



BUREAU VAN DIJK

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Zephyr Quarterly M&A Report
Western Europe, Q1 2011

The following report details mergers and acquisitions activity in Western Europe in Q1 2011 using data from the Zephyr database.

It focuses on deal activity by target company.

Click [here](#) to access the raw data in an Excel spreadsheet.

Deal value stable despite weaker volume

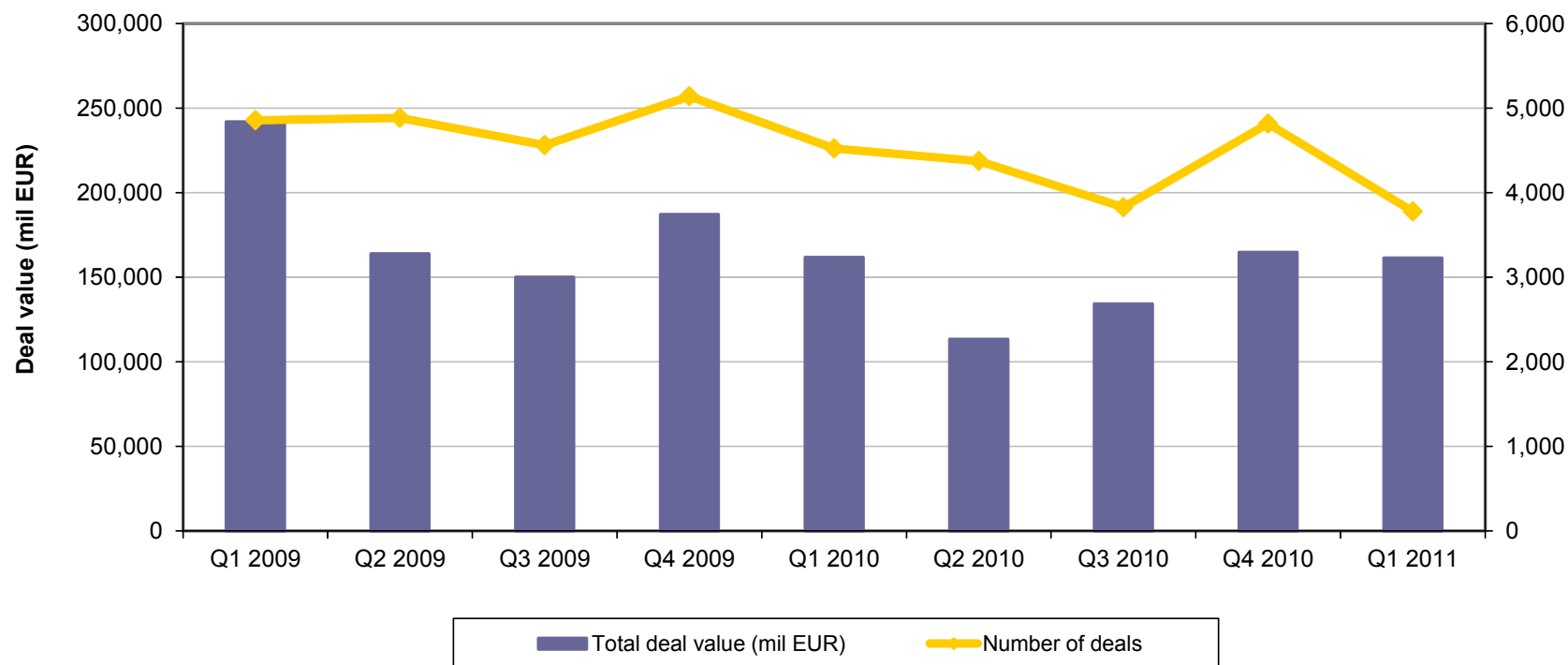
The value of deals with Western Europe-based targets slipped by 2 per cent quarter-on-quarter to EUR 161,384 million against a 22 per cent drop in volume. The faster rate of decline in deal volume shows company valuations held despite the fact there were fewer deals.

All of the top 20 deals were worth more than EUR 1,000 million and one broke the EUR-10,000-million barrier. However, the latter deal was a EUR 12,185 million capital increase by Credit Suisse Group, so is not indicative of healthy M&A in Western Europe.

