

imaa

Institute of Mergers, Acquisitions
and Alliances

Mergers & Acquisitions Report:
Austria
First Half 2010

Webster
UNIVERSITY

KUMMER & COMPANY

Vienna, 10 July 2010

Executive Summary

Mergers & Acquisitions activity (see Section 1)

- Mergers & Acquisitions with Austrian participation have been livelier in the 1st half of 2010. The number of deals have increased to over 150 transactions. Their value however has significantly decreased by 38% down to 3.1 bil. EUR.
- This is contrary to overall development in Europe and worldwide, where the number of M&A has decreased, but the value has increased.

National vs. Cross-border M&A (see Section 2)

- The share of national deals in total Austrian M&A has increased in terms of numbers and value. 44% of all transactions have had Austrian acquirers and targets. 77% of all transaction value had been national deals.
- Therefore the main driver of Austrian M&A are national consolidation. Most likely a reaction the difficult economic environment and to create synergies in the home market.

Industry (see Section 3)

- The majority of deals in terms of number have taken place in the Industrials, Financials, and Materials sector. Almost all industries have shown more deals, with the exception of Media and Entertainment.
- Transaction value has increased in the Financials, Real Estate and Telecommunications sector. All other industries show a decrease in transaction value.

Top deals (Section 4)

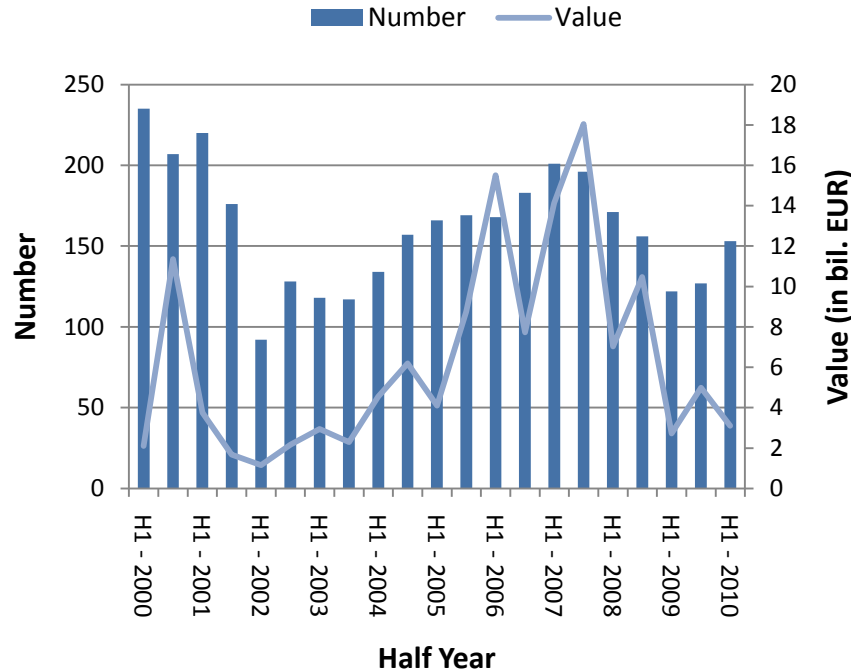
- In line with the importance of national transactions in Austria, the majority of top deals are national ones.

