Your World First

C/M/S/ Law . Tax

European M & A Outlook

A Study of European M & A Activity

October 2013

In cooperation with: MERGERMARKET

Table of Contents

Foreword

Thomas Meyding, Head of CMS Corporate Group

Europe is just beginning to see a return to economic growth, which may help to provide a much needed spur to the long-awaited recovery in the M&A market. Numbers from the first half of 2013 show European M&A at its lowest in terms of value and volume for three years. While there may be some headline-grabbing transactions in play, particularly in the TMT sector (for example, Vodafone and Kabel Deutschland), activity in the wider market remains suppressed which is perhaps surprising as many of the fundamentals underpinning the market are stronger than for some time. The historical data is always interesting, but for M&A practitioners it is yesterday's news. What we crave is in the crystal ball; a look at where the market is heading.

The purpose of this European M&A Outlook published by CMS and Mergermarket is to give you insight into how major players in the market see the immediate future, the challenges ahead and where the opportunities might lie. The European M&A market is made up of many sub-markets, both regional and sectorial, and, with the help of Mergermarket, the European M&A Outlook gives you not only a macro view but also drills down to analyse these sub-markets to present the opinions and expectations of those on the frontline. The findings make interesting reading.

To give you a taste of the headline news:

— A significant majority of survey respondents are optimistic about the prospects for European economic growth over the next 12 to 24 months and this view is shared consistently across the regions.

— An overwhelming majority are in favour of greater European integration.

— There is uncertainty as to whether the sovereign debt crisis will be consigned to history or whether it will be back to haunt the markets in the coming months.

— 90% of respondents believe the European M&A market will remain the same or improve over the next 12 to 24 months.

— TMT is expected to continue as the most active sector followed by energy and resources, as well as industrials and chemicals.

We hope that you find the report stimulating and thought-provoking. We are already looking forward to seeing how market conditions are reflected in the terms and conditions of negotiated M&A transactions, something on which we will be reporting in the annual CMS European M&A Study 2014 to be released early next year.

The Year in Review

Over the first nine months of this year, European dealmaking has struggled to gain traction. When comparing activity in the first half of 2012 with the same period in 2013, M&A dropped 10% by volume to 2,413 deals and 26% by value to EUR 203.7 bn.

Dealmakers' appetite for inorganic growth is suppressed, with M&A on hold until confidence returns. Recent years' events have badly shaken corporates not only in terms of revenue, but also in terms of outlook. In Europe, the sovereign debt crises and worries over countries exiting the eurozone have plagued business confidence. The threat of a cataclysmic eurozone event has however more or less subsided, helping to pacify markets. This is, in part, due to the promise by European Central Bank President, Mario Draghi, to do "whatever it takes" to prevent a eurozone exit, including buying up short-dated bonds.

Corporate leaders are taking a conservative approach to growth, however. Dealmakers have turned inward, focussing on improving balance sheets and avoiding risk, rather than putting their cash to work via acquisitions. As our study confirms, corporates value M&A as a strategic tool, but do not believe that it is the right time to seek out acquisitions.

Mismatched valuations have been another hindrance to M&A. Equity capital markets have soared in 2013, prompting concerns of a bubble. Buyers may be unwilling to pay premiums based on stock prices they perceive to have deviated from targets' underlying value.

Top deals, 2012 to 2013 half-year

Announced date	Deal status	Target company	Target dominant sector	Target dominant country	Bidder company	Bidder country	Seller company	Deal value (EUR m)
7 Feb 2012	C	Xstrata Plc (65.92% stake)	Mining	Switzerland	Glencore Xstrata Plc	Switzerland		36,603
22 Nov 2012	C	TNK-BP Holdings (50% stake)	Energy	Russia	Rosneft Oil Company OAO	Russia	BP Plc	24,211
12 Dec 2012	C	TNK-BP Holdings (50% stake)	Energy	Russia	Rosneft Oil Company OAO	Russia	AAR Consortium	21,395
6 Feb 2013	C	Virgin Media Inc	Telecommunications: Carriers	United Kingdom	Liberty Global, Inc.	US		18,485
7 Jul 2012	C	Dr. Ing. h. c. F. Porsche AG (50.1% stake)	Automotive	Germany	Volkswagen AG	Germany	Porsche Automobil Holding SE	11,353
17 Jan 2012	C	SMBC Aviation Capital Limited	Financial Services	Ireland (Republic)	Sumitomo Mitsui Financial Group, Inc.	Japan	Royal Bank of Scotland Group Plc	10,659
24 Jun 2013	P	Kabel Deutschland Holding AG	Telecommunications: Carriers	Germany	Vodafone Group Plc	United Kingdom		10,444
28 Nov 2012	C	Catalunya Banc, SA (10.26% stake)	Financial Services	Spain	Fondo de Reestructuracion Ordenada Bancaria	Spain		10,334
21 May 2012	C	Cooper Industries Plc	Industrial: Electronics	Ireland (Republic)	Eaton Corporation	US		9,342
16 Apr 2012	C	GDF Suez Energy International (30.23% stake)	Energy	United Kingdom	GDF Suez SA	France		8,301

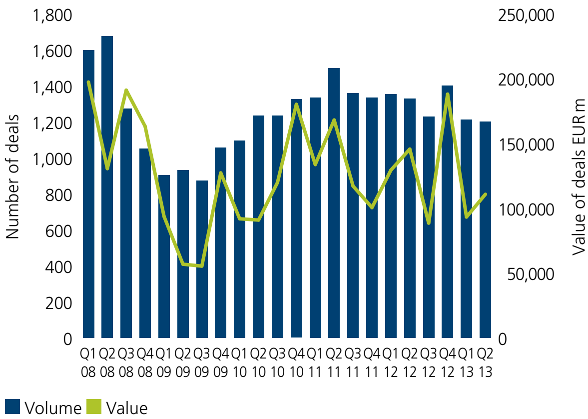
C = Completed; P = Pending

Source: Mergermarket

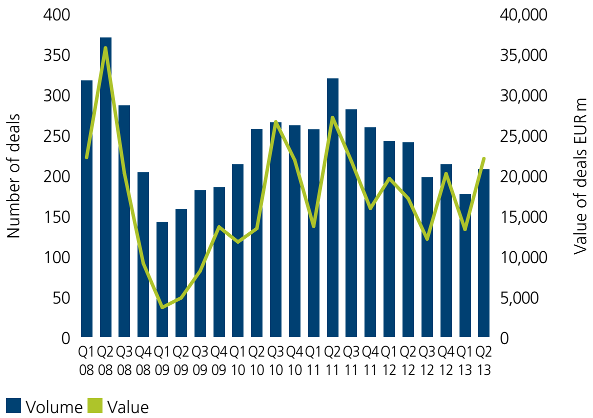
In terms of funding, there is a divide between large, credit-worthy firms and other businesses. For dealmakers, M&A has gone off the agenda due to funding constraints. Changing regulations in the wake of the financial crisis has increased capital requirements, constraining banks' ability to lend. Compounding this has been the low interest rate environment, resulting in far lower returns on loans for banks. Financing from banks is particularly important for firms in the middle and lower ends of the market, that are unlikely to tap into capital markets due to their smaller size and typically lower credit ratings, thereby making it difficult for these firms to access financing for M&A.

But for those able to tap into capital markets, this situation has not necessarily caused detriment. Historically low interest rates have proven problematic for banks, but investment grade borrowers have been able to access debt cheaply. The beginning of 2013 saw a return to large-cap deals financed with debt. For instance. In Q1 2013, Virgin Media issued GBP 2.3 bn (EUR 2.7 bn) in junk bonds in order to finance its takeover of Liberty Global. This had some commentators perhaps prematurely heralding a return to pre-crisis era, highly leveraged dealmaking.

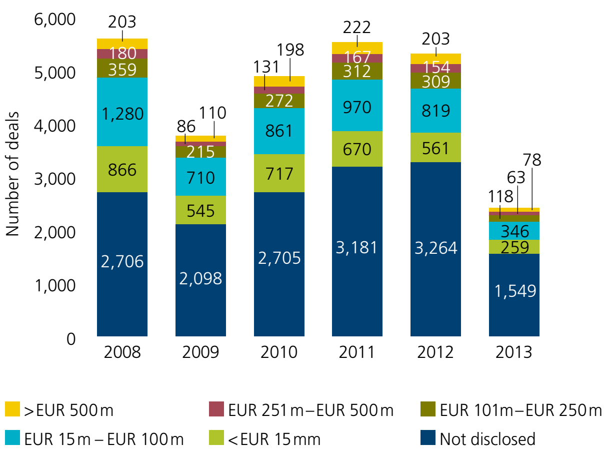
M&A trends



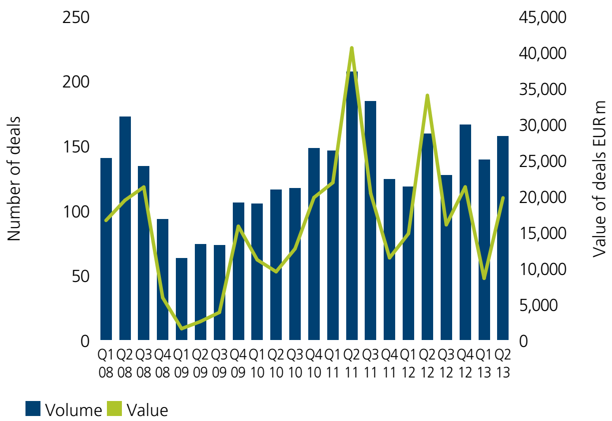
Buyout trends



Deal size splits



Exit trends



Source: Mergermarket

It is unclear how quickly the recovery in lending will progress. Corporate bond issuance in Q3 2013 has fallen to its lowest level since 2008, as a result of market nervousness over the US Federal Reserve's position on its asset purchasing programme.

European Breakdown

Benelux

Benelux proved to be consistently appealing to investors worldwide. M&A dropped by 16% year-on-year (YoY) in volume to 193 deals, but increased 17% YoY in value to EUR 17.8 bn.

Cross-border activity has been key to continued deal activity, especially at the upper end of the market. For instance, in one of the biggest European deals of 2013 to date, Austria-based personal care brand Joh. A. Benckiser acquired an 85% stake in the Netherlands-based D.E. Master Blenders, a home brew coffee company, for EUR 6.6 bn. The transaction sees Joh. A. Benckiser broadening its coffee portfolio, as it already owns Peets Coffee and Tea as well as Caribou Coffee.

Central and Eastern Europe (CEE)

M&A in the CEE has dipped slightly since 2012, with decreases of 15% in volume to 252 deals and 5% in value to EUR 30.1 bn. Unsurprisingly, energy, mining and utilities dealmaking accounted for the bulk of activity. Russia's oil and gas industry is one of the world's largest, driving activity in the region. Uniquely, many of the sector's deals involve private investors. These sales are often driven more by personal motives, and less by sound business strategy. For instance, in the CEE's second largest deal of H1 2013, oligarch Mikhail Prokhorov sold his 37.8% stake in gold mining business Polyus Gold International to two other private investors for EUR 2.7 bn. The sale marks the end of an era for Prokhorov, an investor-turned-politician who ran for the Russian presidency last year and now leads a small liberal political party in the country.

Financial buyers drove significant large-cap activity inside and outside of the financial services sector. Many of these deals have involved private equity buyers, or other financial institutions making private equity-style investments, in which they take over businesses with a view to increasing their profitability. In the biggest deal of H1 2013, Sweden-based telecommunications group Tele2 sold its Russian operations to VTB Bank for EUR 2.8 bn. VTB Bank now plans to transform Tele2 Russia and sell it on within the next few years.

France

The M&A climate in France has rebounded steadily after a serious knock in 2012 – a result of regulatory changes at the hand of Francois Hollande's government and the turbulent aftermath of the sovereign debt crisis. In H1 2013, M&A rose 2% YoY by volume to 313 deals, and 53% YoY by value to EUR 14.6 bn. These dealmaking gains stand in stark relief to the YoY drop-off in M&A activity seen in most European regions.

Interestingly, it was not a lone, blockbuster transaction that caused the spike in H1 2013 deal value. Instead, it was a series of deals valued between EUR 500 m and EUR 2.5 bn, pointing to a more holistic recovery in large-cap M&A. Behind these deals were several key drivers. Deleveraging was a main one, with nearly all of the biggest deals having a seller. The French Government acted as the seller in two major transactions in 2013 to date. For instance, the French Government, along with sovereign wealth fund Fonds Stratégique d'Investissement, sold a minority stake in Aeroport de Paris SA to Vinci SA and Crédit Agricole Assurances for EUR 738 m, with the funds being used to pay down debt.

Private equity buyers have also been responsible for driving large-cap M&A. In one of the biggest deals of 2013 so far, BC Partners bought out Allflex, France's animal tagging firm, from a consortium led by Electa Partners.

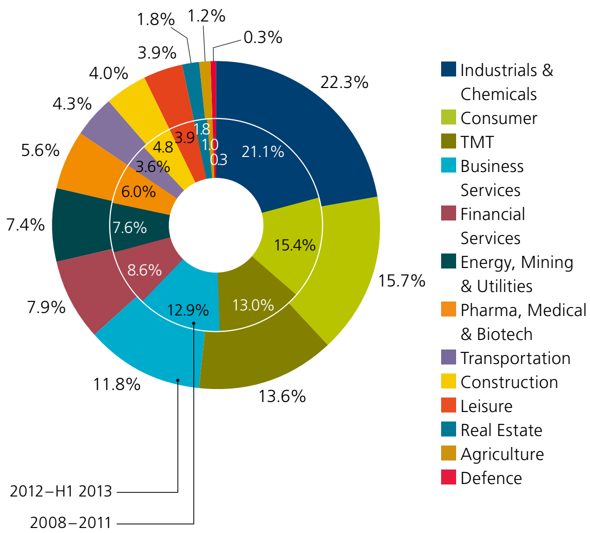
German-speaking countries

Activity in the German-speaking countries was noticeably muted in H1 2013. Compared to H1 2012, deal volume dropped 9% to 426 deals, and value declined 49% to EUR 38.3 bn. However, this steep drop-off partly reflected the base effect from a record 2012 when businesses in German-speaking countries were targets in some of the biggest global deals, including Glencore and Xstrata's EUR 36.6 bn merger.

