

imaa

Institute of Mergers, Acquisitions  
and Alliances

Mergers & Acquisitions Report:  
**Austria**  
2011

**Webster**  
UNIVERSITY

KUMMER & COMPANY

Vienna, 17 January 2012

# Executive Summary

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

- Mergers & Acquisitions with Austrian participation has decreased this year.
- While the number of deals has only slightly decreased to 304 transactions (-3%), the value of 3.7 bil. EUR is less than half of what was in 2010 (-54%). Especially, the fourth quarter was a time of low deal volume.

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

- The weak development in M&A is partially due to relatively few national combinations and few foreign acquisitions in Austria.
- The share of national M&A in total Austrian M&A has decreased to 42% and the share of value to only 5%. So the significance of cross-border deals has increased once again.
- The increase of the relative importance during decreasing M&A has been supported by Austrian acquisitions abroad.
- Contrary to periods before, Austrian companies have again favored rather target companies in Western Europe than in the East.

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

- The majority of deals in terms of number has taken place in industrials, consumer goods, and high technology.
- By transaction value, deals in the financial sector, energy & power, and consumer goods ranked first.

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

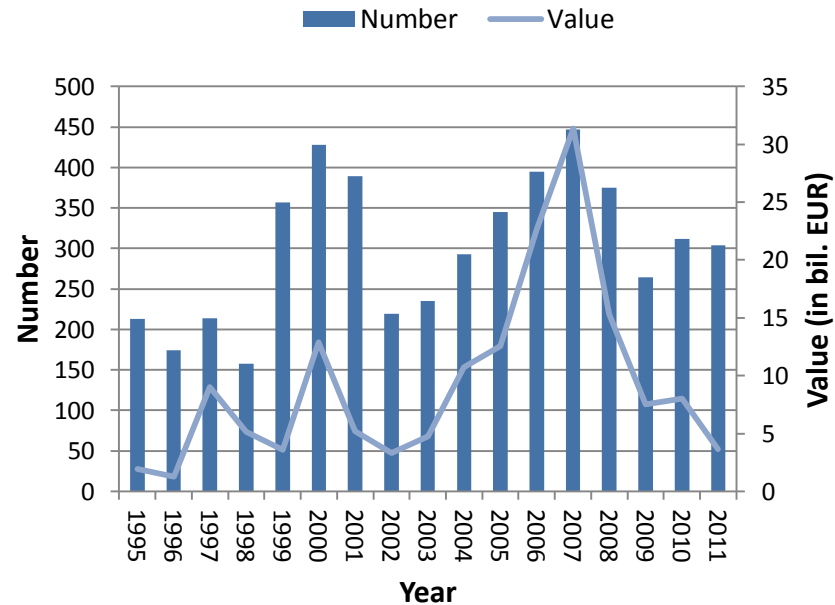
- The big deals have been missing in 2011. There is not a single deal above 1 bil. EUR to be found among the top deals. The biggest one is a share buy back by OMV.
- 7 out of the top 10 deals were carried out by Austrian companies.

# Content

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- 2) National and Cross-border M&A in Austria**
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# **1) M&A ACTIVITY IN AUSTRIA**

# Austrian M&A Activity in 2011



In 2011, there have been **304 transactions** valued at **3.7 bil. EUR** with Austrian participation.

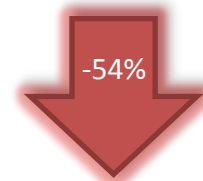
The **number of M&A** have slightly decreased (-2.6%). Compared with the 2010, the **value** of deals however has **significantly decreased** (-54%) – its lowest level since 2002.

