

imaa

Institute of Mergers, Acquisitions  
and Alliances

Mergers & Acquisitions Report:  
**Austria**  
2010

**Webster**  
UNIVERSITY

KUMMER & COMPANY

Vienna, 17 January 2011

# Executive Summary

## **Mergers & Acquisitions activity** (see Section 1)

- The numbers of Mergers & Acquisitions with Austrian participation have significantly increased in 2010 to 306 transactions (+23%). The value of deals has remained almost at the same level of 7.7 bil. EUR (-0.2%).
- The number of transactions have grown quicker than in Europe (+8.4). However, Austrian M&A had also decreased more during the last years, so this is a process of catching up.
- The value of European transactions has increased much more (+30%), while the Austrian value has remained flat.

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

- The importance of national transactions in Austria has increased. The number of national deals has increased to 141 (+53%). This represent 46% of all transactions (in 2009: 37%). The value of national transactions has drastically increased to 1.4 bil. EUR (+670%) and the share in total value has risen to 19% (in 2009: 2.4%). Therefore the main driver of Austrian M&A still is national consolidation. Most likely a result from the economic environment and the need to create synergies in the home market.
- Again in 2010, Western Europe has played a more central role than Eastern Europe, both as a target for Austrian companies and as acquirors of Austrian companies.

## **Industry** (see Section 3)

- With respect to the number of transactions, the majority of M&A transactions took place in the financials and industrial sector. By value of deals, transactions in energy, high technology, financials and real estate were most important.

## **Top deals** (Section 4)

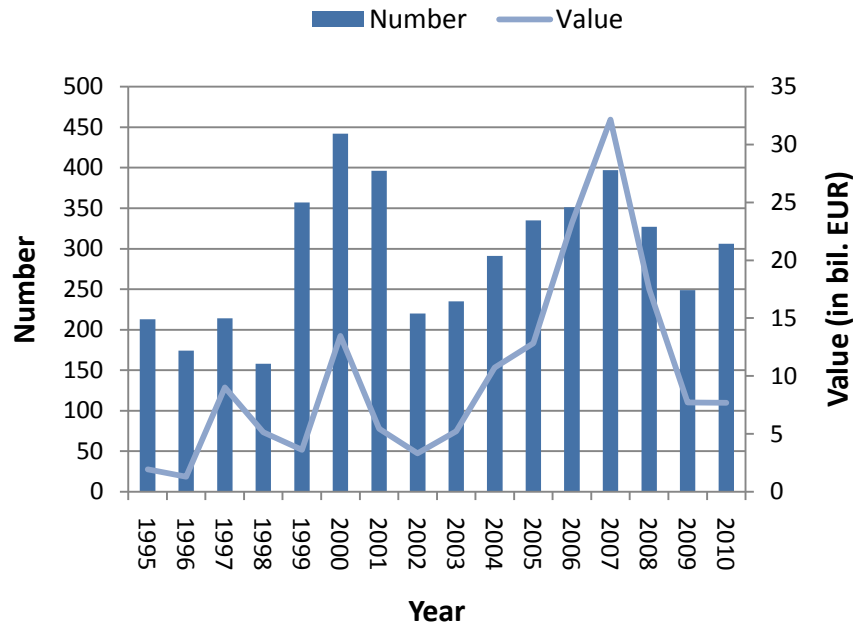
- In line with the importance of national transactions in Austria, the half of top deals were national ones.

# Content

- 1) M&A Activity in Austria**
- 2) National and Cross-border M&A in Austria**
- 3) M&A in Austria by Industry**
- 4) Top Austrian Deals**

# **1) M&A ACTIVITY IN AUSTRIA**

# Austrian M&A Activity: 2010



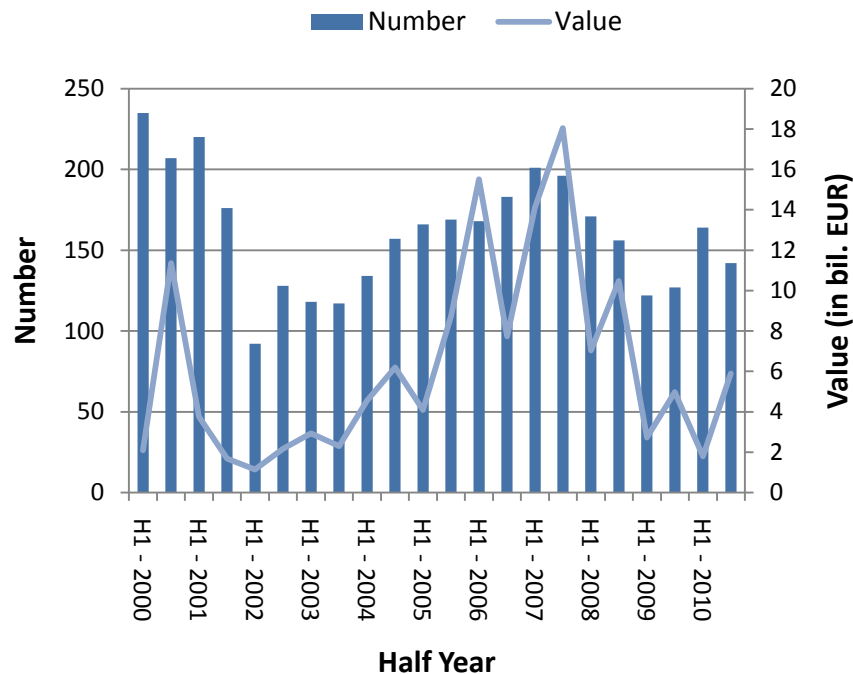
In the 2010, there have been **306 transactions** valued at **7.7 bil. EUR** with Austrian participation.

