



Global Briefing

M&A MARKET
INTELLIGENCE UPDATE
2008

AMSTERDAM, THE NETHERLANDS
THURSDAY, OCTOBER 23, 2008



PRESENTED BY:

THOMSON REUTERS

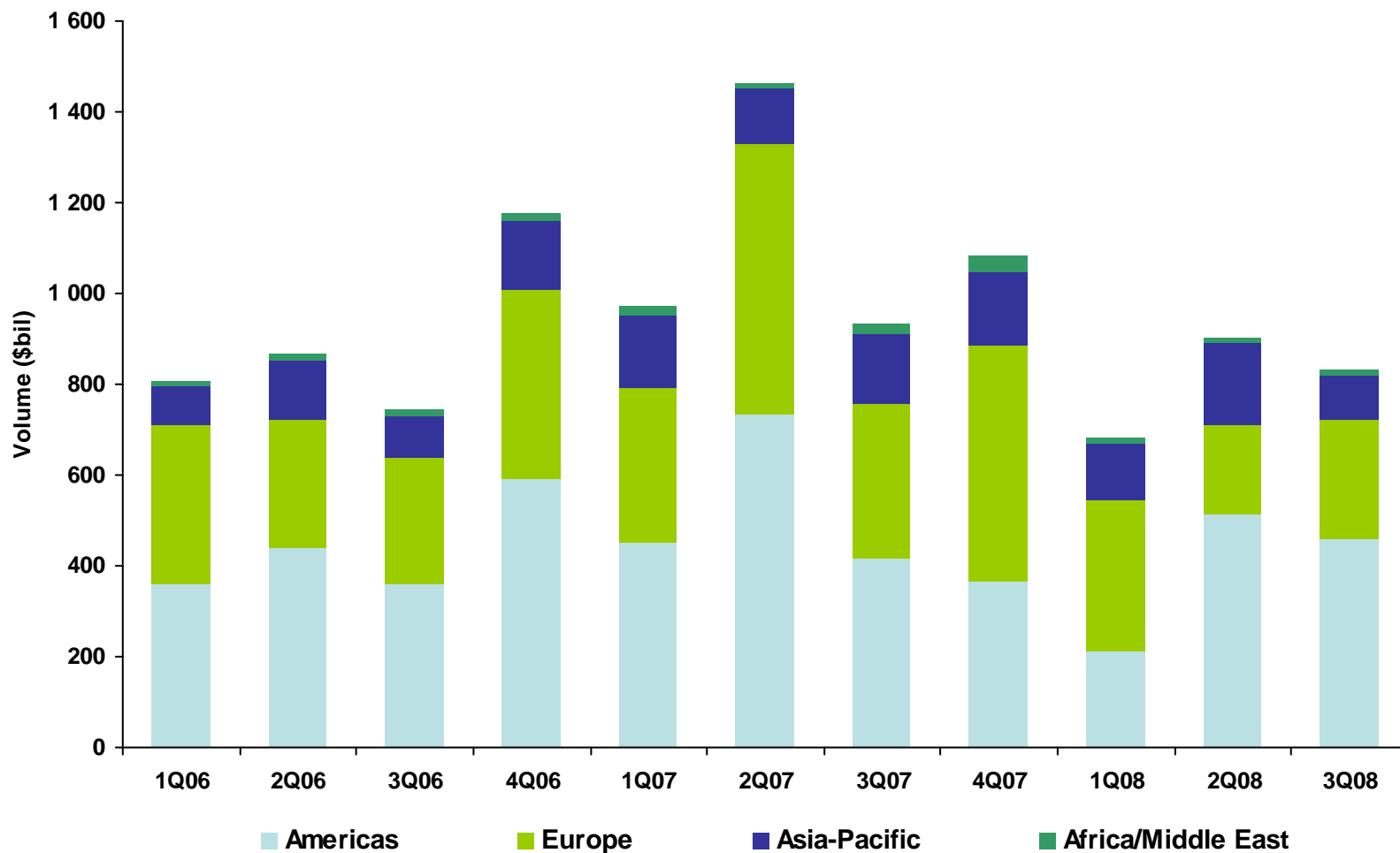
IMAP/Thomson Reuters M&A Market Intelligence Report 2008 Global Briefing

