INTRALINKS

Global M&A Survey:
An outlook on global M&A activity and future deal flow

July 2010

In association with:

mergermarket

Contents

Foreword

IntraLinks, in association with mergermarket, is delighted to present the results of its recent survey of Global M&A, based on interviews with M&A practitioners from the advisory, corporate and private equity community across the world.

The publication comes at a time when the M&A markets have shown sustained and continued signs of improvement, particularly in the US and Europe, two major markets which were hit particularly hard by the global financial crisis. However, there are still a number of factors impinging on both trade and financial buyers' ability to execute on M&A opportunities. While recovery is most certainly underway, things are by no means back to normal.

From our research, which involved speaking to 160 M&A practitioners, we gained a strong understanding of their outlook on the market and the challenges and opportunities that those engaged in M&A transaction might face. The findings also highlighted what sectors will dominate the landscape, the role of private equity and their expectations for the IPO market.

We hope you find this report interesting and insightful.

Methodology

In April and May 2010, Remark, the research and publications arm of The Mergermarket Group, canvassed the opinions of 160 senior M&A practitioners from the corporate, financial and legal advisory and private equity community across the globe. Respondents were drawn equally from the Asia-Pacific region, Europe, North America and Latin America and were asked to give their opinions on a number of extant issues including the post-global financial crisis, the economic and dealmaking environment as well as the key challenges and opportunities corporations face over the next 12 months. All answers were reported confidentially and results are presented in aggregate.

Executive summary

In a vote of confidence for the future of M&A, which for a time looked very bleak, respondents from all regions expressed a high level of optimism about the level of dealmaking to come. Indeed, 78% of all respondents expect the level of dealmaking in their region to increase over the next 12 months. Understandably, this level of confidence was even higher in the hard-hit North American market – here 89% of the region's respondents felt deal flow would 'increase' or even 'increase greatly' over the year to come.

Private equity, one of the asset classes hardest hit by the economic downturn, is also predicted to make a comeback – 72% of respondents from all regions stated that they feel the level of buyout and exit activity is set to increase over the next 12 months. The many deals announced by private equity players across the world certainly pay testament to this prediction.

The research depicts interesting results in relation to principal deal drivers and constraints to M&A in the months to come, giving a clue as to the high level of uncertainty and worry that is still afflicting dealmakers the world over. Overall, 52% of the respondents stated that the improved market and financing conditions would act as the primary deal driver in the expected uptick in M&A activity. This sentiment was even more pronounced in North America, where over three quarters (78%) of respondents expressed this view.

However, at the same time, an overwhelming 71% of all respondents felt that the continuous difficult economic and financial environment would act as the principal constraint to dealmaking. While these results seem at first glance contradictory, they do give a strong insight into the environment that dealmakers currently have to contend with. While market conditions have most certainly improved, making it significantly easier to engage in M&A opportunities, they are nowhere near as good as they were before the collapse of Lehman's and the ensuing global financial meltdown.

Still, a significant majority of respondents from all regions – 67% – believe that it has become easier for buyers to secure funding over the course of 2010. The improvement in the debt financing environment is particularly apparent in North America, borne out by the fact that 75% of respondents expect buyers to find it easier to secure finance for M&A in the coming year.

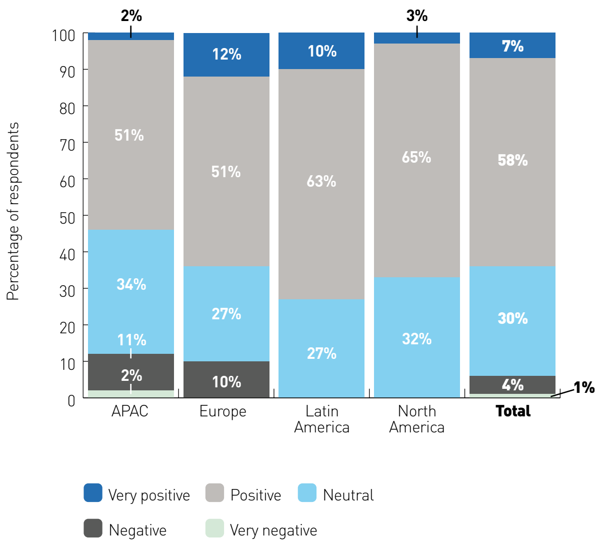
Given the sheer number of deals that have been announced in the Energy, Mining & Utilities space over the past years it is at times difficult to believe that there can be more to come. However, 55% of all respondents predict that this sector will see the bulk of deal flow in their region. Technology, Media & Telecommunications was just ahead of this at 56%. Of course, one must consider the fact that buyers in China and India are still scouting the world over for attractive targets in the Energy and Mining space to address the ever expanding energy needs of each respective country. At the same time, many of the European utilities markets are still open for deregulation, and when appropriate legislation is put into place, this space will become fertile hunting ground for a number of potential buyers such as infrastructure funds.

Valuations have been a key topic of conversation over the past months, with lower valuations and exit multiples in recent M&A transactions affecting both private equity funds and trade players. However, now that the market is recovering and M&A is making a comeback, it is significant that some respondents expect exit multiples to start to increase. Indeed, just less than half (43%) of overall respondents expect multiples to increase over the next 12 months with improving macroeconomic visibility and performance being the principal driver of this.

Survey analysis

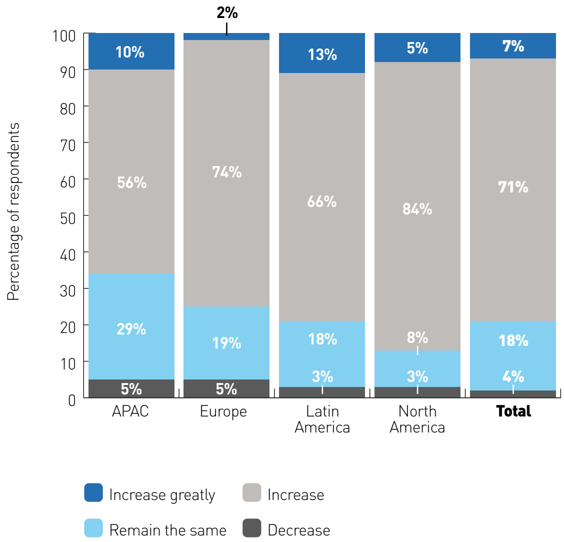
The economic outlook is bright...

Compared to last year, how positive do you feel about the prospects for the global economy over the next 12 months?



...and M&A activity is set to increase

What do you expect to happen to the level of M&A activity in your region over the next 12 months?



Respondents are feeling positive about the prospects for the global economy over the next 12 months. After struggling through turbulent times with uncertain market conditions and a large number of variables to contend with, the majority of M&A practitioners (65%) across the globe now state that they view the prospects of the global economy as positive over the next 12 months.

Respondents from Latin America were particularly upbeat about the prospects of the global economy over the next year, with 73% holding a positive outlook. One such respondent stated that, *"the markets are fine and the problems with the economy have been reduced. Even if we take into consideration the international problems faced by Europe and the USA, I think the overall outcome should be positive."* A second respondent from Latin America said that *"everybody is expecting the economy to grow and there will be more confidence in the market."*

However, there are still a number of respondents who are cautious about the economic outlook and are of a neutral or negative position. This sentiment is felt most strongly in Asia (47%) followed by Europe (37%) and North America (32%). One Asian respondent stated that *"it will take more time to see the improvement"* while a North American respondent pointed out the continued instability within different regions as a detractor.

Some respondents made the point that it is difficult to make a statement about the global economy since individual regional economies are performing so differently and must, therefore, have different economic forecasts.

Notably, respondents also give a big vote of confidence for the future of M&A activity with a total of 78% expecting dealmaking to increase over the next 12 months.