Deals by volume and value

Announced date	No of deals	Total deal value (mil EUR)
Q1 2011	3,777	161,384
Q4 2010	4,819	164,758
Q3 2010	3,829	134,301
Q2 2010	4,375	113,382
Q1 2010	4,523	161,769
Q4 2009	5,140	186,975
Q3 2009	4,561	150,083
Q2 2009	4,884	163,864
Q1 2009	4,857	241,807

Deals by volume and value



Highest value transactions do not suggest buoyant deal making

The largest transaction by value in Q1 was a fundraiser by Credit Suisse, while the largest M&A deal by value was part of the EUR 9,500 million reorganisation of Spanish savings bank La Caixa. Neither of these deals suggests robust deal making with regard to Western Europe target companies: Credit Suisse was raising cash to cover convertible bonds, while Barcelona-based lender La Caixa, like all its domestic peers, has been hit by the troubled Spanish property market.

La Caixa agreed to move MicroBank de la Caixa into Criteria CaixaCorp rather than listing the microcredit lender. It received newly-issued shares in Criteria, as well as stakes in several infrastructure companies, and is to own more than 80 per cent of the new Criteria.

The number three deal by value involved French luxury fashion group Hermès International, which is trying to protect itself against a hostile takeover by minority shareholder LVMH. Evidence of M&A for growth rather than as a fire fighting measure does not emerge until DuPont Denmark Holding's EUR 4,881 million agreed purchase of Danish food ingredients group Danisco – the number five deal by value.

Year-on-year growth for banking, retail and the primary sector

Thanks in part to Credit Suisse's capital increase and La Caixa's reorganisation, the value of deals targeting the banking industry more than doubled from EUR 11,085 million in Q1 2010 to EUR 24,081 million in Q1 2011.

Wholesale and retail were also important industries in terms of deal value with a combined total of EUR 20,409 million standing more than four times higher than the EUR 4,849 million recorded in Q1 2010. Retail deals received a major boost from an agreed investment in luxury handbag group Hermès valued at EUR 8,217 million.

The primary sector also had improved deal value in Q1 2011 over 2010, as did chemicals and machinery/equipment/furniture/recycling. These gains came at the expense of deal value targeting companies classified as other services operators.

Top 20 deals by value

	Deal value (mil EUR)	Deal type	Target	Target country	Acquiror	Acquiror country	Announced date
1	12,185	Acquisition 80%	Credit Suisse Group AG	CH			24/03/11
2	9,500	Acquisition 100%	MicroBank de "la Caixa" SA	ES	Criteria CaixaCorp SA	ES	24/02/11
3	8,217	Acquisition 50%	Hermès International SCA	FR	Newco		06/01/11
4	5,906	Minority stake 5%	BP plc	GB	Neftyanaya Kompaniya Rosneft OAO	RU	14/01/11
5	4,881	Acquisition 100%	Danisco A/S	DK	DuPont Denmark Holding ApS	US	10/01/11
6	4,712	Acquisition 100%	E.ON AG's electricity distribution network in the UK	GB	PPL Corporation	US	01/03/11
7	4,095	Acquisition 96%	Ceifloor Public Company Ltd	CY			26/01/11
8	3,966	Acquisition increased from 47% to 100%	Compañía Española de Petroleos SA	ES	International Petroleum Investment Company	AE	16/02/11
9	3,160	Acquisition 100%	Kabel BW Erste Beteiligungs GmbH	DE	Liberty Global Inc.	US	21/03/11
10	3,153	Acquisition 100%	Tognum AG	DE	Daimler AG and Rolls-Royce plc's joint venture company	GB	09/03/11
11	2,686	Minority stake 25%	Danske Bank A/S	DK			14/03/11
12	2,555	Acquisition increased from 80% to 100% Bid 3	Iberdrola Renovables SA	ES	Iberdrola SA	ES	22/03/11
13	2,152	Minority stake 6%	Nordea Bank AB	SE	Sampo Oyj; Institutional Investors	FI	04/02/11
14	2,070	Acquisition 100%	John Wood Group plc's well support division	GB	GE Energy Manufacturing Inc.	US	14/02/11
15	2,021	Minority stake 6%	Iberdrola SA	ES	Qatar Holding Luxembourg II SÀRL	LU	14/03/11
16	1,865	Acquisition 50%	Bulgari SpA	IT	LVMH Moët Hennessy Louis Vuitton SA	FR	05/03/11
17	1,836	Acquisition increased from 50% to 100%	Bulgari SpA	IT	LVMH Moët Hennessy Louis Vuitton SA	FR	05/03/11
18	1,545	Acquisition	Elkem Silicon Materials; Elkem Foundry Products; Elkem Carbon AS; Elkem Solar AS	NO; NO; NO; NO	China National Bluestar (Group) Corporation	CN	11/01/11
19	1,529	Acquisition 100%	Mey İçki Sanayi ve Ticaret AS	TR	Diageo plc	GB	21/02/11
20	1,383	Minority stake 5%	Repsol-YPF SA	ES	Criteria CaixaCorp SA; Investors	ES	19/01/11

