

PRESS RELEASE

**CMS Reich-Rohrwig Hainz
Rechtsanwälte GmbH**

Gauermannngasse 2
1010 Vienna
Austria

T +43 1 40443-4000
F +43 1 40443-94000
E presse@cms-rrh.com
www.cms-rrh.com

Date 29 September 2015

Page 1 of 2

Subject CMS European M&A Outlook 2015

Executives cautious as M&A deal value rises but the number of deals decreases

- Deal value has risen by 17% for the first half of the year while the volume of deals for the first half of 2015 dropped by 14% compared to last year
- European M&A market remains attractive to foreign acquirers
- Respondents believe private equity is now the most available source of financing
- The TMC sector has overtaken Industrials and Chemicals as the most sought after this year

M&A deal value is at its highest level since 2007, but Europe's executives are adopting a more cautious outlook on European M&A, according to research carried out by the top 10 international law firm CMS, in partnership with Mergermarket.

The report's respondents comprise 230 key M&A stakeholders across all European geographies, including CEOs, finance directors, bankers, M&A heads, private equity investors and sector specialists. Each respondent gave their views on the areas for growth, economic and political pressures and key players in the M&A market producing a rounded macro- and microeconomic outlook for the next year.

The research showed that deal value has risen by 17% for the first half of the year, helped by large deals such as Royal Dutch Shell's EUR 74.5bn acquisition of the UK's BG Group. Volume of deals, however, dropped by 14% in the first half of 2015 with 2,800 deals compared to 3,300 for the same period last year.

According to the research, the top buy-side driver of M&A in Europe will be increased appetite from foreign acquirers (66%), overtaking capital raising for expansion in faster growing areas (the top buy-side driver in 2014). Foreign acquirers with cash to spend are looking to Europe to snap up healthy assets.

An issue that could affect the M&A growth outlook for the coming year is the possibility of a "Brexit". Two thirds of respondents believe that if Britain were to exit the EU it would negatively impact British M&A, but 160 of the 230 (70%) respondents believe that a "Brexit" is either somewhat or very unlikely. Overall, respondents are clear that it makes business sense for the UK to stay within the EU, and are optimistic that it will do so.

Peter Huber, Head of M&A at CMS in Vienna, said, "Our report echoes the dualistic attitude to European recovery in the M&A sector. On the one hand, confidence is sparked by the IMF forecast that euro-area GDP in 2015 will be above 1% for the first time since the post-Lehman financial downturn.

A list of all lawyers at CMS Reich-Rohrwig Hainz is published online at www.cms-rrh.com/disclaimer. CMS Reich-Rohrwig Hainz is a member of CMS, the organisation of European law firms. In certain circumstances, CMS is used as a brand or business name of some or all of the member firms. Further information can be found at www.cmslegal.com.

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

However, respondents believe that political uncertainty and regulatory issues remain serious concerns for European businesses, and are circumspect about a return to health for the Eurozone.”

The findings also indicated that investors and corporates are becoming increasingly more creative in their attitudes to funding with private equity and non-bank lending being regarded as potential sources of financing showing a move away from traditional banks.

In terms of activity volume, TMC is to be the most sought after this year, up 15% from 2014 and overtaking the Industrials and Chemicals sector. Germany retains its lead position, now with 49% of the respondents' vote, as the busiest M&A market for the coming year, with the Nordic region in second and the UK in third place.

- END -

Contact:

Kristijana Lastro

Head of Marketing & Communications

T +43 1 40443 4000

E kristijana.lastro@cms-rrh.com



CMS Reich-Rohrwig Hainz is blogging! Current, relevant and interesting articles from over 20 areas of expertise are available at <http://blog.cms-rrh.com>

About CMS Reich-Rohrwig Hainz

CMS Reich-Rohrwig Hainz is one of the leading law firms in Austria and Southeast Europe. Because we are specialists, our lawyers and tax advisors are able to provide you with advice of the highest calibre and sophistication: both, from a legal perspective as well as through our industry specific know-how. Highly-specialized teams consisting of internationally experienced lawyers primarily provide services in the following fields of law: M&A, banking and finance, real estate, construction law, taxes, labour laws, IP and IT laws, and public procurement. We operate offices in Vienna, Belgrade, Bratislava, Brussels, Istanbul, Kiev, Ljubljana, Podgorica, Sarajevo, Sofia and Zagreb. All CMS offices together offer clients a team of more than 600 experienced specialists in 15 offices across the CEE/SEE region. www.cms-rrh.com

About CMS

Founded in 1999, CMS is a full-service top 10 international law firm, based on the number of lawyers (Am Law 2013 Global 100). With 59 offices in 33 countries across the world, employing over 3,000 lawyers, CMS has longstanding expertise both at advising in its local jurisdictions and across borders. CMS acts for a large number of Fortune 500 companies and the FT European 500 and for the majority of the DAX 30. Revenues totalled €934m in 2014.

CMS provides a wide range of expertise across 18 expert practice and sector areas including Corporate, Energy, Funds, Lifesciences/Pharmaceuticals, TMT, Tax, Banking and Finance, Commercial, Competition, Dispute Resolution, Employment, Intellectual Property and Real Estate & Construction.

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