## Trend in Austrian M&A

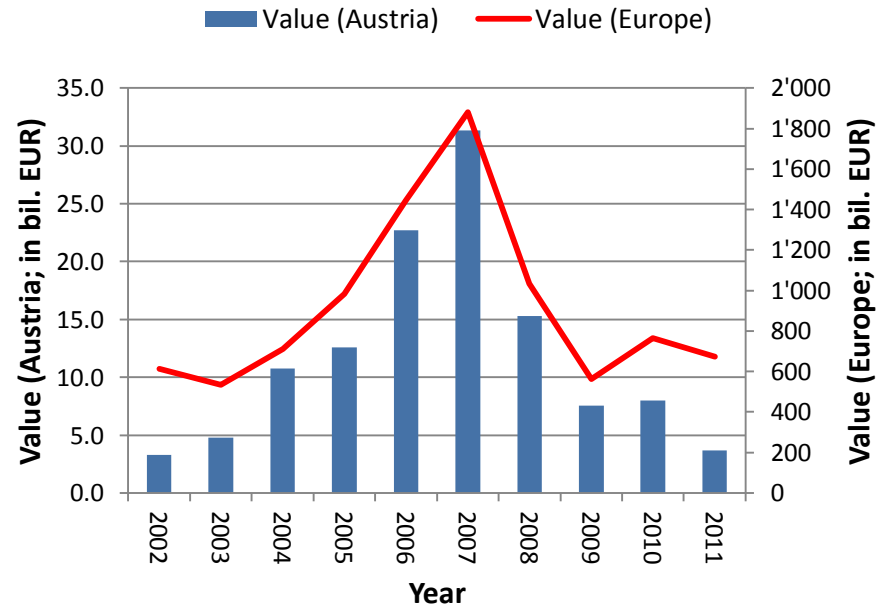
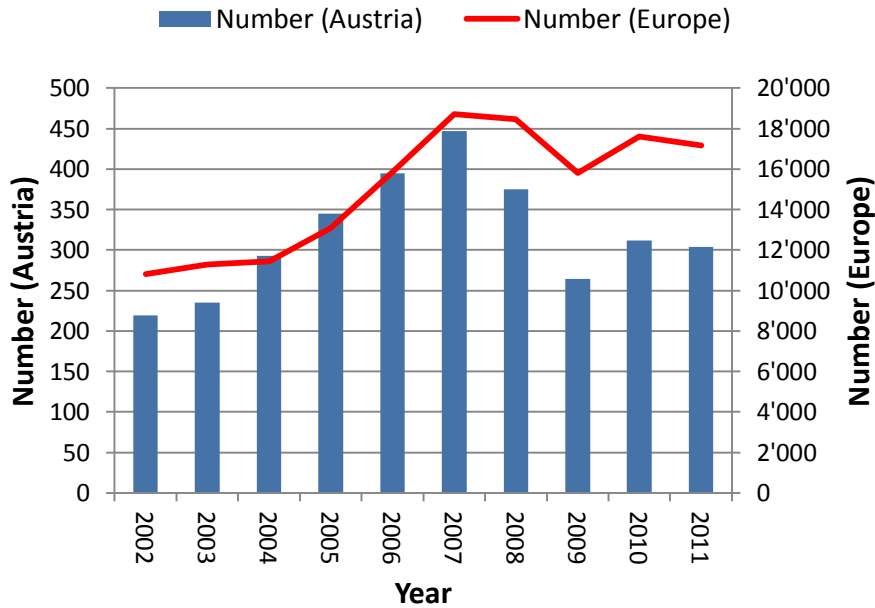
Number



Value



# Austrian M&A Activity in 2011: Comparison with Europe



The **number of transactions** in Europe (see left figure) has decreased compared to 2010. But overall M&A with Austrian participation remains relatively low. The **value of transactions** in Europe (see right figure) has decreased as well, but not as drastically as Austrian M&A.