Slight regional discrepancies between Asia-Pacific, where 66% of respondents believe deal flow will increase, and North America, where it is 89% of those interviewed, can be explained by considering recent M&A levels in these regions. Even at the lowest point of the recent financial crisis, M&A activity in Asia remained relatively upbeat, with the first quarter of 2010 witnessing a number of large-cap transactions.

Given these historically high levels of deal flow in their region, it is understandable that over one quarter of APAC respondents do not expect regional activity to increase over the next 12 months. Meanwhile, deal flow in North America, and to a lesser degree in Europe, has been significantly depressed for the past couple of years so it is logical that many of those involved in M&A there feel things can only improve in the coming months, especially now that markets are showing signs of sustained recovery.

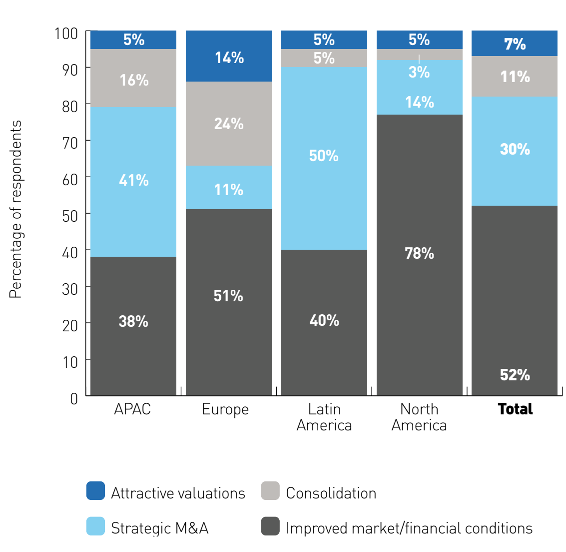
Elsewhere, confidence in Latin America is emerging with 79% of the respondents from the region expecting deal flow to increase in the coming months. One respondent explained that, *"Brazilian and Mexican companies are looking for acquisitions in the Latin American region and even Columbian and Chilean companies are looking for full investments here."*

The overall recovery of the global economy is seen as the key deal driver in the future of M&A, with many respondents referencing this in their comments.

Survey analysis

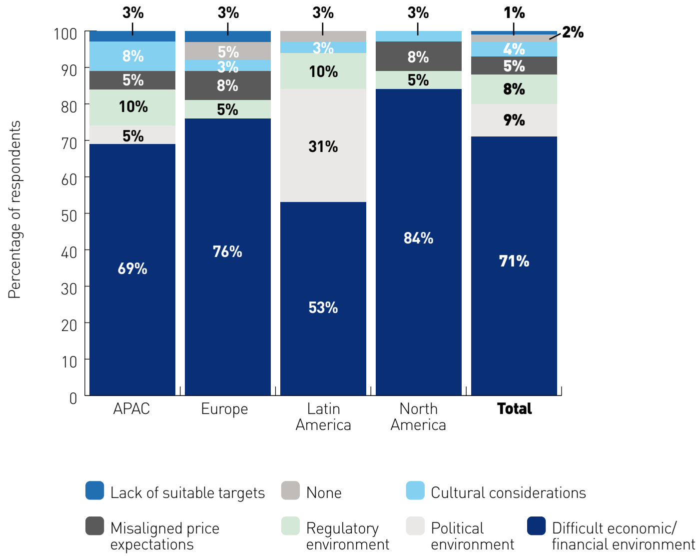
Improved market conditions are considered to be the primary deal drivers...

What do you expect to be the principal drivers to M&A activity in your region over the next 12 months?



...although some challenges to the economic environment remain

What do you expect to be the principal constraints to M&A activity in your region over the next 12 months?



Across the board, the improved market and financial conditions are considered to be the principal deal drivers behind the expected uptick in M&A activity going forward. This message came across particularly strongly amongst the North American respondents to the survey – 78% of these indicated that the improved market and financial conditions would act as a deal driver for future M&A activity.

Interestingly, only a few respondents in each region mentioned attractive valuations as the principal deal drivers – a finding that suggests that distressed assets at discounted prices are no longer key elements of the M&A market.

In Asia-Pacific and Latin America, large numbers of respondents – 41% and 50% respectively – stated that strategic objectives were the principal drivers of M&A activity over the next 12 months. These opinions could stem from the fact that in these regions there are a number of strong 'local champions' that have reached corporate development stage, allowing them to expand further into the global market place and to increase their market shares in the older economies of Western Europe and North America.

In contrast to the findings on the previous chart, where respondents appeared upbeat about improving markets and financial conditions driving deals forward, here respondents point to the challenges that businesses across the globe continue to face. Indeed, the fact that so many respondents from all over the world name the difficult economic and financial environment as the chief constraint to deal flow suggests that things are far from being back to normal.

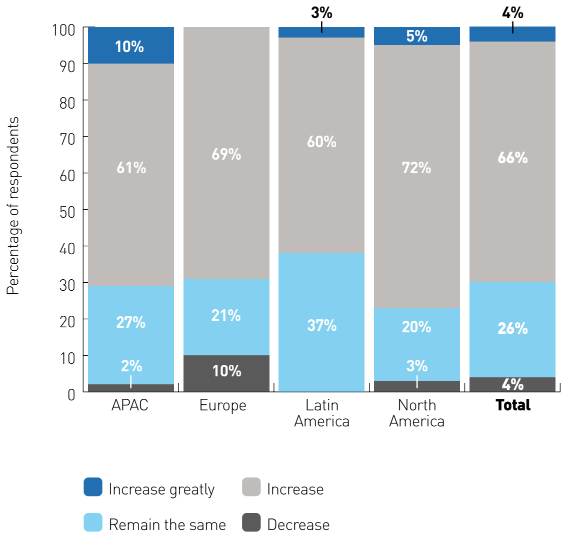
M&A practitioners the world over agree that access to funding has become easier, however, they also stress that debt is still expensive and negotiations with banks' credit committees continue to be cumbersome and time consuming, no matter how long standing the company's relationship with the lender is.

Cause for concern must be that in Latin America 31% of respondents feel that the political environment is a constraint to potential dealmaking – however, it is interesting that this is not the case in Asia-Pacific where a number of countries have suffered from political instability in the past with negative effects on their economies. The findings relating to Latin America must be seen against the expectations expressed in earlier graphs suggesting that despite this challenge, deal flow in the region is set to increase.

When placed beside the findings of the earlier question regarding what will be the principal deal driver, this offers a very telling insight into how uncertain M&A practitioners the world over still are.

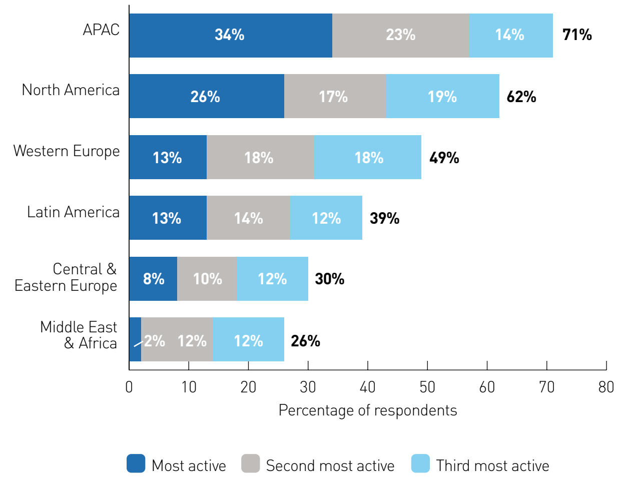
The comeback of M&A will also lead to a resurgence of cross-border deals

What do you expect to happen to the level of cross-border M&A activity in your region over the next 12 months?



