing research capabilities with the ability to interpret the research the results for strategic purposes ... In addition to building confidence, the project and process has also brought unity across the executive team ... This has been the most pivotal strategic meeting of recent times, we now have unstoppable momentum".



Geoff Babidge
Global CEO

"The study puts us in a good position to develop our RTM structure in a realistic timeframe ... It's been a great pleasure to work with you, you've been very supportive."



Raymond Bolwijn
Asia Pacific Director

"Your team did a fantastic job and the group at global HQ was very impressed ... In fact Tim and Richard Smucker [joint global CEOs] both gave glowing accolades, saying that it was the best work from a consultant they have seen so far, and believe me they have seen quite a few ... So congratulations on a really great job, thanks for listening and being in tune with our needs ... I look forward to moving forward to the next stage of the China challenge".



Ronald Choong
BD Director
Greater Asia

"I appreciate the effort you made, the flexibility you showed, and also the practical approach you took ... We could not get this from another consulting company ... This project was a kind of test by Nestlé for InterChina. You passed".

"Everyone thinks you performed a miracle given the short time, and after 10 years of operating in the market, we finally have a national picture for the category ... Since we finished the project, your deliverables have been repeatedly used by the Unilever team, and were important to forming the strategies for our product lines ... So thank you for the great work, and I hope there is opportunity in the future to cooperate with you again".



Louisa Lu
Brand Development Director
Beverages, Asia

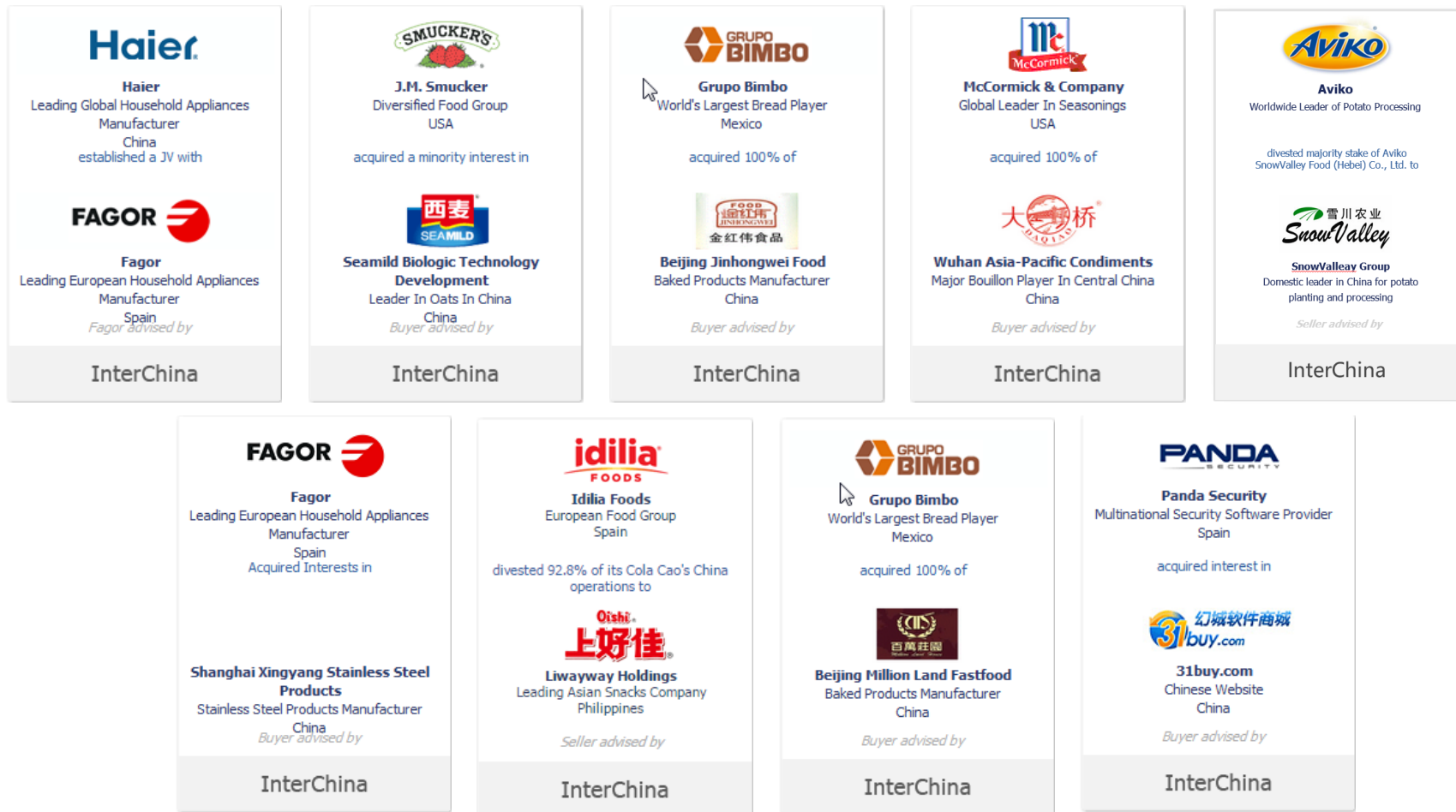


Blaise Revillard,
Head of Strategy & BD
Greater China



Consumer Deal Tombstones

Spanning both acquisitions and divestments



InterChina

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