## Trend in European M&A

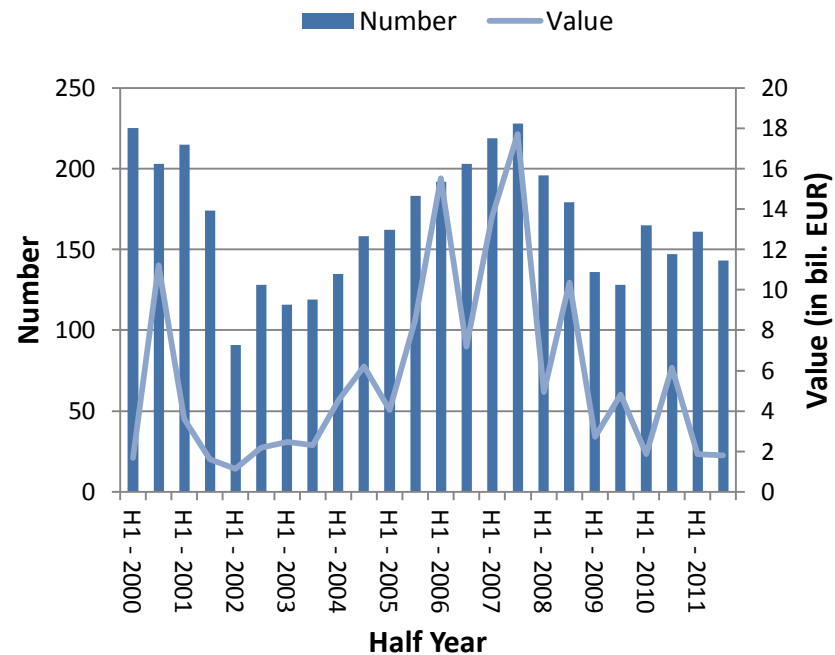
Number



Value



# Austrian M&A Activity: 2nd Half of 2012



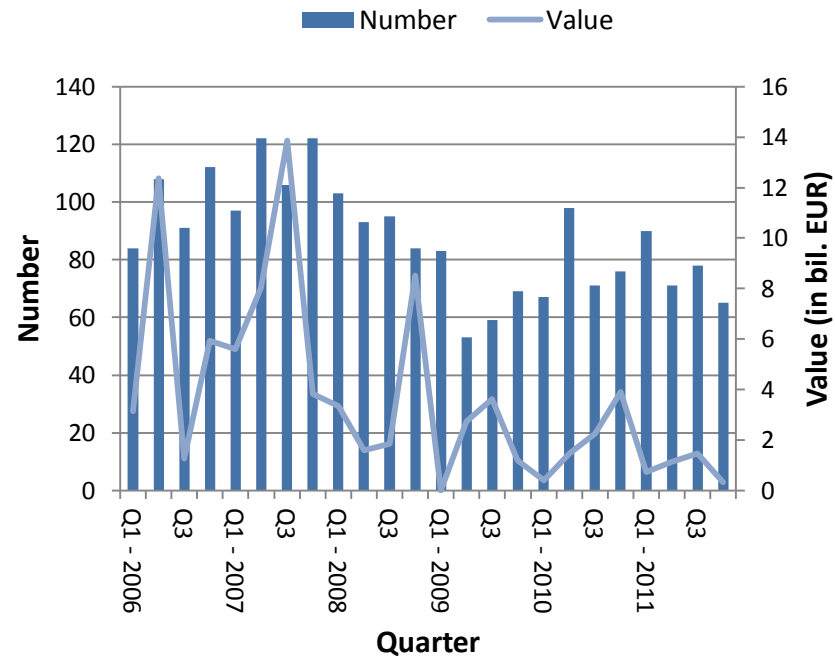
In the second half of 2011, there have been **143 transactions** valued at **1.8 bil. EUR** with Austrian participation.

Both, the **number and value of M&A have decreased** compared to the 2nd half of 2010 and the first half of 2011.

## Trend in Austrian M&A

compared to	Number	Value
H2 - 2010	-2.7%	-70.6%
H1 - 2011	-11.2%	-3.1%

# Austrian M&A Activity: Q4, 2011



In the fourth quarter of 2011, there have been **65 transactions** valued at **337 mil. EUR** with Austrian participation.

Both, the **number and value of M&A have decreased** compared to the 4th quarter of 2010 and the 3rd quarter of 2011

## Trend in Austrian M&A

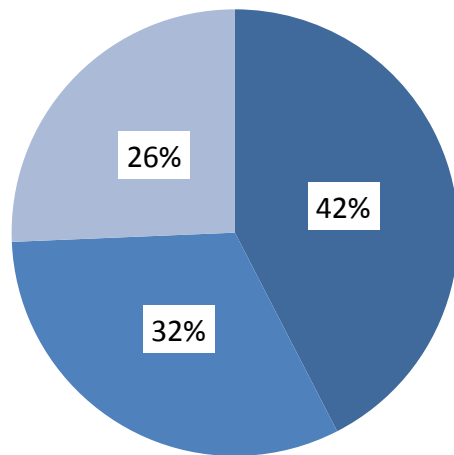
compared to	Number	Value
2010 - Q4	-14.4%	-91.3%
2011 - Q3	-16.7%	-77.0%



