

PRESS RELEASE

M&A Analysis by Proventis GmbH: Transaction volume heavily on the decline in 2009

Munich, 21.01.2010 – M&A analysis by the Munich-based Corporate Finance and M&A Boutique Proventis GmbH: The volume of German transactions in 2009 was heavily on the decline. However, it should be growing again in 2010.

M&A-Transactions in 2009

According to an analysis made by Proventis 1,508 transactions were made with German companies being involved in 2009. The transaction volume with published purchase prices was \$110 billion in 2009, a decline of more than a quarter compared with the previous year (\$148 billion) and of more than a half compared with 2007 (\$250 billion).

In 2009 the purchase price was announced with 265 transactions; according to this the average transaction volume with German companies being involved (buyers or sellers) was \$417m. In 2008, where in this group the purchase price of 405 transactions was known to the public, an average transaction volume of \$366m was generated.

The volume of all sold German companies with a publicly announced purchase price was \$78 billion across all industries in 2009. This was 22 percent below previous year's volume of nearly \$100 billion. In 2007 the transaction volume of all sold German enterprises was \$150 billion.

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Figures from the industry

The percentage of financing deals of the overall volume of German targets has gone down from 32 to 21 percent in 2009 compared with the year before. But still the German deals took place in the financing area. The biggest take-overs were made by the SoFFin within the scope of nationalizing banks.

In the automotive industry, however, Arabian investors like the desert state of Qatar made the biggest take-overs.

The media industry made some top deals in 2009 compared with 2008. These were, for instance, the purchase of Unitymedia GmbH through Liberty Media Corp for \$5.2bn and a group of investors taking over Springer Science+Business.

In the health industry hardly any top deals were made in 2009, other than in the two years before. The biggest transaction in 2009 was the take-over of Brahms AG through Thermo Fisher Scientific Inc for a purchase price of \$471m . In 2008 and 2007 the top targets within the health industry were at nearly \$6,000m.

Outlook on 2010

Already in the second half year of 2009 an increase of M&A transactions could be noticed. The Proventis consultants act on the assumption that this trend is going to be continued in 2010. Especially strategic take-overs are going to become more in 2010. "Also financial investors are going to show a growing appetite for purchasing enterprises ", Jan Pörschmann, Managing Director and M&A expert with Proventis, predicts. By stating this he particularly means private equity funds which are on the one hand going to be under investing pressure and the re-financing possibilities, on the other hand, are certainly going to improve.

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Captions:

Picture 1:

Anticipating an increase of M&A transactions in 2010: Proventis GmbH Managing Directors Jan Pörschmann and Rainer Wieser

Picture 2:

Proventis Logo

Proventis GmbH resume

Proventis is an independent Corporate Finance and M&A consultant for elaborated medium-sized companies. Founded in 2001 in Munich as a financial service provider Proventis has 10 employees dealing with a broad product portfolio. These are individual financing solutions in the fields of Private Equity, mezzanine as well as borrowed capital financing solutions. Tailor-made consulting services in the fields of M&A services for medium-sized companies add to the sustainable consulting approach of Proventis.

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