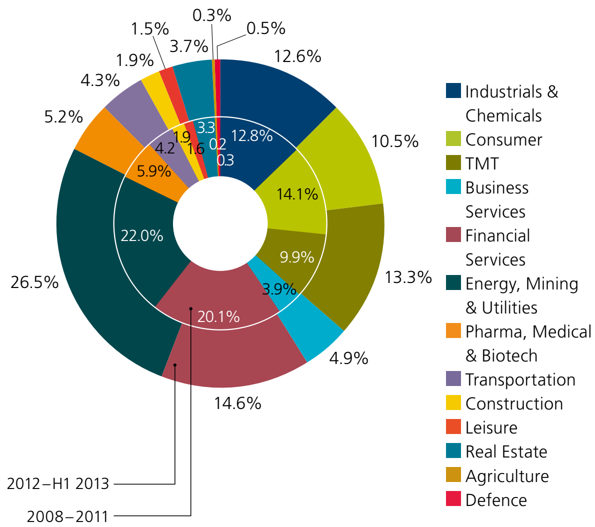
While German manufacturing companies and Swiss mining corporations dominated headlines in 2012, TMT took centre stage in 2013. The two biggest deals in German-speaking countries of 2013 so far – Vodafone's announced EUR 10.4 bn purchase of Kabel Deutschland and BC Partners' EUR 3.3 bn planned buyout of Springer Science + Business Media Deutschland – have taken place in the sector. In the former instance, UK-based Vodafone is looking to move into the "multi-play" arena, in which a single service provider offers customers digital TV and broadband, along with mobile and fixed mobile services. The deal will also significantly enhance Vodafone's German operations.

More than ever, interest from foreign bidders has dominated the German M&A narrative. Six out of the ten biggest deals of H1 2013 had foreign bidders, all based in North America or Western Europe. Germany's assets are considered to be safe bets by foreign acquirers, a trend particularly evident in the Public Sector Pension Investment Board of Canada's EUR 1.5 bn takeover of Hochtief's airports division. Pension funds are increasingly targeting airport investments, which fit well with their long investment timelines.

M&A volume split by target sector

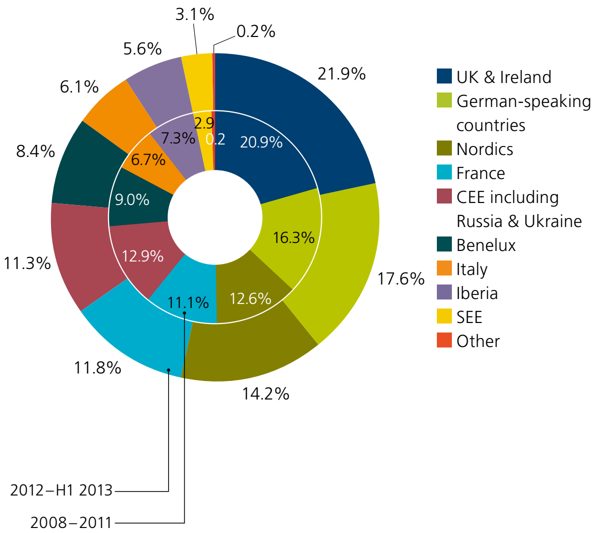


M&A value split by target sector

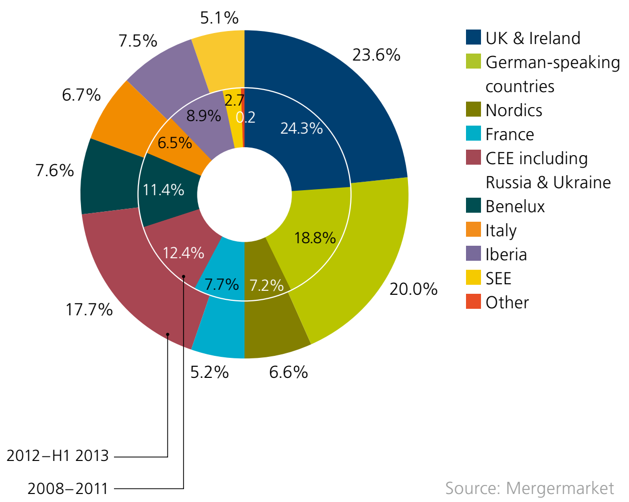


Source: Mergermarket

M&A volume split by target geography



M&A value split by target geography



Source: Mergermarket

Italy

Unlike France, dealmaking in Italy has struggled to regain traction. M&A is down YoY by 7% in volume and 37% in value to 145 deals and EUR 11.8 bn respectively. Aside from a handful of outlier transactions, most Italian M&A was small to mid-cap. There were no Italian deals valued between EUR 400m and EUR 1 bn, and only four deals over EUR 1 bn. With banks especially reluctant to lend, the restrictive financing climate has stymied dealmaking in the middle of the market.

In 2013, there has been a significant shift in large-cap dealmaking away from traditional hubs for big-ticket deals such as the industrials and chemicals, consumer, financial services and energy sectors. Instead, among the four deals valued at over EUR 1 bn, nearly all are linked to infrastructure, including real estate, transportation and construction deals. These segments have been heavy-hit by the recession, and are therefore looking to consolidate to achieve cost savings.
In one such instance, privately held heavy construction firm Salini Costruttori acquired a controlling stake in Impregilo, for EUR 3.1 bn. When it completes, the deal will enable Salini to free up cash to pay down debt.

Optimistically, the government has recently freed up billions of euros for infrastructure spending to improve roads and transport links, and firms in related industries may also be coming together in preparation for this increased activity.

Nordics

In the Nordics, M&A posted lacklustre figures in the first half of 2013, dropping 4% YoY by volume to 344 deals and 41% YoY by value to EUR 11.9 bn. In 2013 to date, there has only been one deal over EUR 1 bn – Sweden-based investment firm Hakon Invest's EUR 2.3 bn acquisition of the remaining 60% stake in ICA, a Swedish supermarket chain. The seller, Ahold, put ICA up for sale over concerns of protracted economic instability throughout Europe.

In contrast, in H1 2012, there were five deals over EUR 1 bn. The decline is partly rooted in a decrease in cross-border activity. In H1 2012, seven out of the top ten deals had an overseas acquirer, but in 2013, only one deal among the top ten had a foreign bidder.

South Eastern Europe (SEE)

The SEE countries continue to capture headlines due to the unstable political situation in several of its constituent countries, as well as high levels of public and private debt. But in H1 2013, M&A in the region fared well. Volume increased YoY by 4% to 83 deals, while value rose by 123% to total EUR 15.3 bn.

Much of this boost in value is linked to the sovereign debt crisis. For example, in the region's biggest deal of the year, Eurobank Ergasias – one of Greece's four biggest banks – failed to raise enough funds from the private sector to recapitalise and a controlling stake was therefore sold to the state for EUR 5.8 bn.

But the region is also seeing healthier signs of deal flow. Turkish energy, mining and utility businesses are booming and the Turkish government has sold a number of utilities and energy providers in order to bring its energy policies in line with those of the EU. In the biggest of these deals the government sold electricity distributor Toroslar Elektrik Dagitim to locally-based EnerjiSA Power Generation Company for EUR 1.3 bn.

UK & Ireland

Taking a more granular look, the UK and Ireland have posted languid dealmaking figures throughout 2013 so far. In H1 2013, deal volume dropped 18% YoY to 519 deals, and deal value declined 26% YoY to EUR 56.8 bn.

But the region is still the most active European M&A hub, accounting for 22% of transactions by volume and 24% of deals by value. Further, many of Europe's biggest deals this year have had UK or Ireland-based targets.

Excluding the UK Treasury's bailouts of RBS, 2013 witnessed the largest deal with a UK-based target for the past five years; the US-based telecommunications and television company Liberty Global's EUR 18.5 bn planned purchase of Virgin Media, the UK's entertainment and communications services provider. The deal will launch Liberty Global into a market-leading position and was the first in a series of blockbuster telecommunications transactions this year, indicating activity in the sector may continue to be strong.

Ireland too saw a handful of transformative, confidence-inspiring transactions. In May, Actavis announced plans to purchase pharmaceuticals firm Warner Chilcott. Actavis will re-incorporate in Ireland to take advantage of its low corporate tax rate, and will benefit from the areas that Warner Chilcott specialises in, including gastroenterology and dermatology.

Deal Terms in the Current M&A Climate

Helen Rodwell, Partner

M&A practitioners across Europe – whether lawyers, private equity investors or strategic investors – are having to accommodate some new preferences in order to successfully market assets to the current pool of buyers:

Buyers, and the financing banks supporting them, are increasingly risk sensitive. Any troubling due diligence findings prior to signing a transaction can quickly kill a deal. Risks that would have been priced and then swallowed in the pre-crisis market, are now often deemed to be untenable for buyers and absolutely need to be remedied if the deal is to go ahead.

— Potential buyers require a greater depth of understanding of the target business before signing up. The level and extent of information required to be disclosed as part of pre-signing due diligence is more extensive than before and unanswered questions or undisclosed documents can stall or undermine the success of a signing.

— The buyer process, specifically internal decision making and corporate approval, is more time consuming than before.

— The profile of buyers in Europe has changed. Strategic investors with strong balance sheets are active in the mid-market, particularly with bolt on acquisitions. New investor groups from Asia have arisen – particularly Chinese and Korean. As the findings reveal, Asia-Pacific based companies are aiming to expand internationally and are increasingly turning to Europe. Asia-Pacific will become an ever more significant player, generating increased levels of M&A throughout the region. Russian and US investors are also more prevalent now then they have been over the last three years, particularly in Western Europe. In Central Europe, there has been a retreat by foreign investors from certain markets due to the general market conditions as well as the sluggishness of regulatory and other legal reforms and consequential compliance risks. Central European buyers are now more often than not local buyers.

Sellers, who have become increasingly aware of the profile of the new buyer pool and its behaviours, are reacting accordingly:

— Timelines for auction processes tend to be more generous, particularly for the due diligence phase and buy-side approvals.

— As buy-side due diligence tends to be more extensive, it is not uncommon for the full contents of the data room (with some legal exceptions) to be deemed disclosable, in parallel with a specific disclosure letter.

— Vendor due diligence is typically followed by a period in which findings of non-compliance or imperfection are remedied by the target, thereby reducing the number of possible buy-side findings and concerns from due diligence. Both parties work towards due diligence issues being eradicated prior to signing, and the risk of not closing is therefore minimised.

— Warranty and indemnity insurance is an increasingly common tool used by sellers to increase the level of warranty cover offered to buyers. It is not uncommon for sellers in auction processes to offer an insurance policy as part of the warranty package. In these instances, the benefit of the insurance is for the buyer and the premium is paid by the seller.

— Sellers are alive to cultural differences in negotiating and contracting with non-European investors. The standard contracting terms in the US differ, at least in part, to what is standard in the European market. This will often be reflected in a US buyer's mark-up of transaction documents (for example, more use of MAC clauses, earn outs and purchase price adjustments based on working capital criteria). Chinese investors often require regulatory approvals at home which can be time consuming and create some uncertainty around closing. Russian investors are commercially focused and more often leave the contractual details to the lawyers.

The new modus operandi in the pre-signing phase has tended to result in the return of a level playing field with regards to the negotiation of contracting terms. Having dealt with any identified risks pre-signing – either by walking away from the deal or remedying the issue – parties are contracting on a more equal footing. After the peak in "buyer-friendly" market conditions in 2007/2008, contracting terms have largely returned to the pre-crisis norms – particularly in terms of the limitation of liability of sellers and the use of earn out clauses. The locked box, favoured by financial investors, continues to be an attractive alternative to a purchase price adjustment and is gaining popularity with strategic investors.

The moral of this story is that, more than ever, sellers will need to plan well and prepare fully for any asset disposal. For owner investors, vendor due diligence can be invaluable in ensuring that an asset is presented to the market at its best. One of the main obstacles to M&A going forward identified by the statistics is the discrepancy between buyers' and sellers' price expectations. As a seller, if you want to ask for, and receive, the premium, the valuation must be backed up by quality and highly detailed information which will allow the buyer to justify the price you expect. A remedial approach to any existing issues of non-compliance or imperfection pre-sale will be appreciated by the buyer pool and a generous pre-signing timeline will help to manage sell-side expectations.

Q&A: Conversations with Dealmakers

Gareth Evans, Head of European Equity Strategy, Deutsche Bank

Chris Farrell, Senior Vice President of Strategy, M&A and Investor Relations, Delhaize

John Hammond, Partner, International Corporate Group, CMS

Mark Warham, Vice Chairman of Investment Banking and Co-Head of M&A in Europe, Barclays

Mergermarket sits down with experts from the world of M&A and finance to ask how they view the current dealmaking and financing climate in Europe, and what their outlook is for the year ahead.

Mergermarket (MM): What is your sense of European corporates' current appetite for M&A?

Mark Warham: After three to four years of flat activity, companies seem to be more willing to contemplate looking at more sizeable transactions. The conditions to allow M&A have been present for some time, with stability in the markets, predictability in trading, fair-value pricing on assets, and the eurozone crisis having receded more into the background for now. In our view, this period of stable and constant improvement can only help to set M&A activity back to a more positive trajectory.

John Hammond: Cash is available for deals, and there is increasing enthusiasm surrounding equities. Valuation gaps between buyers and sellers seem to be better aligned than they have been over the past few years. There is some activity, but the key element that has been missing for a stronger market has been a renewal in confidence.

Chris Farrell: We are still seeing fear and anxiety over the future. Corporates are hesitant to spend capital today when the outlook is still somewhat shaky. There is an inherent conservatism in the market that is resulting in an attitude of discipline and concentrating on the familiar, rather than taking on risk – whether perceived or actual.

MM: Where are dealmakers finding growth?

Gareth Evans: It will be interesting to see where corporates move in the near term. Along with increased concern over investing in emerging markets, some European economies are becoming more competitive. This includes Spain, where labour costs are decreasing. I am sure that companies will continue to invest overseas, but it seems that an increasing proportion of their investments will be domestic.

Chris Farrell: As recently as six months ago, dealmakers were turning to emerging markets to generate returns. But due to slowing rates of growth in major developing economies such as China and India, along with increased political instability in several others, I see dealmakers concentrating more on their home markets and making the most of what they already have.

John Hammond: Although M&A in the TMT sector has been grabbing headlines due to the sheer size and scope of a few transformative acquisitions, there has been more holistic activity in other sectors, such as industrials. Another positive change has been that strategic buyers are now better placed to match private equity on prices.

MM: What is the current lending climate like?

Gareth Evans: The outlook for the lending climate is increasingly positive. Banks have undertaken considerable deleveraging which is opening the way for a stabilisation in lending conditions. There are indications that Europe has already hit the bottom of the current credit cycle. For instance, domestic demand is strengthening and there have been increases in purchasing managers' indices, even in hard-hit Southern Europe. In addition, credit-sensitive sectors such as the automotive industry are seeing growth. This year we have already seen the inflection point for economic growth in the eurozone as a whole, and we predict further improvement.

John Hammond: Although acquisition finance is available to the right companies with the right deals, many deals are being financed with cash, particularly where the buyer is from a BRIC country. Banks may be more willing to lend, but this seems to be for organic growth stories, as opposed to M&A stories.

Chris Farrell: In my experience, if dealmakers find acquisitions that make business sense, they will be able to find funding. My perception is that good deals can be financed, and a dearth of bank lending is not the primary issue.