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

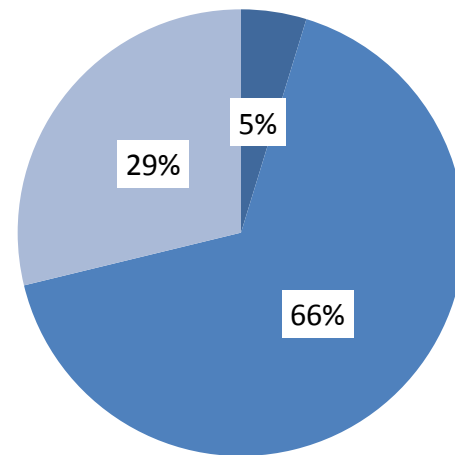
# Austrian M&A Deals 2011: National vs. Crossborder

By number



■ National ■ Outbound ■ Inbound

By value

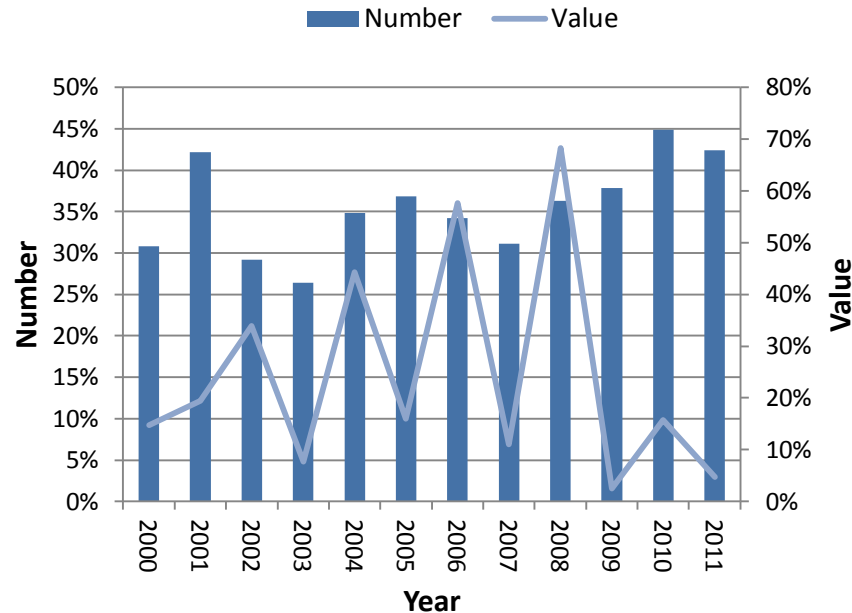


■ National ■ Outbound ■ Inbound

The majority of all transactions in 2011 have been national transactions (see figure on the left side). By value (see right) however especially Austrian acquisitions abroad played a major role, contributing two thirds to the total value, while value of national transaction was extremely low.