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1) M&A ACTIVITY IN AUSTRIA

Austrian M&A Activity: 1st Half of 2010



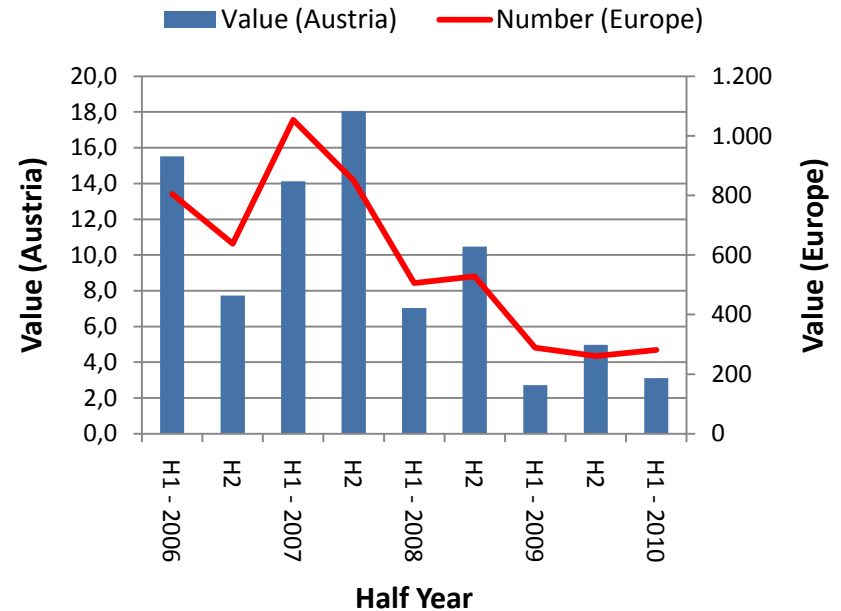
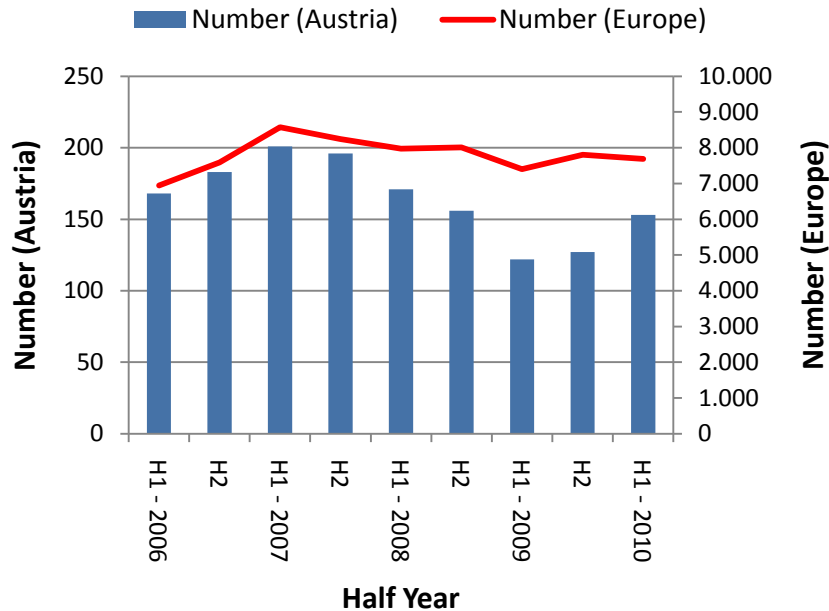
In the first half of 2010, there have been **153 transactions** valued at **3.1 bil. EUR** with Austrian participation.

The **number of M&A have notably increased**. This is the third consecutive half year with an increase. Compared with the 2nd half of 2009, the **value** of deals however has **significantly decreased** (-38%).