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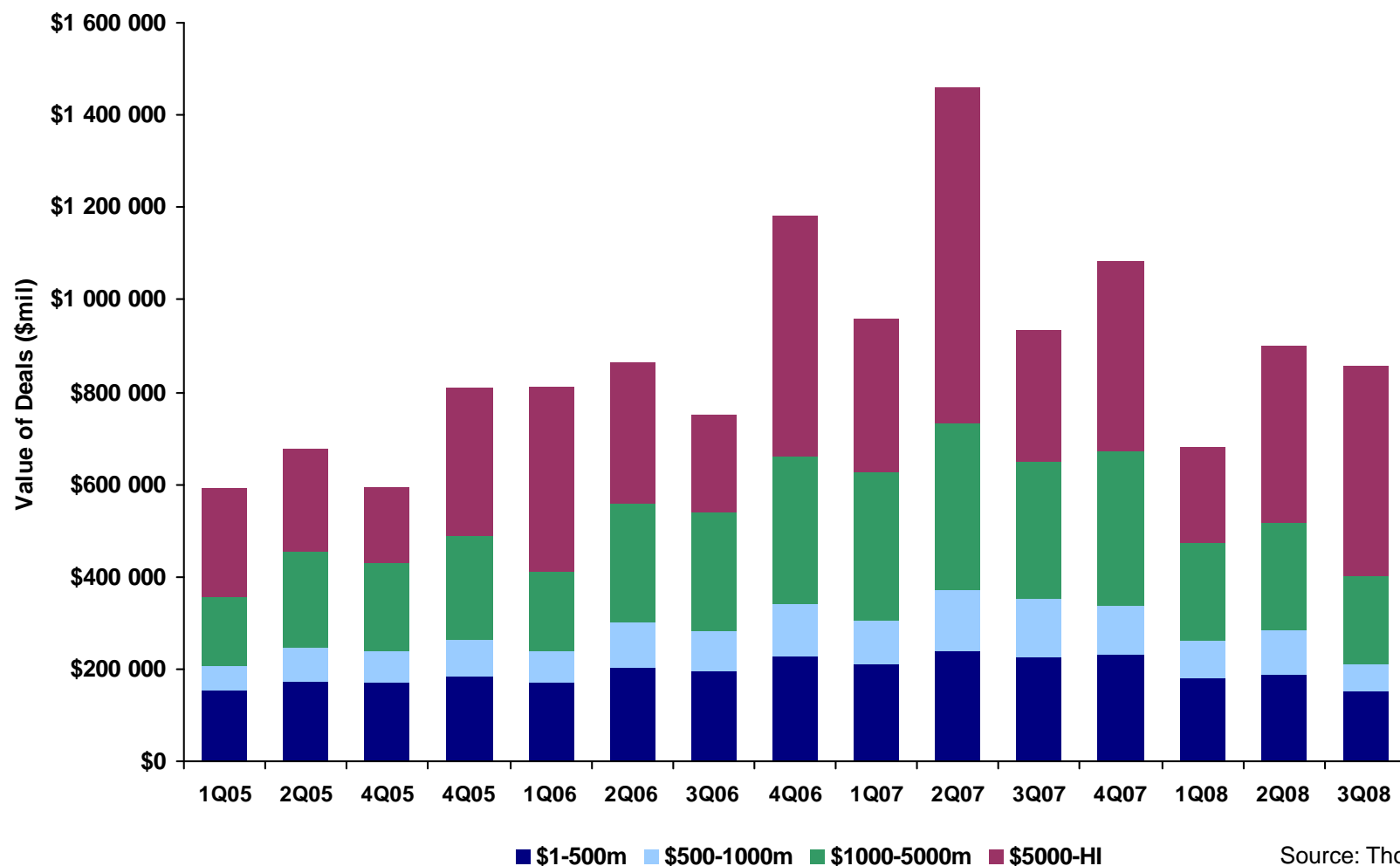


Worldwide M&A Activity down 28% over 2007



Source: Thomson Reuters

Decline also in mid-market M&A activity; Under \$500m down 24%



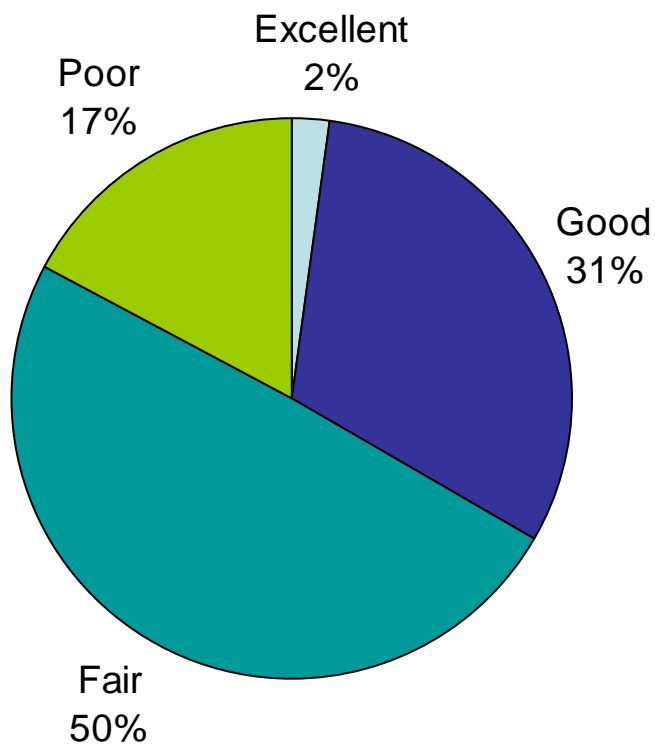
Source: Thomson Reuters

M&A Outlook Survey Details

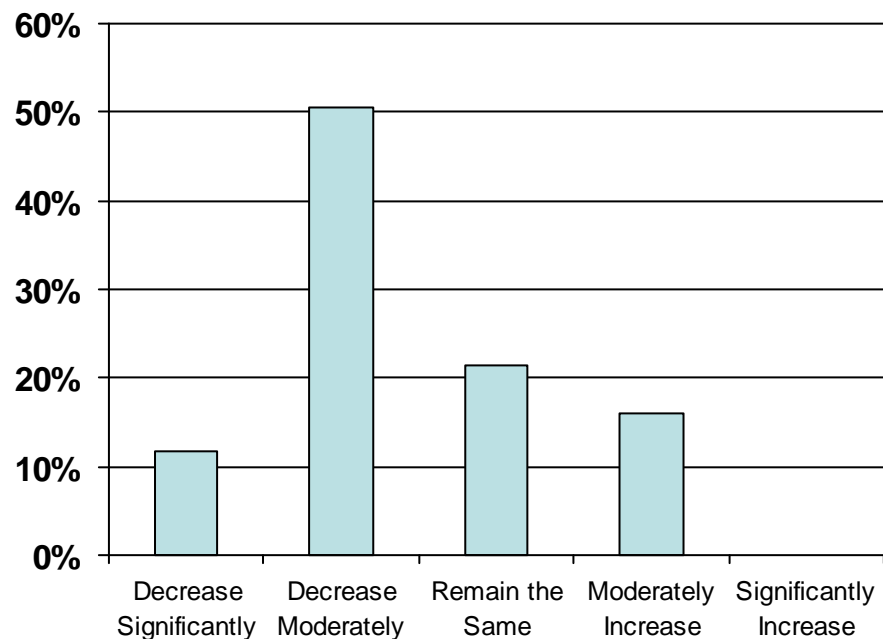
- 94 respondents
- Conducted in September 2008

Overall M&A Activity

How would you characterize the environment for M&A activity today?