Mark Warham: We've said for a while that capital isn't a constraint for doing deals with banks willing and able to lend to provide capital to companies. Due to the current environment of low interest rates, debt financing is clearly preferable to equity. A typical structure on deals is to secure bridge financing from a small number of banks, before bringing that debt to a wider institutional market. There is continued appetite for that type of structure in the US and increasingly in Europe.

MM: What is your sense of private equity activity at the moment?

John Hammond: Good assets will continue to attract attention from private equity, and auction processes are still healthy. However, strategic buyers are better placed following the crisis to match private equity prices. In terms of the regions that private equity firms are targeting, we are seeing increased activity in CEE, where there are healthy targets at reasonable prices. This is especially true in economies where risks are lower, such as Poland, the Czech Republic, and the Baltic states.

Mark Warham: Over the past few years, private equity investors have lacked opportunities rather than appetite. There has been a lack of quality targets where buyer and seller can agree on price. While private equity firms are working through a long list of disposals, they are also looking for potential ways to put their money to work.

MM: What are the key downside risks of improvements in the lending climate, or the M&A climate generally?

Gareth Evans: Increased banking regulation has had a deleterious effect on the broader economic climate, and is one of the main reasons behind the downturn in Europe.

Chris Farrell: The persistence of valuation gaps between buyers and sellers is a major hindrance on dealmaking going forward. Sometimes, sellers misunderstand what their businesses are worth, and rely on pre-crisis valuations.

Mark Warham: Certainly, the massive dislocation in the market that we've seen in the past will give boards pause for thought. However, any resurgent step back towards growth doesn't mean that they will forget that. Macro factors are always going to come into play. In a more micro sense, companies will take a view on their position in their market and that of their competitors.

MM: What is the outlook for M&A in the near term?

John Hammond: We get the sense that confidence is returning after a period absent of crises and of incremental economic growth. Is this going to drive a return to pre-crisis M&A levels of activity? Unlikely any time soon but with confidence firming up and stronger fundamentals, we expect to see an uptick in M&A over the next year.

Gareth Evans: The latest lending survey from the European Central Bank shows a pickup in demand for credit for both working capital and investment. That suggests that the capex cycle is beginning to turn around in Europe. On top of that, the large listed companies that we look at have a lot of cash. If corporates continue to see economic stability, as we expect, we think this will give rise to stronger M&A.

Mark Warham: Already there is a feeling that more M&A activity might be starting to happen. The large transactions we have seen could have somewhat of a flywheel effect in helping to stimulate other deals as competitors re-evaluate the market in the wake of these deals. More generally, it seems that the solid funding climate and the broader political and economic factors might make any long-awaited increase in M&A more likely.


100
120
140
160
180
200
SE
E
S
NE
SW
N

Methodology

In the third quarter of 2013, Mergermarket interviewed 225 Europe-based corporate executives about their experiences in the continent's M&A and economic climate, along with their expectations for the future. All responses are anonymous and results are presented in aggregate.

The data has been divided for comparative purposes into six European regions. The countries included in each of these regions are as follows:

— Benelux: Belgium, Netherlands

— CEE including Russia & Ukraine: Czech Republic, Hungary, Poland, Russia, Slovenia, Ukraine

— German-speaking countries: Austria, Germany, Switzerland

— Iberia: Portugal, Spain

— Nordics: Denmark, Finland, Norway, Sweden

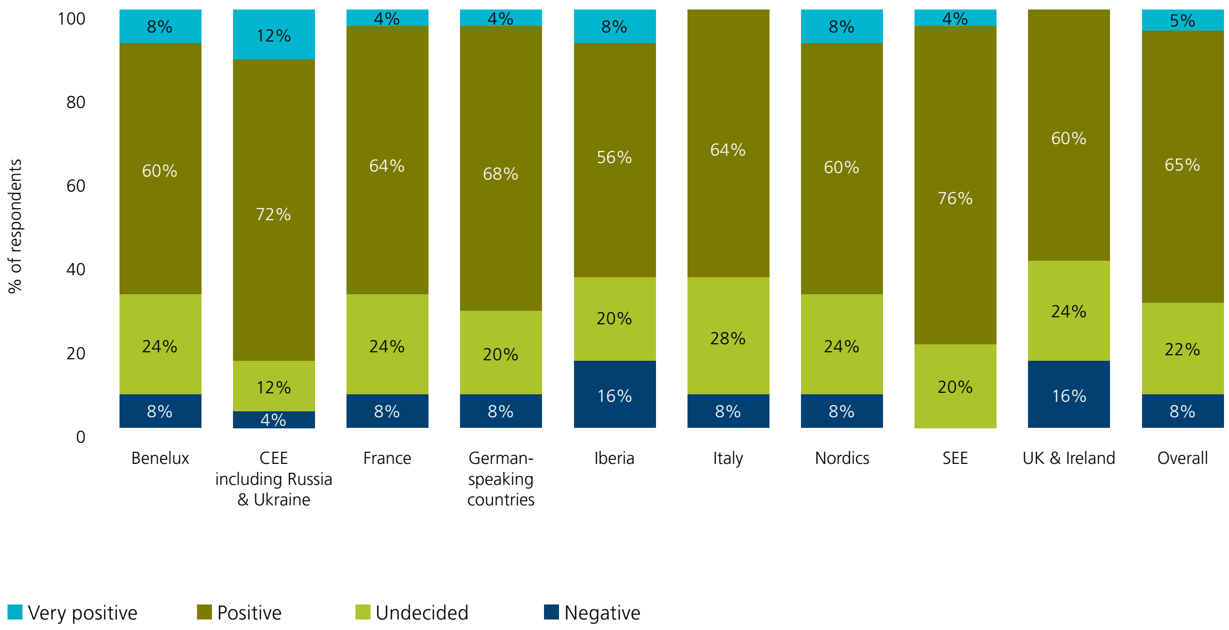
— SEE: Bulgaria, Greece, Turkey

France, Italy, UK & Ireland are presented as individual categories.

Market Research

General Outlook

How positive do you feel about the prospects for economic growth in the European region over the next 12 months?

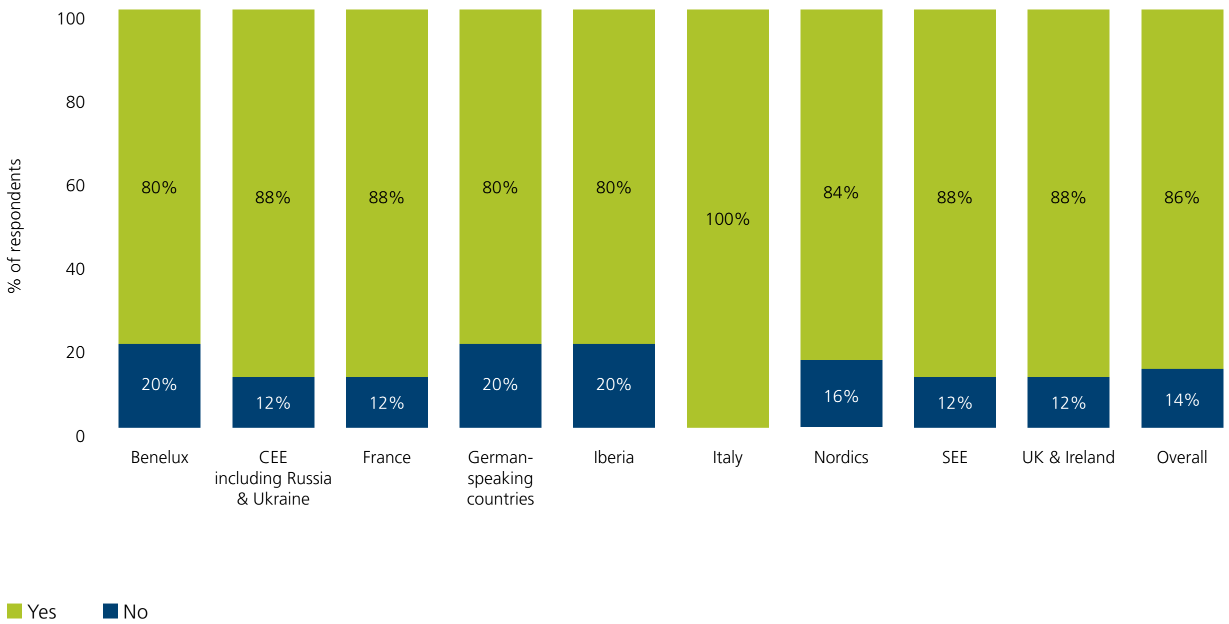


To date in 2013, the eurozone has contracted, with unemployment and public and private debt still sky high across a number of eurozone countries. Given this backdrop, it is heartening that a sizeable 64% of those surveyed feel optimistic about the prospects of economic growth across Europe over the next year. But there remains an air of caution, with only 5% very positive about the prospects for growth. Many respondents indicate that they believe Europe will see growth, but only because the economic climate cannot get much worse. One respondent articulates this tepid optimism: "Europe's economy has bottomed out and will henceforth start growing. But the prospects are not very positive because European countries still hold dangerous levels of debt, which could at any time cause the economy to turn again."

A slim 8% expressed negative views about growth prospects for the next year. Several respondents highlight the range of problems still confronting Europe. An Iberia-based Director of M&A, Structured Finance & Strategy elaborates: "The Manufacturing Purchasing Managers' Index and industrial new orders data point to stagnation or renewed falls in industrial output ahead. Even assuming that industrial recovery gathers pace, any gains will likely be offset by continued weakness in the service sector due to increases in unemployment and weak retail sales."

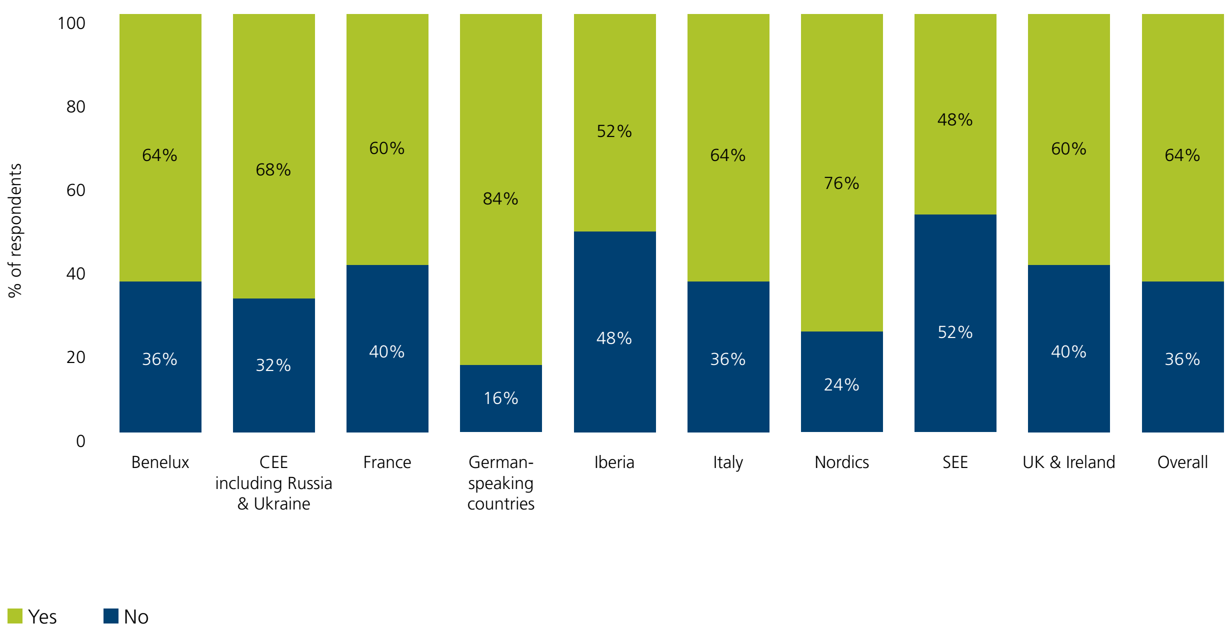
Regional variations are relatively minimal. The developing economies of the CEE are the most bullish, with 84% of those surveyed positive or very positive about growth prospects. Respondents from the beleaguered economies of Iberia are the most pessimistic, with 16% expressing a negative outlook about European growth over the next year.

Do you think there needs to be greater co-ordinated government efforts to promote economic growth in place of austerity?



The overwhelming majority (86%) of respondents believe that there needs to be more coordinated government effort to promote economic growth. Although the lion's share of respondents are in agreement about the need for a move to pro-growth policies, there are some subtle divergences when examining the regional breakdown. These differences generally fall along north/south lines. For instance, all Italian interviewees believe that more should be done to promote growth over austerity. In contrast, 80% of respondents from Benelux and German-speaking countries believe that there needs to be greater coordinated efforts toward growth.

Do you think the European Central Bank is doing enough to provide liquidity and support growth?

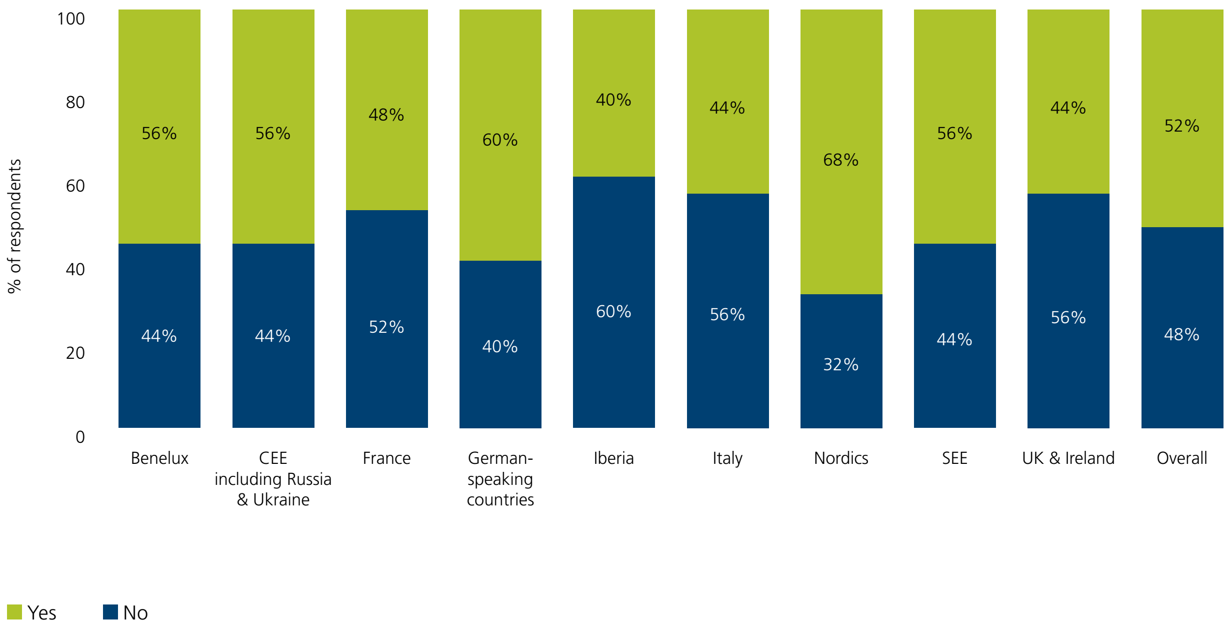


Respondents are somewhat divided over whether the European Central Bank (ECB) is doing enough to provide liquidity and support growth, with 64% agreeing with this sentiment and 36% disagreeing. A regional breakdown demonstrates that answers vary based on the health of the respondents' home market. Those from Southern Europe are more apt to think that the ECB has not done enough to provide liquidity and support growth, while those from healthier Northern European countries are more likely to believe the ECB is on the right track. For instance, 48% of Italians believe that the ECB could do more. In contrast, a low 16% of respondents in German-speaking countries believe that the ECB has not done enough.