Top 20 private equity deals by value

	Deal value (mil EUR)	Deal type	Target	Target country	Equity provider	Announced date
1	1,362	IBO 100%	Dometic AB	SE	EQT Partners AB	25/02/11
2	1,233	Acquisition 100%	Ansaldo Energia SpA	IT	First Reserve Corporation	09/03/11
3	1,107	IBO 100%	Priory Group Ltd	GB	Advent International plc	18/01/11
4	900	IBO 100%	Capio Sanidad SL	ES	CVC Capital Partners Ltd	06/01/11
5	806	IBO 100%	Phones 4u Ltd	GB	BC Partners Ltd	18/03/11
6	450	IBO 100%	Opodo Ltd	GB	AXA Investment Management Private Equity Europe; Permira Advisers LLP	09/02/11
7	400	IBO 100%	MBNA Europe Bank Ltd Sucursal en España	ES	Apollo Management LP	01/03/11
8	380	IBO minority stake	AWAS Aviation Capital Ltd	IE	Terra Firma Capital Partners Ltd; Canada Pension Plan Investment Board	10/03/11
9	360	Minority stake 10%	Compañía Logística de Hidrocarburos SA	ES	AXA Investment Management Private Equity Europe	28/02/11
10	249	IBO 100%	OpenBet Ltd	GB	Vitruvian Partners LLP	13/01/11
11	248	IBO 100%	Wagamama Ltd	GB	Duke Street Capital Ltd; Hutton Collins & Company Ltd	24/03/11
12	240	IBO majority stake	Novacap SAS	FR	AXA Investment Management Private Equity Europe	19/01/11
13	238	IBO 100%	Marlow Foods Ltd	GB	Intermediate Capital Group plc; Exponent Private Equity LLP	24/01/11
14	233	Minority stake	Towergate Partnership Ltd; Cullum Capital Ventures Ltd	GB; GB	Advent International plc	31/01/11
15	150	Minority stake	Perceva Capital	FR		11/01/11
16	148	Minority stake increased from 2% to 5%	EXOR SpA	IT	Bestinver Gestión SA	27/01/11
17	120	MBO	Belgische Distributiedienst; RSM Italia Srl	BE; IT	NPM Capital NV	13/01/11
18	116	IBO 100%	Finnkino Oy	FI	Ratos AB	21/03/11
19	100	IBO 77%	Desso Groep BV	NL	Bencis Capital Partners BV	04/02/11
20	100	Minority stake	Symphogen A/S	DK	Novo Nordisk A/S; Essex Woodlands Health Ventures LP	06/01/11

Lower valuations of PE deals

The value of private equity and venture capital deals targeting Western Europe-based companies declined by 49 per cent quarter-on-quarter in Q1 2011 to EUR 10,716 million from EUR 20,946 million. Deal volume rescinded at a slower rate of 18 per cent, suggesting lower company valuations in Q1 2011.