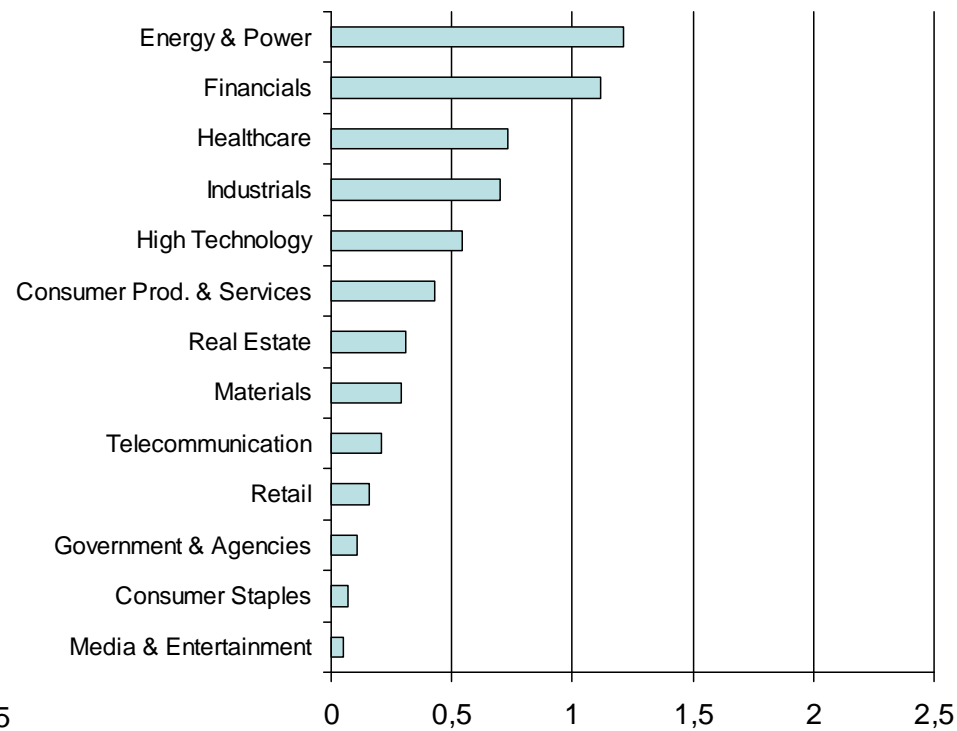
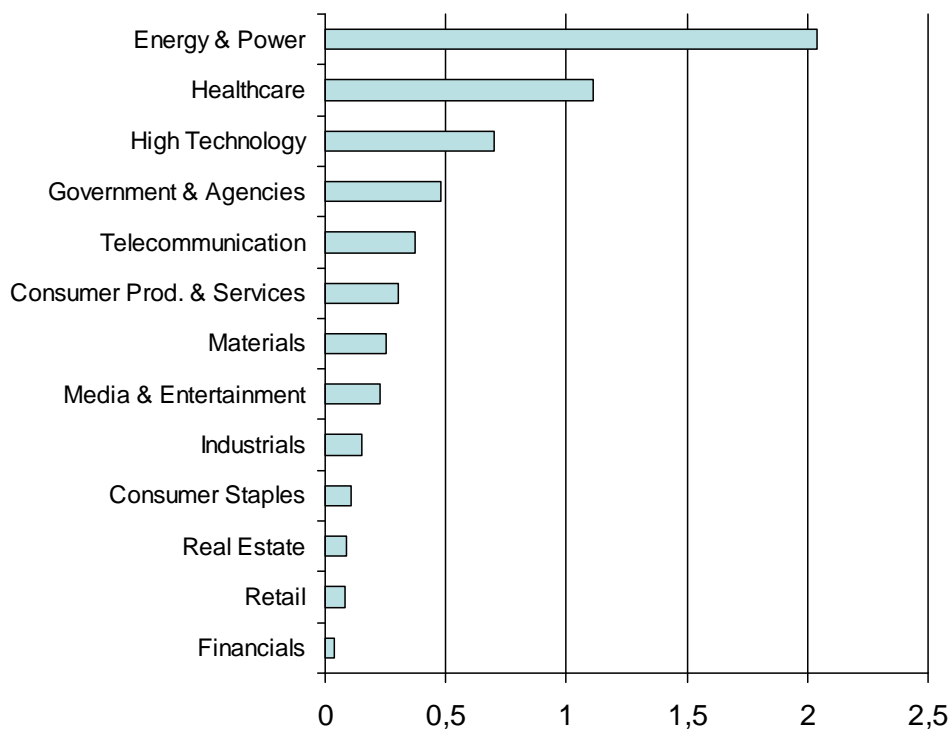
During the next 6 months the number of M&A transactions will...



Outlook by Industry Sector

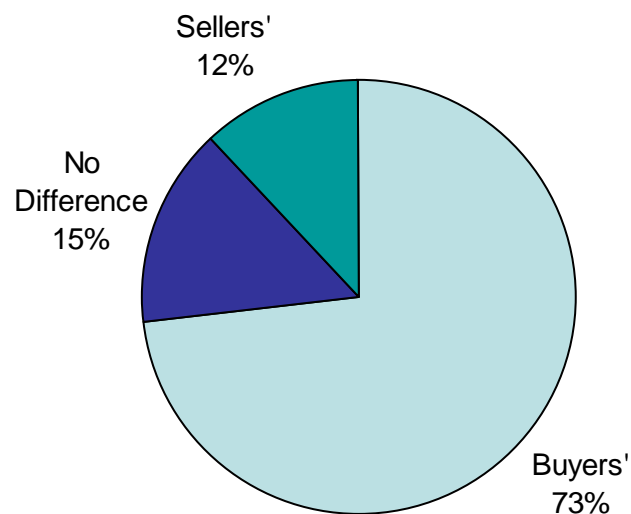
For the next 6 months, which sectors will experience the most organic growth?

