



THINKING AHEAD AND  
RESPONDING RAPIDLY

## INDEPENDENT EXPERT REPORTS

Our expertise and skills

THE POWER OF BEING UNDERSTOOD  
AUDIT | TAX | CONSULTING



## RSM INDEPENDENT EXPERT REPORTS

### Overview

From share buy-backs to takeovers to corporate restructures and merger and acquisition activity, an RSM Independent Expert Report (IER) provides shareholders with an objective analysis of any potential transaction.

Most importantly, an RSM IER includes our expert opinion on whether a contemplated transaction is fair and reasonable to voting shareholders, together with our reasoning for the opinion.

The deal specific terms of, and identity of the parties to, any proposed transaction will determine whether an IER must be mandatorily provided to shareholders under the Corporations Act or the Australian Securities Exchange's listing rules. Increasingly however, we observe directors and boards independently commissioning non-mandatory IERs to fully inform shareholders on the merits of a proposed transaction and provide them with an independent valuation perspective.

The expert analysis which underpins an RSM IER is undertaken in accordance with relevant Corporations Act, 2001 and Australian Securities and Investments Commission (ASIC) guidance and market accepted valuation approaches. Our IERs are prepared in a manner consistent with ASIC's Regulatory Guide 111 – Content of Experts Reports (RG 111) which sets out the criteria under which an expert must assess fairness and reasonableness of each transaction.

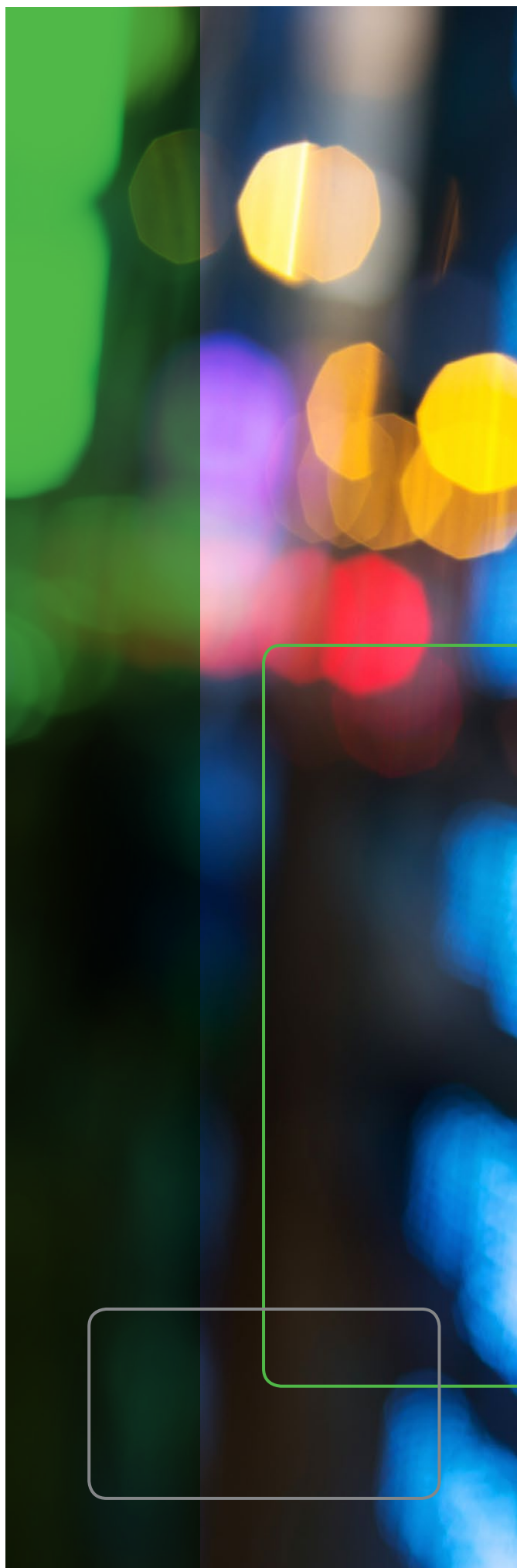
Independence is key – at RSM, we consider uncompromising independence is fundamental to the provision of an IER to shareholders. Our rigorous internal conflict check process, together with our compliance with the requirements of ASIC's Regulatory Guide 112 – Independence of Experts (RG 112), ensures our advice to shareholders is, and is seen to be, independent and objective.

