

M&A deal volumes decline in Q4, but North America and Middle East values increase

Positive private equity results in North America and Asia Pacific

Zephyr reports on M&A activity in Q1 2014

North America, Q1 2014

- M&A volume declines but value up 15 per cent
- Private equity investment climbs to similar level to Q3 2013

Western Europe, Q1 2014

- Volume and value both decline on Q4, but value up on a year ago
- UK leads the field by deal volume and value

Middle East, Q1 2014

- M&A deal value climbs 57 per cent, boosted by three big deals, while volume declines
- Qatar leads by value, Jordan by volume

Asia Pacific/Central Asia, Q1 2014

- M&A activity weakens after steady growth in 2013
- Private equity value more than doubles

Russia/CEE, Q1 2014

- M&A volume and value both decline, but volume up on a year ago
- Private equity activity also disappointing as value drops from a high base in Q4 2013

London, 31st March 2014 – The value of mergers and acquisitions (M&A) targeting companies based in North America advanced 15 per cent to USD 367,807 million in Q1 2014, the second-highest result of the nine quarters under review after USD 436,695 million-worth of deals were signed off in Q3 2013, according to information collected by the leading M&A database Zephyr. M&A made significant grounds on the 27 per cent decline recorded in Q4 2013, boosted by five deals each worth more than USD 10,000 million and which together accounted for 38 per cent of the quarter's overall value. Conversely, total volume weakened 7 per cent over the three months under review from 3,911 deals to 3,685, negatively impacted by the 23 per cent decrease in Canadian dealmaking, which fell to 805 transactions in Q1 2014, the lowest recorded for the nine quarters. Similarly, after a brief downturn last quarter, the value of private equity investment targeting North American companies rose in Q1 2014 to return to a similar level to Q3 2013. Value advanced by 37 per cent over the first three months of the year to USD 57,051 million from USD 41,794 million, almost matching the USD 57,245 million recorded in Q3 2013.

Zephyr shows Asia Pacific and Central Asian M&A results were disappointing in Q1 as volume and value both fell back, reversing three consecutive quarters of growth. Transactions worth a collective USD 163,835 million were announced during the three months under review, down by a third on USD 241,993 million in Q4 2013, which had been the culmination of a steady increase in value through the year (Q2 2013: USD 178,712 million; Q3 2013: USD 227,986 million). However in a complete reversal, private equity investment value leapt in Q1 2014 from USD 7,796 million to USD 18,092 million, the highest in the last two years under review, in spite of a quarter-on-quarter decline in volume from 321 to 254 transactions. Value was boosted by four sizeable deals each worth in excess of USD 1,000 million.

According to Zephyr, the Middle East had a fairly positive showing as the value of deals targeting the region advanced 57 per cent in Q1 2014 to USD 3,061 million from USD 1,944 million in Q4 2013, boosted by three deals each worth USD 500 million or more and which together accounted for 57 per cent of total value. However, despite the improvement, value was down 37 per cent from USD 4,855 million in Q1 2013 and was 48 per cent lower than the USD 5,842 million deals recorded in Q1 2012. The region's banking sector was the most valuable over the quarter as there were 16 deals worth an aggregate USD 746 million signed

off over the three months, compared to 24 transactions valued at USD 570 million in Q4 2013.

By contrast, mergers and acquisitions targeting companies based in Western Europe weakened in Q1 2014 as value fell back for the third consecutive quarter while volume halted three successive periods of growth by slipping to the lowest recorded since Q3 2012, according to Zephyr. There were 4,815 deals worth a combined EUR 153,636 million in Q1 2014, compared to 6,236 transactions totalling EUR 157,502 million in Q4 2013, representing decline of 2 per cent by value and 23 per cent by volume. PE and VC investment targeting companies based in Western Europe in Q1 2014 failed to sustain the growth recorded in Q4 2014, falling to 652 deals worth EUR 16,860 million from 727 transactions valued at EUR 24,846 million, representing a decline of 10 per cent by volume and 32 per cent by value. However, PE and VC activity is up on Q1 2013 (594 deals, EUR 12,709 million) and is also higher than the corresponding period in 2012, when there were 608 transactions worth EUR 16,476 million.

Finally, Zephyr shows Central and Eastern Europe (CEE) failed to sustain the momentum it had built up in the previous quarter, which marked a two-year high. Both volume and value weakened in Q1 2014 to 2,288 transactions worth an aggregate EUR 21,639 million from a high base of 3,236 deals worth a combined EUR 58,554 million, which in turn was an increase on the preceding quarter. PE and VC activity was also disappointing; there were 122 private equity investment transactions worth a combined EUR 309 million targeting countries based in CEE during Q1 2014, compared to 164 worth an aggregate EUR 7,391 million in Q4 2013.

Ends

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Notes to Editors:

The Q1 2014 date range is 01/01/2014 – 27/03/2013 inclusive

Activity is based on the activity of the target company

Deal status is announced, completed, pending or unconditional

The sector breakdown uses targets' activities as defined to be 'Major Sectors' by Zephyr

The Western Europe region covers target companies in Andorra, Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Gibraltar, Greece, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Malta, Monaco, Netherlands, Norway, Portugal, San Marino, Spain, Sweden, Switzerland, Turkey and the United Kingdom

The Middle East region covers target companies in Bahrain, Iran, Iraq, Kuwait, Jordan, Lebanon, Oman, Qatar, Saudi Arabia, Syria, UAE and Yemen

The Asia Pacific and Central Asia region covers target companies in in the Far East, Central Asia, Oceania and Asean

The CEE region covers target companies in Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia and Ukraine

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Zephyr is an information solution containing M&A, IPO and venture capital deals and rumours with links to detailed financial company information. Zephyr covers various deal types including M&A activity, IPOs, joint ventures and private equity deals. It's published by Bureau van Dijk (BvD). The deals on Zephyr are linked to the company financials and peer reports on BvD's product range, which includes Orbis, Amadeus and Fame, for company valuation and benchmarking.

Zephyr contains information on over 1 million deals. Approximately 75,000 deals are added each year depending on levels of deal activity. Zephyr has no minimum deal value. All deal information is translated into English. Zephyr's UK-based researchers speak 30 languages and use native language and English sources in their deal enquiries.

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