For the next 6 months, which sectors will experience the most M&A activity?



Balance of Power

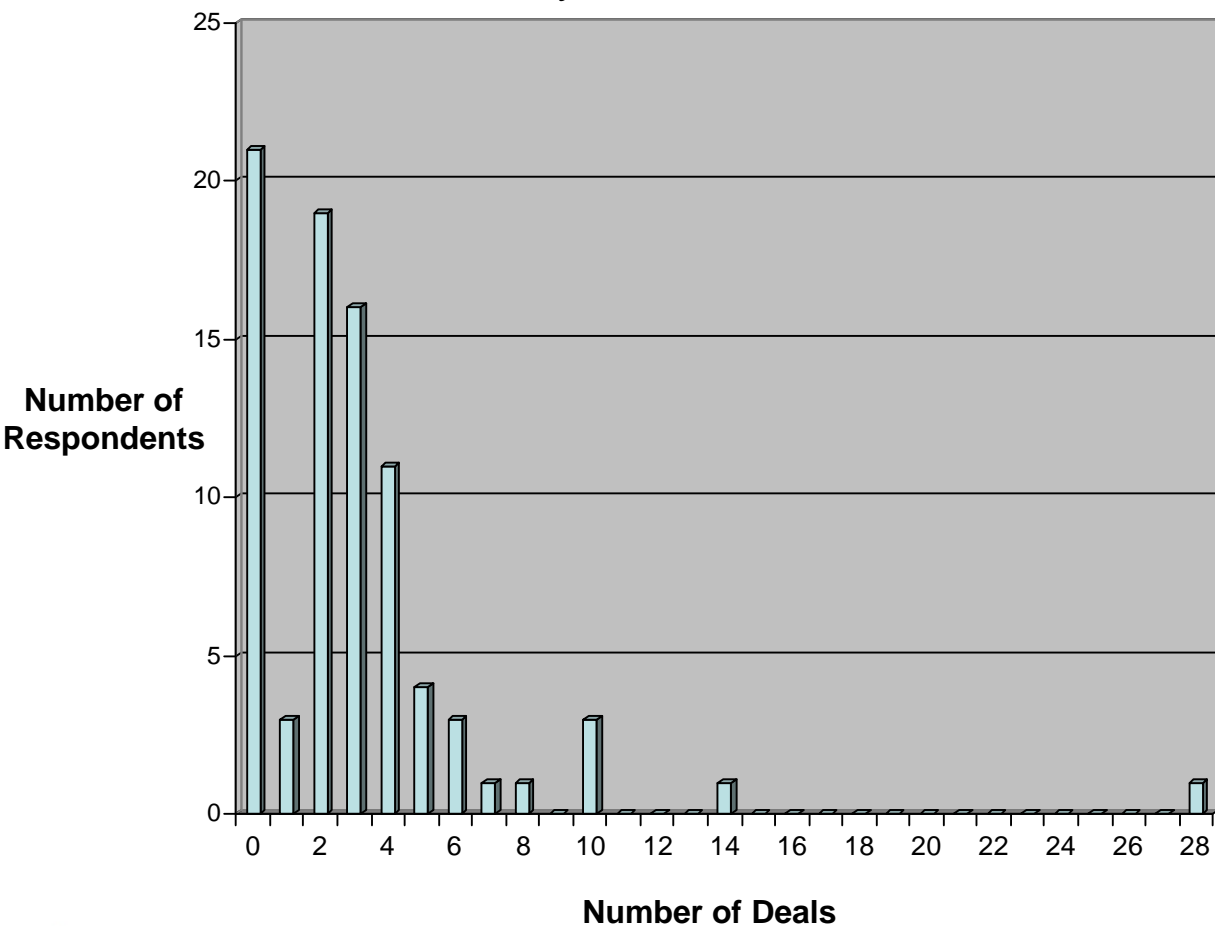
Do you think it is now a buyers' or a sellers' market?



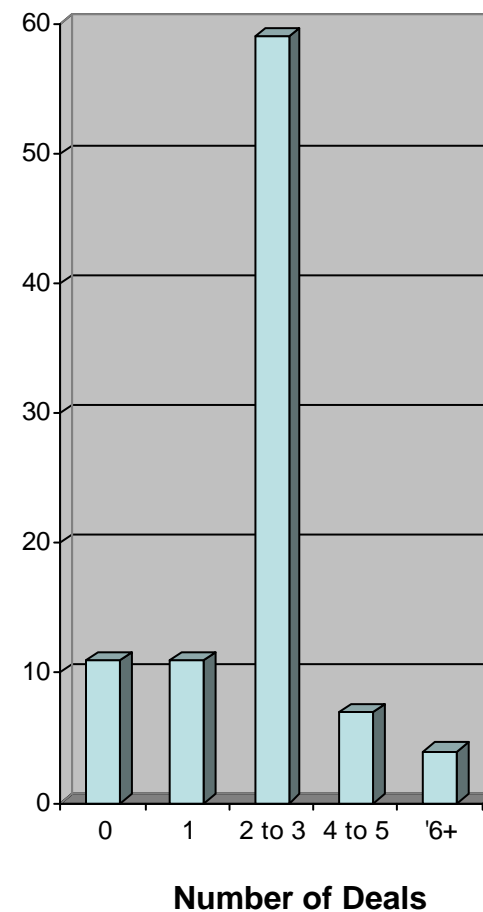
- Key Comments:
 - Multiples have come down due to credit crunch and decreased economic activity
 - Good companies can still be sold at a premium, but are scarce
 - Strategic buyers who do not have to finance deals are in the strongest position

Cross-Border Deals

This calendar year, how many cross-border deals has your firm advised on?

