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Assembling value
First-quarter 2011 global industrial manufacturing industry mergers and acquisitions analysis

Special report:
Gaining a competitive advantage by retaining key talent through a merger

pwc

Welcome to the first-quarter 2011 edition of *Assembling value*, PwC's quarterly analysis of mergers and acquisitions (M&A) in the global industrial manufacturing industry. In addition to a detailed summary of M&A activity in the first quarter, this edition features a special report on retaining top talent and maintaining organizational culture through a merger. With M&A activity increasing across the globe, executives are facing talent management challenges including organizational design, integration planning, and the cultural blend between acquirer and target. A disciplined approach to people integration helps companies achieve desired synergies, build momentum, and instill confidence among their stakeholders.

Special report: Gaining a competitive advantage by retaining top talent through a merger

Companies engaged in merger and acquisition activity face numerous integration challenges. Among them are the complexities related to achieving synergies and cost reductions, and accessing new markets to sustain growth. With so much at risk, talent issues are too often overlooked. And yet, the effective handling of cultural concerns, compensation issues, and retention of pivotal talent is vital to the success of the newly combined organization.

Merger integration involves effectively managing multiple priorities. A staggering 70% of deals fail to deliver their intended benefits, often because cultural and people issues are mismanaged.[1] As a result, companies are becoming increasingly aware that M&A value creation, strategic growth, and sustainable business success hinge on the human side of deal making and integration.

With about $51 billion worth of deals in 2010, more than twice the $23 billion generated in 2009, the industrial manufacturing (IM) industry is enjoying a healthy period of M&A activity. PwC expects more deal activity in 2011, with potential for a continuing focus on targets classified as manufacturers of industrial machinery, and secondarily, fabricated metal products.[2]

The implications of organizational change

Major change in the workplace can cause fear and uncertainty among employees. When organizational change programs fail, it is largely because employees feel excluded from the process and end up lacking the motivation, skills, and knowledge to adopt new systems and procedures.

These issues come to the forefront during integration. One company, responding to a survey of participants in the recent M&A and Human Capital Roundtable hosted by PwC, reported beginning its retention campaign by posing a key question to incoming employees: "Do you see a future for yourself at this company?"[3]

1 "When two become one," Hourglass, PwC, December 2010

2 "Assembling value: Fourth-quarter 2010 global industrial manufacturing mergers and acquisitions analysis," PwC, 2011

3 "Talking about the people side of M&A," PwC, 2010

Acquisitions for talent

Companies traditionally have pursued deals to achieve extensions of product and service offerings or expansion into new geographies. Now talent is becoming a chief reason for M&A activity. Acquisitions often are made specifically to expand the talent pool or gain new capabilities—securing an innovative technology and the talent behind it. With increased spending in highly technical areas, companies are often seeking professionals with very specific skill sets.

These employees are innovators, frequently critical to the building of products and services uniquely identified with the organization being acquired.

Keeping pivotal talent

Identifying and retaining top talent is essential to successful integration efforts and a primary aspect of the due diligence process. The acquiring company must define each employee's importance to the business relative to the transition and beyond. It must make an assessment regarding which employees it needs for short-term transition and long-term value creation.

Some employees may be essential to the process of transitioning the target's customer base to the acquirer, while others may be integral to managing or otherwise maintaining the target's ongoing operations. Another group may be critical because they are responsible for day-to-day operations.

When defining these needs, companies examine three levels of criticality:

- *Strategically critical*—Employees most essential to the ongoing operations of the newly combined organization—typically, top executives, key business unit leaders, and key individual contributors
- *Integration critical*—Employees essential to the integration effort
- *Knowledge-transfer critical*—Employees with specialized knowledge essential to the transfer of ongoing information and know-how

Categorizing employees by level of criticality lets an organization assess employees individually and determine whether managers at different levels or locations will require different retention packages. The process also allows for more efficient deployment of strong performers to other positions within the new company, particularly in situations where two talented employees perform duplicate roles.

Investing heavily in pivotal talent can be a source of major competitive advantage. Pivotal talent comprises the game-changing employees whose performance can make or break the bottom line. They are best positioned to add the greatest value and have the greatest impact on the future success of a company.

In their efforts to retain pivotal talent, companies are augmenting discussions about salary and incentives with information regarding the shape of the corporate culture. For example, will the new organization be one of learning and empowerment, or one of process discipline?