The **number of M&A have notably increased (+23%)**. This is the first increase since the peak in 2007. Compared with the year before, the **value of deals has remained at the same level (-0.2%)**.

## Trend in Austrian M&A

compared to	Number	Value
2009	+22.9%	-0.2%

# Austrian M&A Activity: 2nd Half of 2010



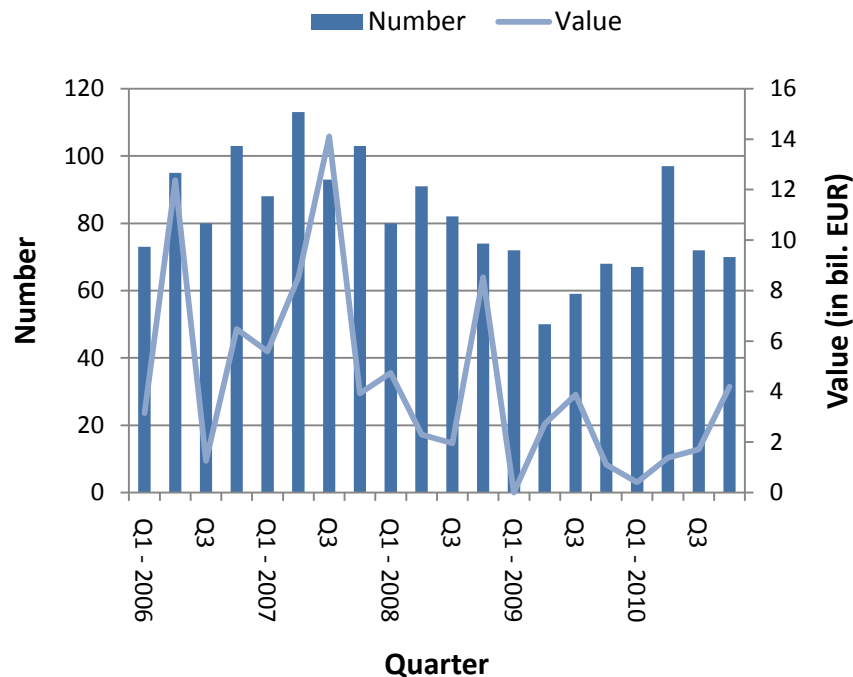
In the second half of 2010, there have been **142 transactions** valued at **5.9 bil. EUR** with Austrian participation.

Compared to the first half of 2010, the **number of M&A has more than tripled**. Compared to the second half of 2009, both the value and number have increased.

## Trend in Austrian M&A

compared to	Number	Value
2009 - H2	+11.8%	+18.5%
2010 - H1	-13.4%	+229.6%

# Austrian M&A Activity: Q4, 2010



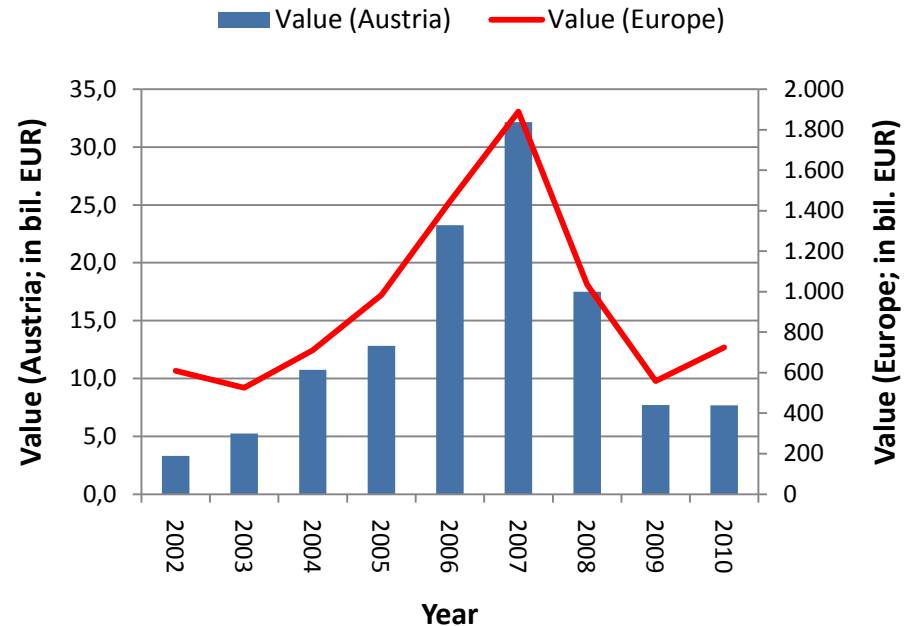
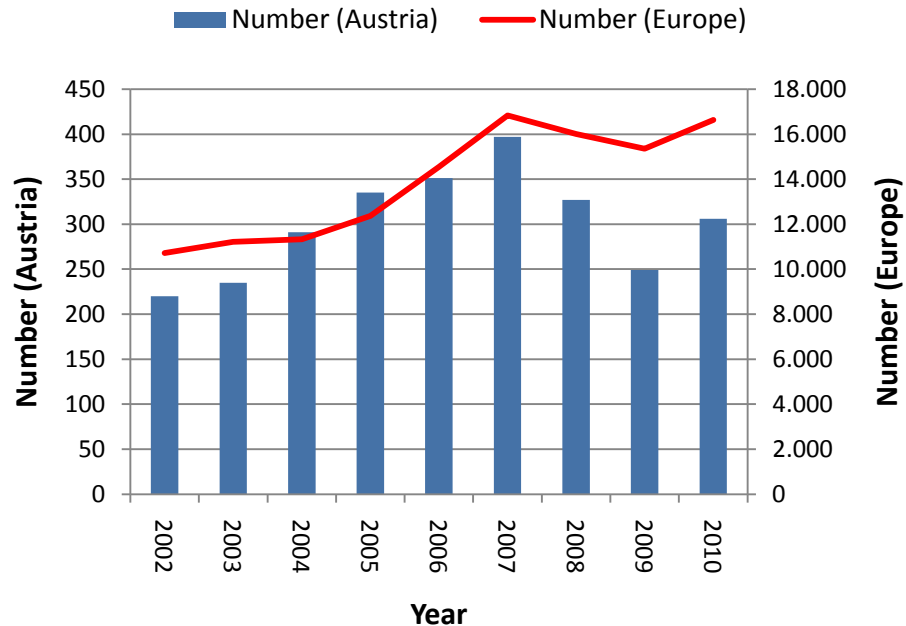
In the fourth quarter of 2010, there have been **70 transactions** valued at **4.2 bil. EUR** with Austrian participation.