Among those who believe that the ECB is doing enough, several interviewees note that the ECB has kept interest rates low and has regulated the bond market well. Those who disagree comment that access to financing has not improved equally throughout Europe, as political motivations have resulted in EU policies being implemented to varying degrees across the continent.

> The ECB has supported the crisis in the best way possible: by providing liquidity at the right time to the firms that needed it the most.
>
> *German-speaking country based Chief Investment Officer*

Do you think the worst of the European sovereign debt crisis is now over?



Overall, those surveyed are almost evenly divided over whether the worst of the sovereign debt crisis has subsided, with 52% agreeing and 48% disagreeing.

Among those who believe that the worst has passed, there is a sense that some national and regional policies have been effective. While many respondents highlight the problems that Europe has faced, they also point to the measures taken to stem the worst of the debt issues in some of the eurozone's more peripheral economies.

"Europe saved itself from the peak of the debt crisis. Now, we need to ensure that there is not another such crisis. Apart from a handful of vulnerable countries, no other European economy has emerged with debt issues," according to a Nordics-based executive.

Many of those who think that the worst is not yet over cite persistently weak macroeconomic fundamentals and the hobbling effects of austerity measures. A UK-based Chief Financial Officer elaborates: "Not only are many European countries hugely in debt, but they are also under pressure to reduce spending and increase austerity measures to continue to receive funds from ECB."

> Although markets are calmer, Europe is still mired in economic stagnation and deep austerity. There is possibility of fallout, making the European recovery slow and increasing uncertainty.
>
> *German-speaking country based Chief Financial Officer*

Please rate the following in terms of their threat level to European businesses over the next 12 months (scale of 1–6, where 6 = very significant threat)

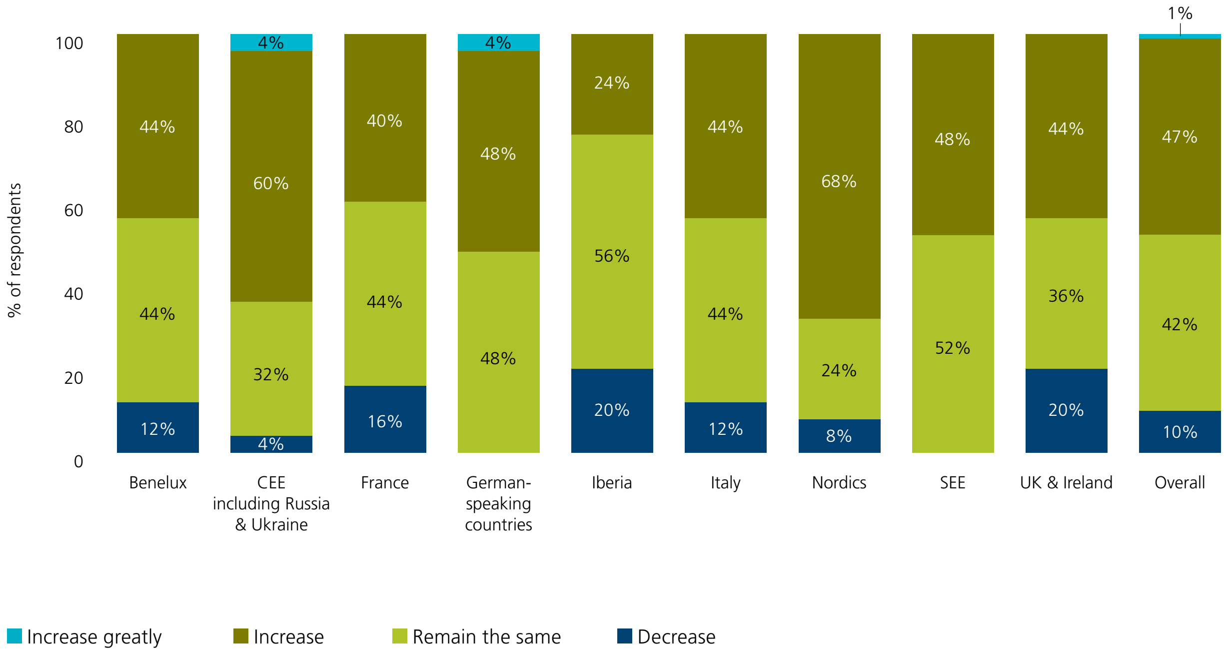
	Sovereign debt crisis	Weak domestic demand	Tight credit conditions/ lack of liquidity	Currency fluctuations
UK & Ireland	4.72	4.48	4.60	3.76
Italy	4.56	4.20	4.56	4.16
France	4.60	4.20	4.16	4.16
German-speaking countries	4.40	4.12	3.76	3.76
Iberia	4.12	4.12	3.76	3.72
Benelux	4.28	4.00	4.16	4.16
CEE including Russia & Ukraine	4.04	3.88	3.76	4.08
Nordics	4.12	3.80	3.96	3.84
SEE	3.72	3.28	3.28	3.84
Overall	4.28	4.01	4.00	3.94

Significant >4.8 ≤4.7 ≤4.6 ≤4.5 ≤4.4 ≤4.3 ≤4.2 ≤4.1 ≤4.0 ≤3.95 **Minor**

According to respondents, the sovereign debt crisis is the biggest threat to European business, with an average score of 4.28 on a scale from 1 to 6. Curiously, the UK and Ireland are the most concerned about the impact of the sovereign debt crisis with an average score of 4.72. Although Ireland was heavy-hit by the downturn and had its banks bailed out, it is now widely regarded as a success story. The UK, meanwhile, is not in the Euro and is therefore somewhat less susceptible to any systemic shocks that the eurozone may still yet experience. One UK-based respondent describes his continued worry over the sovereign debt crisis: "European countries have time and again failed to address the problem of sovereign debt that has kept us in recession."

M&A Expectations

What do you expect to happen to the level of European M&A activity over the next 12 months?

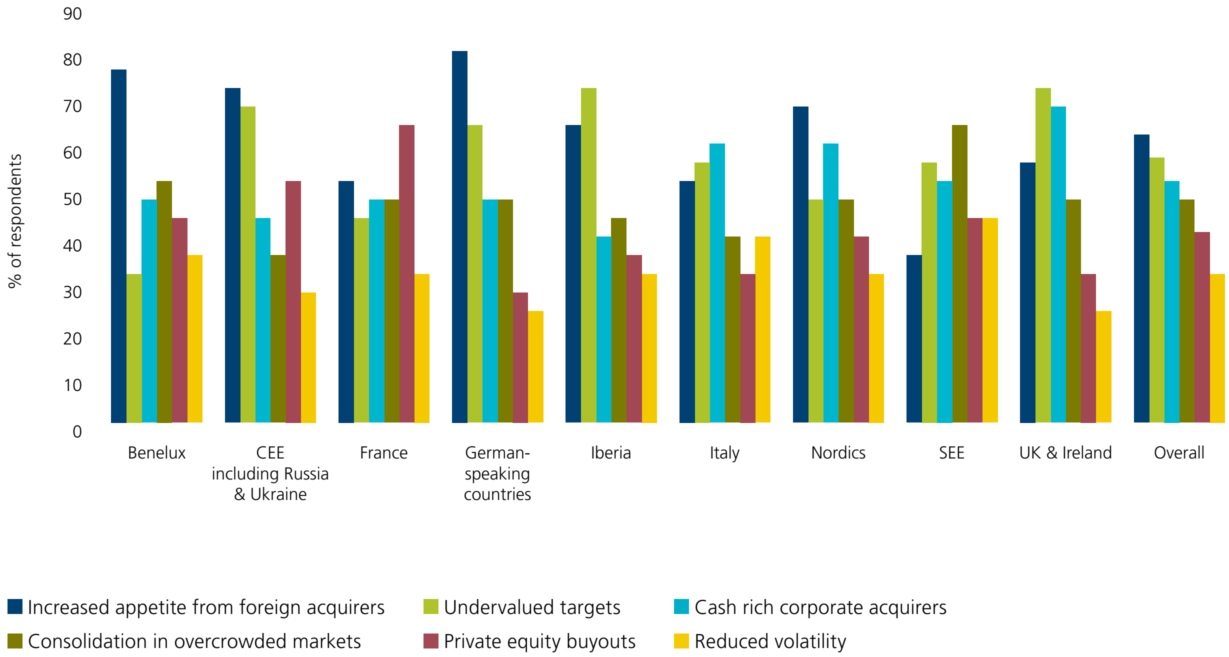


A heartening 48% of those surveyed believe that European M&A levels will increase, while only 10% expect it to decrease. The remaining 42% of interviewees anticipate that dealmaking figures will remain constant.

Those who foresee an uptick in M&A anticipate that improvements in the broader macroeconomic climate will underpin it. According to a Nordics-based executive: "Across Europe, both corporate players and private investors are going to invest more as the economy recovers over the next year. M&A activity will be driven by increasing confidence among corporates as in other respects circumstances are fairly benign for M&A."

> M&A activity is related to economic activity, and I think Europe will see economic growth. However, M&A activity will not be as significant as it was before the financial crisis, so the increase will be minimal as companies are not as aggressive as they were before the downturn.
>
> *CEE-based Chief Financial Officer*

What do you believe will be the greatest buy-side drivers of M&A activity in Europe over the next 12 months? (Select up to three)

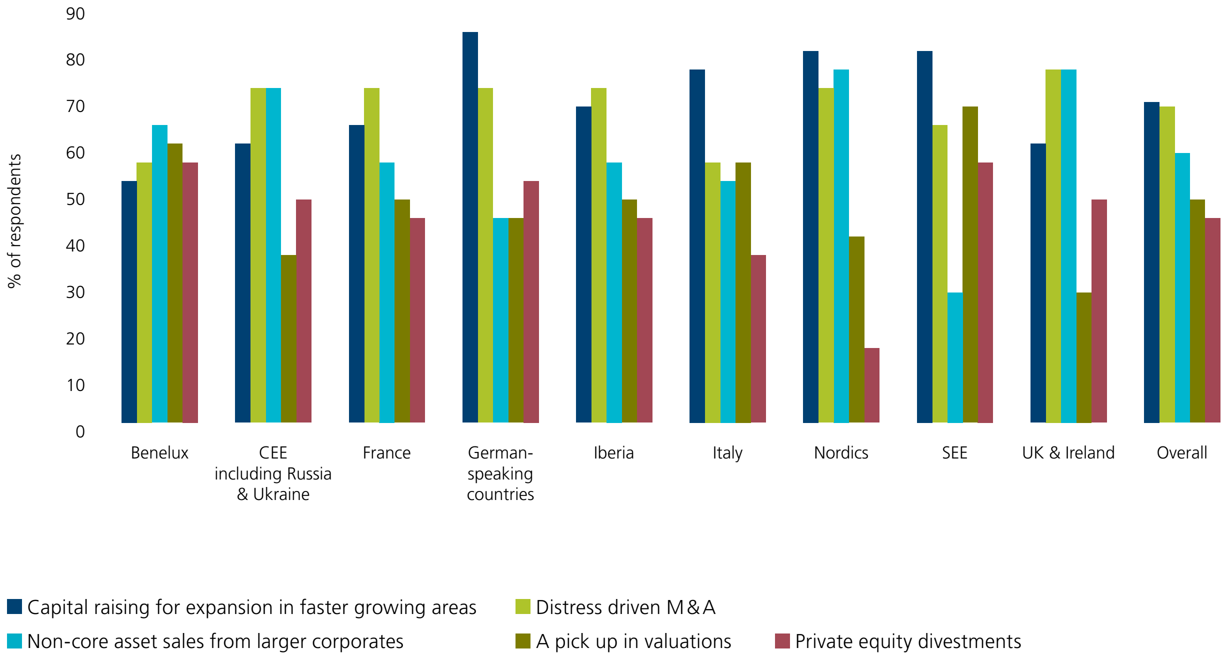


When considering the biggest buy-side drivers over the next 12 months, the majority of those surveyed (62%) believe that increased appetite from foreign acquirers will be one of the most important factors. Europe has seen a growing number of overseas acquirers, especially those from emerging markets. State-owned businesses and investment firms from East Asia and Gulf States have been increasingly important players in recent years.

Following this is the availability of undervalued targets and cash-rich corporates, with 57% and 52% respectively identifying these as among the biggest buy-side drivers. There has been much speculation about the cautious outlook that many corporates have adopted over the past few years, resulting in lower M&A figures. While some firms have been well-positioned to embark on M&A transactions, many have adopted a 'wait and see' attitude until the economic climate has improved. This has resulted in a stockpiling of cash. But interviewees indicate that Europe-based corporates may be looking to put this undeployed capital to work over the next year.

