

## The R\$150 million investment boutique

When he decided that it was time to sell part of Talent to a foreign partner, Sao Paulo-based publicist Julio Ribeiro asked for recommendations from consultant Claudio Galeazzi, of Galeazzi & Associados of a banker who could conduct negotiations on his behalf. The answer was quick: Galeazzi suggested Pécio de Souza, founder and partner of Estáter, one of the most active mergers and acquisitions boutiques in the country, who he met when he presided over Pao de Acucar group. “We met each other when executing business together, such as the Casas Bahia merger,” recalls Souza. “A relationship based on trust made him feel confident to think of us.”

The sale of 49% of Talent to the French group Publicis was the most recent and, certainly, the smallest of the transactions closed by Souza this year. The roughly R\$190 million paid by the French to Ribeiro and his partners are not much when compared to other transactions done by Estáter, which only in the first semester of the year reached R\$7.4 billion in mandated deals, giving it second place in the ranking of announced mergers and acquisitions in the country, behind only Deutsche Bank. “It was worthwhile because of the importance of the sector and Julio’s character,” says Souza. “Talent proved that when one has a valuable asset in hand, it is relatively easy to do business.”

Cases such as Talent’s are an exception in Estáter’s strategy. The lean company, with 32 employees, managed by Souza and five other partners, invests more on the size of transactions than on quantity. “We do not want and cannot have a retail operation,” he says. “We need time to analyse different companies and sectors, build different alternatives and find the best partners.” According to him, while the close relationship with names like Abilio Diniz – with whom he works since 2002 as an executive of BBA bank – and Galeazzi helps to open doors and attract clients, more is needed. “The deciding factor is the capacity of Estáter to generate opportunities,” says Souza. “Our advantage is having ideas that maximize shareholder value.”

Crystal ball. An example of this approach was the incorporation of Aracruz Celulose by Votorantim group. “We knew that the shareholders agreement of the pulp manufacturer, of which Votorantim was part, was expiring,” he recalls. “We looked for the group’s directors and brought a proposal to substitute the old agreement for the acquisition of the control of Aracruz.”

Born in Curitiba, Parana, 47 years old, graduated in civil engineering, Souza expects to close the year with R\$20 billion in mandated deals. These figures include the closing of the association of Casas Bahia with Pao de Acucar, the purchase of Quattor by Braskem and Petrobras, the acquisition of Brenco by ETH, in addition to the split of Cibepar from Bertin and Equipav groups. For next year, he prefers not to make any predictions. “We do not have a crystal ball,” he says. “We have to plan ourselves and always have interesting proposals.”

The economic growth, the country's image towards foreign investors, and events such as the World Cup and Olympics help Souza see a golden five years for Brazilian businesspeople. "We are one of the few countries that are growing," he says. Until now, by the way, Souza cannot complain. According to him, thanks to the commissions received, Estáter should close 2010 with revenue of R\$150 million, a 50% growth compared to 2009.

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