

# M&A at a glance

Autumn 2011

News and views from the Mergers Alliance international partnership



## Foreign M&A in US up by 19%

**Against the backdrop of challenging economic conditions, our research shows the US remains an attractive destination for foreign investors.**



“This is more a time for strategic fit and high visibility than opportunism. The geographic location is not the primary factor, rather it is fit and risk.”

**Phil Seefried**

Co-Founder and CEO of Mergers Alliance's US partner Headwaters.

There has been an upswing in cross-border M&A targeting US firms from the same period last year. The first three quarters of 2011 saw activity rise by 19% in volume while domestic M&A activity (US companies buying US companies) also increased, albeit with a slightly lower figure of 12%.

UK to US cross-border activity increased 23% while German buyers in the US increased by 88% where interestingly there were a number of buys in US utilities as well as renewable energy companies, a sector that is experiencing a decrease in state support domestically.

“The rise in M&A is representative of the general US economy;

although there are still perceived risks, the fact that economic uncertainty has hit all four corners of the globe means that the US remains one of the more attractive markets.” **Andy Currie, Chairman of Mergers Alliance**

Emerging market investors also increased their presence in America. For example there were 55 China-American deals, up 28% YOY.

The conventional wisdom is that the US is a safe haven during a time of crisis, we expect this M&A uptrend to continue as overseas investors seek safety from the temperamental global market.

## Latest Report out *Now*

Our latest report Mergers Alliance examines the cleantech sector. The new publication sets out the cleantech M&A landscape across 17 major economies and predicts expanding M&A activity over the

next 18 months despite ongoing economic uncertainty. For more information contact: Mergers Alliance Research Manager Andre Johnston [andrejohnston@mergers-alliance.com](mailto:andrejohnston@mergers-alliance.com)

Or go to: [www.mergers-alliance.com](http://www.mergers-alliance.com) to download the report.







## M&A activity in Brazil remains bullish

**With over 553 transactions announced in the nine months to September 2011, Brazil has seen transaction values remain at the record levels of 2010.**

“This positive M&A momentum can be attributed to Brazil’s economic stability, full employment and the availability and access to credit.”

### **Leonardo Antunes**

Managing Director, BroadSpan Capital

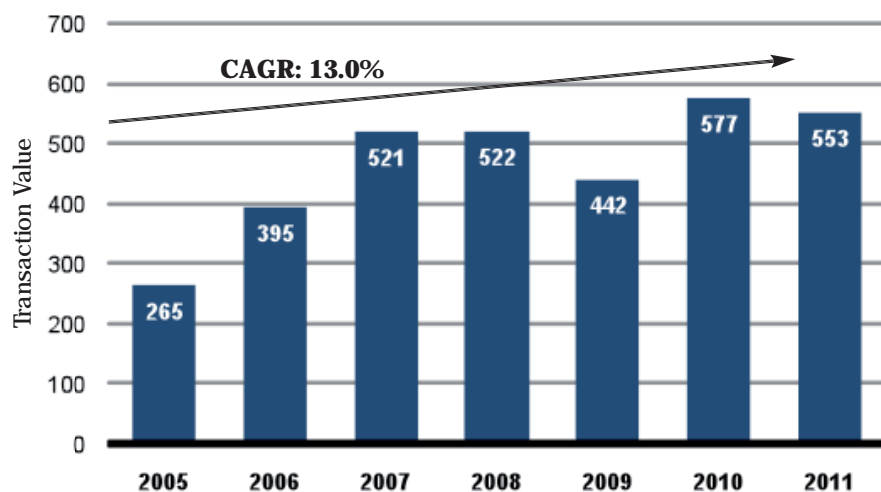
Of the announced transactions, circa 60% involved domestic investors, which is in line with the previous year, although higher than 2009 and 2008. Interestingly, there appears to be an increasing preference for 100% control transactions, which represented circa 60% of deals in 2011.

Due to the substantial consolidation opportunities in many sectors, Brazil’s M&A activity was spread across a large number of sectors. Food & drink (F&D) continued to be one of the most active sectors in terms of volume, with 49 transactions for the first nine months of 2011, a number comparable to the whole of 2010.

BR Foods, formed from the merger of Sadia and Perdigão, acquired the Brazilian pork unit of Coperacampos for US\$83 million. Additionally, in October, the company acquired Avex and Grupo Danica, in Argentina for US\$150 million, with both companies involved in the production and processing of chicken and pork. BR Foods has about US\$2.2 billion in cash and continues to look for opportunities in the food industry to expand its operations through emerging markets, especially in Latin America.

BroadSpan’s involvement in the F&D sector included advising Grupo Nacional de Chocolates on the US\$40 million acquisition of Helados Bon.

### **M&A Activity in Brazil from January to September**



Acting as a consolidation agent in several sectors, private equity funds have been increasing their investment rate and are becoming increasingly relevant to the Brazilian M&A landscape. In 2011, private equity participated in over 40% of deals as opposed to 10% in 2007.

### **Leonardo Antunes**

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# International

## corporate finance

**Mergers Alliance is a group of award winning corporate finance specialists who provide high quality advice to organisations who require international reach for their M&A strategies.**

- Over 250 transaction professionals based across every key economic location around the world
- 42 office locations, covering the Americas, MENA, Europe and Austral-Asia
- Dedicated industry sector teams, with proven track records and experience
- Your local senior banker will always be your point of contact, connecting you to our partnership

## Global coverage

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