Bridging cultural differences

Nearly half of the companies attending the M&A and Human Capital Roundtable reported that cultural alignment—bridging the potentially value-destroying cultural differences between acquirer and target—takes a full year to achieve. The necessity for insight into cultural differences is even more crucial when the two organizations are based in different countries.

As a result, companies are focusing heavily on:

- Assessing the cultural compatibility between the target and the acquirer
- Developing a culture integration roadmap in the first 30 days, or even before close if there is sufficient information about the two organizations' cultural compatibility
- Holding the C-suite members accountable for sponsoring and leading culture change, while empowering functions and local teams to adapt and begin culture integration initiatives

Launching an effective communications plan

A solid communications plan is paramount during integration. Continual communications about the acquisition's status and the multiple cultural and other issues that employees will face are integral to a satisfactory transition in which the company retains valuable talent and prevents productivity slowdowns. In such an uncertain environment, employees require communications that are regular and accurate, including clarity around leadership, to avoid misinformation.

Managing people and talent issues during and after mergers and acquisitions comes with its own set of challenges. Failure to properly meet these challenges can result in:

- Reduced employee morale
- Employee exodus
- Stakeholder risk
- Loss of valuable intellectual property
- Continuity concerns
- Ultimately, diminished deal value

Organizations can achieve success in this arena by striving to understand the emotional impact on employees facing major workplace changes, which often include revisions to their roles, geographical relocations, and potential cultural conflicts. Acquirers can provide salary and other incentives robust enough to appeal to those professionals of greatest value to the organization—during the transition and going forward. Companies that successfully employ these strategies can increase their prospects for achieving mergers and acquisitions that bring the intended results, including a post-merger integration that proceeds smoothly from Day One.

Perspectives:
Thoughts on deal activity in the first quarter of 2011

On a year-over-year basis, both deal volume and value increased significantly in the first quarter of 2011, with non-US-affiliated deals continuing to dominate deal activity, and deals involving US entities maintaining the pace set in 2010. As expected, smaller deals and deals with undisclosed values remained the drivers of activity in the first quarter. Additionally, the number of mega-, large, and middle-market deals are on track to exceed last year's levels. Greater confidence in the continuing global economic recovery, significant growth in developing and emerging markets, and more credit availability should further stimulate deal activity in the coming months.

Consistent with recent trends, strategic investors continued to dominate deal activity. Interestingly, mega-deal (transactions of at least $1 billion) activity experienced a strong recovery, with four transactions in first-quarter 2011 compared with ten in all of 2010, none of which closed in the first quarter. Financial investors returned to deal activity after a period of tough credit lending, which resulted in poor capital raising and low participation of that group in mergers and acquisitions. Based on deal value to earnings before interest, taxes, depreciation, and amortization (EBITDA) multiples, valuations during first-quarter 2011 dropped to 2009 levels. A possible explanation for this decline is that during a recovery EBITDA tends to increase, causing the value/EBITDA multiple to contract if the value does not increase to the same degree.

The UK and Eurozone and Asia and Oceania regions were the primary drivers of deal activity, partly because of their advanced capital markets and favorable regulatory environments. M&A activity in Brazil, Russia, India, and China (the BRIC countries) also remained strong in the first quarter, with China dominating, as expected. The pace of announcements for BRIC targets in the first quarter exceeded the pace of 2010, while the pace of announcements for BRIC acquirers in the first quarter lagged slightly behind the pace of 2010. This phenomenon, combined with the shift toward cross-border deals, indicates that although BRIC acquirers are gaining the financial muscle to engage in deals, non-BRIC acquirers are targeting BRIC companies to drive growth.

Industrial manufacturing M&A activity is expected to benefit from the improving global economy, specifically as opportunities arise within fast-growing emerging markets. Additionally, ongoing global infrastructure spending, which presents companies with the opportunity to compete for market share within new geographic regions, will stimulate M&A activity as well. Recent cost-cutting initiatives have strengthened the financial position of some larger organizations, which under the pressure of investors could consider consolidations and acquisitions as a tool to expand and generate new revenue streams in the near future. All of these factors should contribute to increased deal activity in 2011.

Some of the remaining concerns that might overshadow the positive forecast include sluggish economic growth in the developed world, fears of a spillover of the current EU financial issues, instability in the Middle East, and any long-term impact of the recent earthquake in Japan. Additionally, inflation concerns and increasing commodity prices could significantly impair the fragile global recovery, jeopardizing the future volume and value of deals. However, the overall outlook for mergers and acquisitions within the industrial manufacturing sector remains cautiously optimistic.