Cross-border dealmaking will be at its strongest in Asia-Pacific

Looking at your region, with which other regions do you expect to see the highest level of cross-border M&A activity over the next 12 months? Please rank the top three (overall)



Expectations for cross-border deal flow are also up with respondents from each region believing that dealmaking will increase over the next 12 months. One North American respondent stated that this is a direct result of the improving macroeconomic environment and commented that, *"...activity will increase as the market continues to recover,"* while another Asian financial adviser respondent remarked: *"Investors will be looking to expand their business. There are a lot of opportunities in our region so I would expect the level of cross-border M&A activity to increase."*

Tellingly, another Asian respondent cautiously raised the sensitive issue of post-merger integration and cultural challenges and said that, *"cross-border M&A will increase but not very rapidly as it is not easy to close deals due to integration and cultural barriers."*

Respondents from Latin America felt most strongly that cross-border activity would remain the same over the next 12 months in their region (37%). The comments from one Latin American financial adviser gave an insight into why so many of his locals feel this way: *"Government regulations are stricter in our region. This given, the M&A activity will remain the same for the moment."*

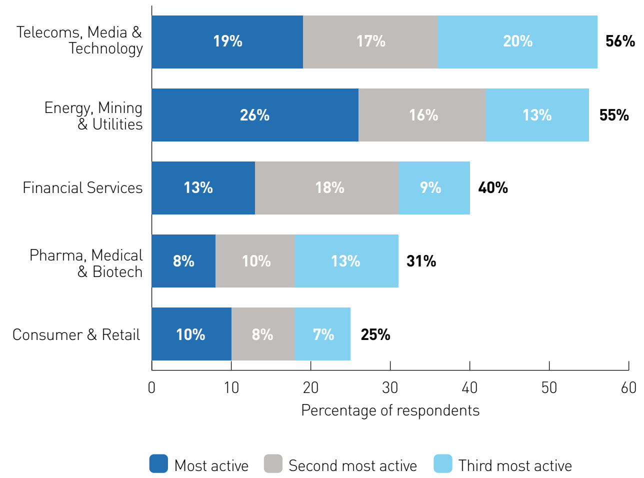
Overall, respondents expect the Asia-Pacific region to witness the most significant levels of cross-border M&A activity over the next 12 months. A total of 71% of respondents consider the region to be among the top three most active in terms of cross-border dealmaking with 34% expecting it to be most active going forward.

Qualifying this viewpoint, a Korean financial adviser explained: *"These countries have been relatively less affected by the global financial crisis, and Asian firms currently have a greater ability to invest."* Another Latin American corporate echoed these comments and stated that the region is now the *"centre of economic growth and of major interest to investors."* A third European respondent specifically pointed to the Asian Automotive industry, anticipating that this niche will be a significant driver of regional cross-border activity over the next 12 months.

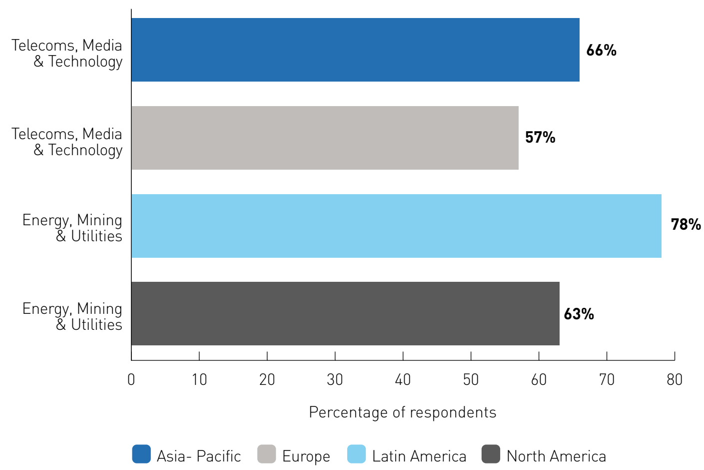
Survey analysis

Energy, Mining & Utilities and Telecoms, Media & Technology are predicted to see the lion share of deals

In which sectors do you expect to see the bulk of M&A activity in your region over the next 12 months? Please rank top three (overall)



In which sectors do you expect to see the bulk of M&A activity in your region over the next 12 months? (top response in each region)



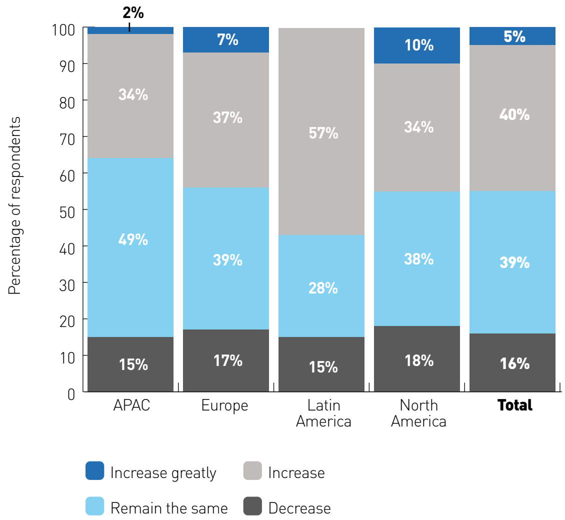
The Telecoms, Media & Technology sector is tipped to see significant M&A activity over the coming 12 months with 56% of responses expecting the space to be amongst the top three most active sectors. Also, the Energy, Mining & Utilities space has long been taking centre stage in global dealmaking for a number of years and it is unsurprising that 55% of respondents expect the sector to be most active over the timeframe in question.

Given China's continued need to access raw materials as a means of fuelling its staggering growth, it is surprising that Asian respondents predict that the Telecoms, Media & Technology space will see the highest level of deal activity. This could be seen as an indication that dealmakers in that region feel China's appetite has been sated and that access to technology, rather than raw materials, will now act as a key driver.

Amongst European dealmakers, the Telecoms, Media & Technology sector also leads the way although it is notable that the so-called 'old sectors' are also predicted to experience a revival with a not insignificant 45% of respondents citing Industrials & Chemicals. Casting an eye towards Latin America, it is clear that respondents are keeping a close eye on the Energy, Mining & Utilities space where a number of large players such as Brazil's Vale are expected to become ever more involved in the global M&A market.

Distressed business continue to offer attractive targets

What do you expect to happen to the level of distressed-driven M&A transactions in your region over the next 12 months?



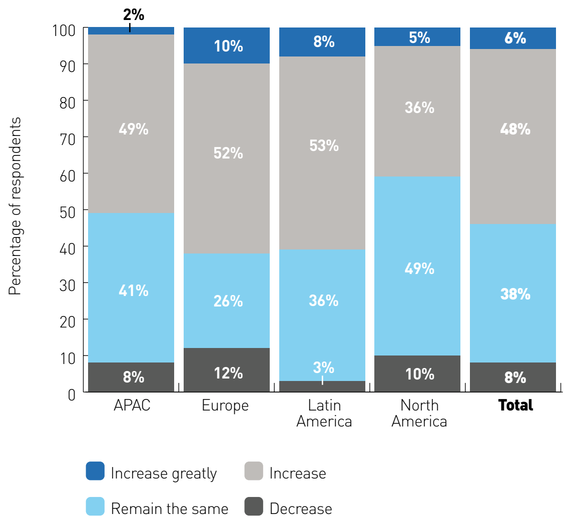
Distressed firms have been a significant driver behind a number of deals over the last 18 months, although this influence could fall going forward. Indeed, the field of respondents is split on how much of a role it will play with 55% of overall respondents holding the view that activity will not increase over the next 12 months.

One respondent from Asia explained their view that distressed driven M&A will increase going forward by saying: *"Valuations have generally increased, so undervalued assets are becoming more attractive to cash rich companies."* Another Asian respondent said that as *"demand and competition is growing rapidly in the APAC region, many distressed companies are not able to compete with the market and are looking at selling assets."*

One Korean based corporate, who felt the level of distressed-driven M&A will remain the same, commented that, *"most of the distressed-driven transactions happened in the last year so I would expect activity to now level out."* One of his peers echoed this view and noted: *"The majority of companies that were going through a rough patch earlier have now been absorbed by larger organisations."*

Corporate restructurings are here to stay

What do you expect to happen to the level of corporate restructurings in your region over the next 12 months?