# National Austrian M&A Deals 2011

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



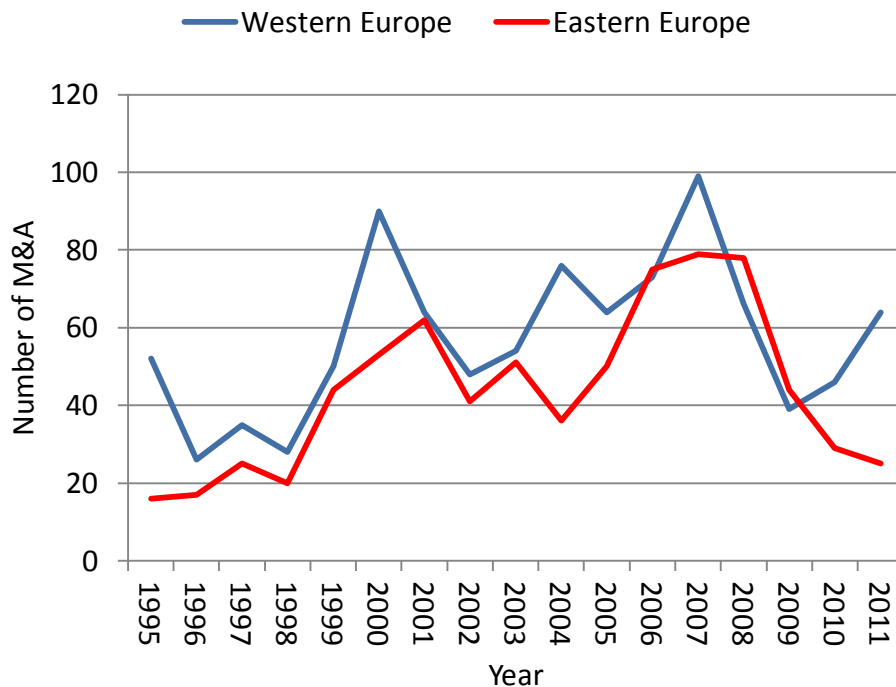
In 2011, there have been **129 national transactions** valued at **174 mil. EUR**.

The **share of national M&A in total Austrian M&A has decreased** to 42% and the share of **value to 5%**.

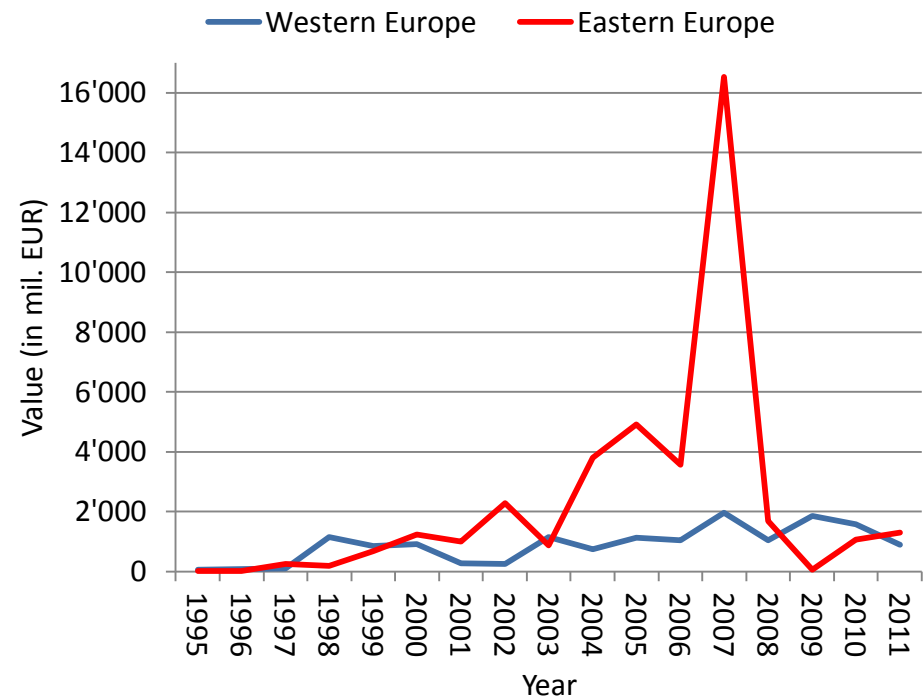
**Acquisitions by Austrian companies abroad remained relatively stable** while national combinations and foreign acquisitions in Austria have slowed down.

# Austrian Acquisitions: Eastern vs. Western Europe, 1995-2011

## By number



## By value



In 2011, Austrian companies have again **increased their acquisitions in Western Europe**, while acquisitions in Eastern Europe has continued to decrease (see left side).

In terms of **value**, however the amount of acquisitions **in Eastern Europe** with 1'300 mil. EUR has been **higher** than in the West with 890 mil. EUR.

