

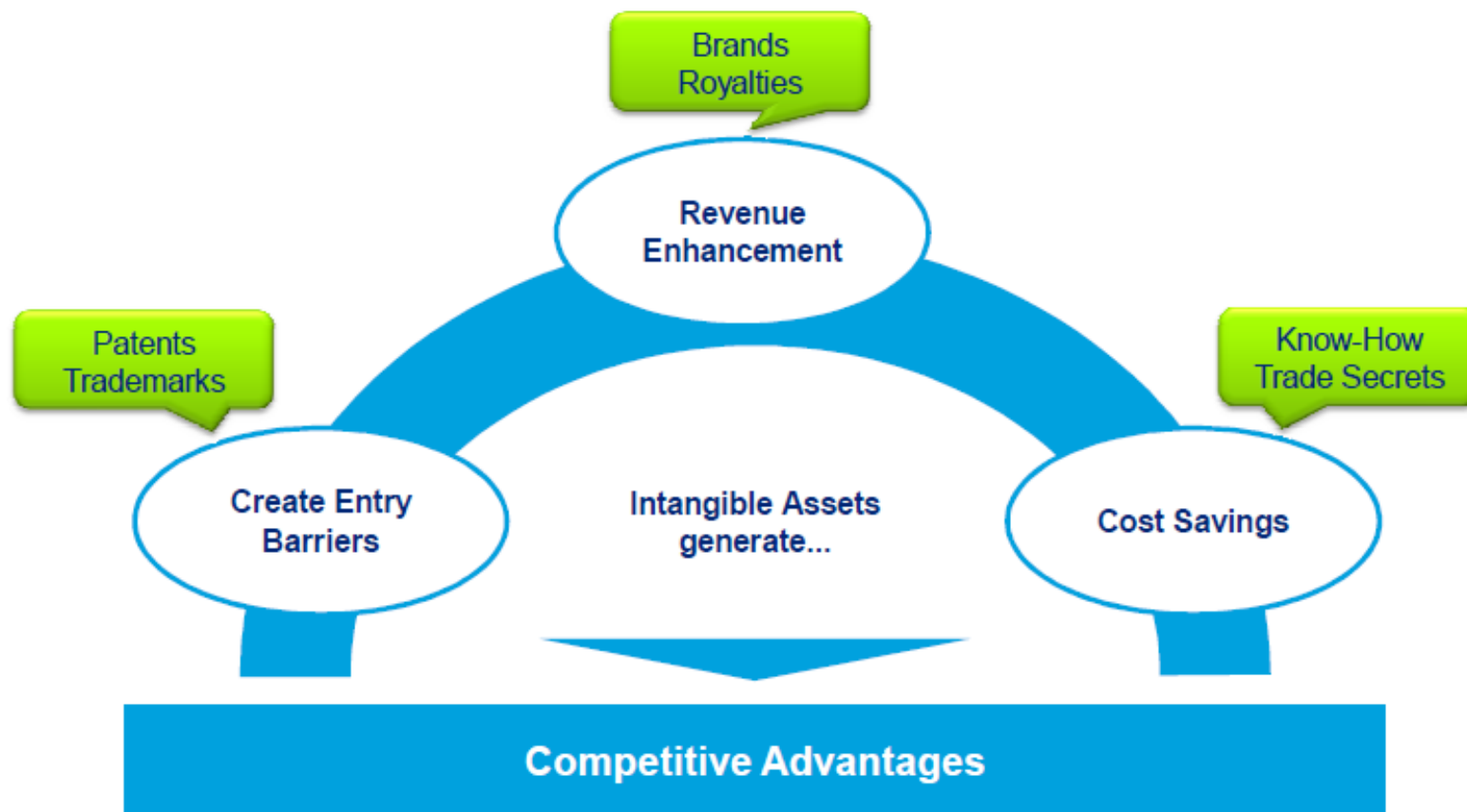
# Company Merger, De-merger, and Acquisition: It's effect on the Intellectual property rights