RSM has expert valuation specialists who regularly deliver IERs for complex equity transactions, schemes of arrangement, related party transactions and takeover bids located throughout our national Corporate Finance practice. Our experience covers a broad range of industries from resources to biotechnology and engineering firms.

We are an integrated team and offer a commercial, hands on and Partner led approach to the IER process. The RSM approach allows key issues to be identified early in our analysis and ensures preparation of an IER is an efficient and timely process with the least possible disruption to management.

RSM has provided IERs for over a hundred deals with value in excess of \$1 billion and is a leading provider of IERs in the Australian market.

All RSM IERs are undertaken by RSM Corporate Australia Pty Limited, the holder of the relevant Australian Financial Services Licence (AFSL 255847).







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IERs IN THE AUSTRALIAN MARKET.  
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## ABOUT RSM

RSM is the sixth largest network of independent audit, tax and consulting firms, encompassing over 120 countries, 760 offices and more than 38,300 people internationally. The network's total fee income is US\$4.6 billion. RSM is the sixth largest provider of tax services and audit and accounting services worldwide.

RSM actively engages in promoting and celebrating the very best in entrepreneurship and business leadership, championing the role of the entrepreneur in today's world economy. RSM is the lead sponsor and corporate champion of the European Business Awards promoting commercial excellence and recognition of entrepreneurial brilliance.

RSM is a member of the Forum of Firms, with the shared objective to promote consistent and high quality standards of financial and auditing practices worldwide.

RSM is the brand used by a network of independent accounting and advisory firms each of which practices in its own right. RSM International Limited does not itself provide any accounting and advisory services. Member firms are driven by a common vision of providing high quality professional services, both in their domestic markets and in serving the international professional service needs of their client base.

- RSM is the 6th largest network of independent audit, tax and advisory firms in the world
- RSM is the 6th largest global provider of tax services
- RSM is the 6th largest global provider of audit and accounting services
- RSM has 128 member and correspondent firms in 120 countries
- 760 offices worldwide
- 38,300 staff including 3,384 partners
- Combined fee income of US\$4.6bn