Commentary:
Increases in volume and value of deals suggests a positive outlook for industrial manufacturing M&A

Compared with the first quarter of 2010, both deal volume and value showed substantial increases in first-quarter 2011, but compared with the prior quarter, both declined. Yet, activity was still robust, with larger deals on average, compared with recent quarters. The number of deals in the first quarter is on track to meet or exceed the level of activity in 2010.

Greater confidence in the continuing global economic recovery combined with stronger balance sheets, improved financial markets, and greater credit availability should create favorable conditions for successful deals throughout 2011 and maintain the overall trend of increasing volume and value of industrial manufacturing M&A activity. Additionally, significant growth in developing and emerging markets should attract more businesses to mergers or acquisitions in those areas.

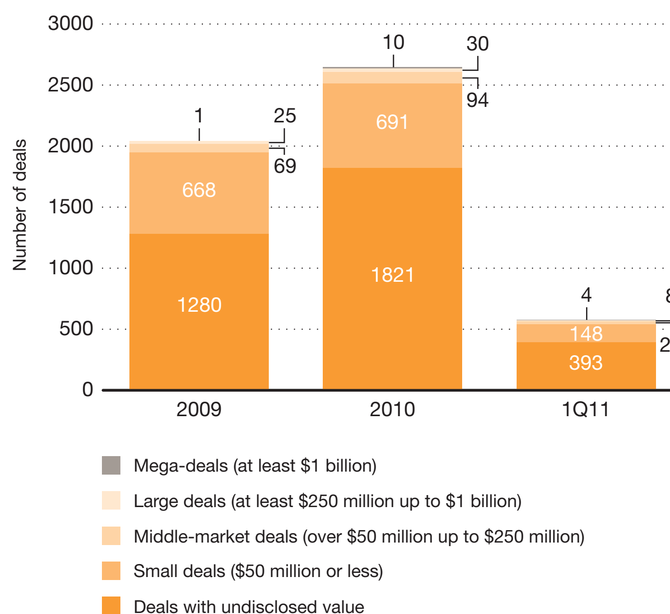
Quarterly industrial manufacturing deal activity
Measured by number and value of deals worth $50 million or more

	2008			2009				2010				2011
	2Q	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**Q4**	**1Q**
Number of deals	47	41	11	16	11	33	35	14	33	31	56	36
Total deal value ($ bil)	20.05	8.32	2.34	2.01	3.10	7.91	10.30	2.28	8.70	16.46	23.91	16.59
Average deal value ($ bil)	0.4	0.2	0.2	0.1	0.3	0.2	0.3	0.2	0.3	0.5	0.4	0.5

Deal activity at all levels remains strong

Consistent with the historical trend, smaller deals and deals with undisclosed values accounted for the majority of M&A activity during the first quarter of the year. Mega-, large, and middle-market deal activity remained robust and all are on track to exceed last year's levels. This could indicate companies' desire and ability to expand through larger transactions.

Deal activity by number and range of deal value
Measured by number of announced deals

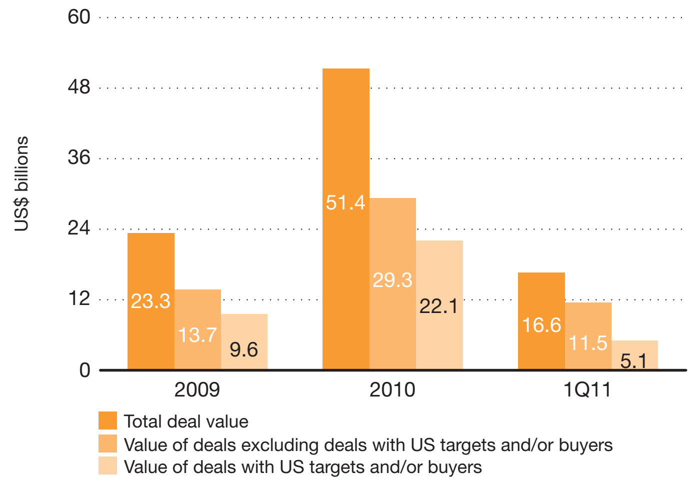


Non-US transactions lead the way

Non-US-affiliated deals continued to dominate M&A activity as companies looked to gain a presence in emerging and developing markets with higher growth potential. However, deals involving US entities during first-quarter 2011 kept pace with 2010 as well. The total value of deals continued a positive growth trend and is on track to meet or exceed last year's total.