> There is now a favourable environment for cash-rich corporate acquirers that will expand through M&A. Volatility in Europe has decreased, bringing about very positive sentiments.
>
> *France-based Vice President*

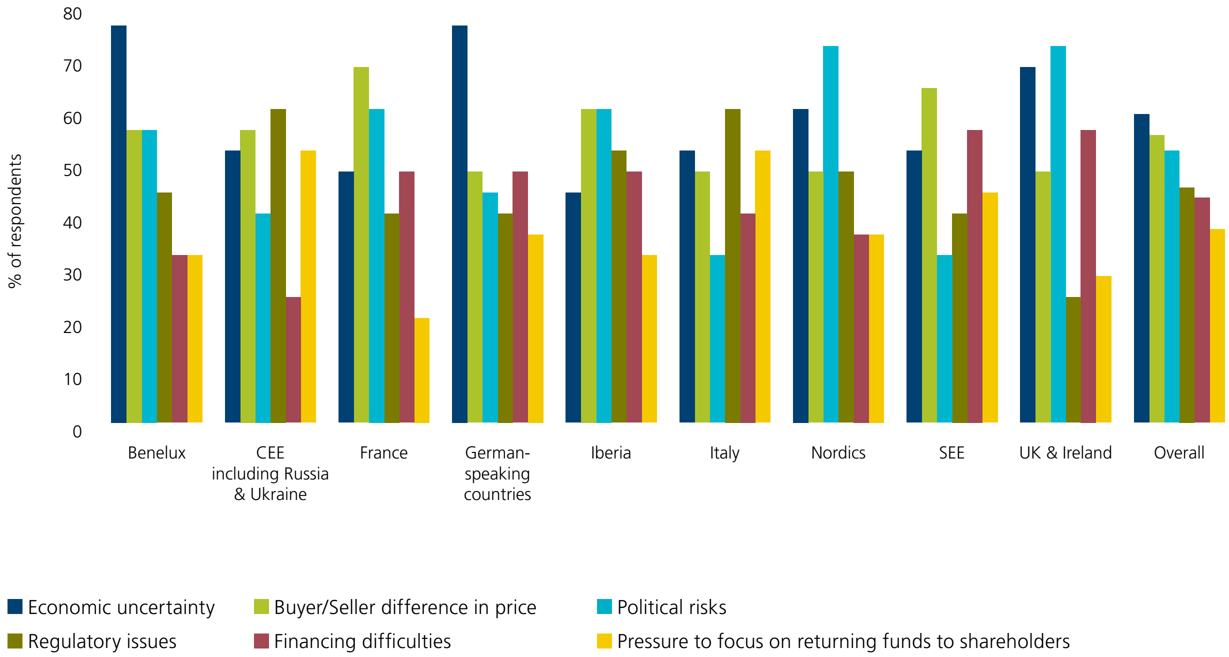
What do you believe will be the greatest sell-side drivers of M&A activity in Europe over the next 12 months? (Select up to three)



The largest share of respondents (69%) expects that businesses will be looking to sell in order to raise capital to expand into fast-growing markets over the next year.

Following closely behind is distress-driven M&A, with 68% of respondents pegging this factor as one of the greatest sell-side drivers over the coming 12 months. Distressed asset sales have been a fixture of the M&A landscape since the financial downturn. Five years on, European businesses continue to struggle under the weight of protracted economic contraction. According to a SEE-based CFO: "Assets in Europe are available at discounted prices, and are therefore being targeted. European companies do not have many options as they are not strong cash-wise, and as a result they are selling their assets cheaply to repay debts."

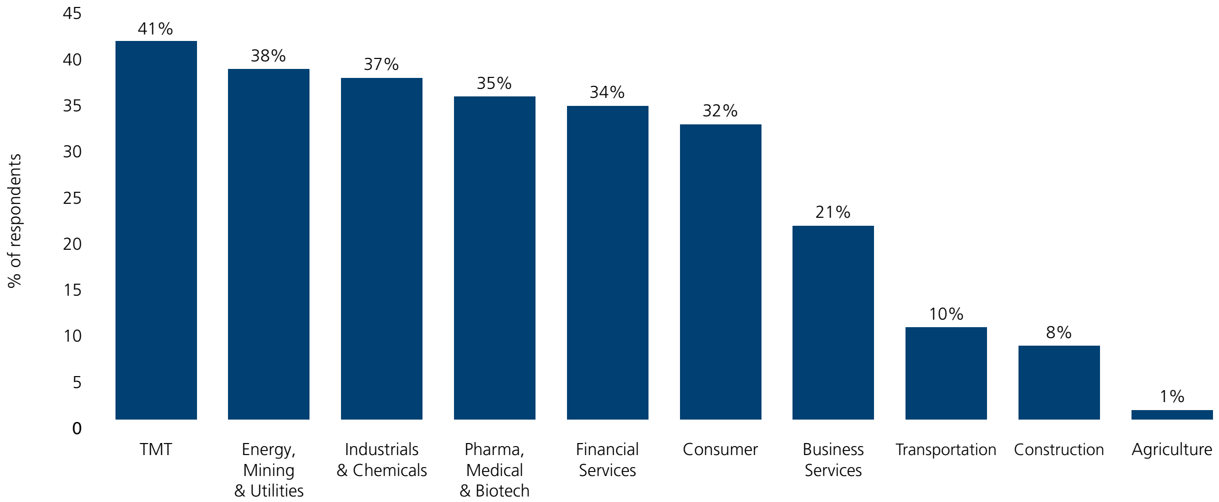
What do you believe will be the principal obstacle to M&A activity in Europe over the next 12 months? (Select up to three)



At 59%, the largest share of respondents believes that economic uncertainty will be a principal obstacle to dealmaking. While the economic outlook is showing signs of improvement with eurozone GDP expanding by 0.3% quarter on quarter in Q2, the economic recovery is still fragile.

Following this, the second largest share of respondents (55%) point to gaps between buyers' and sellers' value and price expectations as a primary hurdle to M&A going forward. In 2013 to date, many have speculated that mismatches between buyers' and sellers' price expectations have put a drag on M&A figures. Equity capital markets have picked up, with many sellers now expecting, and asking for, a premium based on stock prices. But many buyers have not been biting, due to fears the stock market rises are not sustainable.

Which sector(s) do you believe will witness the most M&A activity in Europe over the next 12 months?

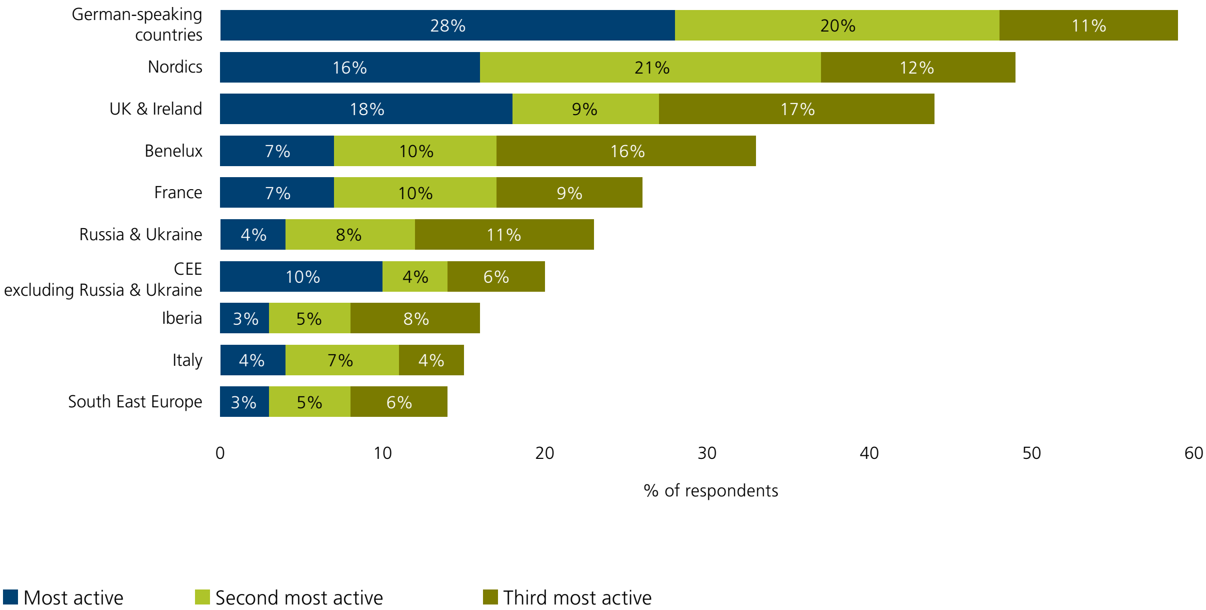


The largest proportion of the survey pool (41%) tips TMT to be the busiest sector over the coming year. Although, in announced terms, TMT remained the third largest sector by both volume and value in H1 2013, the sector has seen a spate of high value transactions, including Vodafone selling a 45% stake in Verizon Wireless to Verizon for EUR 94.1 bn. If the deal completes, it will be the second-largest of all time. But this is not a unique deal: of the top ten biggest deals of 2013 so far, seven have taken place within the TMT sector. According to respondents, this wave of large-cap consolidation looks set to continue.

The second largest share of respondents expects that energy will witness the most M&A over the next year. This finding is in line with historical announced figures, with energy being the highest-value sector in Europe. One Head of Finance based in the SEE explains: "There are only a handful of stable sectors in Europe, and energy is one of them."

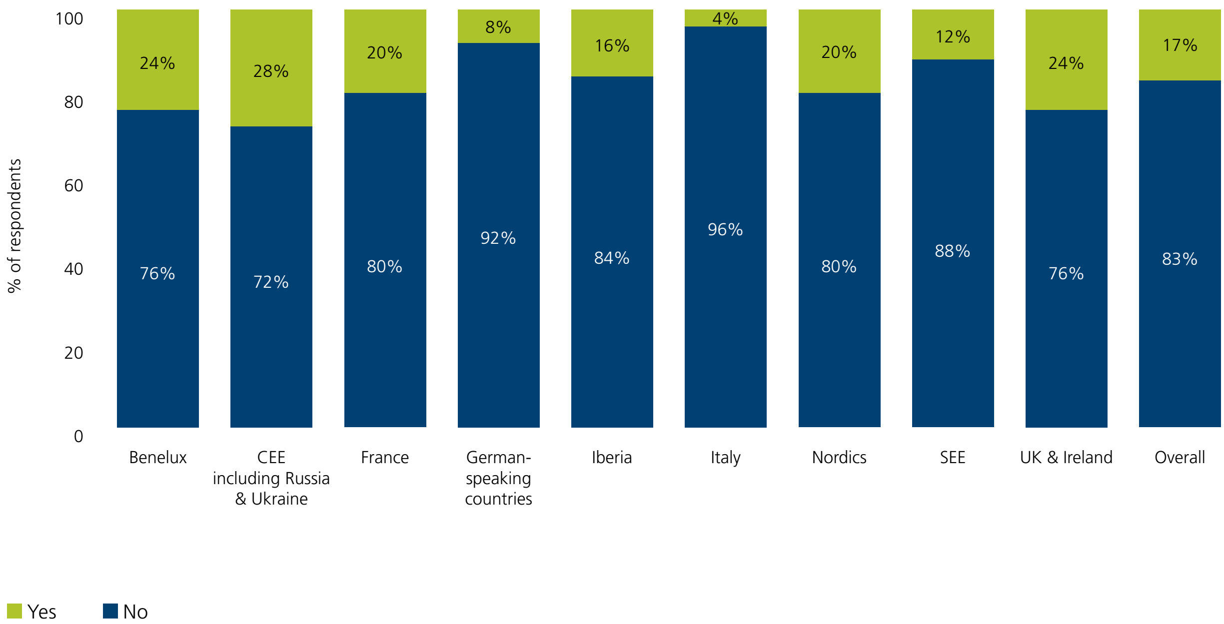
> The consumer sector has been quick to recover from the crisis. Demand is also surging, giving consumer businesses more confidence.
>
> *German-speaking country based Director of Strategy*

Which region/country do you believe will witness the most M&A activity in Europe over the next 12 months?



Respondents resoundingly agree that the mature markets of Northern Europe will be the most active for M&A over the next year, with nearly two in three respondents pointing to German-speaking countries as among the busiest, and 28% indicating that the region will be the single most active. Following this are Nordic countries, with 49% of the survey pool tipping them to be among the busiest, and the UK and Ireland, with 44% of respondents saying that the region will be amongst the busiest. A CEE-based Director of Finance explains: “Above average growth and better financing conditions in the German-speaking countries region will support a high level of M&A activity.”

Has your firm adapted its M&A strategy in response to the eurozone crisis?

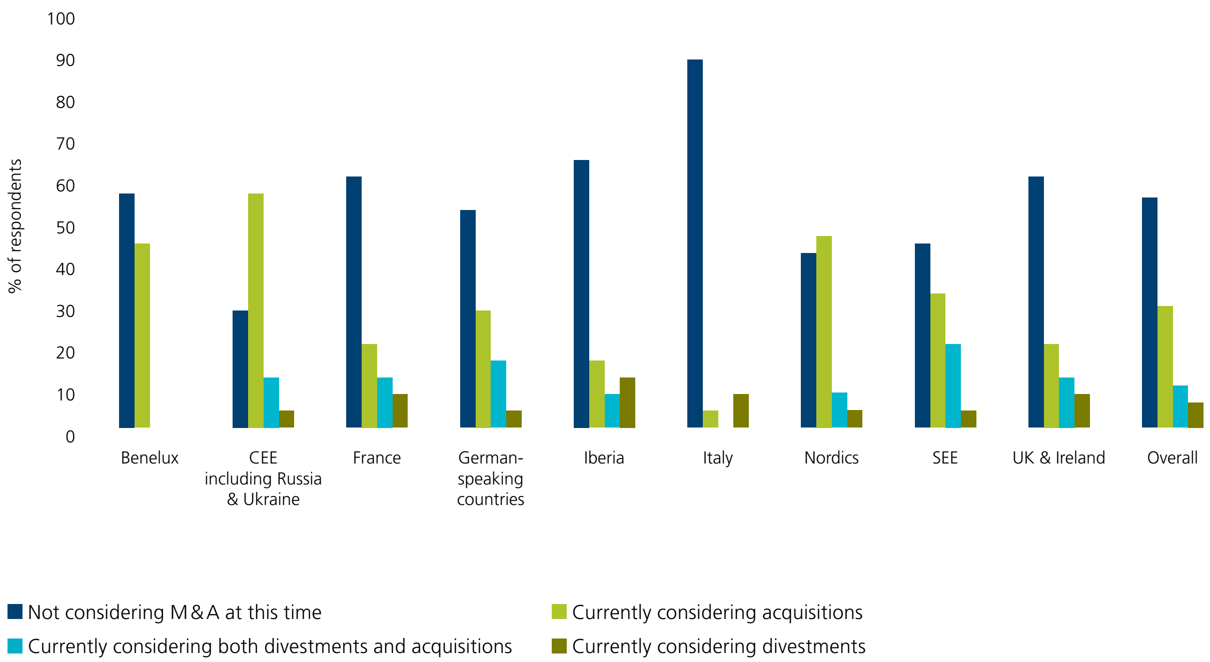


Only 17% of interviewees state that they have adapted their M&A strategy in response to the eurozone crisis. Several respondents indicated that they have realigned their strategy to help them best fortify themselves against the eurozone crisis. One UK and Ireland-based CFO elaborates on the importance of M&A during a downturn: “M&A is an all-round measure for addressing a range of issues in a crisis situation, it but has to be done cautiously.” Others mentioned expanding into emerging markets as a way of sustaining growth.

Among the 83% who answered in the negative, many said that transactions were unlikely to succeed in the current environment, and were therefore put on the backburner.

> Before the eurozone crisis, our strategy always was to target European corporates, but now we restrict M&A to targets outside of Europe.
>
> *Nordics-based Chief Financial Officer*

Where does M & A currently fit into your corporate strategy?

