

H1 2015 M&A Update – UK

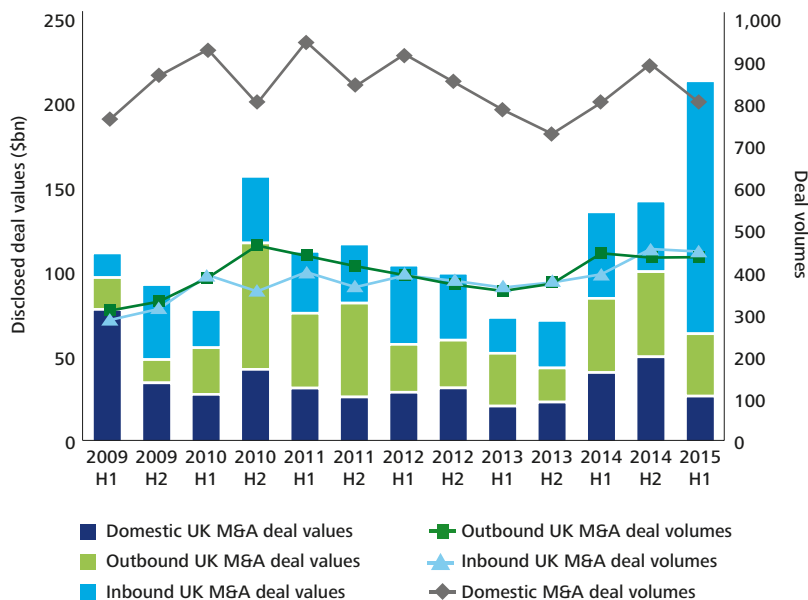
Foreign buyers give a boost to inbound M&A

Overview

UK companies are attracting strong interest from overseas buyers, with inbound M&A deal values nearly trebling to \$143.7bn for the first half of the year, the highest figure for well over a decade. There has also been a 14 per cent increase in inbound deal volumes in the first half of 2015, compared to the first half of 2014.

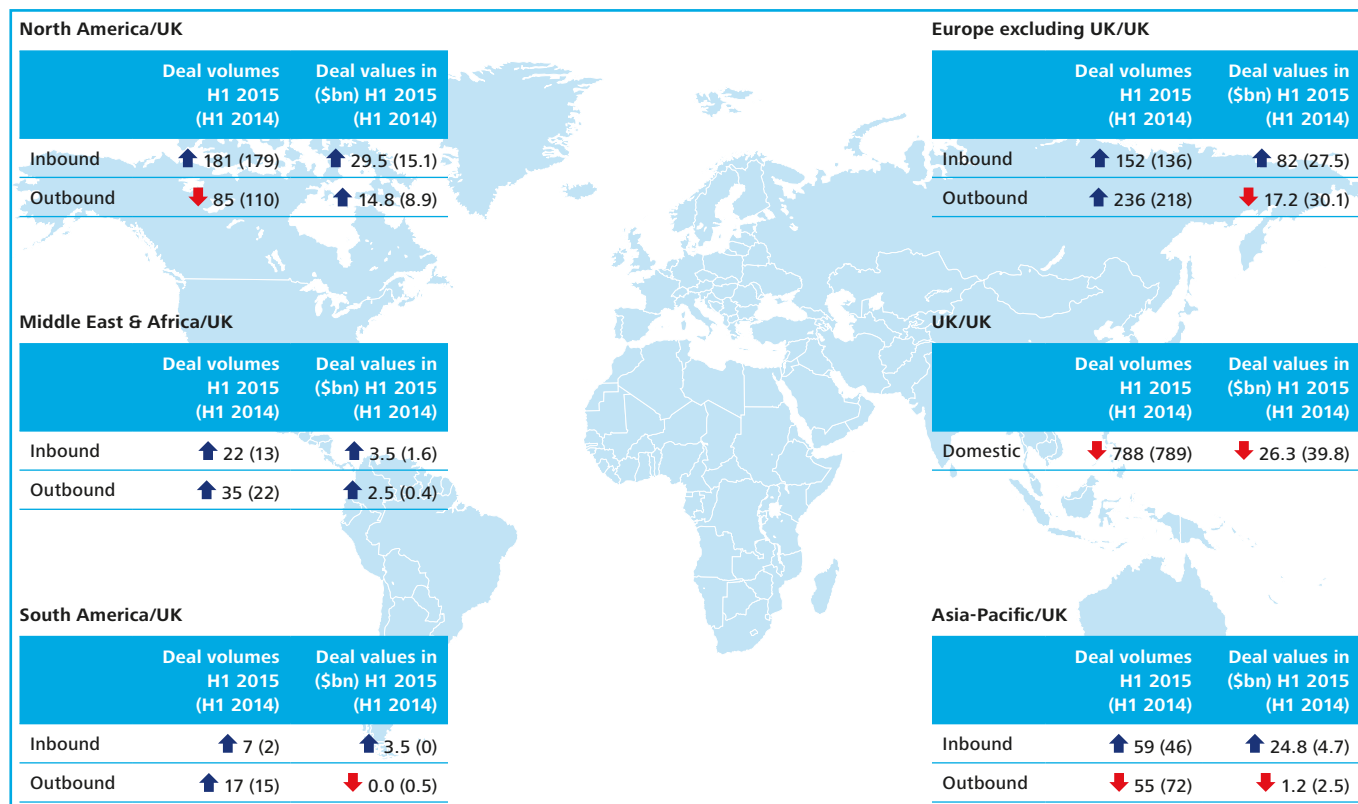
US companies continue to be active investors in the UK boosted by the strengthening of the dollar. In the first half of the year, US outbound deal values into the UK reached \$14.6bn, a 12 per cent higher over the the same period in 2014. Tracking activity the other way, UK outbound deal values to the US were 65 per cent higher hitting \$14.4bn.