Trend in Austrian M&A

compared to	Number	Value
H1 - 2009	+25.4%	+14.0%
H2 - 2010	+20.5%	-37.7%

Austrian M&A Activity: 1st Half of 2010 vs. Europe

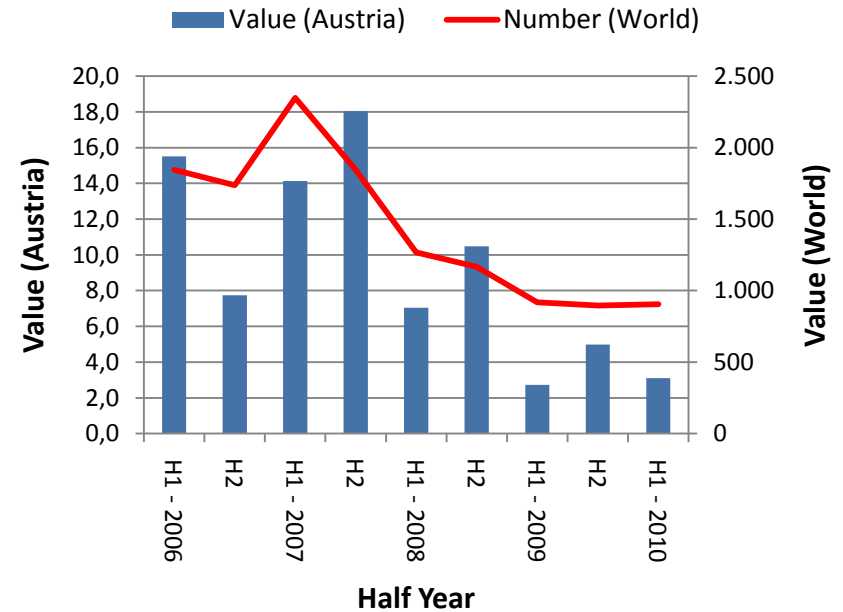
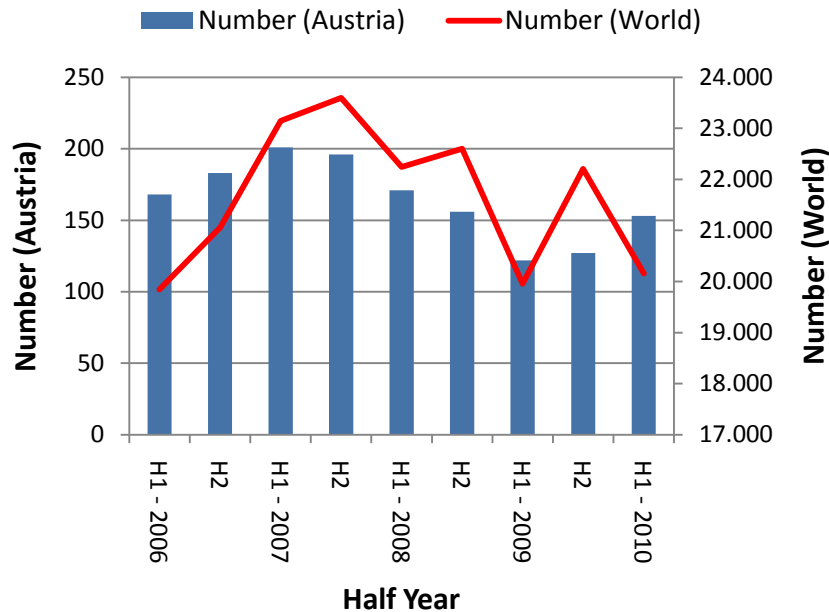


The **number of transactions** in Europe (see left figure) has decreased, while contrary to this trend Austrian deals had increased. The **value of transactions** in Europe (see right figure) have stabilized over the past 3 half years and has increased, while Austrian value has decreased.

Trend in European M&A

compared to	Number	Value
H1 - 2009	+3.9%	-2.4%
H2 - 2010	-1.4%	+7.9%

Austrian M&A Activity: 1st Half of 2010 vs. World

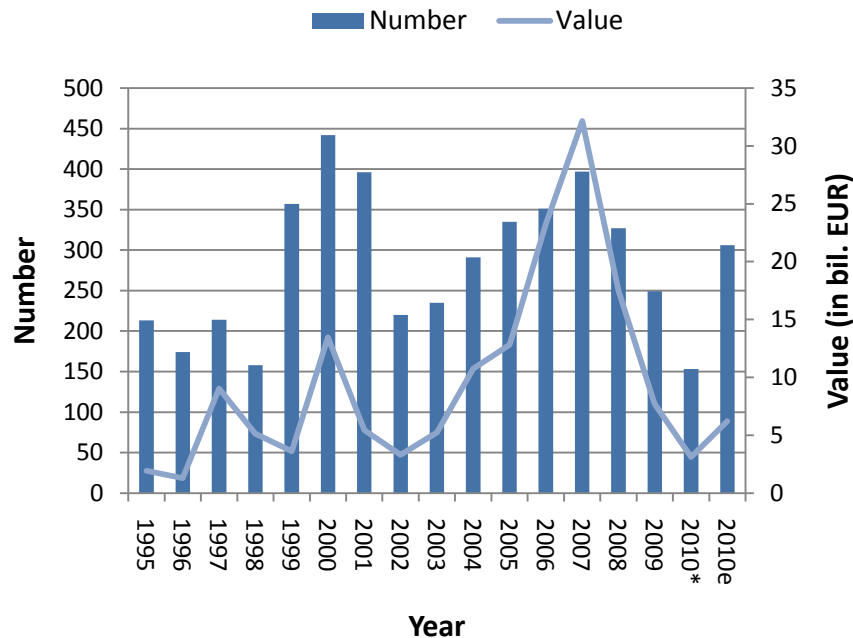


The **number of transactions** worldwide (see left figure) has decreased, while contrary to this trend Austrian deals had increased. The **value of transactions** worldwide (see right figure) has stabilized over the past 3 half years and has increased, while Austrian value has decreased.