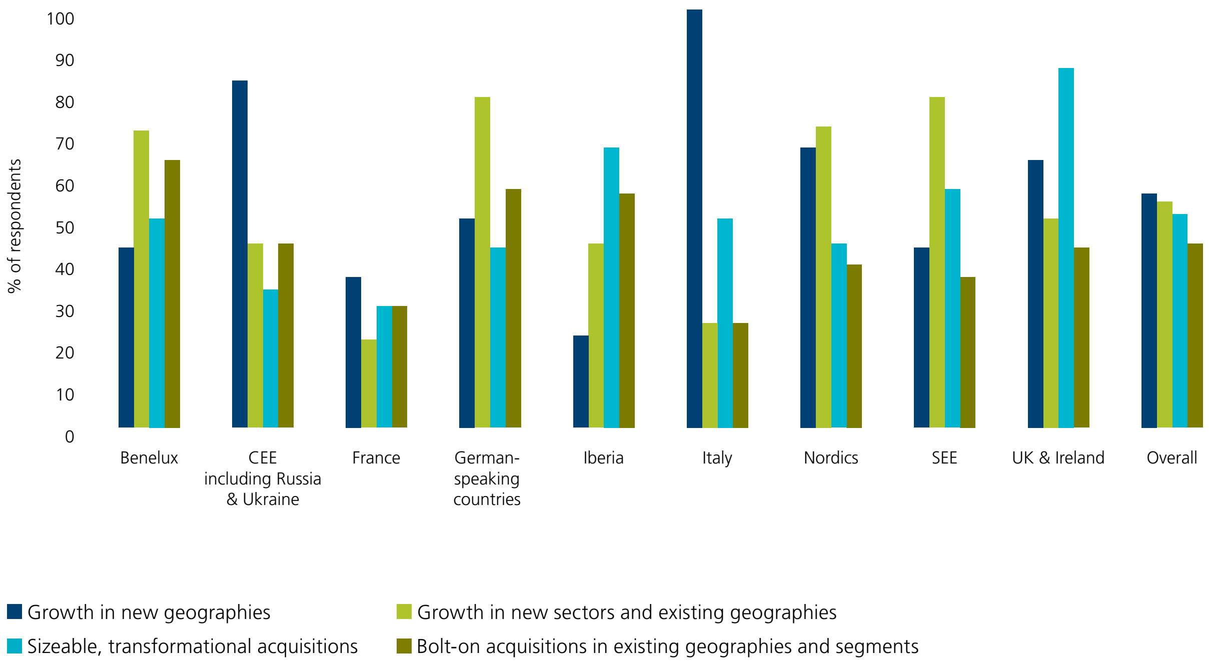


The majority (55%) of those surveyed are not considering M & A at this time. But a further 29% are currently considering acquisitions. Among those contemplating M&A, many describe a need to diversify their current holdings. For instance, one CEE-based Director of Strategy states that her firm is: "looking to get into new strategic and innovative segments."

It is interesting to note of the regional distribution of responses: only 28% of those from the CEE are not considering dealmaking currently, while 56% are considering acquisitions. In contrast, 88% of Italian respondents are not considering M&A, and a meagre 4% are currently considering acquisitions.

> As there is still uncertainty in the market, we are looking for deals with lower valuations as we want to increase our market share.
>
> *SEE-based Chief Financial Officer*

If you are considering acquisitions, what is the motivation for this? (Select up to three)

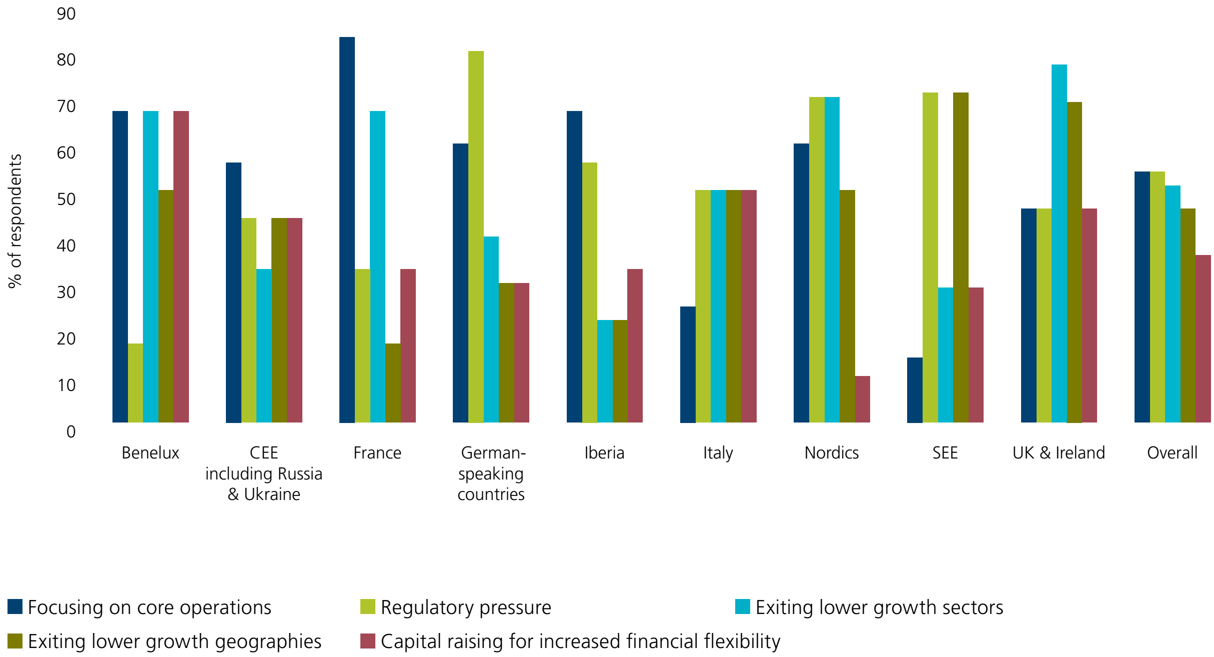


Among those respondents considering M&A, the largest share (51%) points to growth in new sectors and existing geographies as a major driver. Interviewees from Northern Europe are most apt to agree, with around three in four respondents from German-speaking countries, Nordic and Benelux countries considering this a main spur to M&A.

Following this are firms looking to grow in new geographies. Respondents from less developed economies, and from economies particularly heavy-hit by the sovereign debt crisis are the most likely to affirm this as an important M&A driver. 83% of respondents from the CEE and all of the respondents from Italy that are currently considering acquisitions indicate that this is an important motivation underpinning M&A.

> We are not prepared to take the risk of entering a new market, and therefore will grow in existing geographies. But we are considering diversifying our business in new sectors. Bolt-on acquisition will also be something which will give us a stronghold in our existing business lines.
>
> *SEE-based Head of Finance*

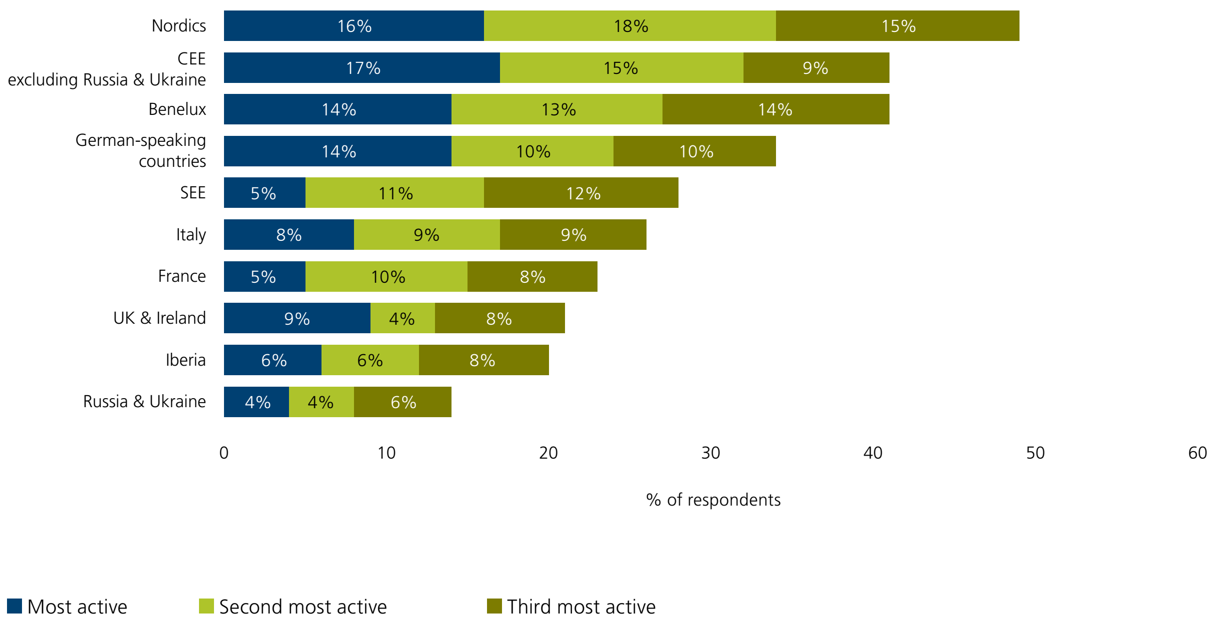
If you are considering divestments, what is the motivation for this? (Select up to three)



Of the 74 respondents considering divestments, interviewees are mixed in their reasons for considering divestments. The most commonly cited factors are focusing on core operations and regulatory pressure, with 54% of the respondent pool pointing to each. This is followed by exiting lower growth sectors (51%), exiting lower growth geographies (46%) and capital raising for increased financial flexibility (36%).

Although regional differences may be magnified due to the smaller sample size for this question, it is worth noting that there is very little regional consensus as to why interviewees are contemplating sales. For instance, 80% of respondents based in German-speaking countries in this sub-set consider regulatory pressure to motivate divestments, while only 33% of French respondents identify this factor.

Looking at cross-border M&A within Europe (where the target and bidder are based in different European countries), where do you think will witness the most activity, in terms of target regions?

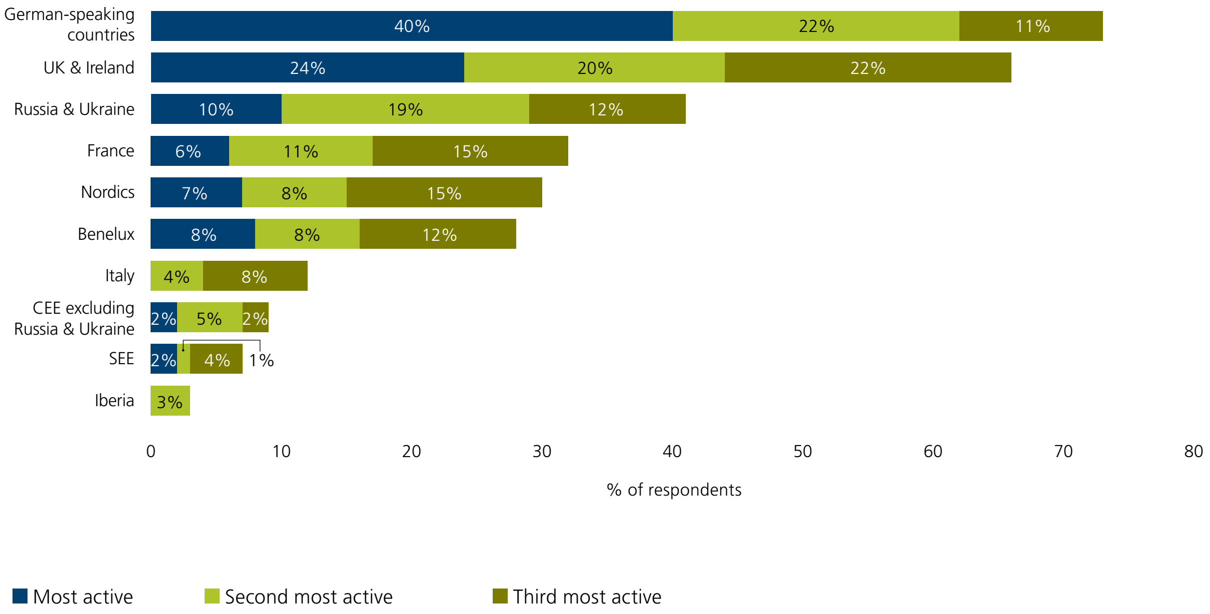


It total, the largest share of respondents expect the Nordics to be the top target region for cross-border M&A, with 49% of the survey pool believing it will be one of the top three European markets attracting bidders from abroad.

Standing out among other top-ranked inbound target regions (which are mostly based in Northern Europe), the CEE (excluding Russia and Ukraine) is expected to be the second most active target region. A France-based Vice President explains the region’s appeal: “There are many opportunities in CEE because of robust domestic market making it an attractive target.”

> South East Europe has many distressed targets, which will attract buyers.
>
> *France-based Vice President*

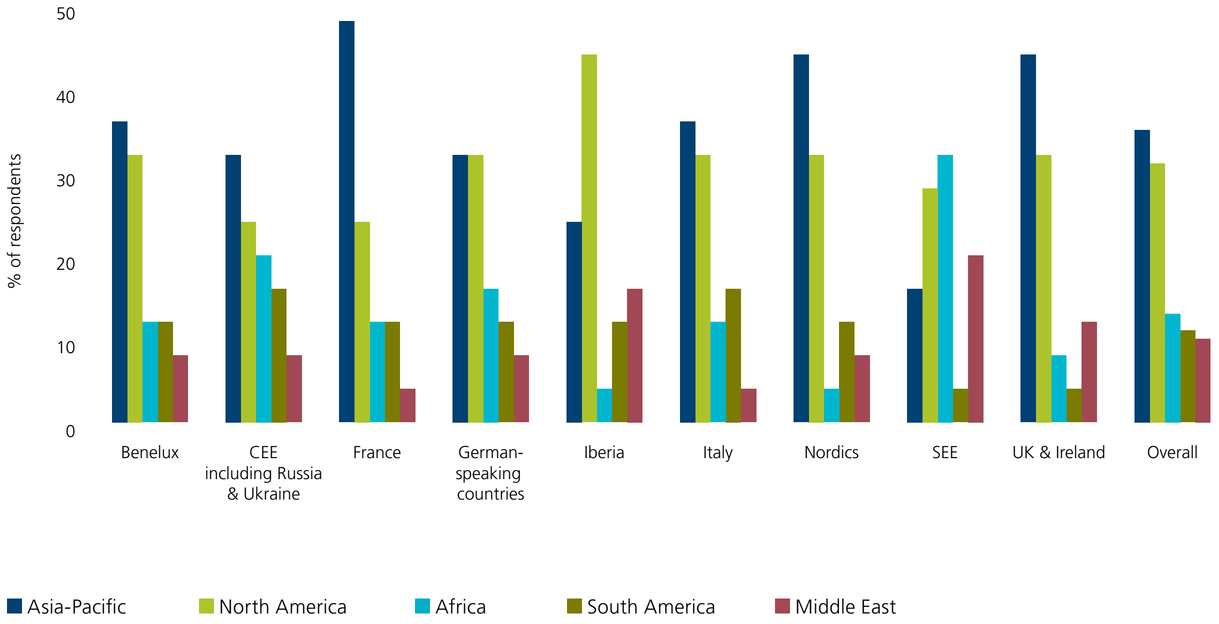
Looking at cross-border M&A within Europe (where the target and bidder are based in different European countries), where do you think will witness the most activity, in terms of bidder regions?