The picture is similar for corporate restructurings. In Europe, where many businesses are still being propped up by their local banks, there is an expectation that there will be more corporate restructurings with 62% of regional respondents expecting an increase while 26% say they feel the number will remain stable. On this subject, one European respondent commented: *"I would expect an increase. There are businesses out there with sound strategies but that are cash-strapped."*

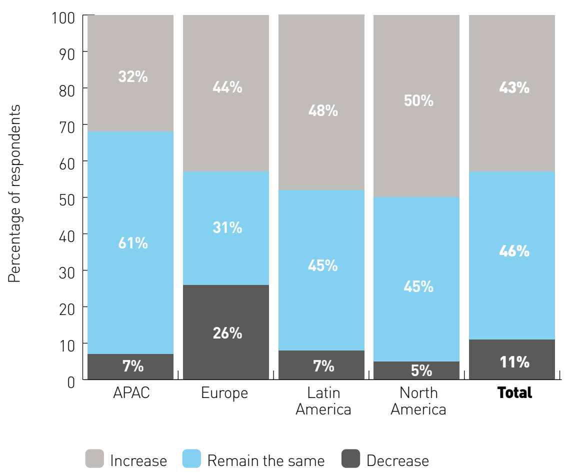
Meanwhile in Latin America, the majority of respondents – 61% in total – also feel that the level of corporate restructurings is set to increase. One respondent from this region, from the corporate arena, said: *"I think in Latin America the companies would look to sell off their underperforming business and focus on important and main core business which are sustainable."*

In other regions, sentiment is slightly more evenly split between those who expect more and those who expect the level of corporate restructurings to remain the same.

Survey analysis

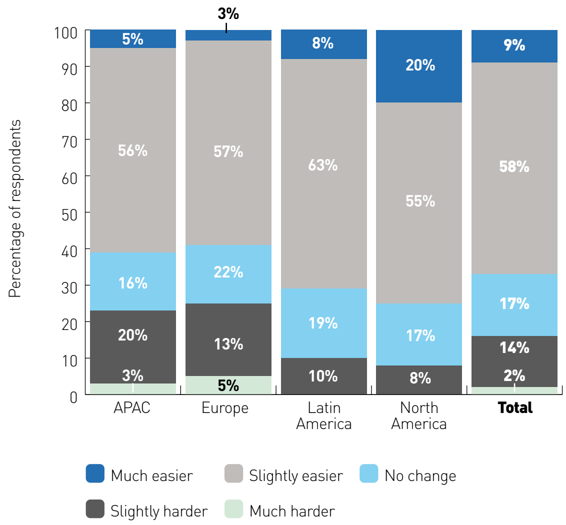
Valuations are stabilising or increasing further

What do you expect to happen to exit multiples in M&A transactions over the next 12 months?



Financing environment is relaxing

Relative to 2009, how easy or difficult do you expect it to be for buyers to secure financing for deals in the next year?



A by-product of the financial crisis has been a reduction in corporate valuations and exit multiples in recent M&A transactions. However, now that the market is recovering and M&A is making a comeback, it is significant that some respondents expect exit multiples to start to increase. Indeed, 43% of overall respondents expect multiples to increase over the next 12 months with improving macroeconomic visibility and performance being the principal driver.

Nevertheless, the remaining 57% of respondents expect multiples to either remain at current levels (46%) or decrease (11%) over the next 12 months. Such findings suggest that even though the market has stabilised, it has in fact stabilised at a lower level and that exit multiples are still suffering the aftershock of the financial crisis. These findings also suggest an understanding amongst respondents that pre-crisis valuations were inflated and that the market, having experienced a correction, now represents more appropriate valuations.

It is worth pointing out that the Asia-Pacific region saw the largest percentage of respondents (61%) express an expectation that exit multiples would remain the same. This suggests an understanding by these particular respondents that valuations in their region were never as negatively affected by the financial crisis as those of European or North America businesses.

For many businesses, 2009 will go down in corporate history as one of the most challenging years to secure funding. Many banks, for all intents and purposes, shut their doors, making it almost impossible for companies to borrow money at terms which were acceptable.

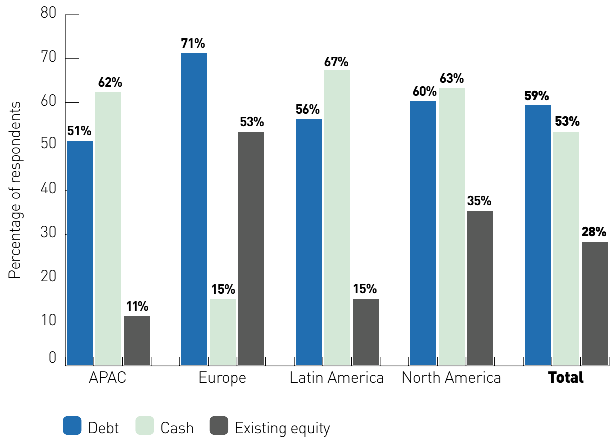
It is encouraging and yet another vote of confidence for the recovery of the world economy that an overwhelming majority of respondents from all regions – 67% – believe that it has become slightly easier for buyers to secure funding over the course of 2010. One Asia based corporate respondent stated: *"The banking industry has started to recover compared to last year and funding is available although strict requirements remain."* Another Latin American respondent was a little less upbeat but said that the *"market is getting better and banks are willing to fund more deals."*

The improvement in the debt financing environment is particularly apparent in North America, borne out by the fact that 20% of regional respondents expect buyers to find it much easier to secure finance for M&A in the coming year and 55% expect buyers to find it slightly easier.

It is again worth pointing out that in Asia-Pacific and Europe somewhat fewer people – 61% and 60% respectively – expect it to be easier for buyers to secure funding. This, we feel, has less to do with a fundamental feeling that the situation will in fact not improve, but with the fact that it has been nowhere near as difficult for acquisitive players from these regions to secure funding as it has been for their counterparts in North America where credit markets have only recently begun to show signs of thawing.

Debt and cash are king to buyers

How do you expect the majority of buy-side parties to fund M&A over the next 12 months?



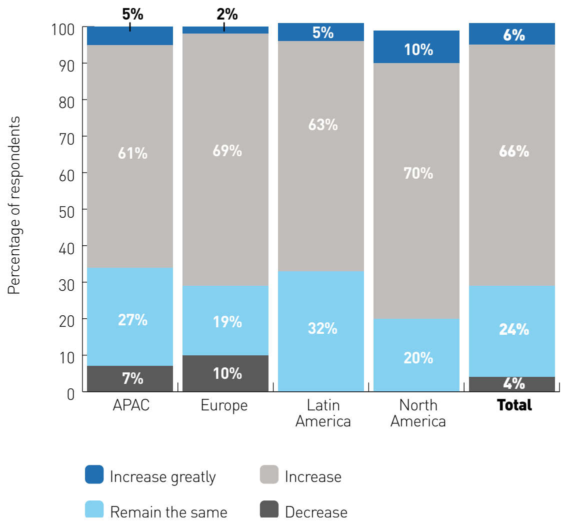
Given that the majority of respondents feel that it has become slightly easier for buyers to secure funding for M&A deals, it is understandable that the overall majority of respondents, a total of 59%, feel that debt will be the primary funding source for acquisitive buyers looking to do deals.

Away from the traditional hotbeds of M&A activity, a significant proportion of Asia-Pacific and Latin American respondents – 62% and 67% respectively – expect buyers to pay for deals with internal cash resources. Corporates in both of these regions have been relatively well protected from the worst effects of the downturn and are sitting on substantial cash piles that are set to be deployed.

Meanwhile in Europe, 53% of respondents to the survey expect buyers to use their existing equity to pay for deals, a finding that suggests that respondents are confident about the continued recovery of regional equity markets and companies' ability to use shares to finance deals.

Private equity funds are making a comeback

What do you expect to happen to the level of private equity activity in your region over the next 12 months?