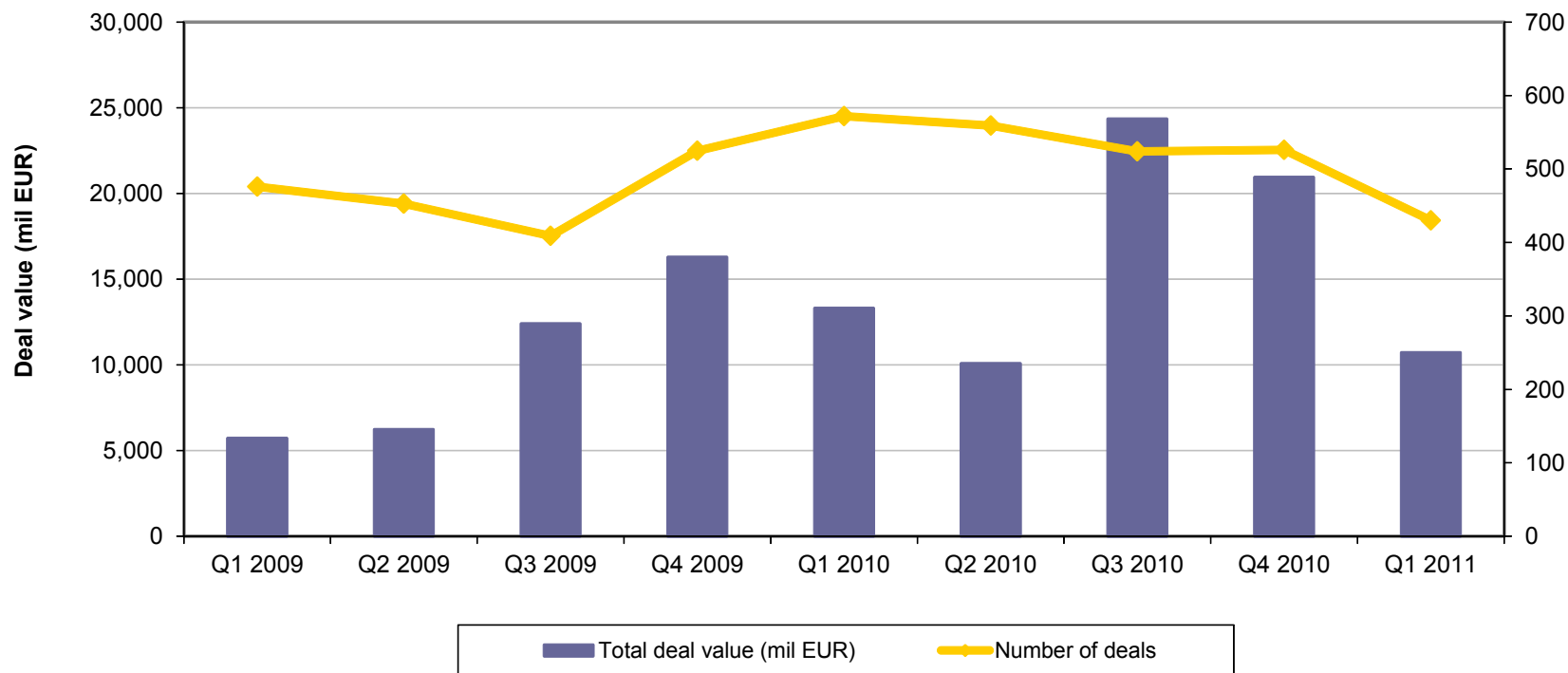
Private equity deal value was 19 per cent lower than in Q1 2010 after weakening for the second consecutive quarter. Strong gains made in Q3 2010 were all but erased.

There were three private equity deals worth more than EUR 1,000 million, with the largest backed by EQT Partners. The target was Swedish household appliances manufacturer Dometic.

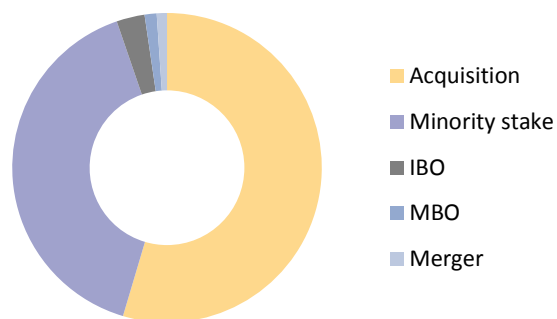
Private equity deals by volume and value

Announced date	No of deals	Total deal value (mil EUR)
Q1 2011	430	10,716
Q4 2010	526	20,946
Q3 2010	524	24,337
Q2 2010	559	10,070
Q1 2010	572	13,301
Q4 2009	525	16,284
Q3 2009	409	12,386
Q2 2009	453	6,217
Q1 2009	476	5,707

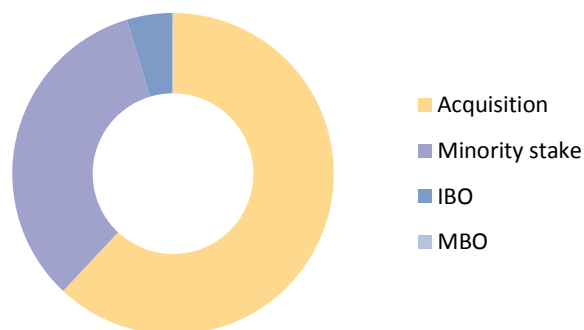
Private equity deals by volume and value



