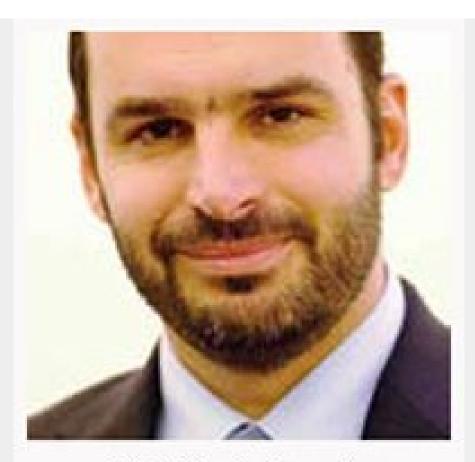
THE BRAZILIANS ARE COMING - CAIADO GUERREIRO

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João Caiado Guerreiro

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While trends in Portuguese M&A have not changed much since last year, a novelty has been the new Brazilian investment coming into Portugal. This has not only been for the privatisations but also for many smaller-sized deals, such as buying into the healthcare sector and hospitals, says João Caiado Guerreiro, Managing Partner at Caiado Guerreiro and a member of the Brazilian Bar Association – São Paulo branch.

"Investors from Brazil are looking at Portugal as a buying opportunity, particularly in relation to smaller companies," Caiado Guerreiro explains, "and we see clients looking at several investments". The fact that they are even looking is extremely important in these times, he adds, because when they are doing so, it means they see viable opportunities in Portugal.

Brazilian companies are currently wanting to expand into the Portuguese-speaking world – mainly Africa, he says. "And the best way to do that is to buy up cheap Portuguese companies that already

have operations in Angola and Mozambique." Recently, Caiado Guerreiro have, for example, been helping big Brazilian construction companies look at the potential to take over Portuguese ones in a bid to establish themselves in that market.

Also, as the major banks in Portugal are undergoing a deep restructuring under the IMF bailout, in the coming months Caiado Guerreiro predicts we may see investors taking strategic positions in Portuguese banks. "And the big Brazilian banks are already showing a definite interest in doing so." So while the value of transactions is much less than in previous years, he is seeing a lot more Brazilian investment flowing into Portugal. And these companies are mainly using Portuguese law firms when doing so, he adds, which could present an interesting new opportunity for domestic law firms.