Compared to the fourth quarter of 2009, the **number of M&A has slightly increased, the value more than tripled**. Compared to the third quarter of 2010, the number has increased and the value more than doubled.

## Trend in Austrian M&A

compared to	Number	Value
2009 - Q4	+2.9%	+278.3%
2010 - Q3	-2.8%	+145.0%

# M&A Activity: Austria vs. Europe

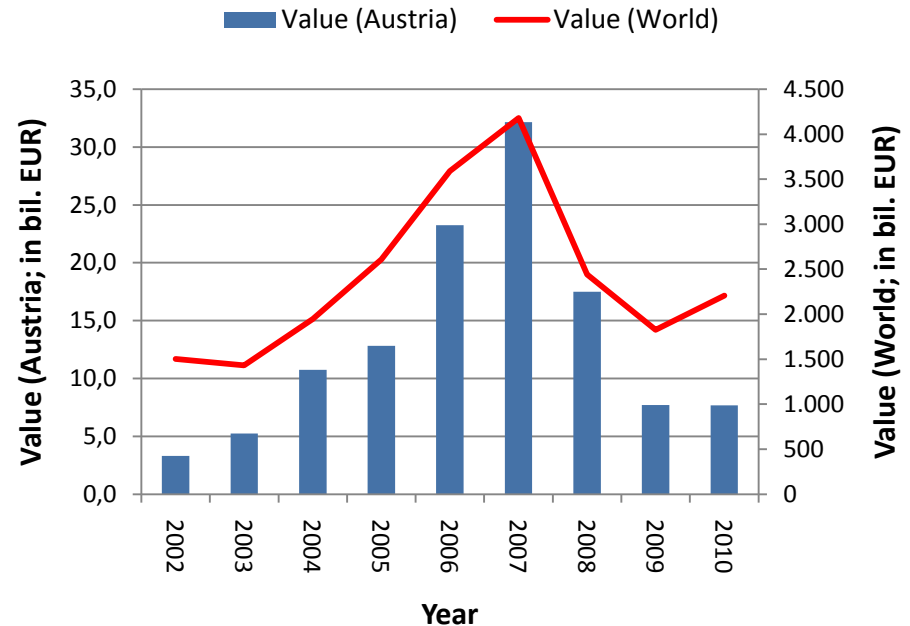
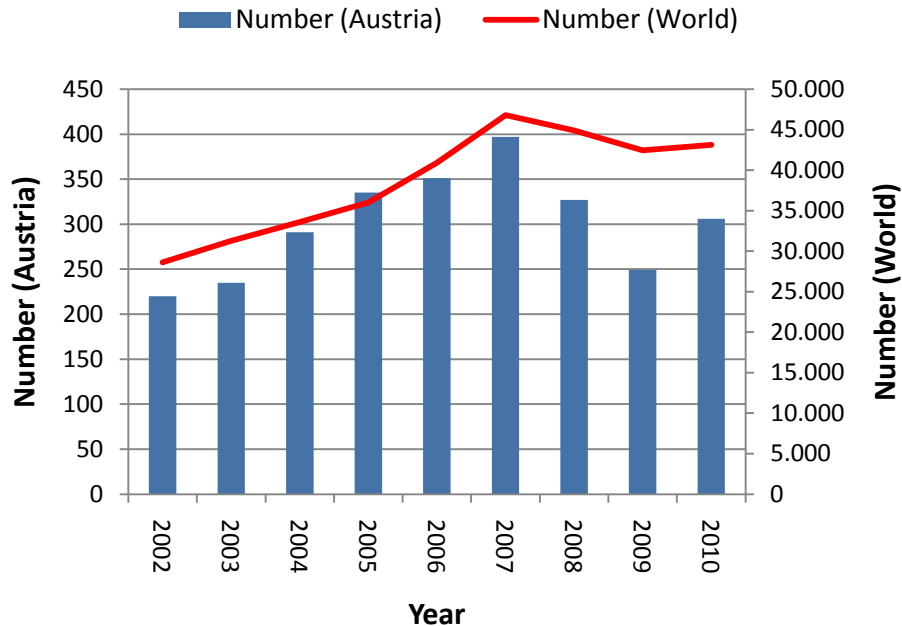


The **number of transactions** in Europe (see left figure) have also increased, but not as much as in Austria. The **value of transactions** in Europe (see right figure) has significantly increased, while in Austria the value has remained at the same level.

## Trend in European M&A

compared to	Number	Value
2009	+8.4%	+29.8%

# M&A Activity: Austria vs. World



The **number of transactions** worldwide (see left figure) has slightly increased, while the Austrian M&A has grown much more. The **value of transactions** worldwide (see right figure) has increased by more than 20%, while the Austrian value has remained at the same level.