Deal types by volume in Q1 2011



Deal types by value in Q1 2011



Deal types by volume

Deal type	Q1 2010	Q4 2010	Q1 2011
Acquisition	1,973	2,784	2,043
Minority stake	2,280	1,621	1,502
IBO	109	164	110
MBO	82	61	47
Merger	68	36	40

Deal types by value

Deal type	Q1 2010 (mil EUR)	Q4 2010 (mil EUR)	Q1 2011 (mil EUR)
Acquisition	94,749	70,587	100,072
Minority stake	58,640	78,400	53,907
IBO	8,497	16,984	7,308
MBO	282	39	171

Target sectors by volume

Target sector	Q1 2010	Q4 2010	Q1 2011
Other services	1,585	1,573	1,360
Machinery, equipment, furniture, recycling	535	460	410
Wholesale & retail trade	443	484	370
Banks	371	541	257
Primary sector	134	152	194
Chemicals, rubber, plastics	256	232	177
Construction	173	205	150
Metals & metal products	118	163	147
Publishing, printing	140	130	114
Food, beverages, tobacco	168	137	111
Education, health	118	102	104
Transport	134	141	89
Hotels & restaurants	83	67	80
Gas, water, electricity	136	123	76
Textiles, wearing apparel, leather	53	51	39
Insurance companies	48	58	38
Wood, cork, paper	38	42	38
Post and telecommunications	10	10	7
Public administration and defence	3	2	4

Target sectors by value

Target sector	Q1 2010 (mil EUR)	Q4 2010 (mil EUR)	Q1 2011 (mil EUR)
Other services	55,568	30,643	32,032
Banks	11,085	44,257	24,081
Wholesale & retail trade	4,849	10,794	20,409
Machinery, equipment, furniture, recycling	14,442	19,219	17,398
Primary sector	3,974	3,834	14,843
Chemicals, rubber, plastics	12,951	8,865	13,146
Gas, water, electricity	11,412	14,550	11,242
Food, beverages, tobacco	17,707	2,795	9,843
Construction	8,093	5,481	5,419
Metals & metal products	2,357	4,677	3,872
Education, health	2,644	1,045	2,815
Insurance companies	9,774	3,255	2,106
Hotels & restaurants	1,426	2,476	1,333
Transport	3,459	6,433	1,320
Post and telecommunications	6	2,700	601
Wood, cork, paper	314	1,416	359
Textiles, wearing apparel, leather	2,498	1,008	312
Publishing, printing	430	1,701	308
Public administration and defence	1	1	1

UK is most important deal target despite weaker value

The UK was the most important target of deal activity, as is usually the case in Western Europe. A total of EUR 37,419 million worth of transactions had UK-based targets, which accounted for 23 per cent of Q1's EUR 161,384 million total.

There were 1,160 deals with UK targets, which was almost three times the 395 recorded the nearest rival, France.

However, the UK's value result was 9 per cent weaker than in the year-ago quarter. The growth regions were Spain, France, Italy, Denmark, Sweden and Cyprus, while Switzerland, Germany and the Netherlands all had lower deal values in Q1 2011 than in Q1 2010.

Top 10 countries by volume

Target country	Q1 2010	Q4 2010	Q1 2011
UK	1,321	1,120	1,160
France	495	446	395
Netherlands	296	1,310	381
Spain	286	224	283
Finland	176	202	277
Sweden	366	272	255
Germany	467	294	243
Norway	151	217	195
Italy	354	232	175
Denmark	150	116	96

Top 10 countries by value

Target country	Q1 2010 (mil EUR)	Q4 2010 (mil EUR)	Q1 2011 (mil EUR)
UK	41,206	35,731	37,419
Spain	11,831	16,996	31,850
France	11,198	17,962	16,523
Switzerland	26,654	2,025	13,828
Germany	15,307	22,998	13,048
Italy	6,894	15,170	9,919
Denmark	1,125	3,968	8,633
Netherlands	24,251	8,626	7,395
Sweden	5,728	9,531	6,933
Cyprus	302	1,344	4,223

Notes to editors

Activity is based on the activity of the target company

Deal status is announced within the time period

The sector breakdown uses targets' activities as defined to be 'Major Sectors' by Zephyr

The Western Europe region covers target companies in Andorra, Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Gibraltar, Greece, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Malta, Monaco, Netherlands, Norway, Portugal, San Marino, Spain, Sweden, Switzerland, Turkey and the UK

The date range is 01/01/2011 - 27/03/2011 inclusive