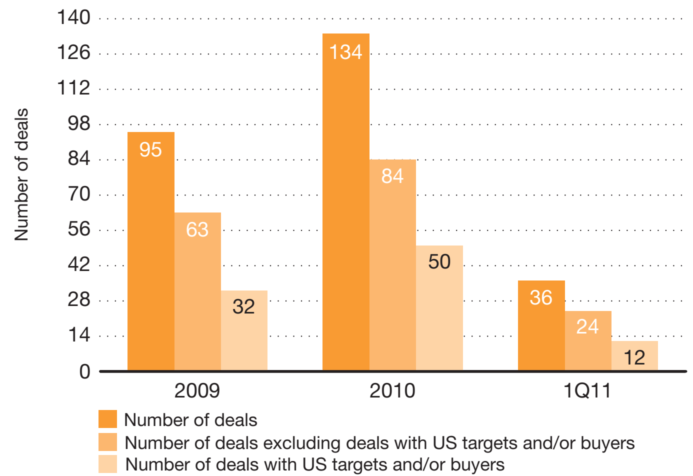
Deal activity by total deal value

Measured by value of announced deals worth $50 million or more



Deal activity by number of deals

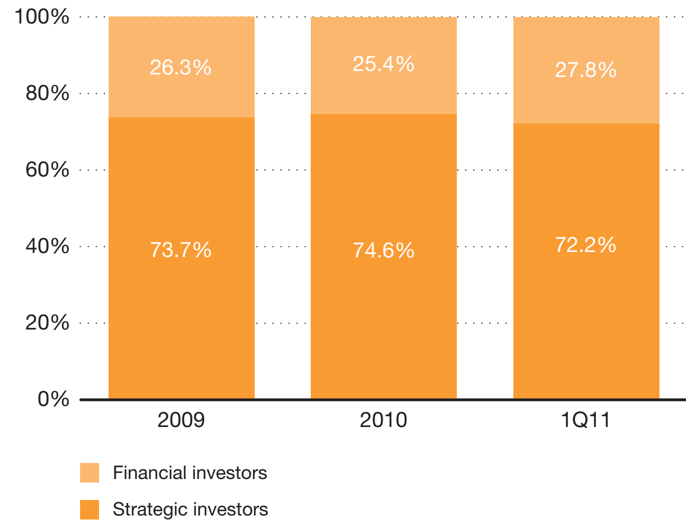
Measured by number of announced deals worth $50 million or more



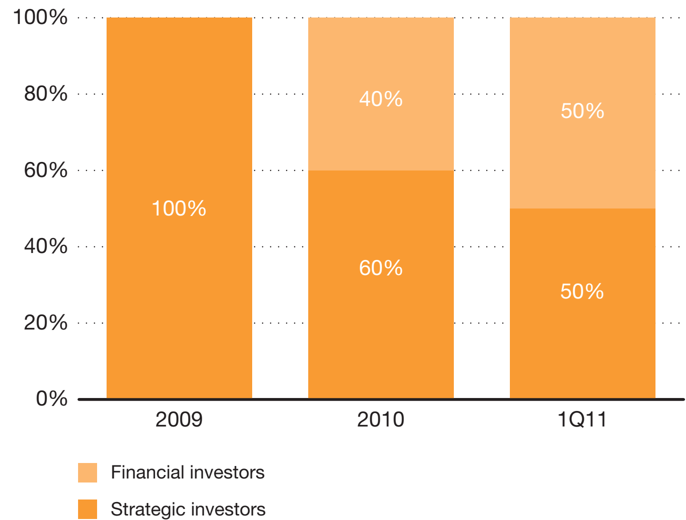
Strategic investors fuel deal activity

The role of strategic and financial investors in deal activity during first-quarter 2011 continued at the levels set in recent quarters, with strategic investors taking the lead. The recent economic crisis, which made raising capital extremely challenging and forced financial investors to ease off, fueled this trend. Even though economic conditions have improved and capital has become more accessible, strategic investors have continued to dominate M&A activity. However, financial investors have become increasingly active in mega-deals, signaling their strong comeback to the M&A scene. Based on deal value to EBITDA multiples, valuations during the first quarter dropped to 2009 levels. A possible explanation for this decline is that during a recovery EBITDA tends to increase, causing the value to EBITDA multiple to contract if the value does not increase to the same degree. The trend for lower valuations should reverse as the global economy continues its recovery, acquirers' balance sheets strengthen, and capital becomes more accessible.