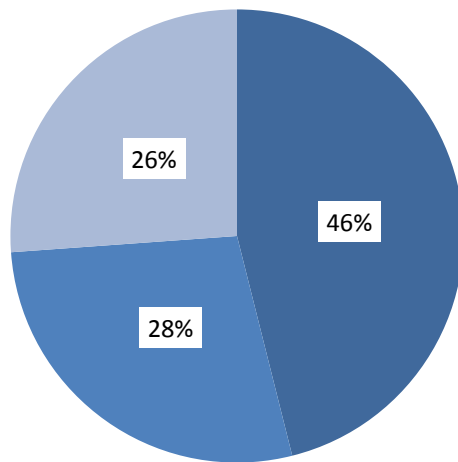
## Trend in Worldwide M&A

compared to	Number	Value
2009	+1.6%	+20.7%

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

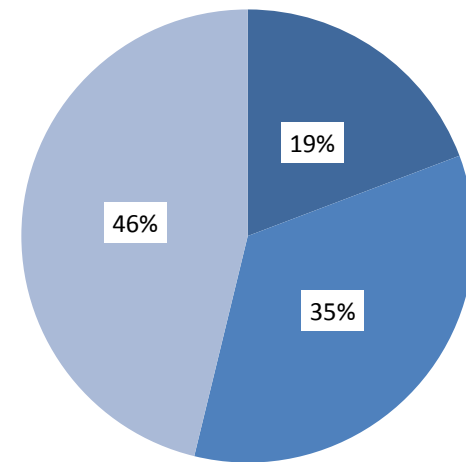
# Austrian M&A Deals 2010: National vs. Crossborder

By number



■ National ■ Outbound ■ Inbound

By value

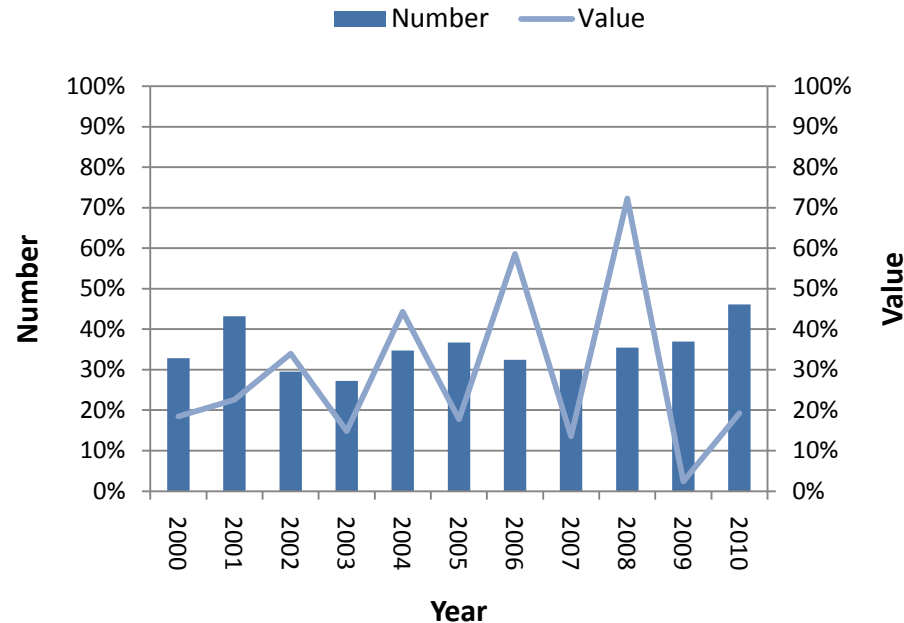


■ National ■ Outbound ■ Inbound

Almost half of all transactions in 2010 have been national transactions (see figure on the left side). By value (see right) however national transactions played a minor role, contributing 20% to the total value, while almost half were driven by foreign acquisitions in Austria and one third by Austrian acquisitions abroad.

# National Austrian M&A Deals, 2000-2010

## Share of Austrian national deals in total M&A activity

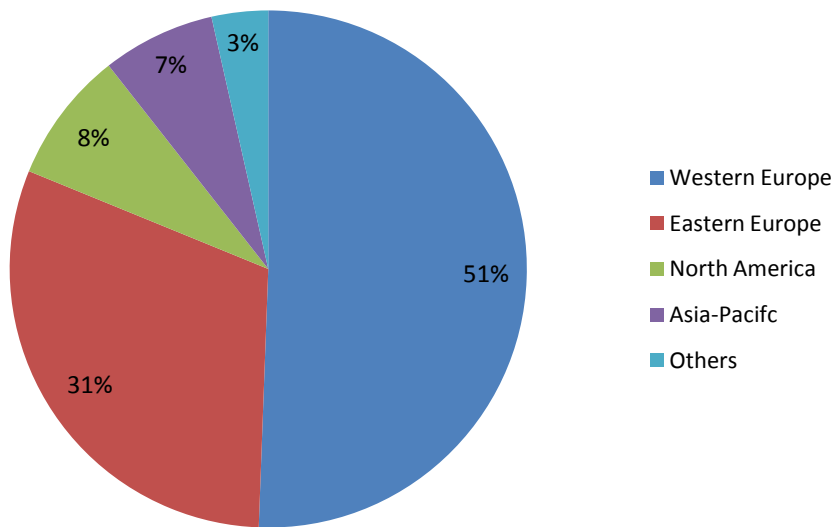


In 2010, there have been **141 national transactions**. The **share of national M&A** in total Austrian M&A has increased to 46% (see blue column above), and the share of value to 77%. National transactions had a valued of **1.5 bil. EUR** which represents a share of **19%** in total Austrian M&A.