Most respondents agree that the majority of cross-border M&A within Europe will have bidders from German-speaking countries, with 40% predicting it to be the most active region, and 73% anticipating that it will be among the most active. This is followed by the UK and Ireland.

> Nordic countries are very stable and their companies are in such good positions that they can target any businesses they want. However, their challenge is that there is little growth in the domestic markets, so Nordic companies will target fast-growing markets.
>
> *CEE-based Chief Financial Officer*

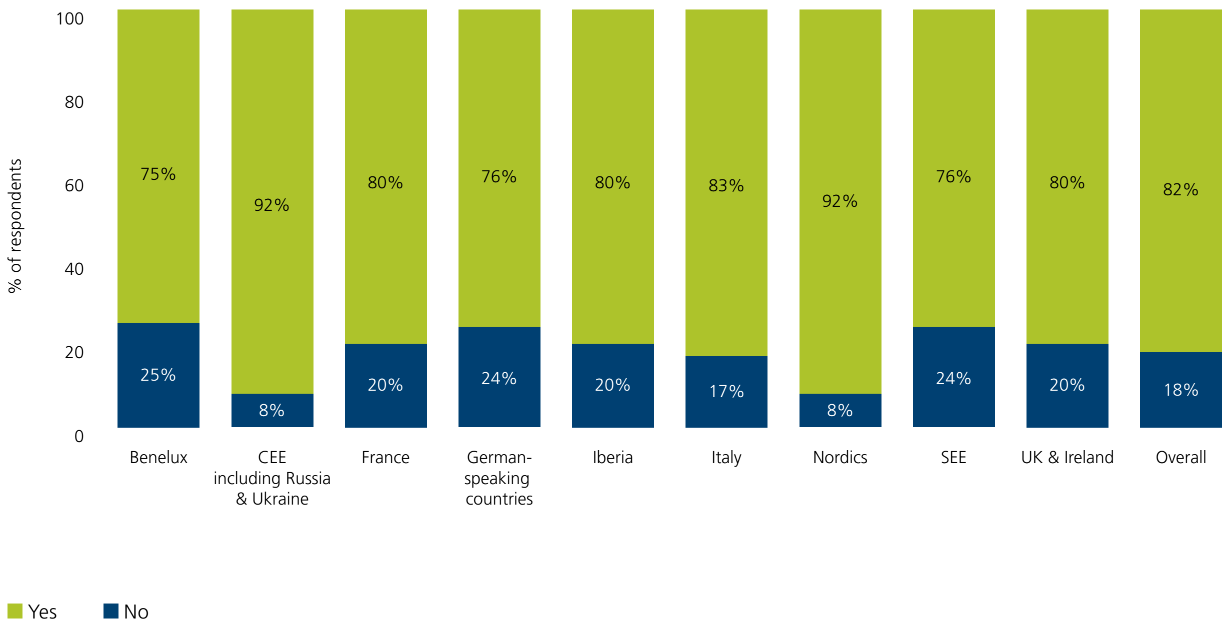
Outside of Europe, which region do you believe European acquirers will most aggressively target over the next 12 months?



The largest share of respondents (35%) expect European buyers to most aggressively target firms based in the Asia-Pacific region. Acquirers frequently see Asia-Pacific's developing economies as hot target markets because of their high growth rates, young populations and low levels of market penetration. This finding points to increased attention to Asia-Pacific over the coming months.

Meanwhile 31% of respondents believe that Europe-based acquirers will most actively target North American firms. In addition to housing a number of world-leading businesses across a number of industries, the US is a mature market that does not carry the risks of emerging markets and is also farther along the road to recovery than Europe.

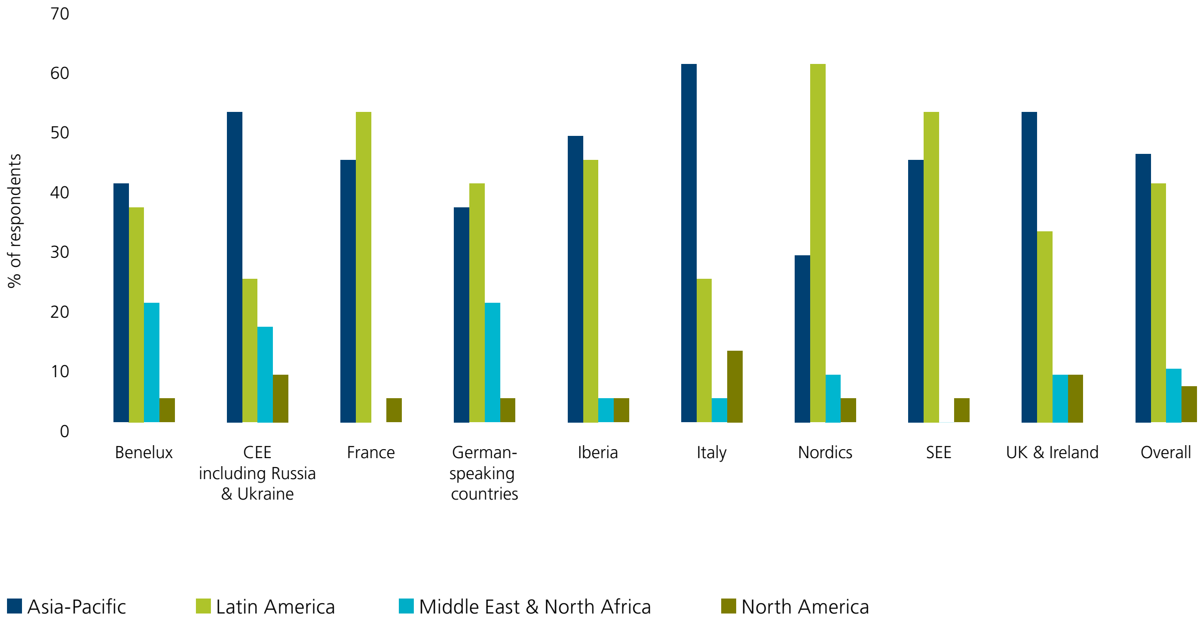
Do you expect cross-border M&A into Europe (non-European acquirers) to increase over the next 12 months?



At 82%, the majority of respondents agree that cross-border M&A will increase into Europe over the next year. Acquirers based in countries less exposed to the downturn are able to take advantage of relatively inexpensive buys in Europe, and have become an increasingly important part of the European M&A narrative. One German-based respondent comments: "Consolidation in the market and signs of economic improvement are helping to attract foreign investors. Buyers from overseas are trying to make the best of this situation by investing in developed markets."

> There are more opportunities for foreign buyers in Europe, and European corporates are looking to attract foreign investors. European governments are putting up fewer obstacles for the international investors to enter the region.
>
> *Iberia-based Chief Financial Officer*

Which region will be the most active inbound acquirer into Europe over the next 12 months?



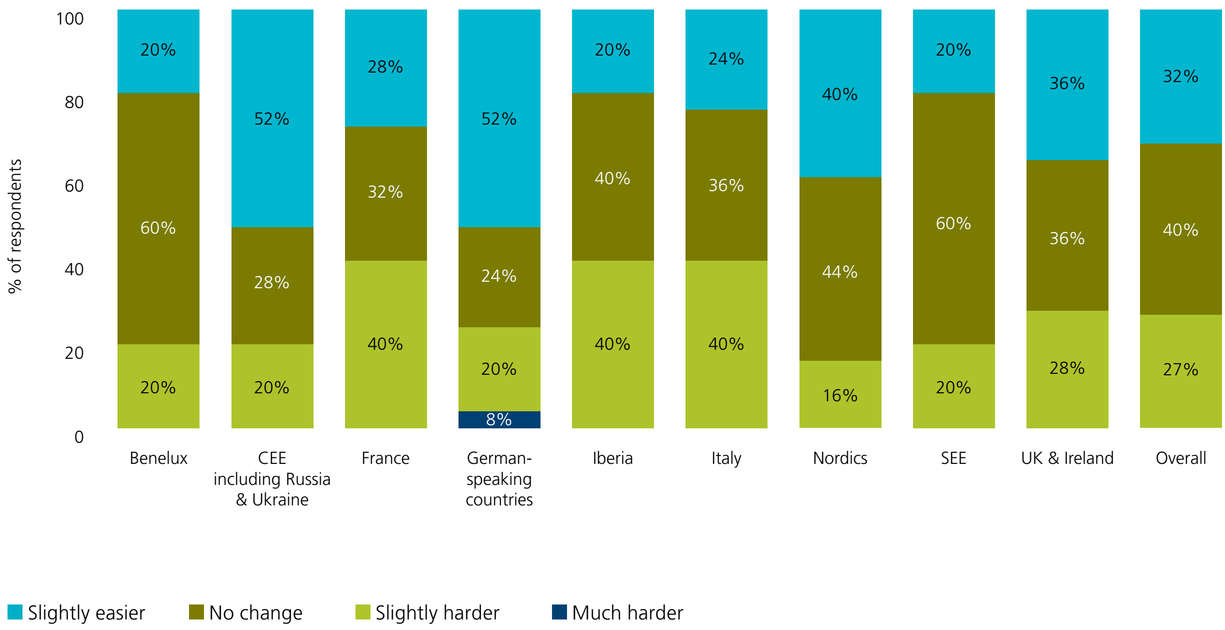
The largest share of respondents (45%) expect that the most active inbound acquirers into Europe will be based in Asia-Pacific, with the next largest proportion (40%) pointing to North America as the second largest inbound acquirer.

When comparing the amount of Europe-based announced transactions with bidders from Asia- Pacific and bidders from North America, it becomes clear that North America remains the dominant force in M&A, with Europe-based inbound deal volume and value three times higher than among Asia-Pacific bidders. But it does appear that bidders from Asia-Pacific have increasingly turned to Europe, and going forward will generate increasing levels of M&A in the region.

> Japanese and Chinese companies are looking to expand internationally. The European market is a solid platform for them to grow their customer base with, and to grow their market share quickly.
>
> *Vice President of Corporate Development*

The Financing Environment

How do you expect financing market conditions to be in 2013 compared to 2012?



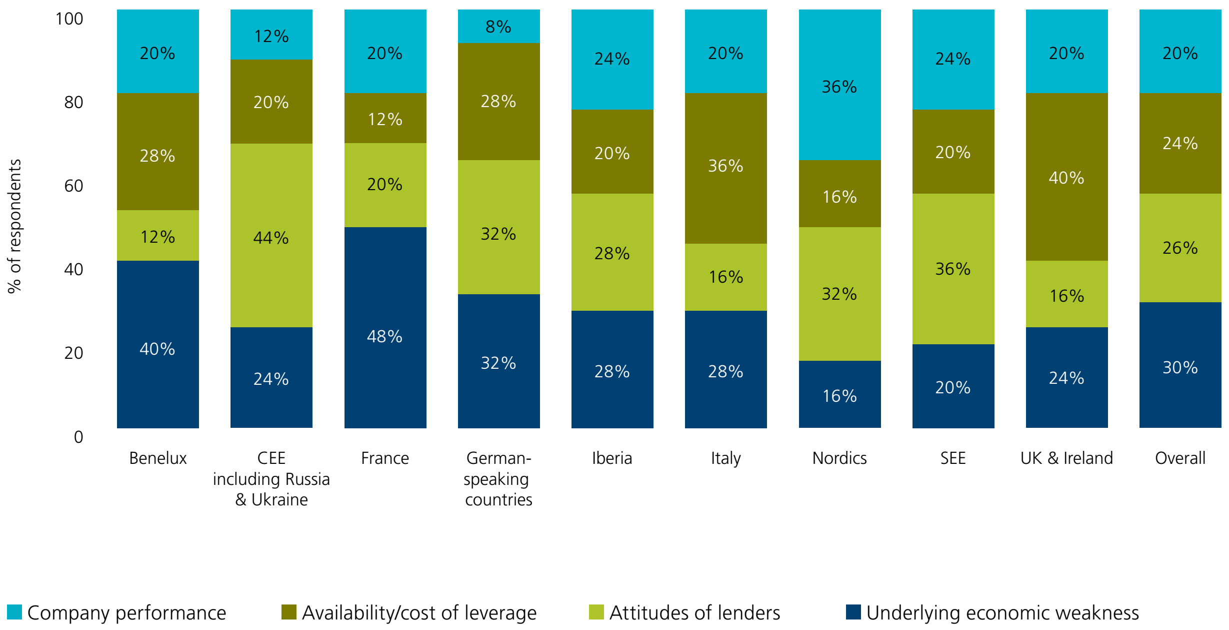
At 40%, the largest share of respondents expect the financing environment in 2013 to remain the same as in 2012. But there is a sense of optimism among a sizeable share of respondents with around a third (32%) believing that obtaining funding will be slightly easier in 2013 than in 2012.

There is a significant amount of regional variation regarding funding expectations. Those from the SEE and the Benelux are generally less optimistic, with 60% from each region anticipating that funding will remain the same. Meanwhile, interviewees based in the CEE and German-speaking countries are most optimistic, with 52% from each region anticipating that the funding climate will ease in 2013.

Whilst M&A remains a key growth strategy, the ability to finance this growth in the current financing market is difficult, thereby impacting the likelihood of increases in M&A in the short-term. Finance is only available to cash-rich corporates and it remains very difficult for medium-sized businesses to obtain cash.

SEE-based Chief Financial Officer

What do you view as the greatest challenge to financing acquisitions over the next 12 months?



