

imaa

Institute of Mergers, Acquisitions
and Alliances

Mergers & Acquisitions Report:
Switzerland
2011

Webster
UNIVERSITY

KUMMER & COMPANY

Vienna, 31 January 2012

Executive Summary

Mergers & Acquisitions activity (see Section 1)

- Mergers & Acquisitions with Swiss participation has increased this year.
- The number of deals has increased to 725 transactions (+12%) and the value is up by 45% to 61 bil. EUR. Some of the growth in value might be due to the exchange rate. This is contrary to the overall European trend where number and value has decreased.

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

- Almost half of the value of all Swiss M&A has been national combinations. The share of number of national M&A in total Swiss M&A has slightly decreased to 39%.
- Most important countries for Swiss companies to grow abroad by M&A have been Germany, the US and UK (in terms of numbers of deals).
- Most frequent foreign acquirors in Switzerland have been companies from Germany, the US and Japan.

Industry (see Section 3)

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

Top deals (Section 4)

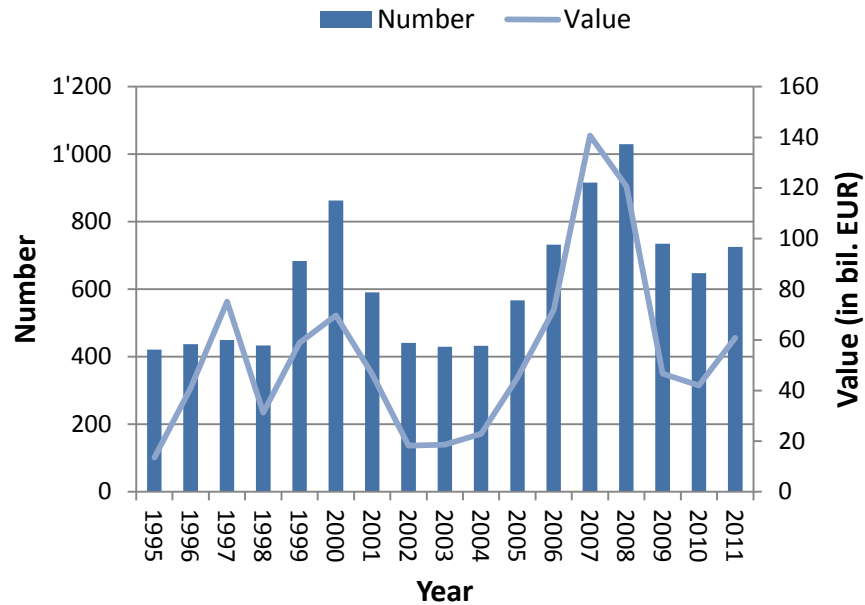
- The biggest deal in 2011 was the reorganization of Swiss Re. The second largest deal was the acquisition of Nycomed by Takeda from Japan.
- However, 7 out of the top 10 deals were carried out by Swiss companies.

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1) SWISS M&A ACTIVITY

Swiss M&A Activity in 2011



In 2011, there have been **725 transactions** valued at **61 bil. EUR** with Swiss participation.

Both the **number and value of M&A** have increased.