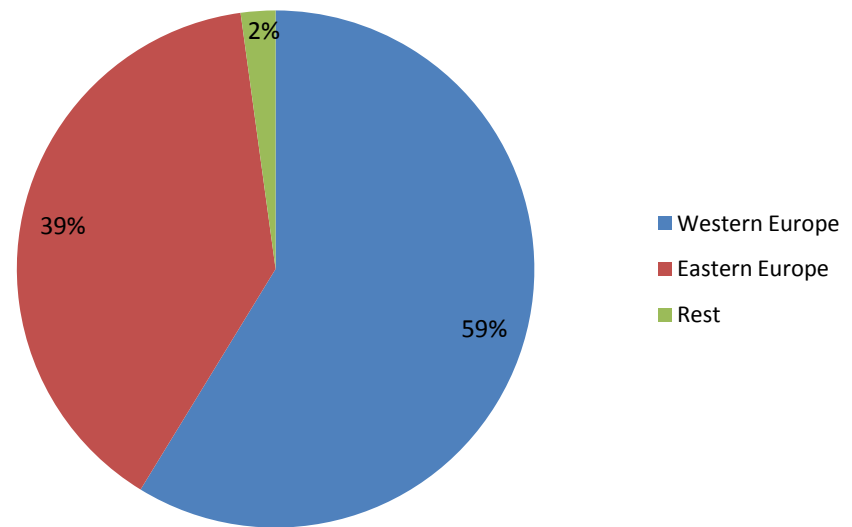
The **importance of national transactions** in Austria has **increased** in 2010.

# Most favorite regions for going abroad by Austrian companies in 2010

By number

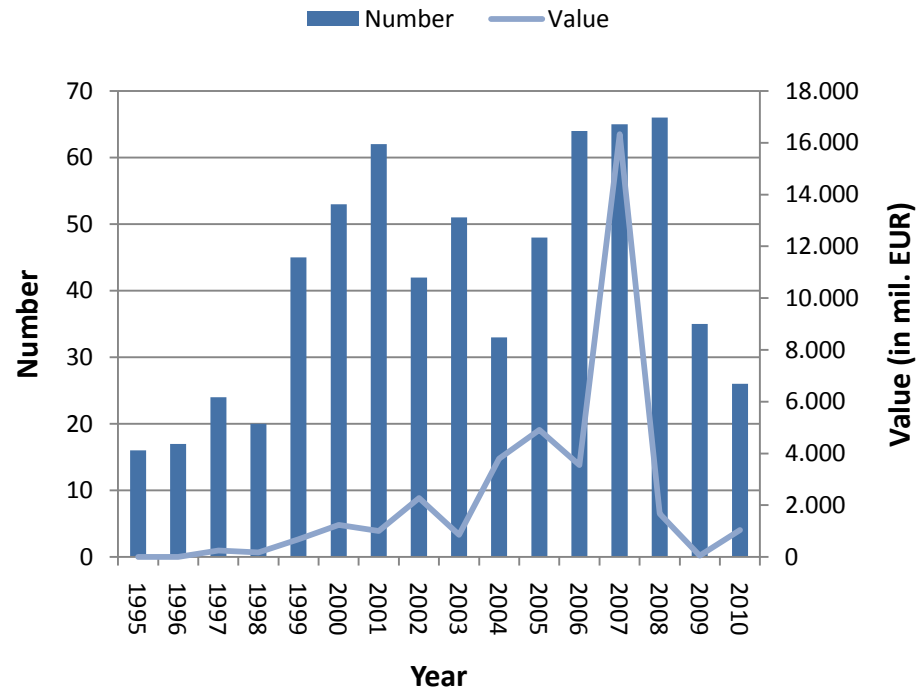


By value



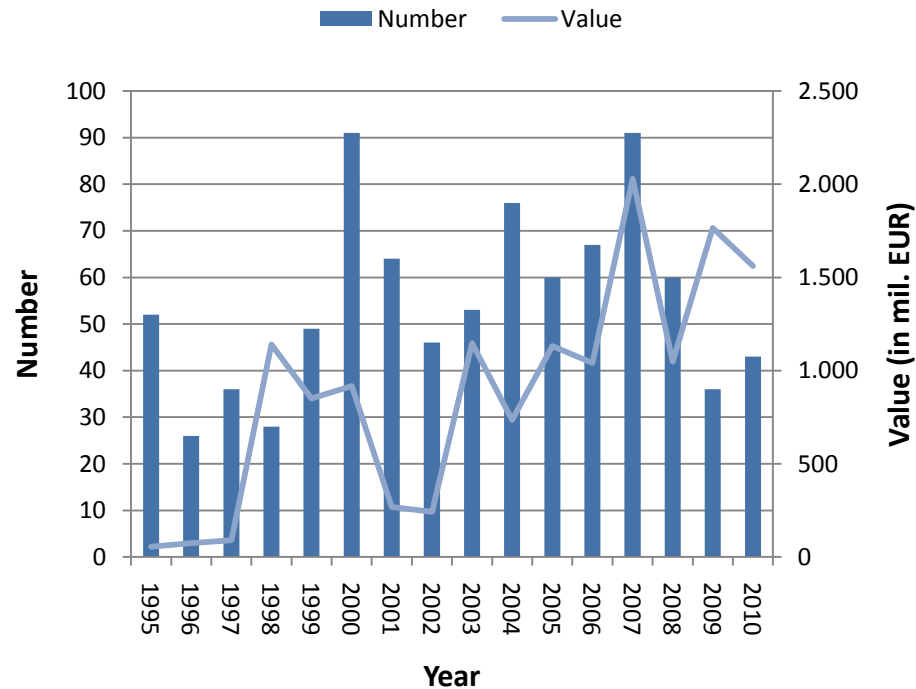
- More than half of all acquisitions by Austrian companies abroad took place in Western Europe, both in terms of number and value.
- Acquisitions in Eastern Europe have accounted for almost one third of the number of transactions (see left figure), while this represented 39% of the value.