Private equity has long played an important role in M&A – both as an acquirer of undervalued assets and a seller of more mature and streamlined businesses. After the hey-days of private equity dealmaking activity in 2007, the collapse of Lehman's and the ensuing meltdown of the world economy put an initial halt on activity as the asset class became unable to raise cheap debt.

The first half of 2010 however showed that private equity is making a comeback and the majority of respondents from all regions stated that they feel the level of activity will increase over the next 12 months. In North America, the cradle of buy-out activity, 80% of respondents stated that they felt that M&A activity stemming from private equity funds would increase.

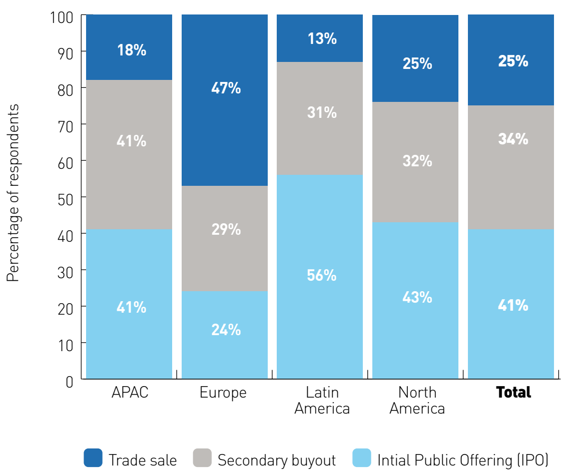
It is also worth noting that among the respondents from North and Latin America not a single respondent felt that private equity activity would decline.

The thawing of the credit markets must play a role in driving positive sentiment although there must also be recognition that many private equity funds have changed their *modus operandi*. Indeed, private equity funds are increasingly taking a much larger equity ticket in deals as well as teaming up with trade buyers on certain transactions. One German corporate stated that, *"as companies are not receiving enough funding from banks, they will need to look elsewhere"*, indicating that private equity could be such an alternative source of funding.

Survey analysis

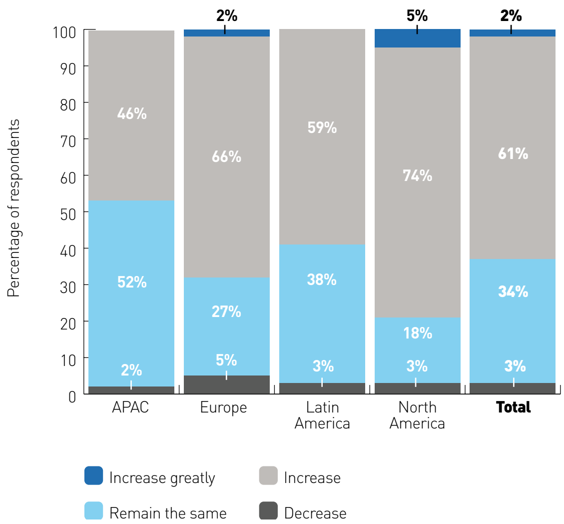
An IPO is seen as a key exit route for private equity's portfolio holdings

How do you expect private equity houses to exit their investments in portfolio companies over the next 12 months?



The number of IPOs are set to increase

What do you expect to happen to the level of IPOs in your region over the next 12 months?



Expectations on how private equity houses will exit their portfolio companies over the next 12 months differ substantially from region to region.

Despite this, it is noteworthy that across the board an exit via the stock exchange is considered the most likely exit route with 41% of respondents expecting financial investors to monetise their investment(s) via a listing. This expectation is surprising considering the low number of IPOs this year so far, and the still fragile state of global equity markets.

In Asia-Pacific, respondents put their faith in the public markets and other private equity funds with 41% predicting that private equity funds will exit their portfolio businesses via an IPO with another 41% citing secondary buyouts. IPO sentiment is particularly strong in Latin America and it is interesting that respondents in Asia-Pacific and the Americas do not place much faith in trade buyers as buyers of private equity-owned portfolio businesses.

Meanwhile, the picture is very different in Europe, where 47% of respondents feel that private equity funds will be able to exit their portfolio businesses via a trade sale. The fact that many trade players have spent the financial crisis formulating a survival strategy and shoring up their balance sheets could serve as an explanation.

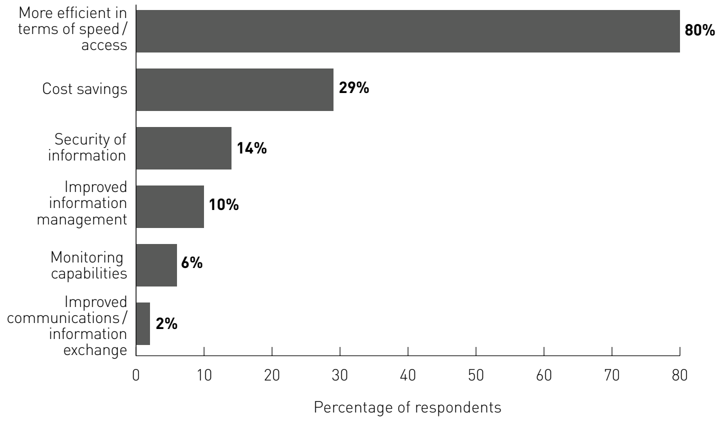
It is also worth noting that many of the private equity portfolio businesses that will be coming to market in Europe over the next 12 months were previously fought over in auctions by both trade and financial buyers. While the private equity buyer originally won out, now that the company is coming back to the market, trade buyers who originally lost out could be given another chance to acquire them.

Overall, 63% of respondents expect the volume of listings to increase. This is encouraging given the problems within the global equity markets recently.

Looking at the regional breakdown, sentiment is particularly robust in North America with 79% of respondents expecting IPO activity to increase. Elsewhere, this number falls to 46% in Asia-Pacific with one such respondent commenting that it is a *"good source of raising capital."* Another explained his expectations by referring to the *"new initiative of securities exchange in China, which is similar to NASDAQ and is a secondary board."* This respondent went on to explain that because of this new exchange, many regional SMEs seeking an IPO will increasingly look towards Shenzen as a potential listing destination.

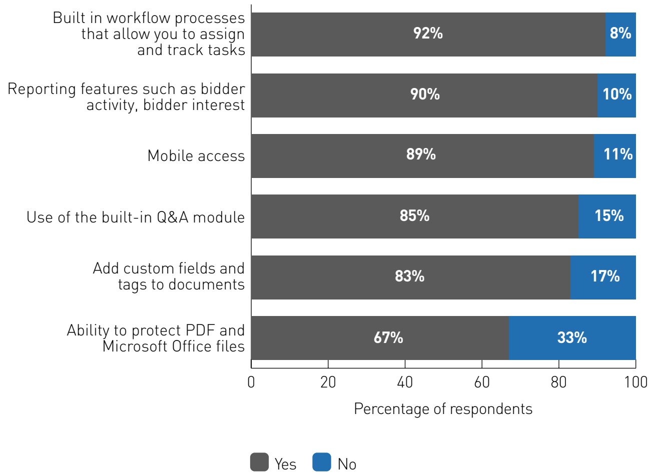
Online datarooms are more efficient in terms of speed and access in an M&A deal

What do you consider to be the main benefits of using an online dataroom for an M&A transaction?



Workflow processes important when using a VDR

Do you consider the following features of an IntraLinks exchange or virtual dataroom important during an M&A transaction?



The rise in virtual dataroom usage over the past few years reflects the tangible benefits this technology can bring to the M&A process.

The respondents to this survey overwhelmingly (80%) suggest that using a virtual dataroom can add speed and efficiency to a transaction, by eliminating the cost and hassle of creating physical datarooms; tracking all disclosure online; reaching more buyers, and monitoring interest throughout the process. Additionally, it allows multiple buyers the ability to conduct due diligence simultaneously, eliminating scheduling conflicts and the need to travel.