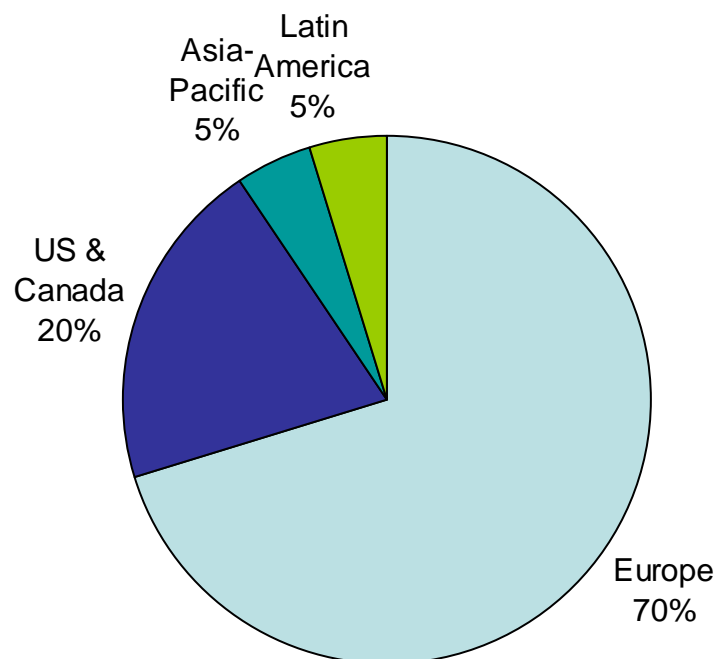


How many cross-border deals do you expect in the next 6 months?



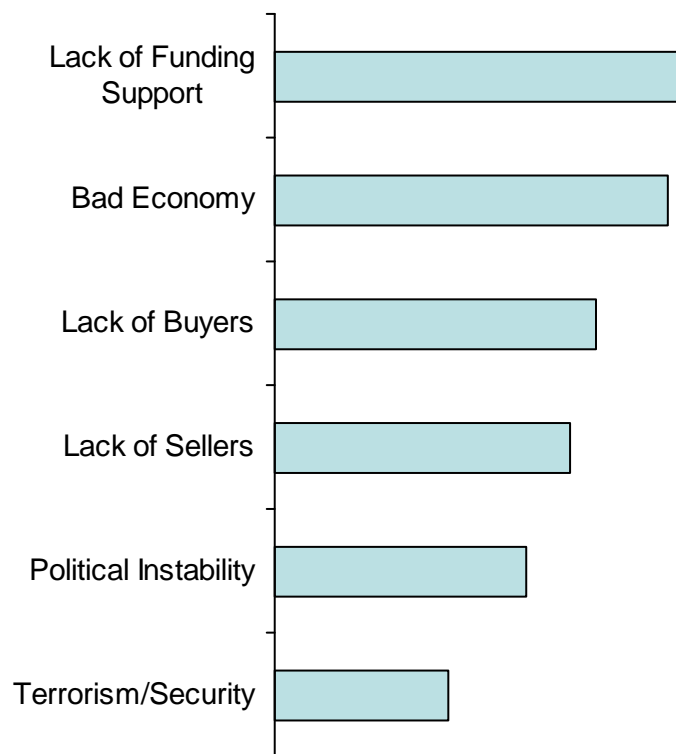
Opportunities by Region

Which regions/countries are you most focused on?



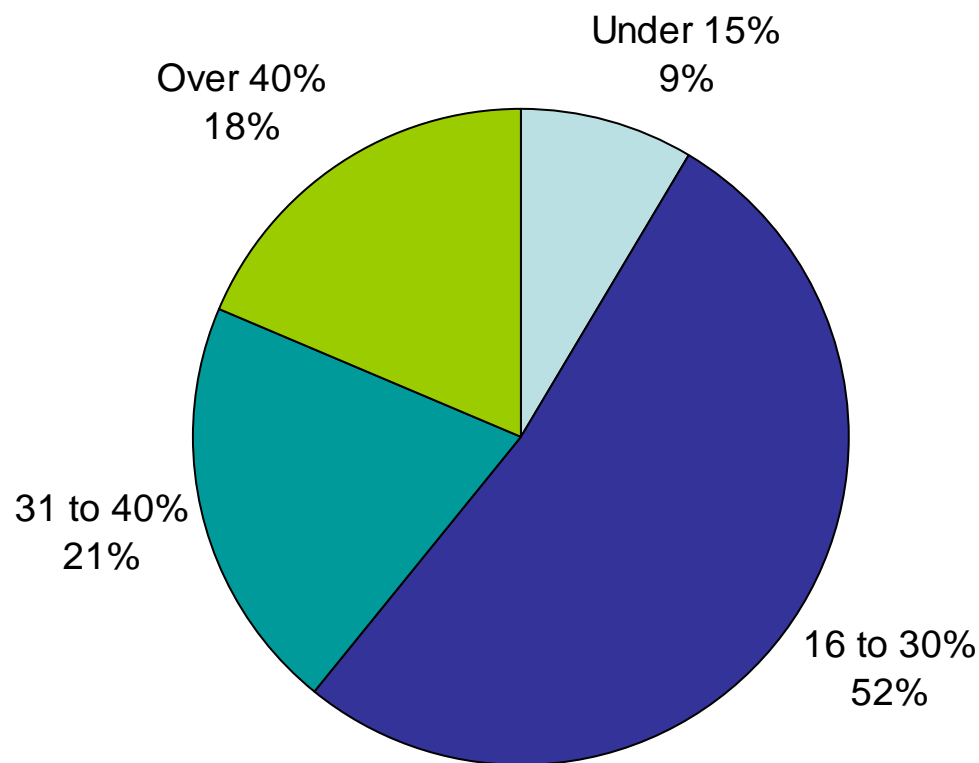
- Key areas of focus include:
 - US targets for European and LatAm buyers
 - Central & Eastern Europe

What is the single biggest impediment to deal-making right now?