# Acquisitions in Eastern Europe by Austrian companies, 1995-2010



- In 2010, Austrian companies made **26 acquisitions valued 1.0 bil.** in Eastern Europe.
- The number of Austrian acquisitions in Eastern Europe has again decreased (by -26%).
- Their value however has drastically increased to over 1 bil. EUR (+1755%). Hence larger transactions by Austrian companies in Eastern Europe are back.

# Acquisitions in Western Europe by Austrian companies, 1995-2010

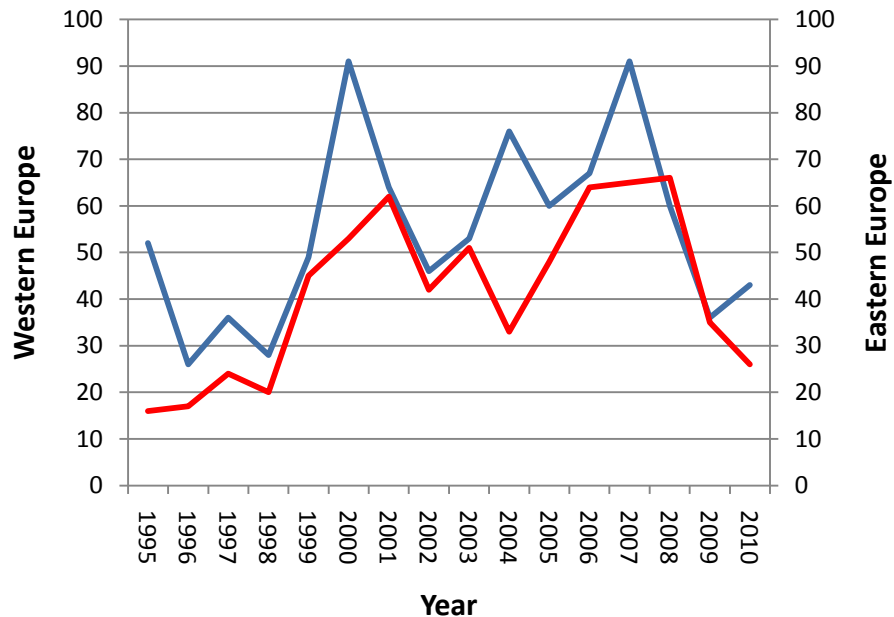


- The number of Austrian acquisitions in Western Europe have increased (+19%).
- The value of deals however has decreased by -12% compared to 2009.

# Acquisitions in Eastern vs. Western Europe by Austrian companies, 1995-2010

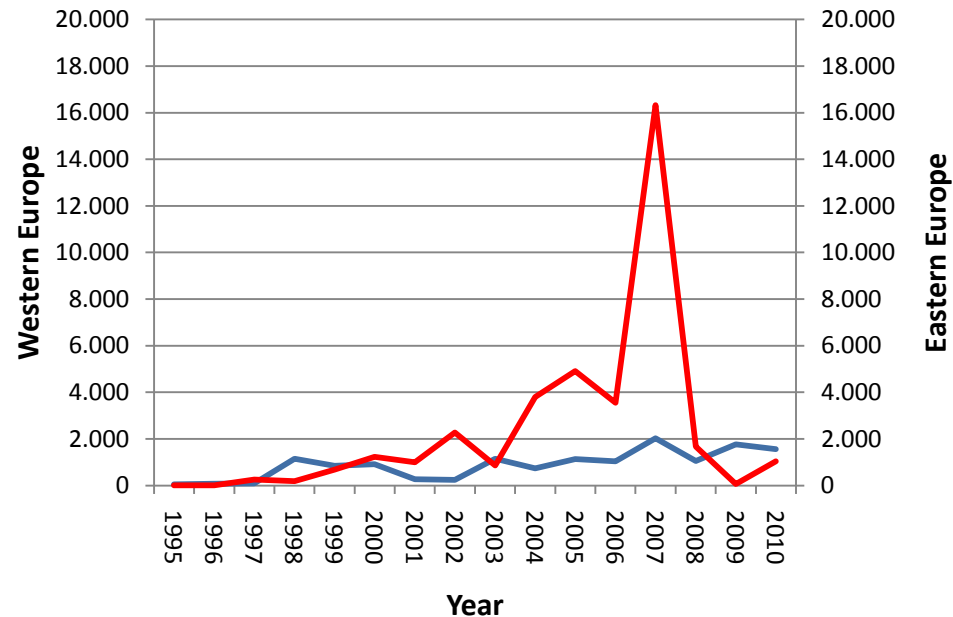
By number

Western Europe Eastern Europe



By value (in mil. EUR)

Western Europe Eastern Europe



- Again, the number and value of acquisitions by Austrian companies have been higher than in Eastern Europe.
- The value of transactions in Western Europe remain at a relatively high level in terms of numbers (see right figure).