However, additional benefits were also cited, with improvements in information management, cost savings and security of the information also highlighted by respondents.

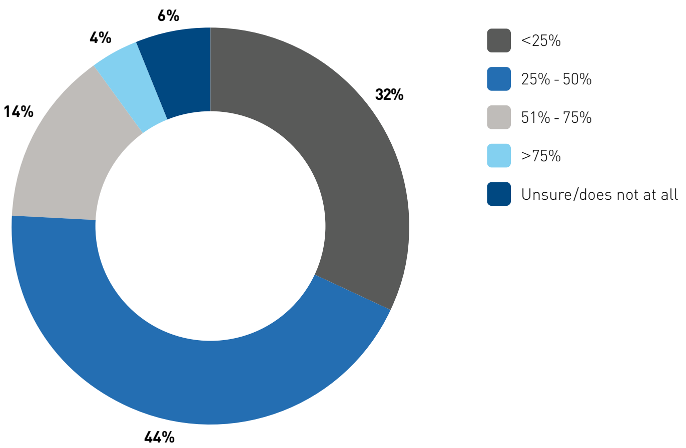
Built in workflow processes that allow virtual dataroom managers to assign and track tasks are considered by 92% of those participating in the survey as very important. This is closely followed by the business intelligence tools available that support more informed and faster decision making, such as reporting features which allow tracking of bidder activity, bidder interest and popular search terms.

As technology evolves users expect more from the tools they use. This is illustrated by the 89% of respondents who consider mobile access to the dataroom important and the 85% of respondents who consider an online Q&A a valuable tool, the additional functionality relating to custom fields and document tagging and additional MS Office and PDF protection features were also mentioned.

Survey analysis

Using a VDR speeds up the M&A process

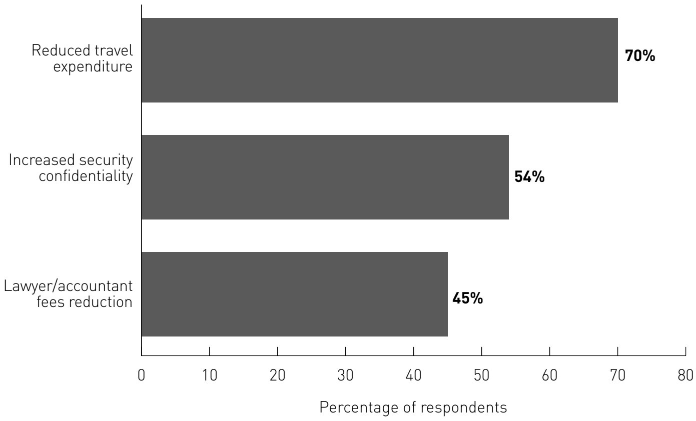
How much (in percentage terms) do you believe using a virtual dataroom can compress the timeframe of the M&A process?



The majority (62%) of global respondents feel that using a virtual dataroom can compress the timeframe of an M&A transaction by over 25%. Increased efficiency and involving multiple participants in the process at the same time are mentioned as the key reasons.

Using a VDR reduces cost

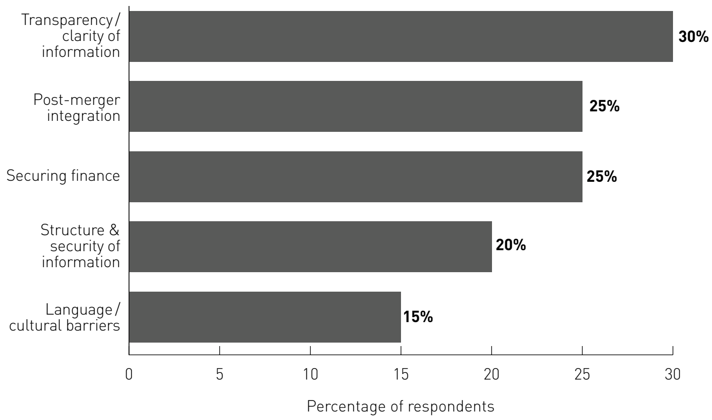
In which of the following ways do you believe a virtual dataroom most reduces the cost of an M&A transaction? Please select all that apply



Aside from saving time, using a virtual data room also allows users to reduce travel expenditure during an M&A process – 70% of those surveyed felt that money spent on travel is reduced when using a virtual dataroom on a deal. Respondents also highlighted the increased security benefits that are associated with using a VDR for the exchange of confidential information.

Transparency and clarity of information flagged up as a key challenge to the buy-side

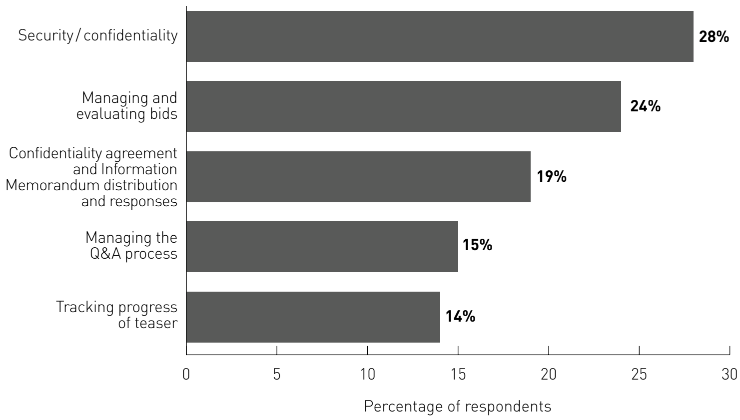
What are the biggest buy-side challenges you face when conducting an M&A transaction? (Overall)



30% of respondents to the survey stated that when a business is looking to buy another business, the biggest challenge it has to contend with is the transparency and clarity of information. However, challenges relating to post-merger integration along with its ability to secure financing are also obstacles to contend with.

Security is the biggest challenge to the sell-side

What are the biggest sell-side challenges you face when conducting an M&A transaction? (Overall)

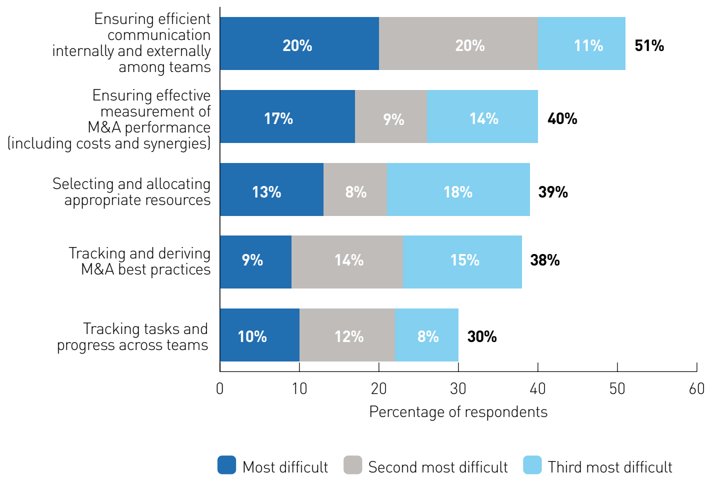


Meanwhile, when a business is being sold the biggest challenge it has to deal with is keeping the process confidential, according to 28% of respondents. At the same time, 24% of respondents state that managing and evaluating bids is the biggest challenge.