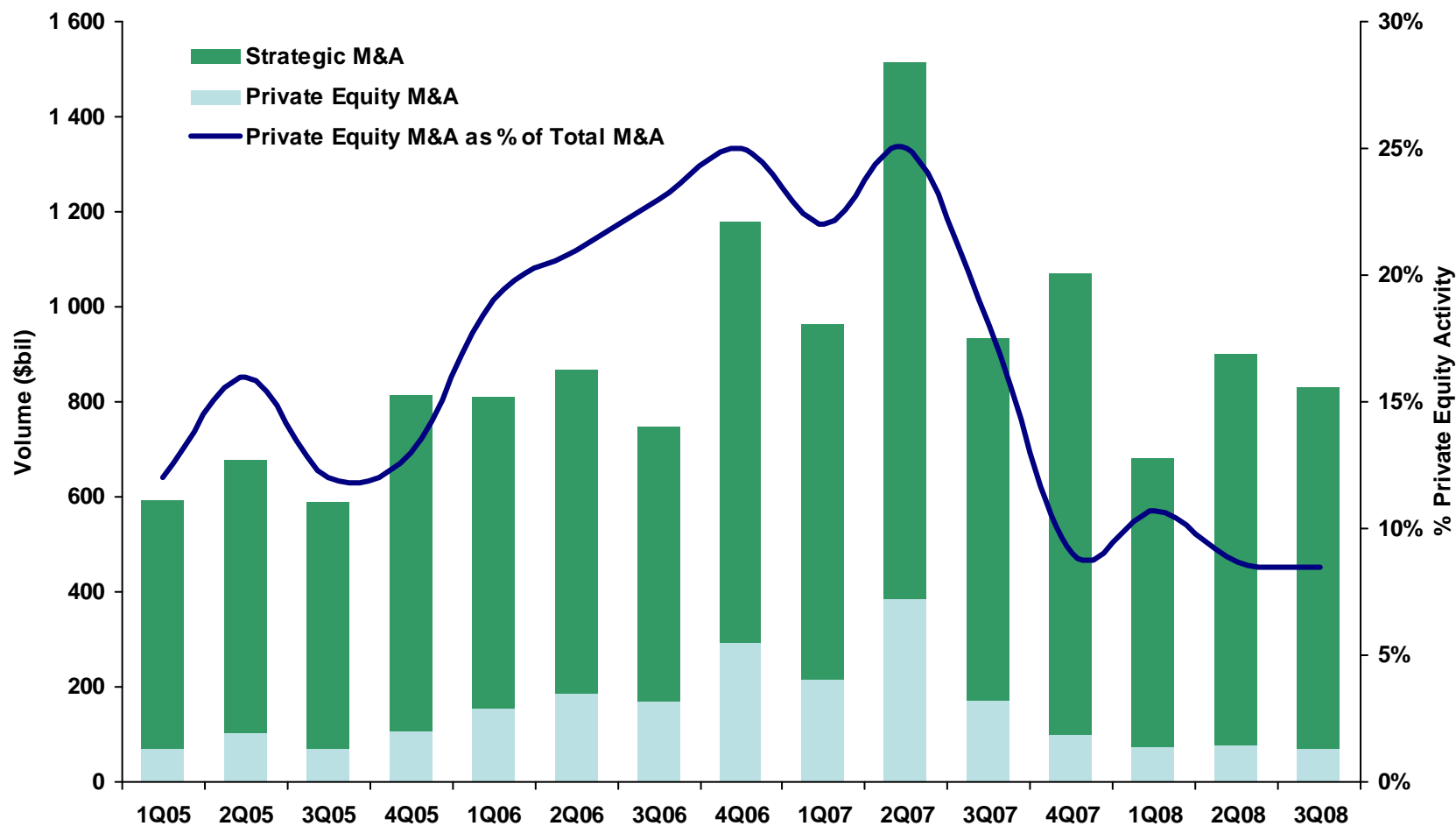


- Other impediments mentioned:
 - Sellers' price expectations
 - Frightened investors
 - Currency fluctuations
 - Immature market

What percentage of deal activity do you expect to be driven by private equity firms in 2009?



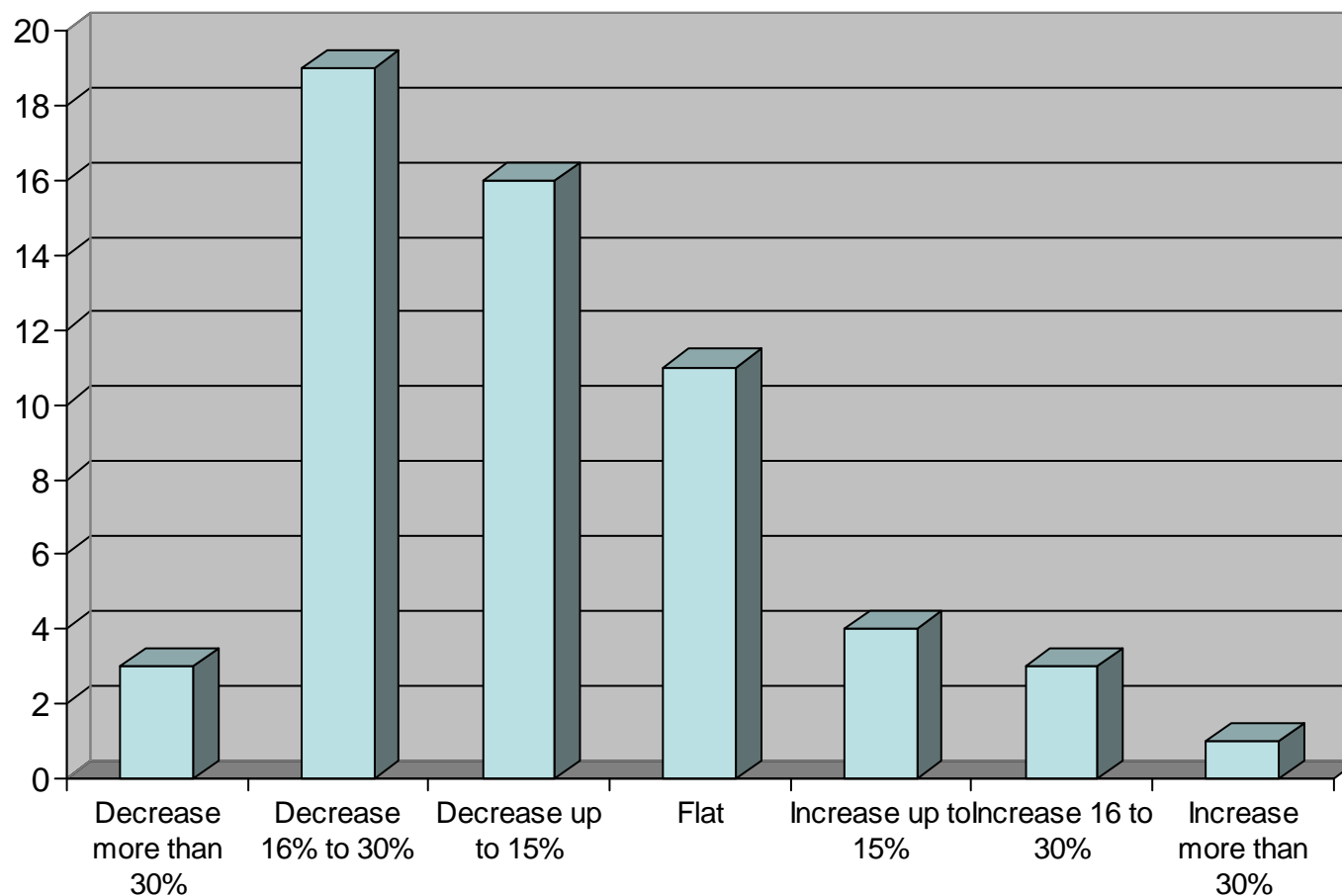
Private Equity M&A down 80% from 3Q 2007