Trend in Swiss M&A

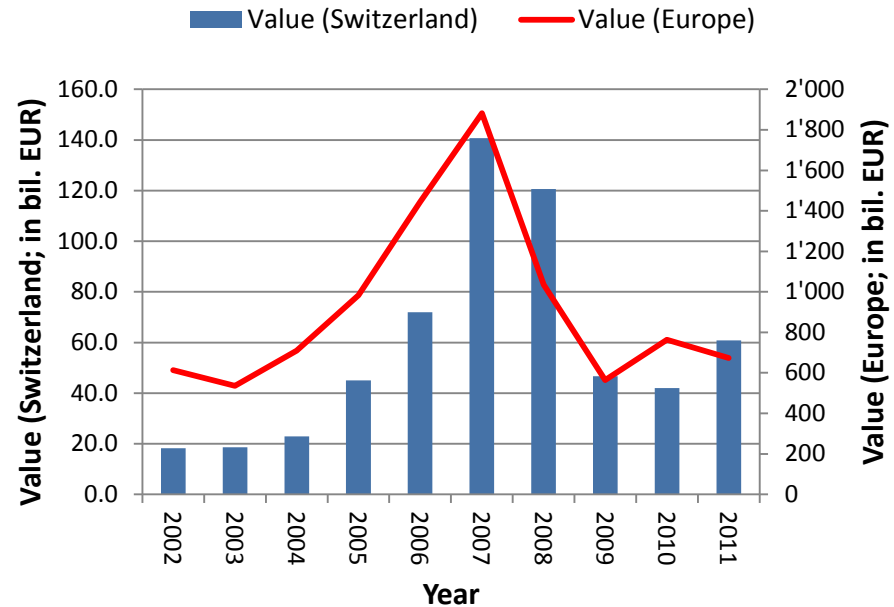
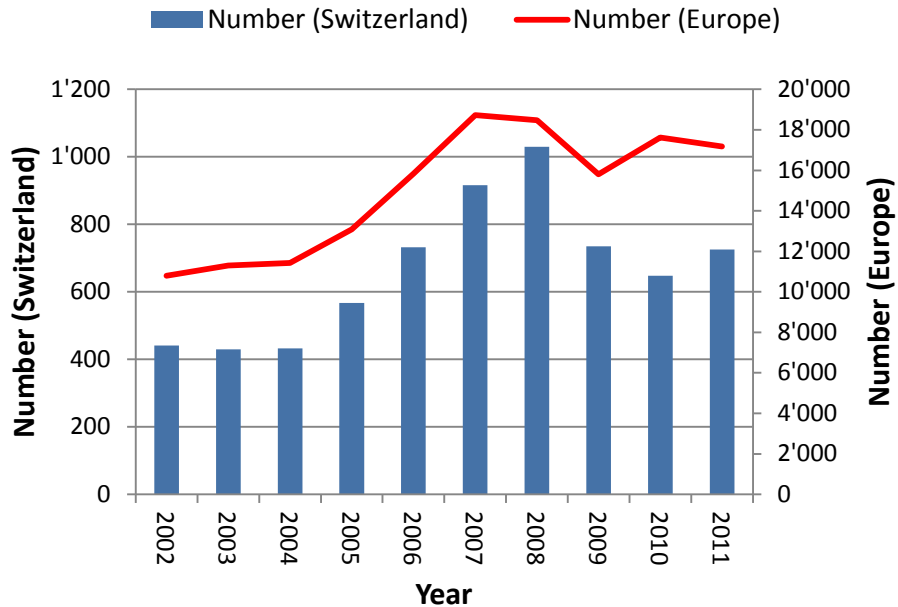
Number

 +12%

Value

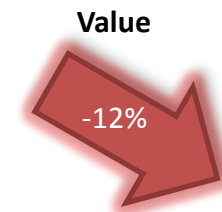
 +45%

Swiss M&A Activity in 2011: Comparison with Europe

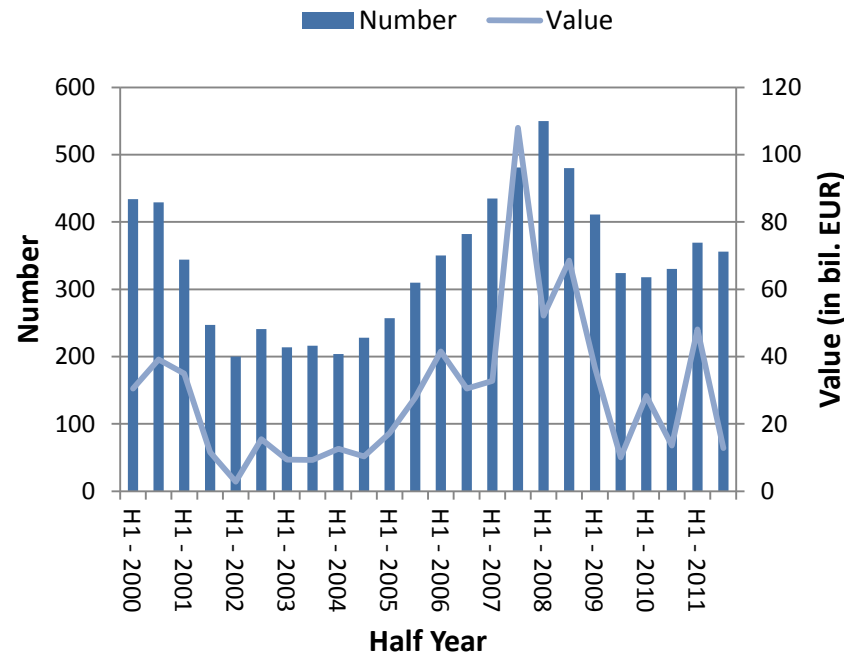


The **number of transactions** in Europe (see left figure) has decreased compared to 2010, while Swiss M&A has increased. The **value of transactions** in Europe (see right figure) has decreased as well, while value of Swiss M&A has significantly increased.