Survey analysis

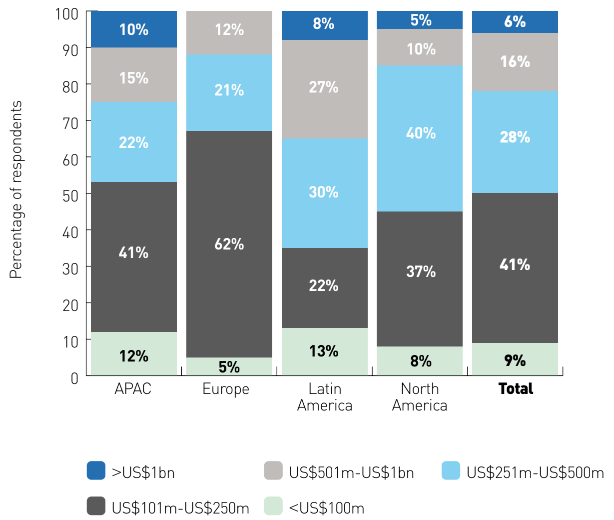
Communication is the most difficult task in an M&A process

Which of the following tasks are the most difficult to perform when managing an M&A engagement? Please rank the top three (Overall)



Mid-market is the new place to be

In what deal size range do you expect to witness the bulk of M&A transactions over the next 12 months?



The importance of clear communication, both internally and externally, is often forgotten and when examining why deals went wrong the answer is often a lack of communication. In total 51% of respondents stated that efficient communication both internally and with external parties is a very difficult task to perform when managing an M&A engagement.

Performance management however is rated as being similarly difficult, with 17% saying it is the most difficult compared to 20% who say that communication is the most difficult.

The recent shift towards dealmaking in the mid-market has been pronounced, and so it comes as no surprise that respondents predict that the bulk of M&A transactions over the next 12 months will fall in the US$101m - US$250m category. This is particularly the case in Europe with nearly two thirds of respondents citing this size bracket.

Overall, there is the expectation that, because of the challenges relating to financing deals and execution, only a handful of large-cap deals will come to the market. *"No major deals are expected"* and *"we are not going to see the really big deals"* were comments made by some respondents to the survey. One respondent, a UK-based banker, summed up sentiment very well by saying that, *"mid-market deals are the norm now."*

Appendix – Historical data

Top 20 global M&A deals, H1 2010

Announced	Status	Target company	Target dominant sector	Target dominant country	Bidder company	Bidder dominant country	Seller company	Seller dominant country	Deal value US$(bn)
04-Jan-10	P	Alcon Inc (52% stake)	Pharma, Medical & Biotech	Switzerland	Novartis AG	Switzerland	Nestle SA	Switzerland	26.30
22-Apr-10	P	Qwest Communications International Inc	Telecoms, Media & Technology	USA	CenturyLink	USA			22.15
13-Jan-110	P	Carso Global Telecom SAB de CV	Telecoms, Media & Technology	Mexico	America Movil SA de CV	Mexico			19.36
08-Mar-10	P	American Life Insurance Company	Financial Services	USA	MetLife Inc	USA	American International Group Inc	USA	15.54
25-Feb-10	P	Coca-Cola Enterprises Inc (North American operations)	Consumer	USA	The Coca-Cola Company	USA	Coca-Cola Enterprises Inc	USA	12.28
21-Feb-10	P	Smith International Inc	Energy, Mining & Utilities	USA	Schlumberger Ltd	USA			12.20
19-Jan-10	P	The Williams Companies Inc (certain gas pipeline and domestic midstream businesses)	Energy, Mining & Utilities	USA	Williams Partners LP	USA	The Williams Companies Inc	USA	11.75
30-Mar-10	C	Zain Africa BV	Telecoms, Media & Technology	Nigeria	Bharti Airtel Ltd	India	Mobile Telecommunications Company KSC	Kuwait	10.70
30-Jun-10	P	OJSC Polyus Gold	Energy, Mining & Utilities	Russia	KazakhGold Group Ltd	Kazakhstan			10.24
11-Feb-10	P	Allegheny Energy Inc	Energy, Mining & Utilities	USA	FirstEnergy Corp	USA			8.96
30-Mar-10	P	AXA Asia Pacific Holdings (Asian businesses)	Financial Services	Australia	AXA SA	France	AXA Asia Pacific Holdings Ltd	Australia	8.65
04-May-10	P	Lihir Gold Ltd	Energy, Mining & Utilities	Australia	Newcrest Mining Ltd	Australia			8.29
09-Mar-10	P	Intervet/Schering-Plough Animal Health; Merial Ltd	Pharma, Medical & Biotech	USA	Sanofi-Aventis SA/ Merck & Co Inc JV	USA	Merck & Co Inc; Sanofi-Aventis SA	France	8.25
11-Jan-10	P	FEMSA Cerveza SA de CV	Consumer	Mexico	Heineken NV	Netherlands	Fomento Economico Mexicano SAB de CV	Mexico	7.69
28-Apr-10	P	EON US LLC	Energy, Mining & Utilities	USA	PPL Corporation	USA	EON AG	Germany	7.63
11-Mar-10	P	Devon Energy Corporation (assets in the deepwater Gulf of Mexico, Brazil and Azerbaijan)	Energy, Mining & Utilities	USA	BP plc	United Kingdom	Devon Energy Corporation	USA	7.00
28-Feb-10	P	Millipore Corporation	Pharma, Medical & Biotech	USA	Merck KGaA	Germany			6.76
05-Jan-10	C	NK Russneft OAO	Energy, Mining & Utilities	Russia	Mikhail Gutseriyev (private investor)	Russia	En+ Group Ltd	Russia	6.60
31-Mar-10	P	General Growth Properties Inc (65% stake)	Real Estate	USA	Brookfield Asset Management Inc; Fairholme Capital Management LLC; Pershing Square Capital Management LP	USA			6.55
11-Feb-10	P	Airgas Inc	Industrials & Chemicals	USA	Air Products & Chemicals Inc	USA			6.54