Trend in Global M&A

compared to	Number	Value
H1 - 2009	1.0%	-1.4%
H2 - 2010	-9.2%	+1.0%

Austrian M&A Activity: Projection for 2010 (Full Year)



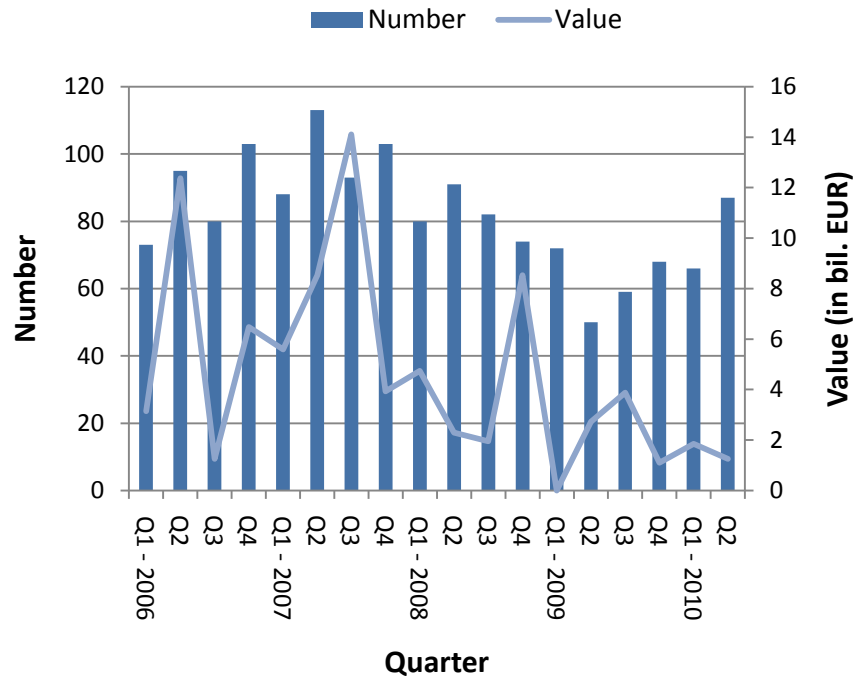
Legend:
* = as of 30 June
e = expected

Austrian M&A activity in 2010 could be almost a quarter higher in terms of numbers of transactions, but looks to be significantly lower when it comes to value.

Projected Annual view:

- In 2010:
 - Number: 306
 - Value: 6.2 bil. EUR
- In comparison to 2009, this is:
 - Number: +23% (was 249)
 - Value: -19% (was 7.7 bil. EUR)

