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CMS European M&A Study 2015

Seventh Edition

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Disclaimer

The results of the Study and/or this report and the conclusions presented in the Study and/or this report do not necessarily reflect the views of any member of CMS, the lawyers or the support staff who assisted with preparation of the Study and/or this report. The Study and/or this report evaluated over 2,400 M&A transactions. Inevitably, there were many differences between the underlying agreements, and the vast majority of them were negotiated. In order to compare the results, individual provisions were categorised. When categorising the individual provisions, a degree of subjective judgment was necessary. Although certain trends can be deduced from the Study and/or this report, each transaction has individual features which are not recorded in the Study and/or this report and to which no reference is made. As a result, the conclusions presented in the Study and/or in this report may be subject to important qualifications that are not expressly articulated in the Study and/or in this report.

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Introduction

We are delighted to present the CMS European M&A Study (the “Study”). This is our seventh annual study which means that we have now reviewed over 2,400 deals for the eight-year period of 2007–2014, a period of prosperity, financial crisis, significant geopolitical changes, concerns about the stability of the Eurozone and possible exits, followed by signs of a sustainable recovery in Europe.

The CMS European M&A Study 2015 provides insight into the legal provisions of mergers & acquisitions (M&A) agreements, makes comparisons across Europe and with the US and identifies market trends. It evaluates private M&A agreements relating to both non-listed public and private companies in Europe for the eight-year period 2007–2014. Of the 2,414 transactions we analyse in the Study, 346 relate to 2014.

Particular highlights in our Study are the CMS Trend Index, Sector Focus and, for the first time, an impact analysis of deals covered by W&I insurance:

- **CMS Trend Index** – we provide a CMS Trend Index to illustrate a current fact or trend for the particular feature reported on.
- **Sector Focus** – CMS has adopted for a number of years a sectoral approach and accordingly we present risk allocation statistics within specific sectors. We provide 2014 sector statistics for a number of areas we report on, namely locked box deals, earn-outs, liability caps, limitation periods and MAC clauses.
- **W&I Insurance** – we look at the role of W&I insurance and how it affects typical risk allocation features of M&A deals.

The data used in the Study is not publicly available and is based on privately negotiated transactions in which CMS acted as an advisor to either the buyer or the seller. CMS is one of the few legal service providers with the capability to provide a European study of this kind due to its presence and market penetration in a wide range of jurisdictions across Europe.

We do hope that this Study helps you in your day-to-day M&A life. We are of course very interested in any suggestions, and would be more than happy to discuss and share any experiences you may have.



Stefan Brunnschweiler
Global Head of CMS Corporate/M&A Group

Sharing knowledge for clients

Market intelligence publications



European M&A Outlook 2014

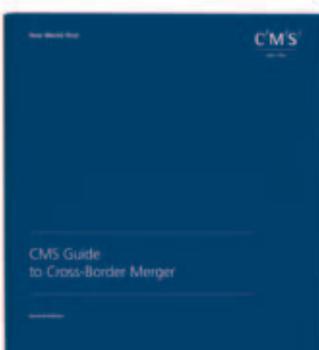
- Forward-looking research on the prospects for M&A across Europe for 2015
- Interview of Europe-based corporate executives
- Regional analysis for Benelux, CEE, German-speaking countries, Iberia, Nordics, SEE, France, Italy, Russia & Ukraine and UK & Ireland



Emerging Europe: M&A Report 2014/15

- Summary of the highlights of 2014 M&A activity
- Provision of deal activity predictions for 2015
- Regional break-down for 15 countries in Central and Eastern Europe (CEE)

Know-how publications



Cross-Border Merger Guide 2014

- Overview of the legal and fiscal requirements and consequences of cross-border mergers in Europe
- Country-specific timelines
- Including online planning tool for project teams
- Regional break-down for 19 European countries



Duties & Responsibilities of Directors 2015

- Overview of the rules relating to directorship and answering the most frequently asked questions for directors
- Regional break-down for 29 countries including also the non-European countries Brazil, China, Mexico, Oman, Russia, Turkey, United Arab Emirates and Ukraine

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