# Most favorite countries for Austrian acquisitions abroad in 2010

## Top 5 – By numbers

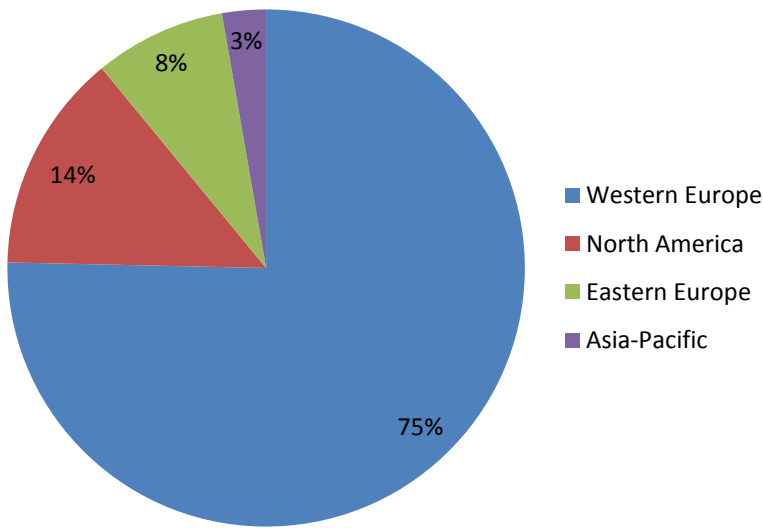
Rank	Country	Number of deals	Value of deals (in mil. EUR)
1	Germany	25	388
2	United States	7	50
3	Switzerland	5	15
4	Turkey	4	997
4	United Kingdom	4	937
4	Czech Republic	4	0
5	Ukraine	3	3
5	Hungary	3	0

## Top 10 – By value

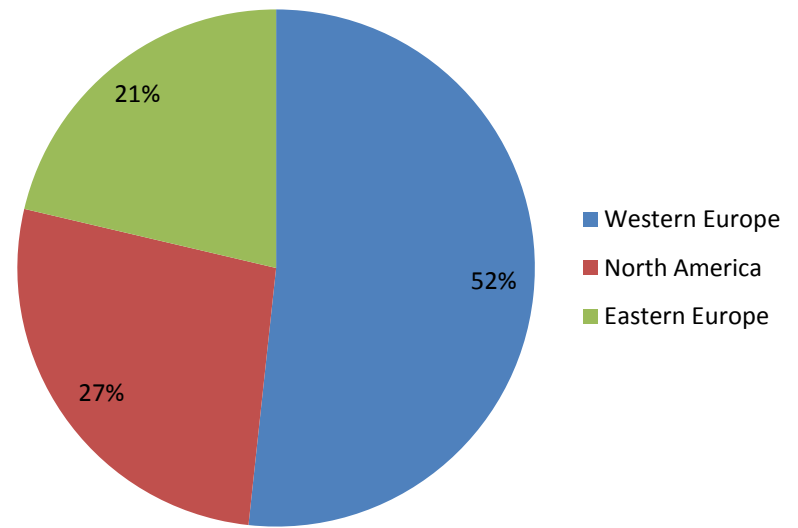
Rank	Country	Value of deals (in mil. EUR)	Number of deals
1	Turkey	997	4
2	United Kingdom	936	4
3	Germany	387	25
4	France	120	2
5	Spain	92	1
6	United States	49	7
7	Croatia	28	2
8	Switzerland	15	5
9	Netherlands	10	2
10	Romania	9	1

# Acquisitions by foreign companies in Austria in 2010 by regions

By number



By value



- The majority of foreign acquirors in Austria were companies from Western Europe and North America, both in terms of number and value.

# Acquisitions by foreign companies in Austria in 2010 by countries

## Top 6 – By numbers

Rank	Country	Number of deals	Value of deals (in mil. EUR)
1	Germany	27	380
2	United States	9	983
3	Netherlands	6	30
4	France	5	0
5	United Kingdom	4	55
5	Switzerland	4	101
6	Italy	2	0
6	Luxembourg	2	0
6	Poland	2	11
6	Russian Fed	2	373
6	Gibraltar	2	1320

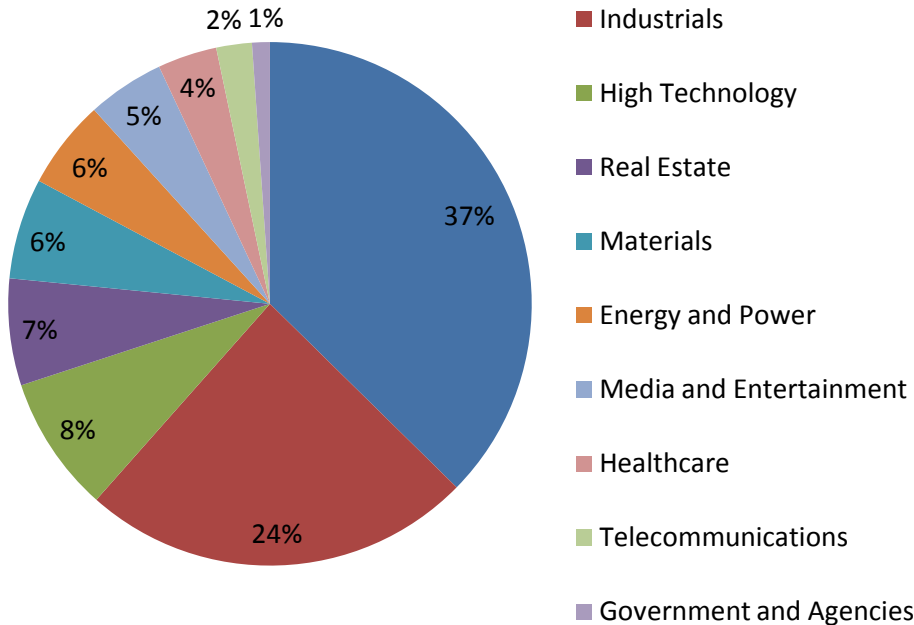
## Top 9 – By value

Rank	Country	Value of deals (in mil. EUR)	Number
1	Gibraltar	1320	2
2	United States	983	9
3	Germany	380	27
4	Russian Fed	373	2
5	Turkey	197	1
6	Switzerland	101	4
7	United Kingdom	55	4
8	Netherlands	30	6
9	Poland	11	2