# Most favorite countries for Austrian acquisitions abroad in 2011

## Top 10 – By numbers

Rank	Country	Number of deals	Value of deals (in mil. EUR)
1	Germany	38	226
2	Romania	5	476
3	Netherlands	5	11
4	Poland	3	665
5	United States	3	229
6	Croatia	3	35
7	China	3	23
8	Russian Fed	3	7
9	United Kingdom	2	618
10	Belgium	2	3

## Top 10 – By value

Rank	Country	Value of deals (in mil. EUR)	Number of deals
1	Poland	665	3
2	United Kingdom	618	2
3	Romania	476	5
4	United States	229	3
5	Germany	226	38
6	Bulgaria	100	1
7	Croatia	35	3
8	China	23	3
9	Republic of Ireland	21	1
10	Norway	13	1

# Acquisitions by foreign companies in Austria in 2011 by countries

## Top 10 – By numbers

Rank	Country	Number of deals	Value of deals (in mil. EUR)
1	Germany	26	13
2	United States	8	119
3	United Kingdom	7	17
4	China	3	101
5	Russia	1	645
6	Kazakhstan	1	120
7	Brazil	1	16
8	Sweden	1	12
9	Greece	1	10
10	Saudi Arabia	1	6

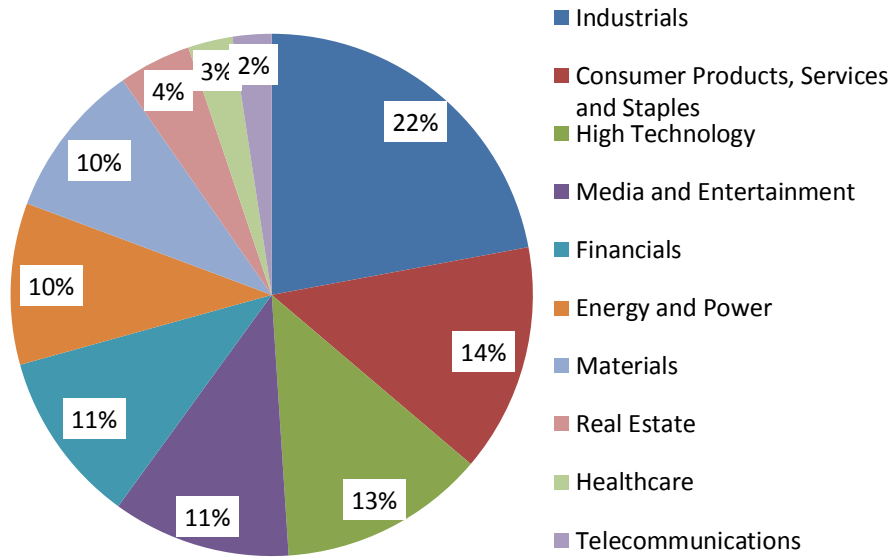
## Top 10 – By value

Rank	Country	Value of deals (in mil. EUR)	Number
1	Russia	645	1
2	Kazakhstan	120	1
3	United States	119	8
4	China	101	3
5	United Kingdom	17	7
6	Brazil	16	1
7	Germany	13	26
8	Sweden	12	1
9	Greece	10	1
10	Saudi Arabia	6	1