The run up to the General Election seems to have dampened UK domestic and outbound activities. In the first half of 2015 outbound UK deal values decreased by 16 per cent compared to the first half of 2014, while domestic deal values were down by 34 per cent to \$26.3bn. With the election now over, deal activity is likely to pick up.



Source: Deloitte analysis based on data from Thomson One Banker

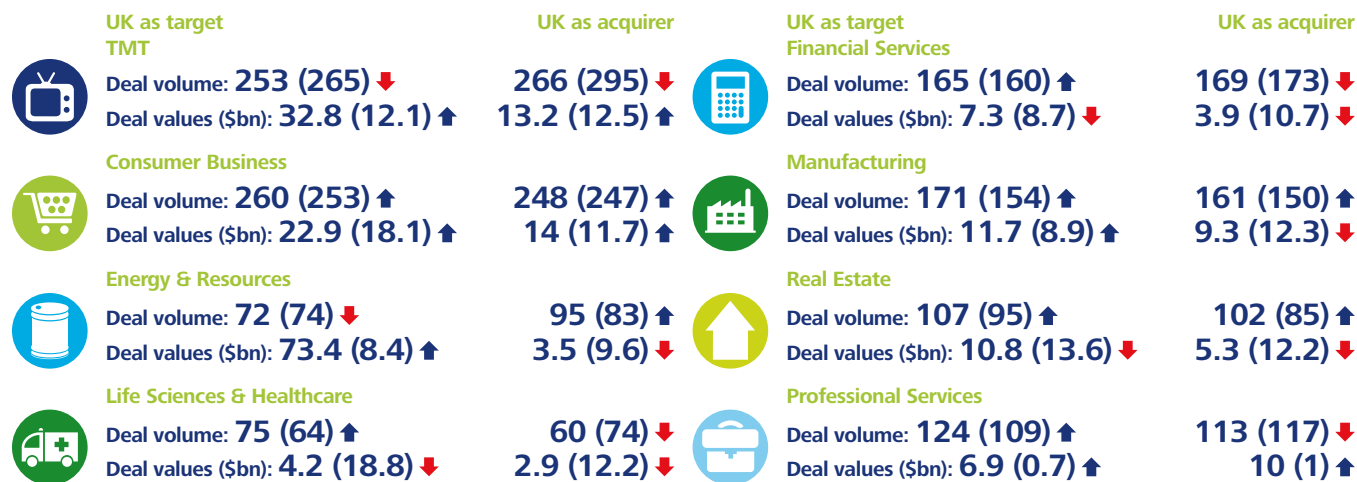
Deal corridors



Note: 'Inbound' refers to UK companies as targets; 'Outbound' refers to UK companies as acquirers. Numbers in brackets refer to H1 2014 figures.

Source: Deloitte analysis based on data from Thomson One Banker

Industries H1 2015 vs H1 2014



Note: Industry hotspots refer to the target industry. Financial services include banks, insurance, asset management, private equity, alternative finance and investment funds.

Numbers in brackets refer to H1 2014.

Source: Deloitte analysis based on data from Thomson One Banker

Top 10 UK deals

Acquirer	Acquirer nation	Target	Target industry	Deal value (\$m)
Royal Dutch Shell PLC	Netherlands	BG Group PLC	E&R	69,445
Hutchison Whampoa Ltd	Hong Kong	O2 PLC	TMT	15,381
Ball Corp*	US	Rexam PLC	Mfg	6,930
The CPP Investment Board, Caisse de Depot & Placement Evening Gold Abu Dhabi Investment Authority BTG Pactual Holding	Canada Singapore UAE Brazil	Hutchison 3G UK Hldg (CI) Ltd	TMT	4,787
Equinix Inc	US	Telecity Group PLC	TMT	3,533
Nomad Holdings Ltd	British Virgin Islands	Iglo Foods Group Ltd	CB	2,800
Verisk Analytics Inc	US	Wood Mackenzie Ltd	Professional Services	2,785
Banco de Sabadell SA	Spain	TSB Banking Group plc	FSI	2,530
The CPP Investment Board and Hermes Infrastructure	Canada, UK	Associated British Ports Ltd	CB	2,371
ARRIS Group Inc	US	Pace PLC	TMT	2,046

* UK subsidiary

Note: Includes both pending and completed deals where target company is based in the UK. M&A transactions include acquisitions of majority/remaining interest, minority stake purchases and leveraged buyouts.

Source: Deloitte analysis based on data from Thomson One Banker

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Designed and produced by The Creative Studio at Deloitte, London 46187A