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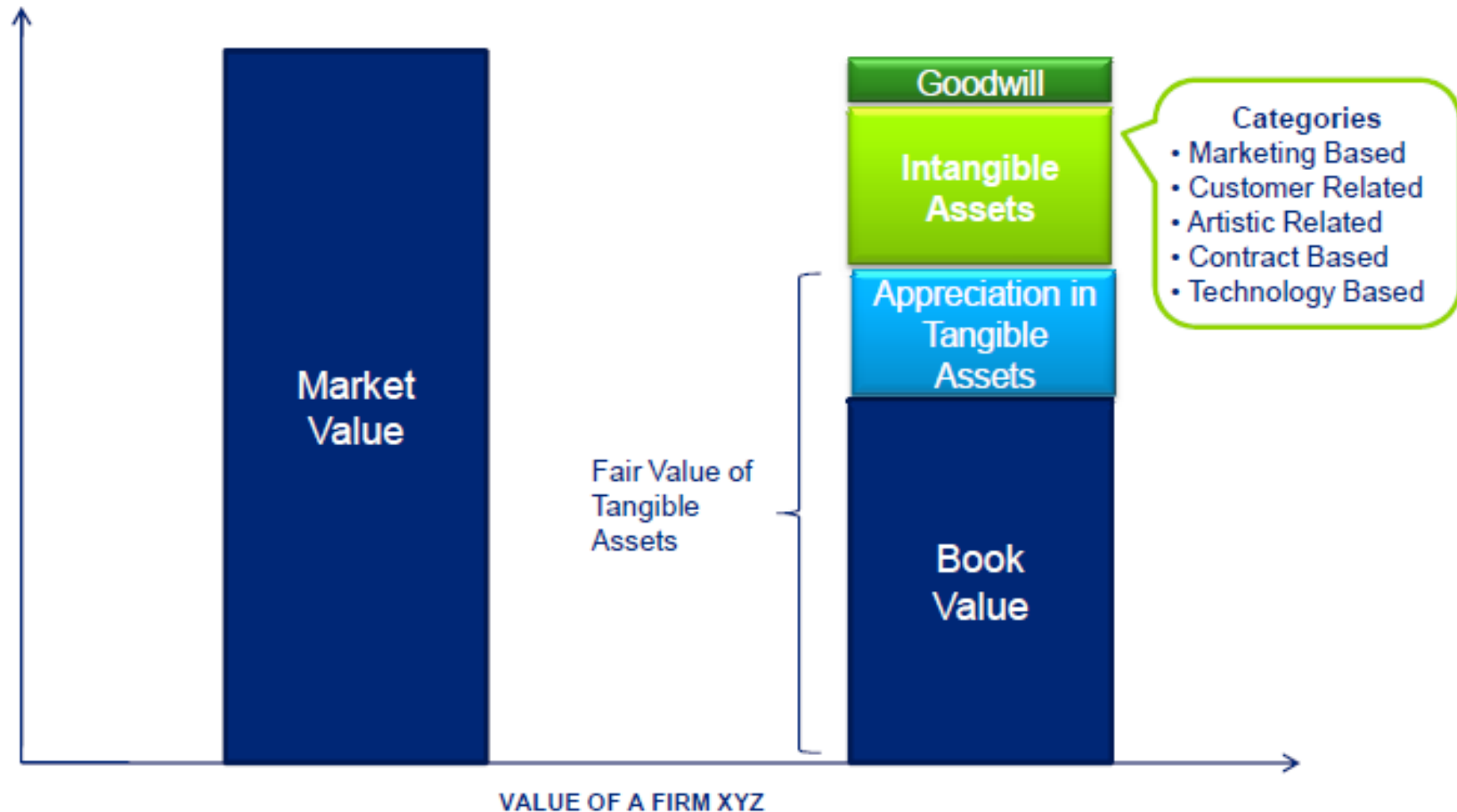
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# Importance of IPRs