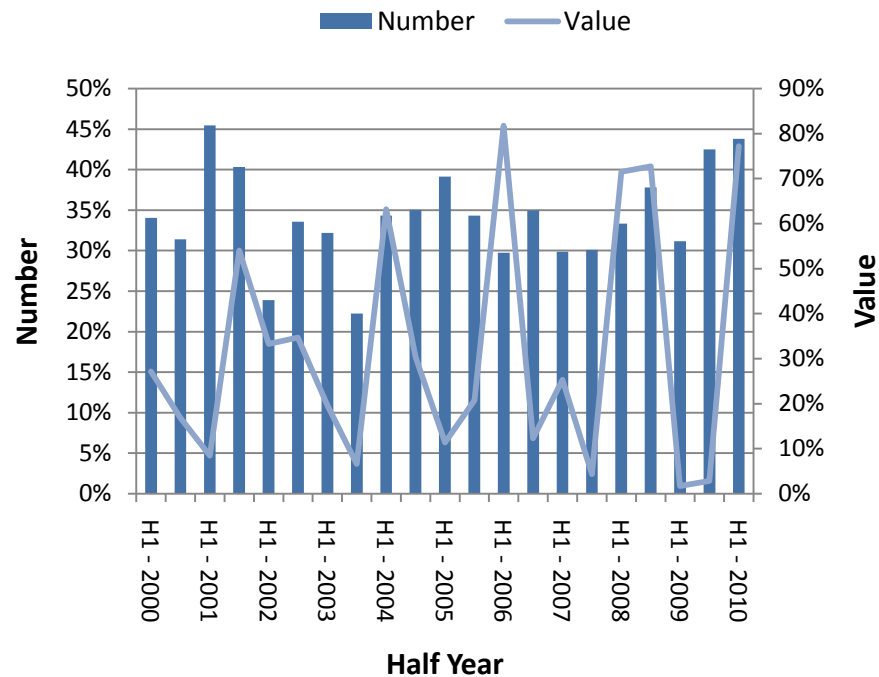
Austrian M&A Activity: Q2, 2010



2) NATIONAL AND CROSS-BORDER M&A ACTIVITY IN AUSTRIA

National Austrian M&A deals: 1st Half 2010

Share of Austrian national deals in total M&A activity



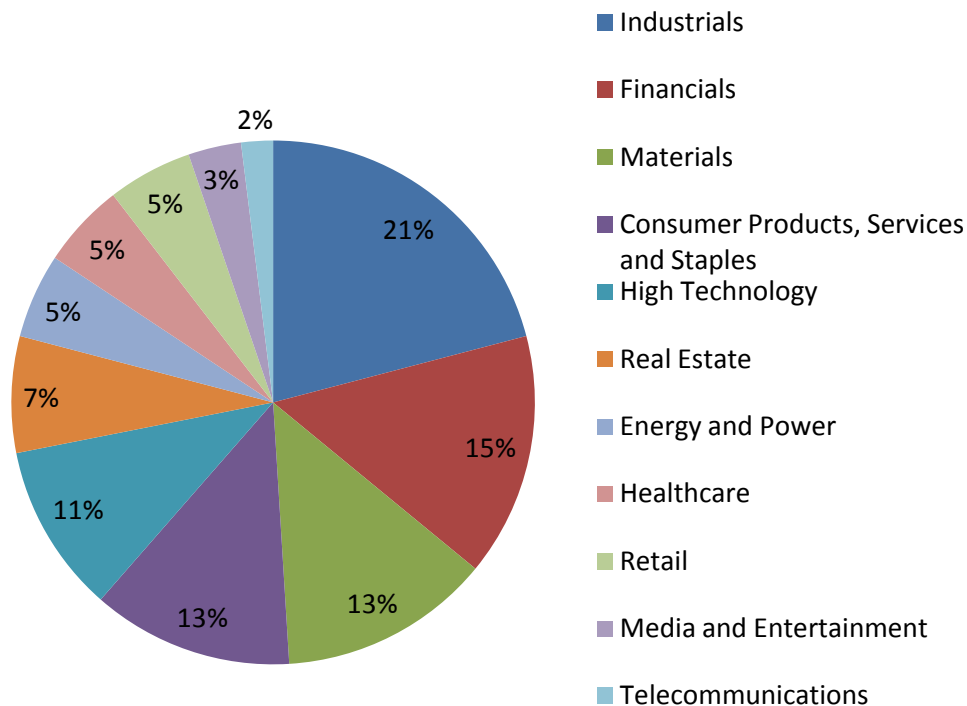
In the first half of 2010, there have been **67 national transactions** valued at **2.4 bil. EUR**.

The **share of national M&A in total Austrian M&A has increased** to 44% and the share of value to 77%.