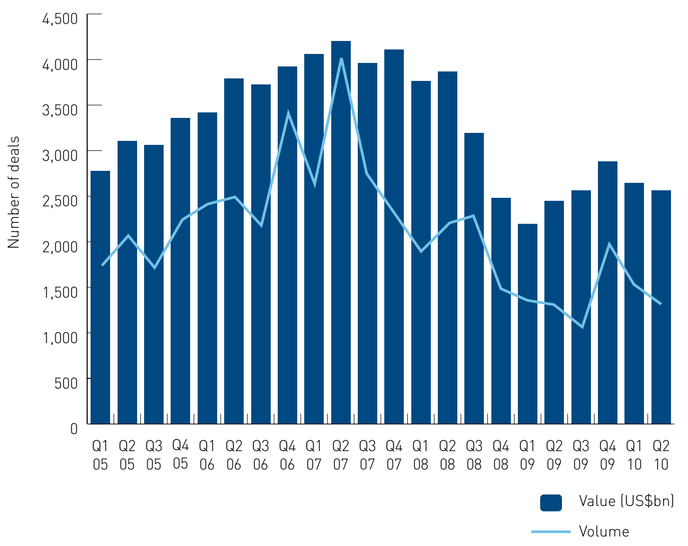
Appendix – Historical data

Top 10 global private equity deals, H1 2010

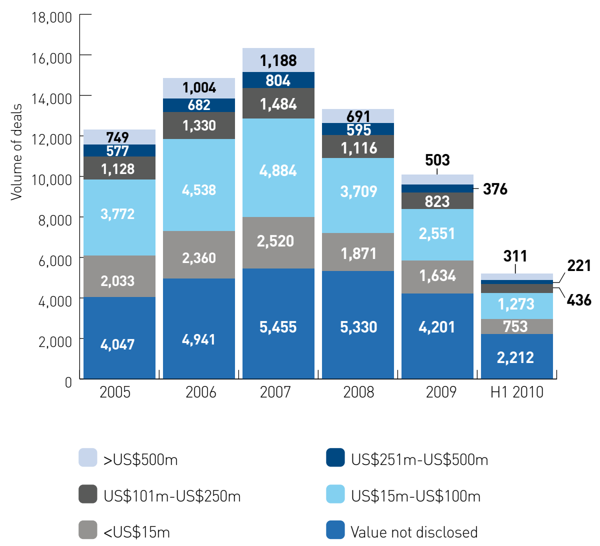
Announced Date	Status	Target company	Target dominant sector	Target dominant country	Bidder company	Bidder description	Bidder dominant country	Seller company	Seller dominant country	Deal type	Deal value US$(bn)
28-May-10	P	East Resources Inc	Energy, Mining & Utilities	USA	Royal Dutch Shell plc	Netherlands based energy and petrochemicals company	Netherlands	Kohlberg Kravis Roberts & Co	USA	Exit	4.70
28-May-10	P	Extended Stay Inc	Leisure	USA	Blackstone Group Holdings LLC; Centerbridge Partners LP; Paulson & Co Inc	US-based private equity investor; US-based private equity firm; US-based employee owned hedge fund sponsor	USA			IBI	3.93
07-Jun-10	P	Talecris Biotherapeutics Inc	Pharma, Medical & Biotech	USA	Grifols SA	Spain-based healthcare company	Spain	Cerberus Capital Management LP	USA	Exit	3.73
04-May-10	P	Interactive Data Corporation	Business Services	USA	Interactive Data Consortium	Consortium of private equity firms including Silver Lake and Warburg Pincus	USA	Pearson PLC	United Kingdom	IBO; Take Private	3.16
31-Mar-10	P	eMobile Ltd (57.45% stake)	Telecoms, Media & Technology	Japan	eAccess Ltd	Japan-based information technology company	Japan	GS Capital Partners; Temasek Holdings Pte Ltd	USA	Exit	3.05
15-Mar-10	C	Tommy Hilfiger Corporation	Consumer	Netherlands	Phillips-Van Heusen Corporation	US-based designer and manufacturer of clothing and apparel	USA	Apax Partners LLP	United Kingdom	Exit	3.01
23-Jun-10	P	Cognis GmbH	Industrials & Chemicals	Germany	BASF SE	Germany-based chemical company	Germany	GS Capital Partners; Permira; SV Life Sciences	United Kingdom	Exit	2.97
11-Jun-10	P	Buckeye GP Holdings L.P	Energy, Mining & Utilities	USA	Buckeye Partners LP	US-based partnership that owns and operates refined petroleum pipelines	USA	ArcLight Capital Partners LLC; Kelso & Company	USA	Exit	2.77
28-Jun-10	P	FDR Holdings Ltd	Energy, Mining & Utilities	Norway	Noble Corp	US-based provider of contract drilling services to the oil and gas industry	USA	Riverstone Holdings LLC; The Carlyle Group LLC	USA	Exit	2.16
02-Mar-10	C	Styron Corp	Industrials & Chemicals	USA	Bain Capital LLC	US-based private equity firm	USA	The Dow Chemical Company	USA	IBO	1.63

Appendix – Historical data

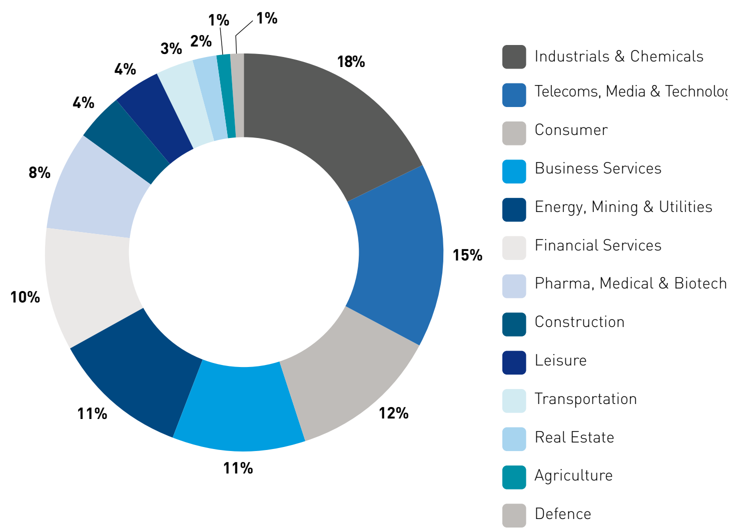
Overall global M&A activity



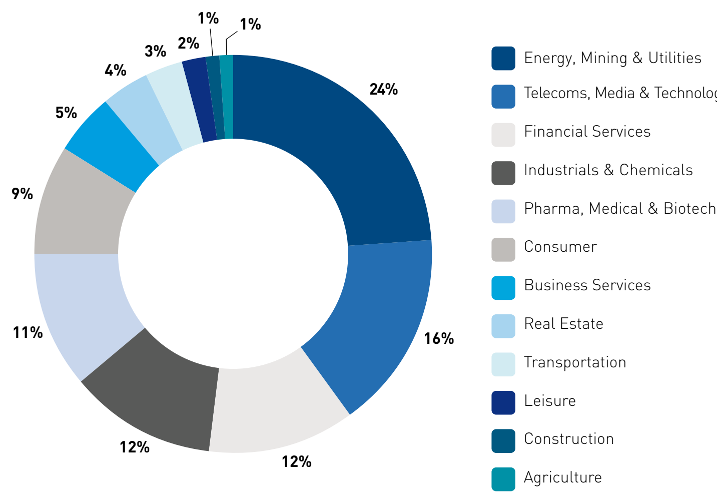
Deal size breakdown of global M&A activity



Sector breakdown of global M&A activity, H1 2010: volume

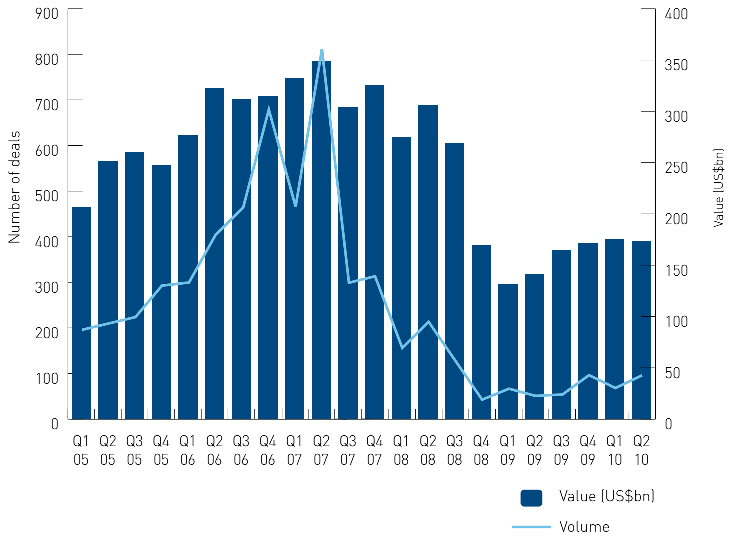


Sector breakdown of global M&A activity, H1 2010: value

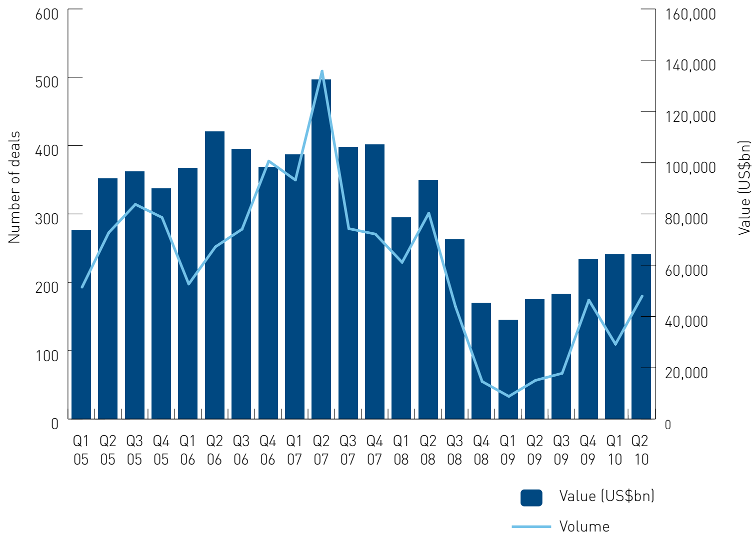


Appendix – Historical data

Global private equity buyout trends



Global private equity exit trends



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