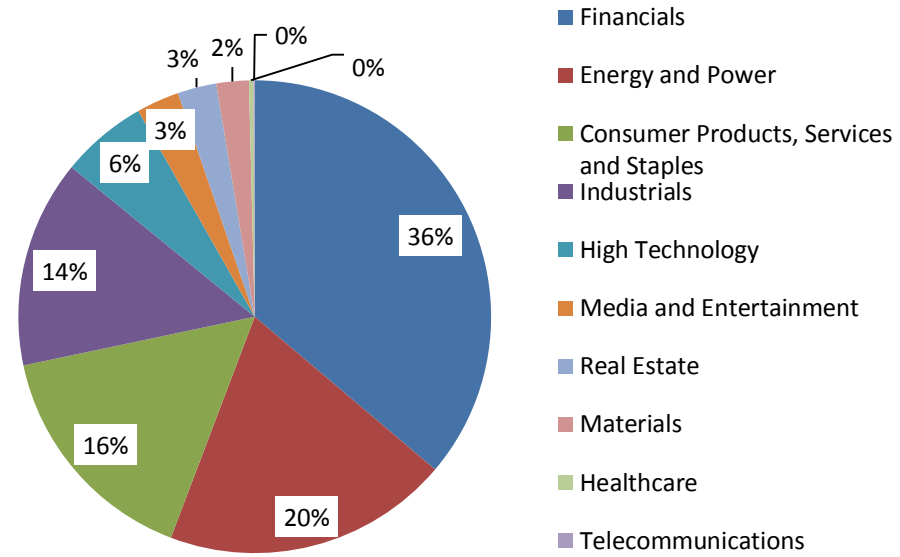
# **3) M&A IN AUSTRIA BY INDUSTRY**

# Austrian Transactions by Industry in 2011

**By number**



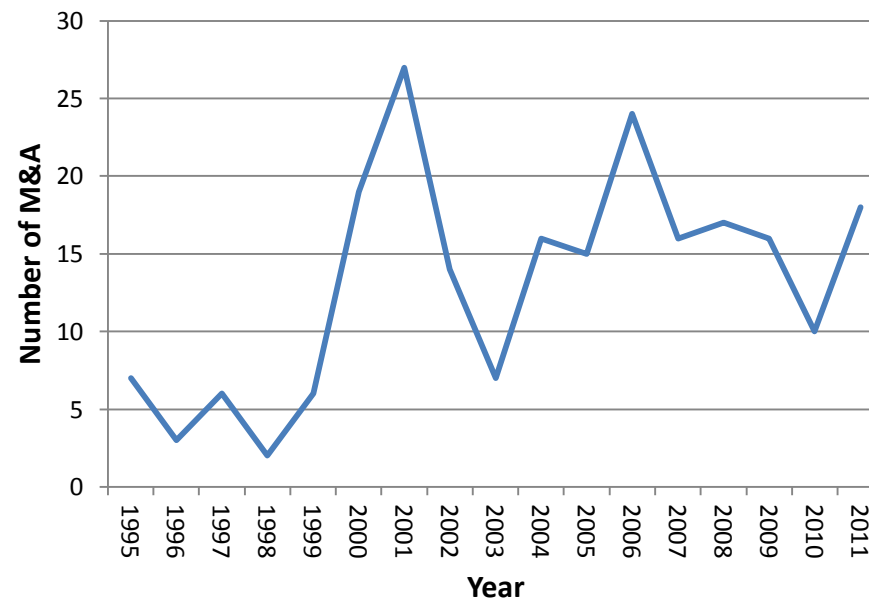
**By value**



- With respect to the number of transactions, the majority of M&A transactions took place in the industrials, consumer goods, and high technology industry.
- By value of deals, transactions in the financial sector, energy & power, and consumer goods ranked first.



# Austrian M&A by Private Equity in 2011



- The number of acquisitions by private equity or of a private equity nature has significantly increased in 2011. The number of such deals has increased to 18 (+44%).
- Overall, the number of transactions contributed 14% of total M&A with Austrian participation in 2011 (8% last year).

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

# Austrian Top Deals 2011

Rank	Target Company	Target Country	Acquiror Company	Acquiror Country	Value (in mil. EUR)	Status
1	OMV AG	Austria	OMV AG	Austria	895	Pending
2	Volksbank International AG	Austria	Sberbank Rossii	Russia	645	Pending
3	Jimmy Choo Ltd	UK	Labelux Group	Austria	612	Completed
4	EFG Eurobank Ergasias SA	Poland	Raiffeisen Bank International AG	Austria	490	Pending
5	Banca Comerciala Romana SA	Romania	Erste Group Bank AG	Austria	433	Pending
6	Strabag SE	Austria	Strabag SE	Austria	235	Intended
7	Texas Advanced Optoelectronic	US	austriamicrosystems AG	Austria	225	Completed
8	Raiffeisen Bank Polska SA	Poland	Raiffeisen Bank International AG	Austria	175	Intended
9	Hotel am Schuberting	Austria	Vernyi Kapital	Kazakhstan	120	Completed
10	SensorDynamics AG	Austria	Maxim Integrated Products Inc	US	116	Completed

# 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

**imaa**

Institute of Mergers, Acquisitions  
and Alliances

**Webster**  
UNIVERSITY

**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)