Trend in European M&A



Swiss M&A Activity: 2nd Half of 2012



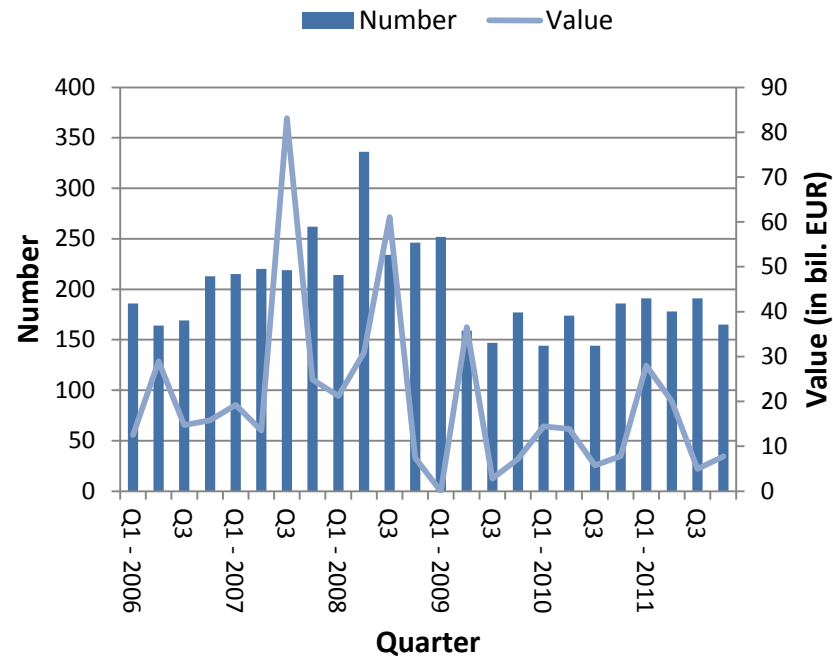
In the second half of 2011, there have been **356 transactions** valued at **12.8 bil. EUR** with Swiss participation.

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

Trend in Swiss M&A

compared to	Number	Value
H2 - 2010	+7.9%	-6.2%
H1 - 2011	-3.5%	-73.4%

Swiss M&A Activity: Q4, 2011



In the fourth quarter of 2011, there have been **165 transactions** valued at **7.8 bil. EUR** with Swiss participation.

While the **number of M&A has decreased** compared to the 3rd quarter 2011, their **value has increased** (see table on the right).

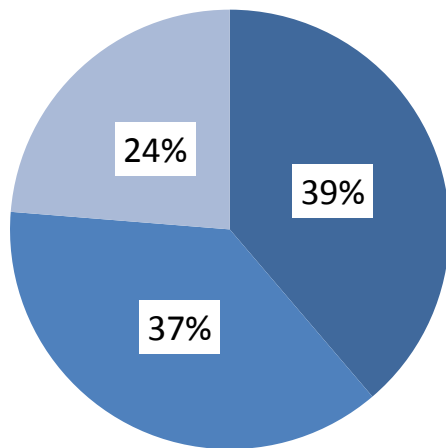
Trend in Swiss M&A

compared to	Number	Value
2010 - Q4	-11.3%	-1.0%
2011 - Q3	-13.6%	+55.4%

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

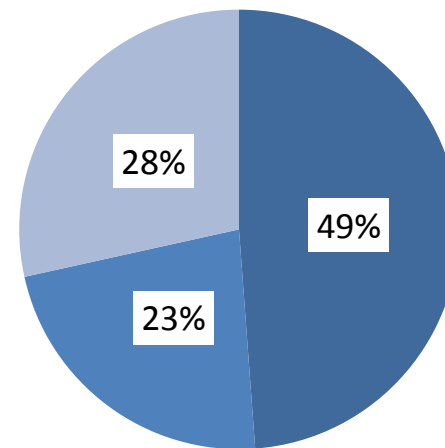
Swiss M&A Deals 2011: National vs. Crossborder