Source: Thomson Reuters

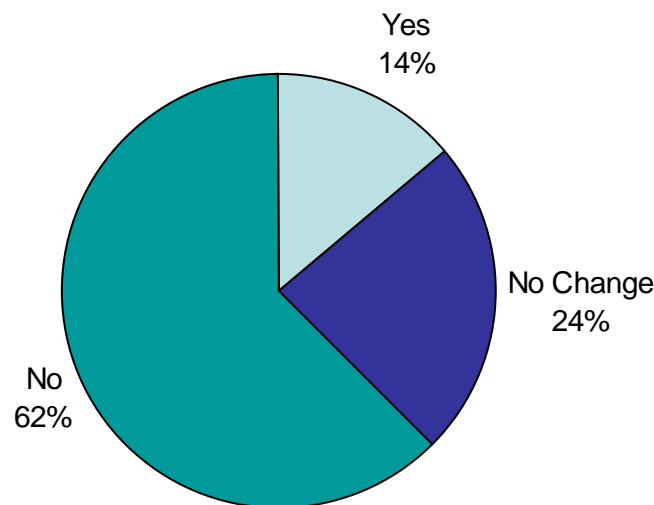
Overall Activity

What percentage increase / decrease do you anticipate in number of deals announced in 2009 vs. 2008?



Lenders

Are lenders working actively to help complete M&A transactions?



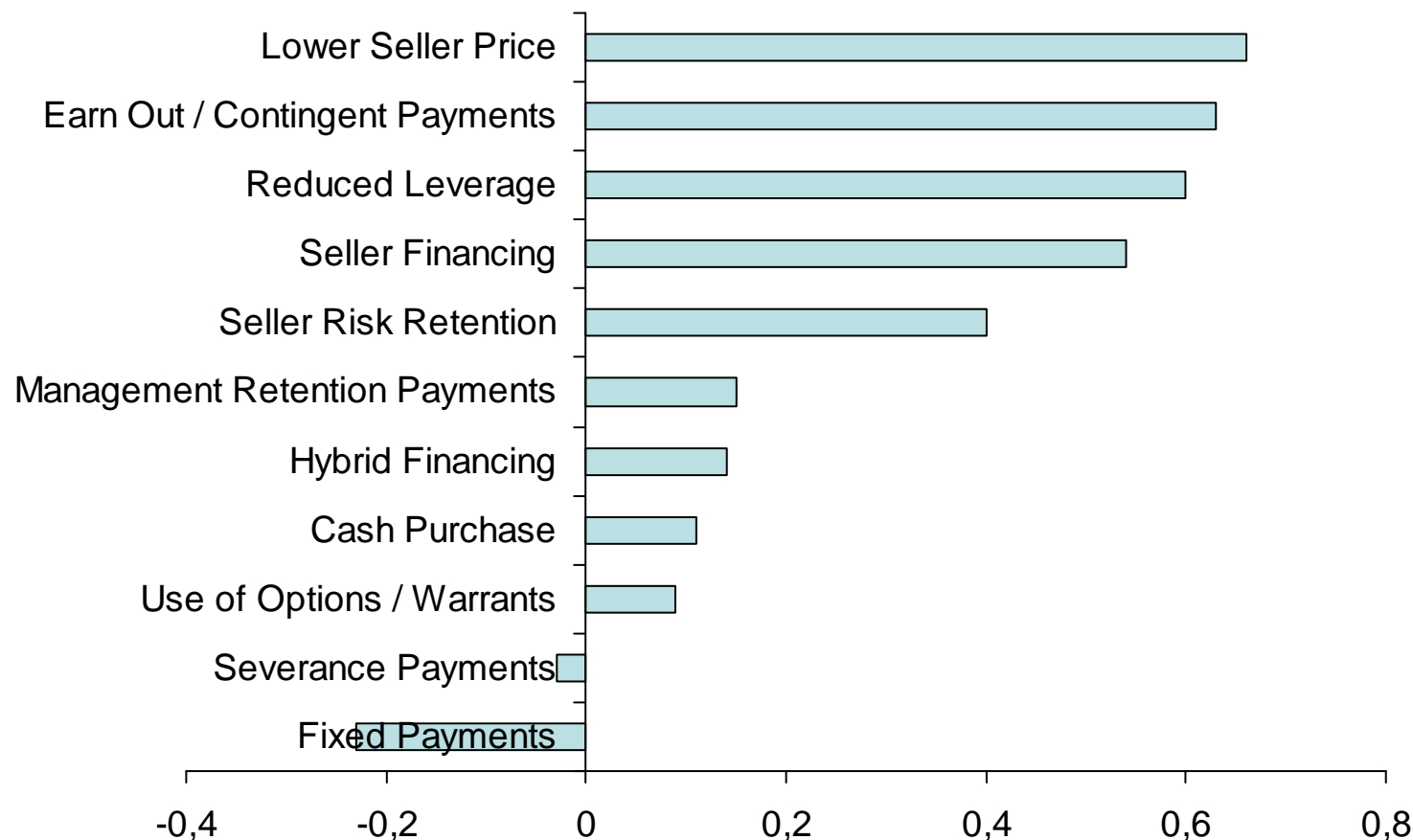
- Key comments:
 - Bankers are extremely cautious at present
 - Equity participation must be higher
 - Money still available for the “right deals”, but the terms are getting worse
 - Not many leveraged deals in emerging markets so effect is minimal