# Importance of IPRs



Purchase Price  
Allocation  
Broad Overview

# What is PPA?

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- An acquiring entity must allocate the purchase price to the assets acquired and liabilities assumed based on the estimated fair values at the date of acquisition
- Intangible assets recognized separately from goodwill must be valued and amortized for financial reporting purposes, if appropriate
- The excess of the cost of an acquired entity over the net of the amounts assigned to assets acquired and liabilities assumed is recorded as “goodwill”

- **Because...**

- IFRS and US GAAP require an estimation of the fair values of the assets and liabilities acquired in a business combination.
- And because it impacts the bottom line!

# Importance of IPRs in M&As

Acquirer	Target	Consideration	Total Intang.	Total Intang.			Intangible	TM/NT	Technology	Customer	Other IA	
				% Consideration	% Consideration	% Intangibles						
Axon Group plc	Feenix Corporation	17.8	17.3	96.8%	85.3%	88.1%	11.5%	-	-	-	11.5%	
IBM	Candle	431.0	389.0	90.3%	68.4%	75.8%	21.8%	-	5.3%	15.1%	1.4%	
IBM	Maarak	792.0	539.0	68.1%	53.8%	79.0%	14.3%	-	1.4%	12.6%	0.3%	
IBM	Other (12 in total)	888.0	803.0	90.4%	80.1%	88.5%	10.4%	-	3.3%	5.6%	1.5%	
Bearingpoint	KPMG Consulting AG	651.0	689.0	105.8%	99.5%	94.0%	6.3%	0.2%	-	6.1%	-	
Affiliated Computer Services	Superior Consultant Holdings Cor	122.2	85.6	70.0%	56.3%	80.4%	13.7%	-	-	13.7%	-	
Affiliated Computer Services	BlueStar Solutions, Inc	67.1	46.0	68.6%	51.3%	74.8%	17.3%	-	-	17.3%	-	
Affiliated Computer Services	Heritage Information Systems	29.4	22.9	77.9%	69.7%	89.5%	8.2%	-	-	8.2%	-	
Affiliated Computer Services	Lockheed Martin division	100.1	115.7	115.6%	88.8%	76.8%	26.8%	-	-	26.8%	-	
Affiliated Computer Services	Patient Accounting Services Cent	94.9	81.2	85.6%	75.8%	88.5%	9.8%	-	-	9.8%	-	
Affiliated Computer Services	Trackload Management Services	34.9	32.2	92.3%	85.1%	92.2%	7.2%	-	-	7.2%	-	
Affiliated Computer Services	CyberRep, Inc	45.0	41.8	92.9%	80.7%	86.8%	12.2%	-	-	12.2%	-	
Epicor Software Group	Platsoft	1.4	1.5	111.0%	29.9%	26.9%	81.1%	-	-	78.3%	2.8%	
Epicor Software Group	Scala	93.7	107.8	115.0%	77.1%	67.0%	38.0%	6.1%	23.1%	7.7%	1.0%	
<b>Average</b>					<b>91.4%</b>	<b>71.5%</b>	<b>79.2%</b>	<b>19.9%</b>	<b>3.2%</b>	<b>8.3%</b>	<b>17.0%</b>	<b>3.1%</b>

	Valuation	Industry		
		Min	Max	Average
Total Intangibles (As % of Purchase Price)	73%	68%	116%	91%
Goodwill (As % of Purchase Price)	32%	30%	100%	72%
Goodwill (As % of Intangible Assets)	44%	27%	94%	79%

# IP Management

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# Thank You

**Deloitte.**

Deloitte Touche Tohmatsu  
India Private Limited  
6th Floor 'Heritage'  
Nr. Gujarat Vidyapith  
Ahmedabad – 380 014

**Rajiv Bhatt**

Financial Advisory

Tel: + 91 79 6607 3224  
Mobile: +91 9824090034  
rbhatt@deloitte.com

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