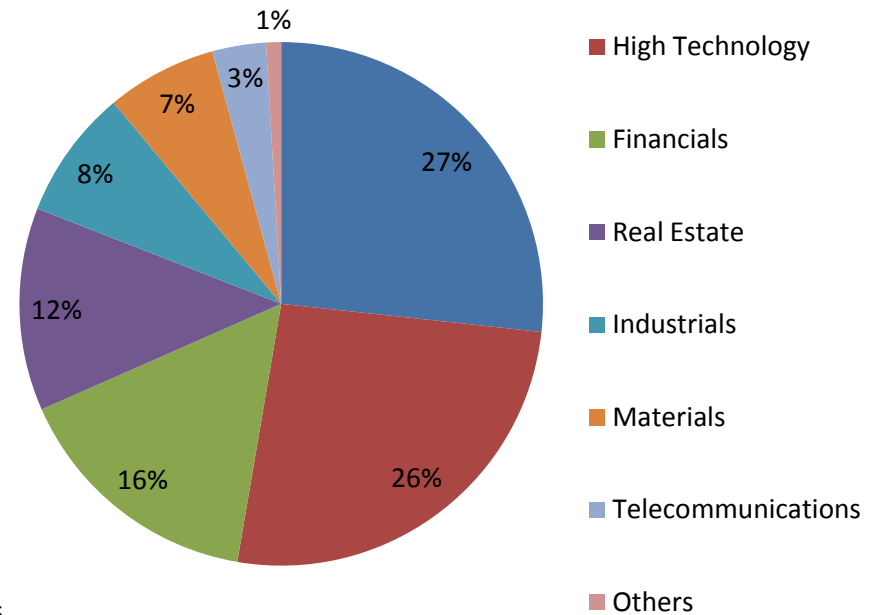
# **3) M&A IN AUSTRIA BY INDUSTRY**

# Austrian transactions by industry: 2010

By number



By value



- With respect to the number of transactions (see left chart), the majority of M&A transactions took place in the financials and industrial sector.
- By value of deals (see right charts), transactions in energy, high technology, financials and real estate were most important.

# Austrian transactions by industry: 2010 vs. 2009

## By number

Rank	Industry		Number		Change
	2010	2009	2010	2009	
1	1	Financials	102	88	16%
2	2	Industrials	66	36	83%
3	6	High Technology	23	16	44%
4	9	Real Estate	18	6	200%
5	3	Materials	17	32	-47%
6	5	Energy and Power	15	16	-6%
7	7	Media and Entertainment	13	12	8%
8	10	Healthcare	10	5	100%
9	11	Telecommunications	6	5	20%
10	12	Government and Agencies	3	1	200%
11	4	Consumer Products and Services	0	17	-100%
11	8	Retail	0	7	-100%

## By value

Rank	Industry		Value (in mil. EUR)		Change
	2010	2009	2010	2009	
1	2	Energy and Power	2'054	1'677	22%
2	5	High Technology	1'997	135	1378%
3	4	Financials	1'208	872	39%
4	7	Real Estate	963	95	920%
5	1	Industrials	616	3'748	-84%
6	6	Materials	525	120	337%
7	10	Telecommunications	255	12	2018%
8	9	Government and Agencies	49	40	21%
9	3	Healthcare	15	1'010	-99%
10	8	Media and Entertainment	8	62	-87%
11	11	Consumer Products and Services	0	10	-100%

- In terms of number of deals, in almost all industries deal activity increased with the notable exception of Consumer Products and Services, Retail and Materials.
- By value, deals in Telecommunications, High Technology and Real Estate have significantly increased.

# **4) TOP AUSTRIAN M&A DEALS**

# Austrian Top Deals: 2010

Rank	Target Company**	Target Country	Acquiror Company**	Acquiror Country	Value (in mil. EUR)	Status
1	bwin Interactive Entertainment AG	Austria	PartyGaming PLC	Gibraltar	1'320	Pending
2	Petrol Ofisi AS	Turkey	OMV AG	Austria	997	Completed
3	Wellstream Holdings PLC	United Kingdom	General Electric Austria GmbH	Austria	937	Pending
4	NXP Semiconductors (Sound Solutions Business)	Austria	Knowles Electronics Hldg Inc	United States	653	Pending
5	Strabag SE	Austria	Rasperia Trading Ltd	Russian Fed	373	Completed
6	Europolis AG	Austria	CA Immobilien Anlagen AG	Austria	272	Completed
7	Vogel & Noot Holding AG (Food Can Business)	Austria	Silgan Holdings Inc	United States	250	Pending
8	Office building in Eschborn (from Gross & Partner and Lang & Cie)	Germany	SIGNA Property Funds Holding	Austria	230	Completed
9	CA Immobilien Anlagen AG	Austria	UniCredit Bank AG	Germany	216	Intended
10	IZD Tower Office	Austria	Investor Group (incl. SIGNA RECAP)	Austria	212	Completed

\*\* or Merger Partner

# 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.

# Contact



## KUMMER & COMPANY

Institute of Mergers, Acquisitions and Alliances (IMAA)  
Webster University  
Berchtoldgasse 1  
1220 Vienna  
Austria

Phone +43 1 2699293 - 54  
Fax +41 44 5002864  
E-Mail [info@imaa-institute.org](mailto:info@imaa-institute.org)  
Homepage [www.imaa-institute.org](http://www.imaa-institute.org)

President: Prof. Dr. Christopher Kummer  
[kummer@imaa-institute.org](mailto:kummer@imaa-institute.org)

Kummer & Company AG  
Olgastrasse 10  
8024 Zurich  
Switzerland

Phone +41 44 586 75 99  
Fax +41 44 575 31 09  
E-Mail [info@kummerco.com](mailto:info@kummerco.com)  
Homepage [www.kummerco.com](http://www.kummerco.com)