What are some deal design techniques required to get M&A transactions completed compared to recent past?

used less

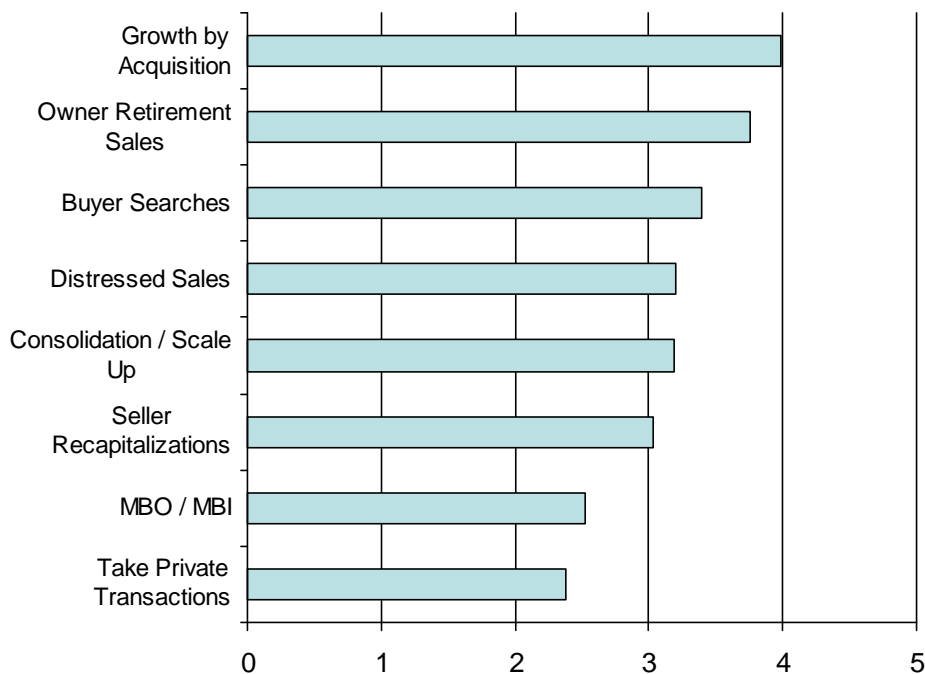
used about the same

used more



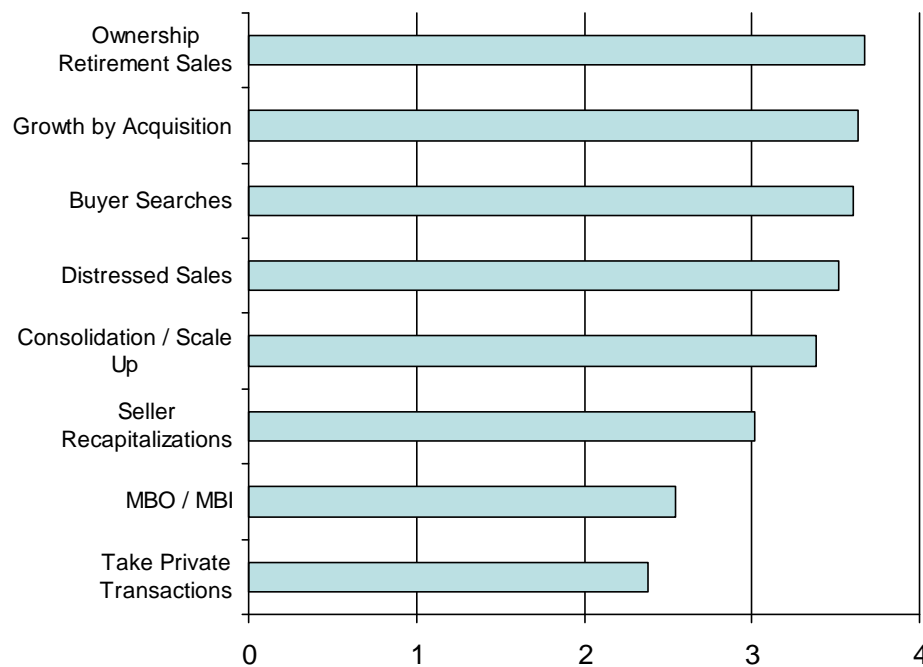
Deal Rationale

Where are M&A opportunities happening most often at the present time?



- Other opportunities include:
 - Buying competitors
 - Corporate carve-outs
 - Private equity

Where do you see M&A opportunities being generated in the next 6 months?



- Other opportunities include:
 - Private equity (buying less than typical 70-80%)
 - Corporate carve-outs
 - Listed companies
 - Restructuring due to debt burden