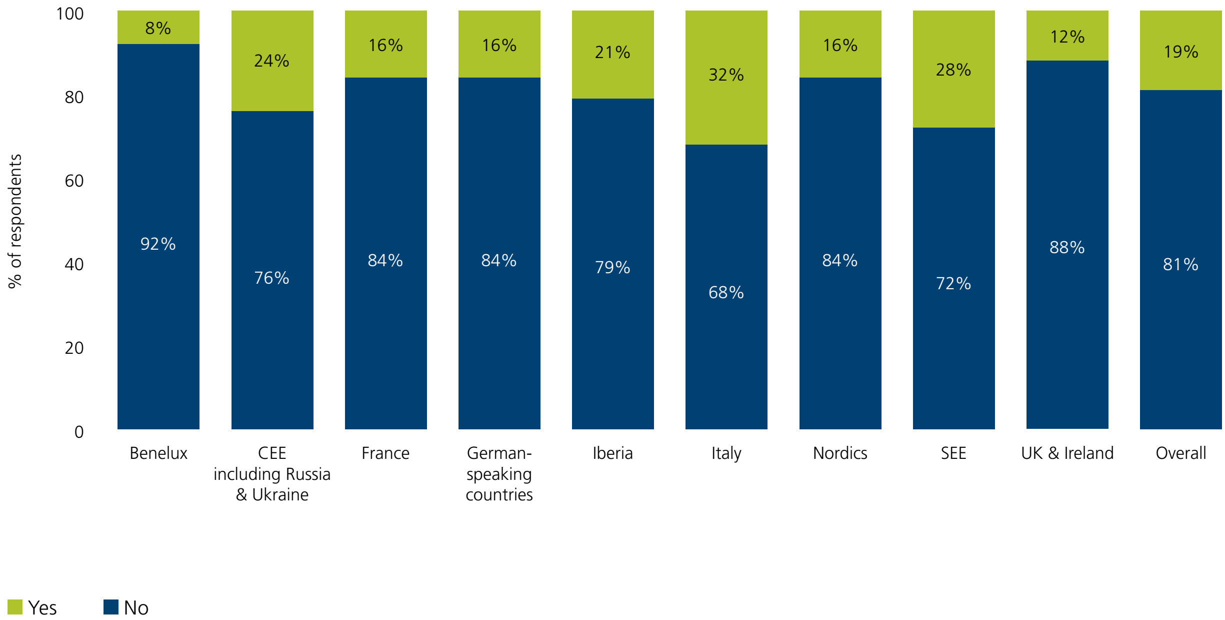
With 29% of respondents agreeing, underlying economic weakness is considered to be the biggest challenge to financing acquisitions over the next year. One Benelux-based Finance Director explains the link: "If the economy shows signs of decline, investors will move to other markets where the economy is stable and the market is more active."

But there is a substantial amount of division based on respondents' geography. For instance, those in France are particularly pessimistic about the economy's impact on lending, as 48% of France-based interviewees anticipate that underlying economic weakness will be the main drag on financing. But only 16% of respondents in Nordic countries agree.

The second largest share of respondents (26%) point to attitudes of lenders as the biggest hurdle to financing acquisitions. With 44% and 36% in agreement, those from the CEE and SEE, respectively, are the most likely to identify this as the main challenge.

> Lenders are very conservative currently. But they cannot be blamed completely, as the market itself is very volatile and regulations have restricted lending.
>
> *CEE-based Chief Financial Officer*

Do you believe European firms are under pressure from lenders to alter their capital structure?

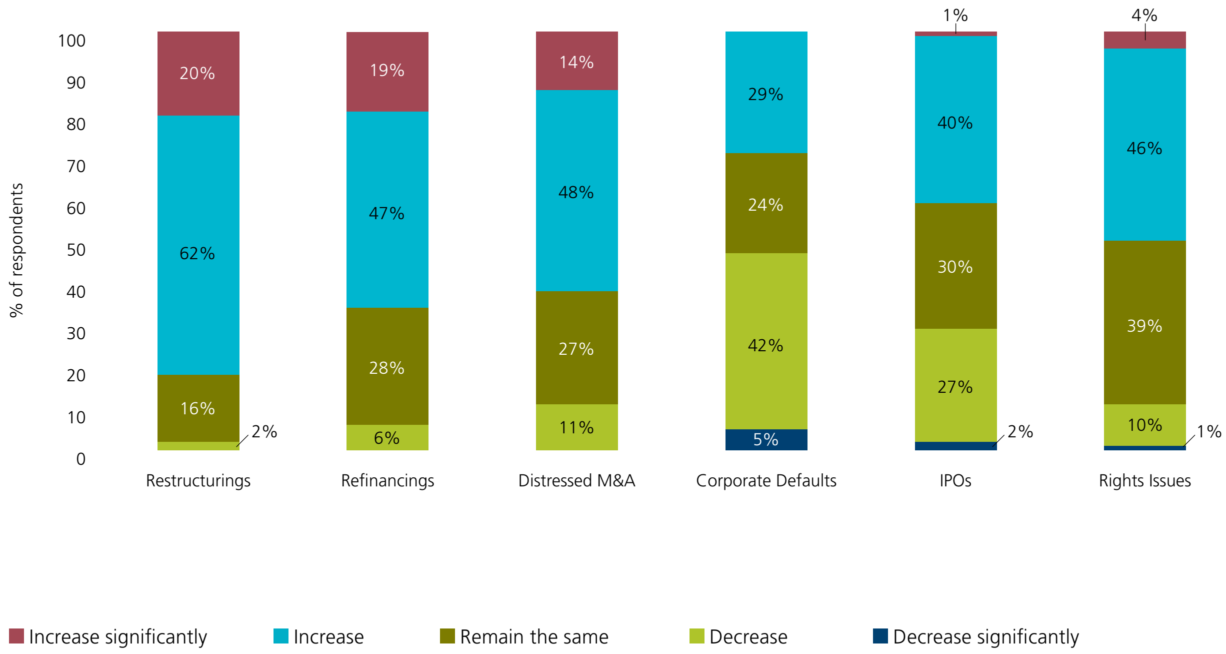


A positive 81% of the survey pool do not think that European firms are under pressure from lenders to alter their capital structure.

However, among the 19% who agree, several underscore that since lending is constrained, credit providers are in a position to dictate the terms of engagement. An EMEA-based Vice President of Strategy & Business Development notes: "Lenders want to minimise their lending risk and thus they make borrowers alter their capital structure to reduce the level of risk."

> Lenders have experienced rough patches over the past few years, and have started to fear that the economy can once again take a deep dive due to improper management of funds. They are therefore portraying themselves as hard to deal with.
>
> *German-speaking country based Managing Director of Finance and Controlling*

For each of the following transaction types, please rate your expectations for activity over the next 12 months



The largest share of respondents expect that the number of corporate defaults will decrease over the next year, with 47% expecting them to decrease or decrease significantly. Respondents from the Nordic region are the most optimistic in this respect, with 64% expecting a drop-off in corporate defaults.

The greatest proportion of respondents expects that the number of restructurings will increase or increase greatly, with 82% anticipating an uptick. More optimistically, a significant share of respondents – 40% and 47% – anticipates an increase in IPOs and rights issues, respectively.

About CMS

CMS provides clients with specialist, business-focused advice in law and tax matters. With our 2,800 legal professionals across the world, working in sector-based teams and trained in project management, our focus is on our clients and fulfilling their objectives.

In a competitive legal market, we stand apart through our deep commitment to understanding our clients' business and the sectors and countries in which we operate. From major multinationals and mid-caps to enterprising start-ups, we provide the technical rigour, strategic excellence and long-term partnership to keep each client ahead, whatever its chosen markets.

For more information please visit **www.cmslegal.com**.

Contact us:

CMS Austria
Peter Huber
T +43 1 40443 1650
E peter.huber@cms-rrh.com

CMS Belgium
Vincent Dirckx
T +32 2 74369 85
E vincent.dirckx@cms-db.com

CMS Central & Eastern Europe (CEE)
Helen Rodwell
T +420 2 96798 818
E helen.rodwell@cms-cmck.com

CMS Serbia
Radivoje Petrikić
T +43 1 40443 1650
E radivoje.petrikic@cms-rrh.com

CMS France
Jacques Isnard
T +33 1 4738 4020
E jacques.isnard@cms-bfl.com

CMS Germany
Thomas Meyding
T +49 711 9764 388
E thomas.meyding@cms-hs.com

CMS Italy
Pietro Cavasola
T +39 06 4781 51
E pietro.cavasola@cms-aacs.com

CMS Netherlands
Roman Tarlavski
T +31 20 3016 312
E roman.tarlavski@cms-dsb.com

CMS Portugal
Francisco Xavier de Almeida
T +351 210 958 100
E francisco.almeida@cms-rpa.com

CMS Russia
David Cranfield
T +7 495 786 4030
E david.cranfield@cmsleg

CMS Spain
Carlos Peña Boada
T +34 91 4519 290
E carlos.pena@cms-asl.com

CMS Switzerland
Max H. Albers-Schönberg
T +41 44 2851 111
E max.albers@cms-veh.com

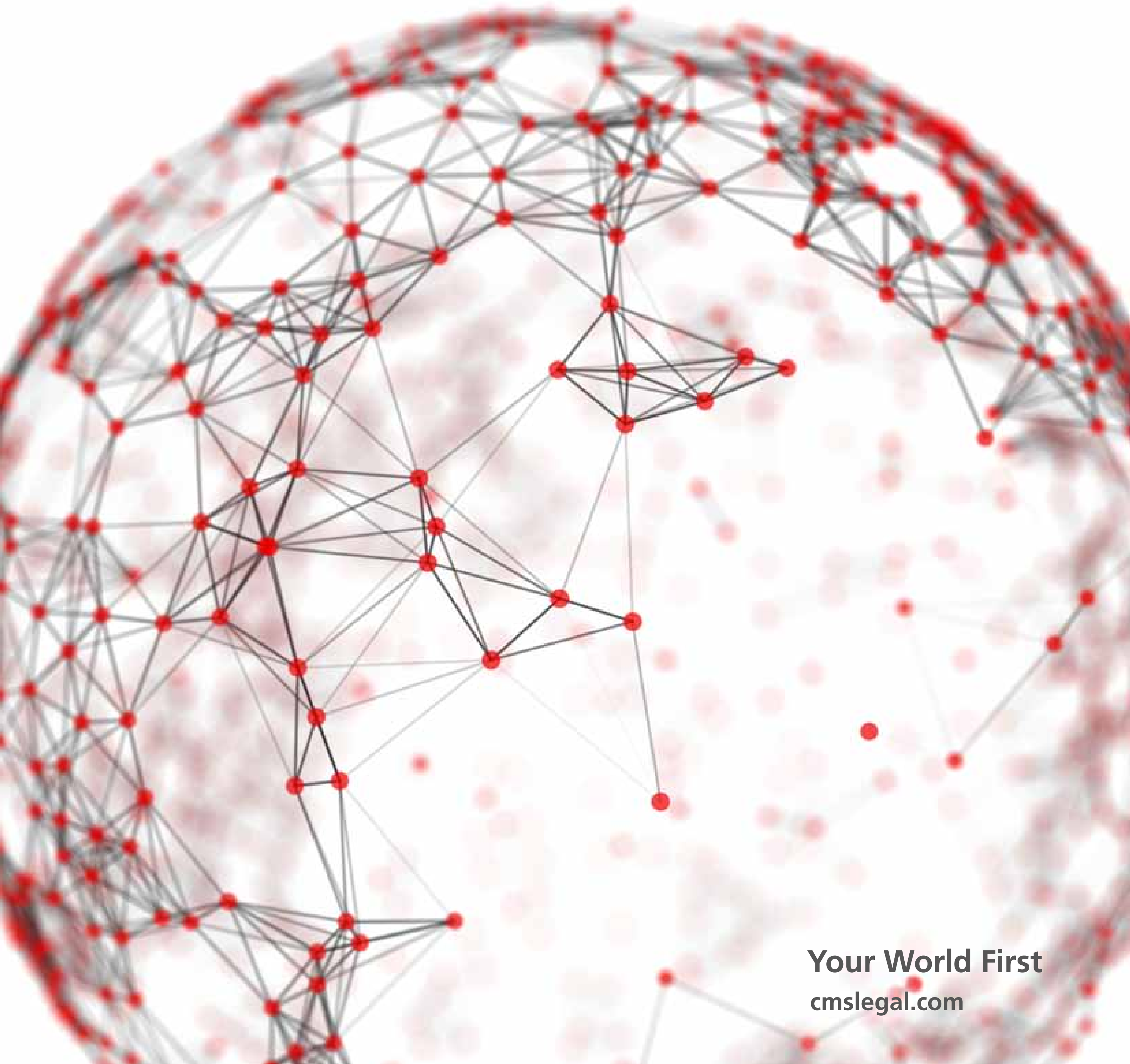
CMS United Kingdom
Martin Mendelssohn
T +44 20 7367 2872
E martin.mendelssohn@cms-cmck.com

C'M'S'

Law . Tax

We solve your legal challenges.

Committed. Controlled. Cross-border.



Your World First

cmslegal.com

About Mergermarket

Mergermarket is an unparalleled, independent mergers & acquisitions (M&A) proprietary intelligence tool. Unlike any other service of its kind. Mergermarket provides a complete overview of the M&A market by offering both a forward-looking intelligence database and a historical deals database, achieving real revenues for Mergermarket clients.

Remark, the events and publications arm of The Mergermarket Group, offers a range of publishing, research and events services that enable clients to enhance their own profile, and to develop new business opportunities with their target audience.

To find out more please visit
www.mergermarketgroup.com/events-publications/

For more information please contact:

Karina Ross
Head of Sales EMEA, Remark
The Mergermarket Group

T +44 20 7010 6324
E karina.ross@mergermarket.com

Part of The Mergermarket Group
www.mergermarketgroup.com

80 Strand
London
WC2R 0RL
United Kingdom

T +44 20 7059 6100
F +44 20 7059 6101
sales@mergermarket.com

11 West 19th Street
2nd fl.
New York, NY 10011
USA

T +1 212 686 5606
F +1 212 686 2664
sales.us@mergermarket.com

Suite 2001
Grand Millennium Plaza
181 Queen's Road, Central
Hong Kong

T +852 2158 9700
F +852 2158 9701
sales.asia@mergermarket.com

CMS member firms are:
CMS Adonnino Ascoli & Cavasola Scamoni, Associazione Professionale (Italy);
CMS Albiñana & Suárez de Lezo S.L.P. (Spain);
CMS Bureau Francis Lefebvre S.E.L.A.F.A. (France);
CMS Cameron McKenna LLP (UK);
CMS DeBacker SCRL/CVBA (Belgium);
CMS Derks Star Busmann N.V. (The Netherlands);
CMS von Erlach Henrici Ltd (Switzerland);
CMS Hasche Sigle, Partnerschaft von Rechtsanwälten und Steuerberatern (Germany);
CMS Reich-Rohrwig Hainz Rechtsanwälte GmbH (Austria) and
CMS Rui Pena, Arnaut & Associados RL (Portugal).

CMS locations:
Aberdeen, Algiers, Amsterdam, Antwerp, Barcelona, Beijing, Belgrade, Berlin, Bratislava, Bristol, Brussels, Bucharest, Budapest, Casablanca, Cologne, Dresden, Dubai, Duesseldorf, Edinburgh, Frankfurt, Hamburg, Istanbul, Kyiv, Leipzig, Lisbon, Ljubljana, London, Luxembourg, Lyon, Madrid, Mexico City, Milan, Moscow, Munich, Paris, Prague, Rio de Janeiro, Rome, Sarajevo, Seville, Shanghai, Sofia, Strasbourg, Stuttgart, Tirana, Utrecht, Vienna, Warsaw, Zagreb and Zurich.

www.cmslegal.com