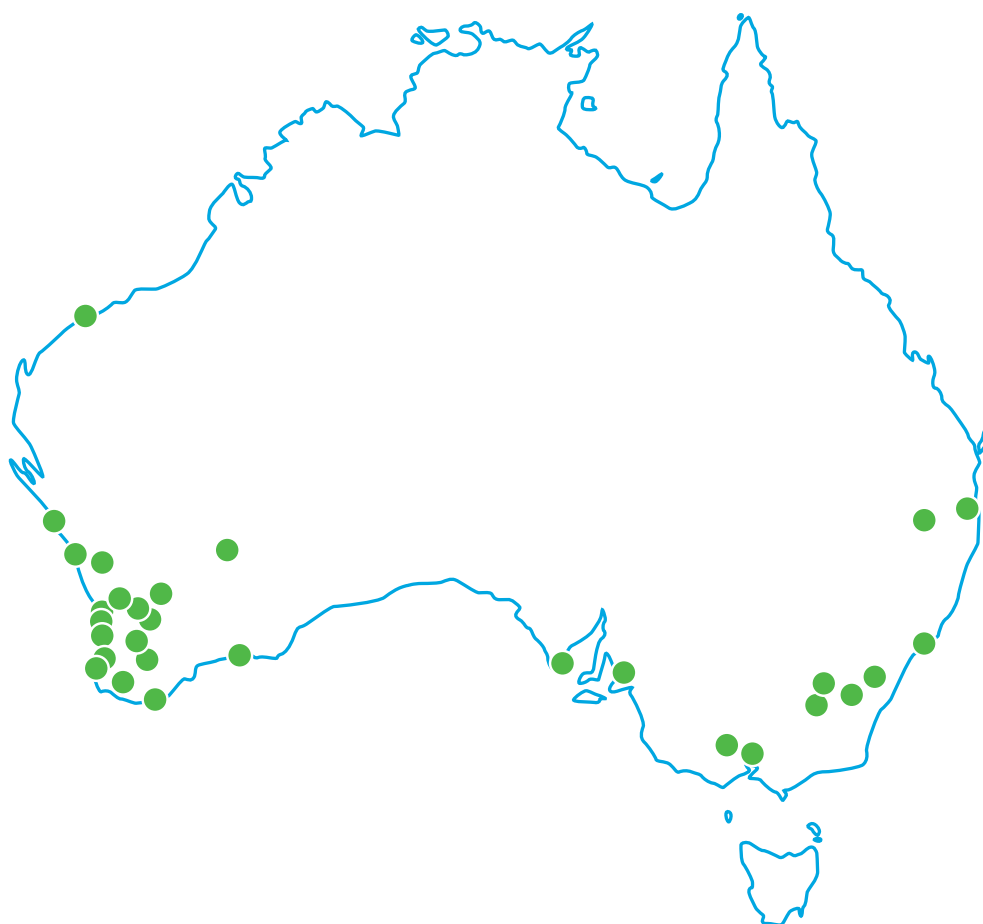


## RSM AUSTRALIA

RSM Australia is a full service national accounting firm delivering expert corporate, financial and advisory accounting services to clients across diverse industry sectors.

Our one-firm structure enables our clients to more readily connect to our extensive national and international networks, expertise and industry experience. RSM boasts a national network of 29 offices which, combined with over 90 years' experience, has helped us develop an extensive understanding of Australian business trends and conditions.

As a single firm, we provide strong service benefits to our clients. Our structure enhances business efficiencies, reduces internal bureaucracy and underpins our client focused culture. It also assists our clients in readily connecting to partners/ directors and senior advisers, providing both leading advice and great value for money.



## THE RSM APPROACH TO IERs

Our approach to IERs has been developed by our national corporate finance team and is constantly refined to ensure market and industry best practice.

Our assessment of whether a proposed transaction is fair and reasonable to, or in the best interests of, shareholders is always conducted with reference to RG 111. Our IERs are regularly reviewed by ASIC under the compliance programme and accepted for release to shareholders.

Through our Partner led approach we involve senior members of our engagement team at the early stages of an assignment to gain in depth knowledge of the transaction detail. Our approach ensures we analyse and communicate the key issues early in the process and results in a timely, efficient and technically and commercially sound process.

Key features of the RSM approach are:

### Deal dynamics

- Analyse the key terms of the proposed transaction
- Understand the companies involved, their business and assets
- Liaise with instructing directors and their legal advisers

### Industry analysis

- Investigate key external drivers for supply/demand
- Evaluate short to medium term growth prospects

### Quantitative assessment – fairness

- Appropriate valuation methodology
- Engage technical specialists if required
- Review historical/forecast financial information
- Normalise financial information data
- Develop market based valuation metrics (e.g. multiples/ discount rates)
- Apply relevant valuation premiums/discounts
- Analyse any potentially available synergies
- Fairness assessment

