

FDE M&A ROUNDUP

THE LATEST NEWS AND VIEWS ON EUROPEAN M&A ACTIVITY

Movers and shakers: this quarter's dynamic M&A deals

FDE's resident M&A expert Danny Davis, writing here with Andrew Scola, assesses the five most interesting deals of the last quarter.

There are always a few interesting deals going on around Europe, each involves its own strategic thinking and so different points when thinking about integration and delivering value. Here are five deals to provoke thought.

United Business Media (revenues £887 million, profit of £173.5 million) acquired The Fuel Team (TFT) for \$2.5 million, with an earnout of up to \$4.5 million over three years. TFT staff will assume responsibility for enhancing the core public relations and investor relations, website products, extending the product base to appeal to new customer sets and engage new audiences, as well as identifying further ways to leverage the TFT's technology platform to enhance other PR Newswire products.

Online gambling group **PartyGaming** purchased bingo website operator **Cashcade** for an initial £71.9 million. The aim is to build a share of the \$1.5

billion global online bingo market, which may grow to \$2.5 billion over the next four years.

Nokia Siemens Networks paid \$650 million for the wireless unit of Nortel. 2,500 employees may move to Nokia Siemens. Does a joint venture have a single culture and how difficult will it be to merge a newly acquired business?

WPP Plc, (revenues £7.5 billion, with pre-tax profits £747 million) has acquired a 51% stake in Saffron Hill Research Pte and Saffron Hill Philippines, market research companies in Singapore and the Philippines. Saffron Hill employs 38 people and generated revenues of £1.8 million.

ICAP, a London-based broker, (revenues £1.6 billion and pre-tax profits of £281million) acquired the transactions division of Chicago-based broker Ocean Tomo for £6.1 million. Ocean Tomo specialises in intellectual property broking. The company's vice-chairman, Dean Becker, and nine employees will be joining ICAP.

Centrica plc (British Gas Business division) acquired Energy and Building Management Solutions Limited for £3.2 million. The company entered the energy services market last year through the acquisition of BMSi. This market is expected to grow to £2 billion over the next five years as businesses seek to reduce energy costs and carbon emissions.

Danny A Davis and Andrew Scola, DD Consulting: danny.davis@ddavisconsulting.com, www.ddavisconsulting.com

Read Danny's latest in a series of features on M&A and restructuring on page 68.

M&A Q3 factfile

mergermarket's Preliminary Q3 2009 League Tables of Financial Advisers to Global M&A

- Global M&A values down 48% from the same period last year, while volumes were down 41%
- Goldman Sachs, Morgan Stanley and JPMorgan remained steadfast at the top of the global league tables
- European M&A was down 70% from same period last year

Global: Top Announced Deals Q1-Q3 2009

Source: mergermarket Global M&A Round-up for Q1-Q3 2009

| Announced date | Bidder company | Target company | Deal value (US\$m) |
|----------------|----------------------------|---------------------------------|--------------------|
| 26-Jan-09 | Pfizer Inc | Wyeth | 63,266 |
| 30-Jan-09 | Roche Holding Ltd | Genentech Inc (44.20% stake) | 44,291 |
| 09-Mar-09 | Merck & Co Inc | Schering Plough Corporation | 43,198 |
| 10-Jun-09 | US Dept of the Treasury | Citigroup Inc (33.60% stake) | 25,000 |
| 23-Mar-09 | Suncor Energy Inc | Petro-Canada | 18,400 |
| 16-May-09 | China Yangtze Power Co Ltd | China Three Gorges Project Corp | 15,725 |
| 04-May-09 | The DirecTV Group Inc | Liberty Entertainment Inc | 15,519 |
| 20-Feb-09 | Enel SpA | Endesa SA (25.01% stake) | 14,246 |
| 19-Mar-09 | OneWest Bank FSB | IndyMac Federal Bank FSB | 13,900 |
| 11-Jun-09 | BlackRock Inc | Barclays Global Investors | 13,653 |