By number



■ National ■ Outbound ■ Inbound

By value

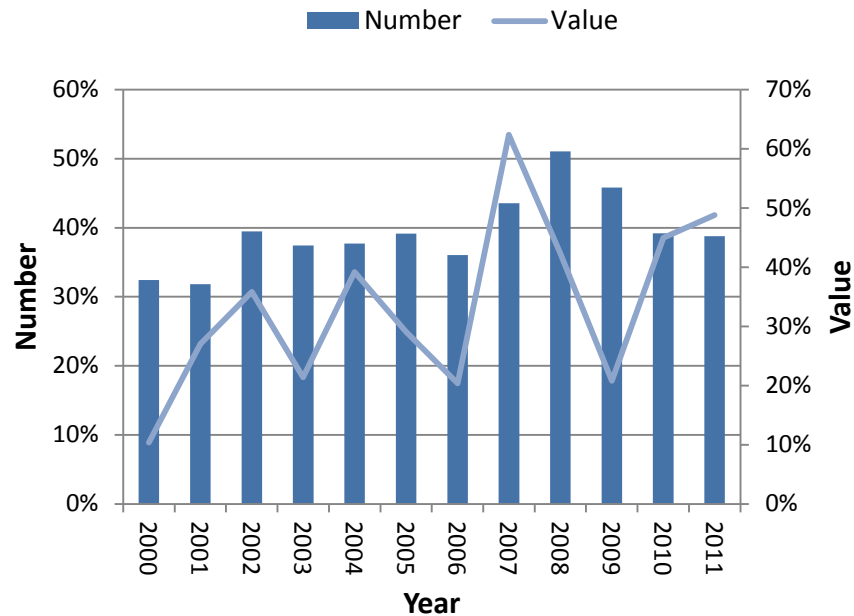


■ National ■ Outbound ■ Inbound

The majority of all transactions in 2011 have been national transactions (see figure on the left side) followed by Swiss acquisitions abroad. The value of national transactions makes up almost half of all deals with Swiss participation (see right).

National Swiss M&A Deals, 2000-2011

Share of Swiss National Deals in Total M&A Activity



In 2011, there have been **218 national transactions** valued at **29.7 bil. EUR**.

The **share of national M&A** in total Swiss M&A has **decreased** to 39% and their share of **value increased** to 49%.

Most Favorite Countries for Swiss Acquisitions Abroad in 2011

Top 10 – By numbers

Rank	Country	Number of deals	Value of deals (in mil. EUR)
1	Germany	55	2'032
2	United States	30	3'787
3	United Kingdom	14	608
4	Australia	12	37
5	France	10	1'555
6	Sweden	9	748
7	Canada	9	24
8	Spain	7	20
9	Russian Fed	6	174
10	China	5	1'312

Top 10 – By value

Rank	Country	Value of deals (in mil. EUR)	Number of deals
1	United States	3'787	30
2	Kazakhstan	2'209	2
3	Germany	2'032	55
4	France	1'555	10
5	China	1'312	5
6	Sweden	748	9
7	United Kingdom	608	14
8	Uruguay	476	1
9	Hong Kong	329	1
10	Argentina	202	2

Acquisitions by Foreign Companies in Switzerland in 2011 by Countries

Top 10 – By numbers

Rank	Country	Number of deals	Value of deals (in mil. EUR)
1	Germany	41	556
2	United States	28	2867
3	Japan	10	11'783
4	United Kingdom	9	101
5	Netherlands	7	2
6	Sweden	6	511
7	Luxembourg	6	475
8	Canada	6	397
9	Italy	6	72
10	Finland	5	92