### Qualitative assessment – reasonableness

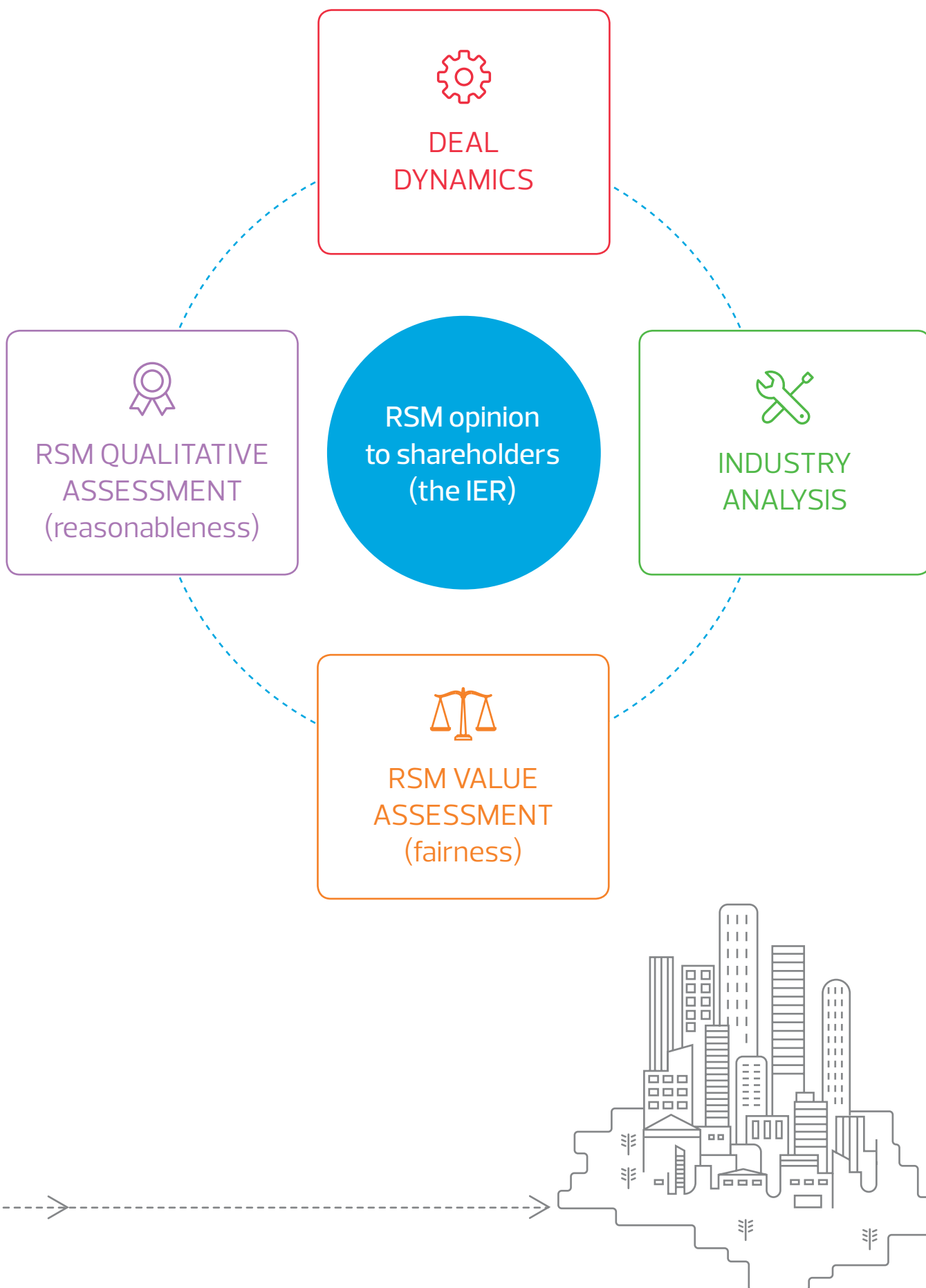
- Key financial indicators
- Analyse dilution/control impact on shareholders
- Review market position & available alternatives
- Reasonableness assessment

### The RSM IER

- Concise language
- Incisive analysis
- Fairness conclusion
- Reasonableness conclusion







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