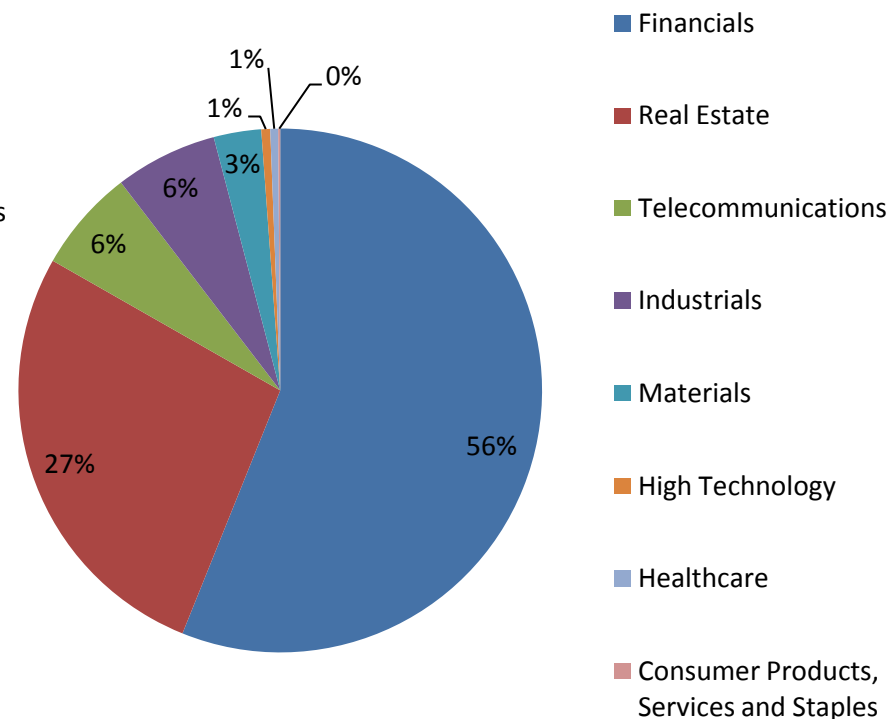
3) M&A IN AUSTRIA BY INDUSTRY

Austrian transactions by industry: 1st Half 2010

By number



By value



- With respect to the number of transactions, the majority of M&A transactions took place in the industrials, financials and materials sector.
- By value of deals, financial transactions accounted for more than half of the value of deals followed by real estate..

Austrian transactions by industry: 1st Half 2010 vs. 2nd Half 2009

By number

Rank	Industry		Number		Change
	H1-2010	H2-2009	H1-2010	H2-2009	
1	1	Industrials	32	27	19%
2	4	Financials	23	15	53%
3	6	Materials	20	15	33%
4	2	Services and Staples	19	18	6%
5	5	High Technology	16	15	7%
6	10	Real Estate	11	4	175%
7	7	Retail	8	7	14%
8	8	Energy and Power	8	6	33%
9	9	Healthcare	8	4	100%
10	3	Media and Entertainment	5	16	-69%
11	n/a	Telecommunications	3	0	n/a

By value

Rank	Industry		Value (in mil. EUR)		Change
	H1-2010	H2-2009	H1-2010	H2-2009	
1	5	Financials	1'741	43	3'949%
2	3	Real Estate	843	92	816%
3	n/a	Telecommunications	197	0	n/a
4	1	Industrials	196	3'963	-95%
5	2	Materials	91	612	-85%
6	6	High Technology	17	35	-51%
7	4	Healthcare	15	85	-82%
8	7	Services and Staples	4	0	n/a
9	n/a	Energy and Power	0	0	n/a
10	n/a	Media and Entertainment	0	0	n/a
11	n/a	Retail	0	0	n/a

- In terms of number of deals, in almost all industries deal activity increased with the notable exception of Media and Entertainment.
- By value, deals in Financials, Real Estate and Telecommunication have increased. But transaction value in the Industrials, Materials, Healthcare and High Technology sector have drastically decreased.

4) TOP AUSTRIAN M&A DEALS

Austrian Top Deals: First Half 2010

Rank	Target Company	Target Country	Acquiror Company	Acquiror Country	Value (in mil. EUR)	Status
1	Cembra Beteiligungs GmbH	Austria	Raiffeisen International Bank	Austria	1'429	Pending
2	Europolis AG	Austria	CA Immobilien Anlagen AG	Austria	272	Pending
3	IZD Tower Office	Austria	Investor Group	Austria	212	Completed
4	Invitel International AG	Austria	Turk Telekomunikasyon AS	Turkey	197	Pending
5	Eco Business-Immobilien AG	Austria	conwert Immobilien Invest SE	Austria	183	Pending
6	NIKI Luftfahrt GmbH	Austria	Air Berlin PLC & Co	Germany	116	Pending
7	CA Immo International AG	Austria	CA Immobilien Anlagen AG	Austria	104	Pending
8	Eco Business-Immobilien AG (Building Operring)	Austria	Undisclosed Acquiror	Unknown	101	Pending
9	Lindeteves-Jacoberg Hldng GmbH	Germany	Investor Group	Austria	96	Pending
10	Europapier AG	Austria	Heinzel Holding GmbH	Austria	60	Pending

Appendix

Unless otherwise stated:

- All sources of data have been: Thomson Financial, Institute of Mergers, Acquisitions and Alliances (IMAA) analysis.
- Deals analyzed have been "announced" which is the standard of analysis for most reports. Announced means that we have included deals with the status: Completed, Unconditional, Intended, Pending Due to Regulatory Reasons, and Pending, Partially Completed, Status Unknown, and Withdrawn. This explicitly excludes the deals with the status: Seeking Buyer, Rumor, Discontinued Rumor, and Seeking Buyer.

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