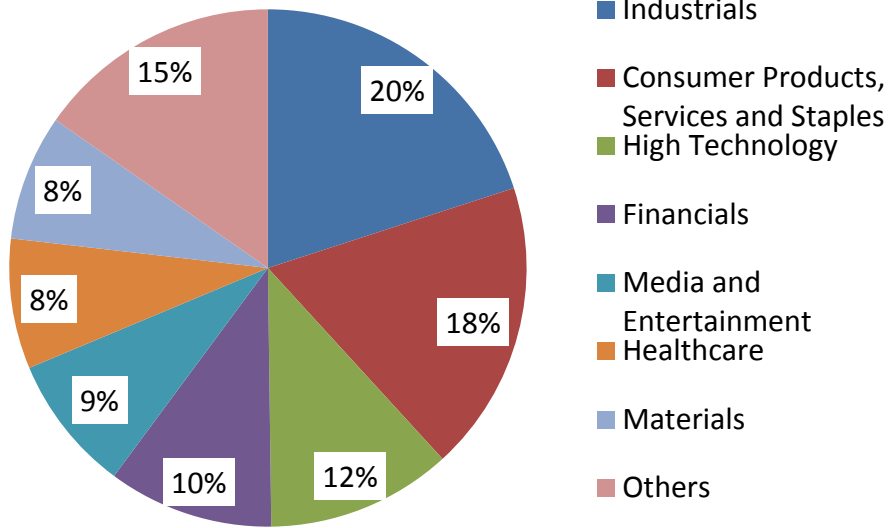
Top 10 – By value

Rank	Country	Value of deals (in mil. EUR)	Number
1	Japan	11'783	10
2	United States	2'867	28
3	Belgium	874	1
4	Brazil	846	2
5	Germany	556	41
6	Sweden	511	6
7	Luxembourg	475	6
8	Canada	397	6
9	Israel	109	1
10	United Kingdom	101	9

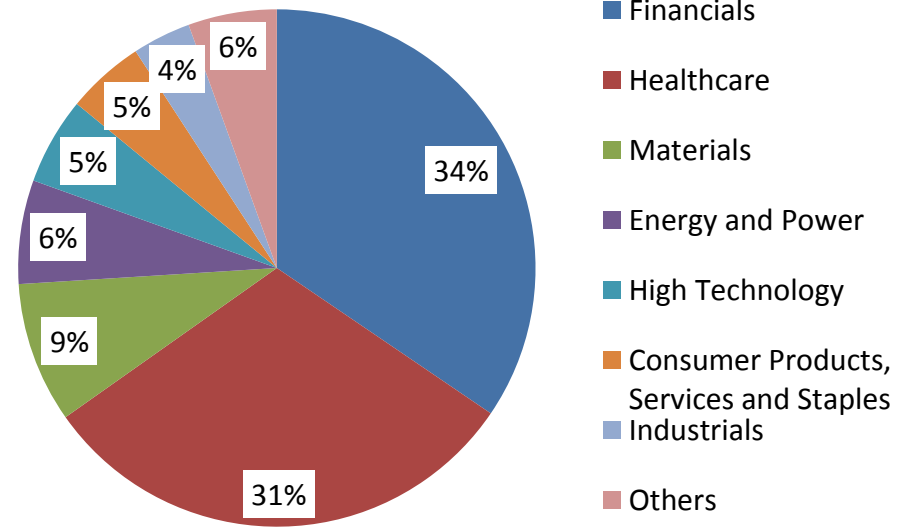
3) SWISS M&A BY INDUSTRY

Swiss 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, healthcare and materials sector ranked first.

4) TOP SWISS M&A DEALS

Swiss Top Deals 2011

Rank	Target Company	Target Country	Acquiror Company	Acquiror Country	Value (in mil. EUR)	Status
1	Swiss Reinsurance Co Ltd	Switzerland	Swiss Reinsurance Co Ltd	Switzerland	15'733	Completed
2	Nycomed Intl Mgmt GmbH	Switzerland	Takeda Pharmaceutical Co Ltd	Japan	9'600	Completed
3	Novartis AG	Switzerland	Novartis AG	Switzerland	7'560	Intended
4	Kazzinc Ltd	Kazakhstan	Glencore International AG	Switzerland	2'209	Pending
5	BKW FMB Energie AG	Switzerland	BKW FMB Energie AG	Switzerland	1'861	Pending
6	Orange Communications SA	Switzerland	Apax Partners LP	US	1'637	Pending
7	Landis & Gyr AG	Switzerland	Landis & Gyr AG SPV	Switzerland	1'607	Completed
8	Deutsch Group SAS	France	TE Connectivity Ltd	Switzerland	1'550	Pending
9	Hsu Fu Chi International Ltd	China	Nestle SA	Switzerland	1'194	Completed
10	Transitgas AG	Switzerland	Fluxys G	Belgium	874	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
Homepage www.imaa-institute.org

President: Prof. Dr. Christopher Kummer
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
Homepage www.kummerco.com