Deal activity by investor group
Measured by number of announced deals worth $50 million or more



Mega-deal activity by investor group
Measured by number of deals worth $1 billion or more



Mega-deals show strong recovery

During the period, mega-deal activity continued the pace of the previous quarter, with four transactions. This compares with none in the same period last year, ten in 2010, and just one in 2009.

Mega-deal activity should increase if the global economy continues to recover, capital becomes more accessible, and emerging and developing markets experience significant growth. Political unrest in the Middle East, inflationary pressures, fear of "overheating" in emerging markets, and price inflation on certain commodities present threats to mega-deal activity. As a result of risk considerations, companies might be reluctant to pay premiums for strategic acquisitions, which would constrain the value of transactions and present an additional challenge to the volume of mega-deal activity. Furthermore, under these circumstances, capital markets might become less liquid, making it more difficult to finance mega-deals.

Details on this quarter's transactions:

1. On February 25, 2011, Sweden's EQT Partners AB agreed to acquire Dometic Holding AB, a manufacturer of leisure appliances, for $1.87 billion in a leveraged buyout transaction.
2. On March 9, 2011, Engine Holding, a 50/50 joint venture between Daimler AG and Rolls-Royce Group PLC, launched a tender offer to acquire Tognum AG, a manufacturer of engines, for $4.38 billion.
3. On March 9, 2011, Ansaldo Electric Drives SpA of Italy agreed to acquire Ansaldo Energia SpA, a manufacturer of generators and turbines, for $1.71 billion.
4. On March 29, 2011, GE Energy of the US agreed to acquire a 90% interest in Converteam Group SAS, a French-based manufacturer of power conversion equipment, from Converteam's management, Barclays Private Equity France, and LBO France Finances Srl, for $3.20 billion. Concurrently, GE Energy agreed to acquire the remaining 10% stake, which it did not already own, in Converteam.

Mega-deals in 1Q11

Month announced	Target name	Target nation	Buyer name	Buyer nation	Status	Value of transaction in US$ bil.	Category
Mar	Tognum AG	Germany	Engine Holding GmbH	Germany	Pending	4.38	Industrial Machinery
Mar	Converteam Group SAS	France	GE Energy	United States	Pending	3.20	Electronic & Electrical Equipment
Feb	Dometic Holding AB	Sweden	EQT V Ltd	Guernsey	Pending	1.87	Industrial Machinery
Mar	Ansaldo Energia SpA	Italy	Ansaldo Electric Drives SpA	Italy	Pending	1.71	Electronic & Electrical Equipment

Mega-deals in 2010

Month announced	Target name	Target nation	Buyer name	Buyer nation	Status	Value of transaction in US$ bil.	Category
Aug	Pactiv Corp	United States	Reynolds Group Holdings Ltd	New Zealand	Completed	4.52	Rubber & Plastic Products
Jul	Tomkins PLC	United Kingdom	Pinafore Acquisitions Ltd	Canada	Completed	4.38	Industrial Machinery
Nov	Baldor Electric Co	United States	ABB Ltd	Switzerland	Completed	3.89	Electronic & Electrical Equipment
Oct	RS Technologies Inc	Canada	Creditors	Canada	Completed	3.35	Fabricated Metal Products
May	Expansion Transmissao Itumbiara Marimbondo SA	Brazil	State Grid Brazil Holding Ltda	Brazil	Completed	1.70	Electronic & Electrical Equipment
Apr	Chloride Group PLC	United Kingdom	Rutherfurd Acquisitions Ltd	United Kingdom	Completed	1.49	Electronic & Electrical Equipment
Sep	Associated Materials Inc	United States	Hellman & Friedman LLC	United States	Completed	1.30	Fabricated Metal Products
Oct	Sichuan Aviation Industry Chuanxi Machinery Co Ltd	China	Hubei Aviation Precision Machinery Technology Co Ltd	China	Pending	1.20	Industrial Machinery
Dec	Cardo AB	Sweden	Assa Abloy AB	Sweden	Completed	1.06	Fabricated Metal Products
Oct	Lincoln Industrial Corp	United States	SKF AB	Sweden	Completed	1.00	Industrial Machinery

Mega-deals in 2009

Month announced	Target name	Target nation	Buyer name	Buyer nation	Status	Value of transaction in US$ bil.	Category
Nov	The Black & Decker Corp	United States	The Stanley Works	United States	Completed	3.47	Industrial Machinery

Industrial machinery leads deal activity

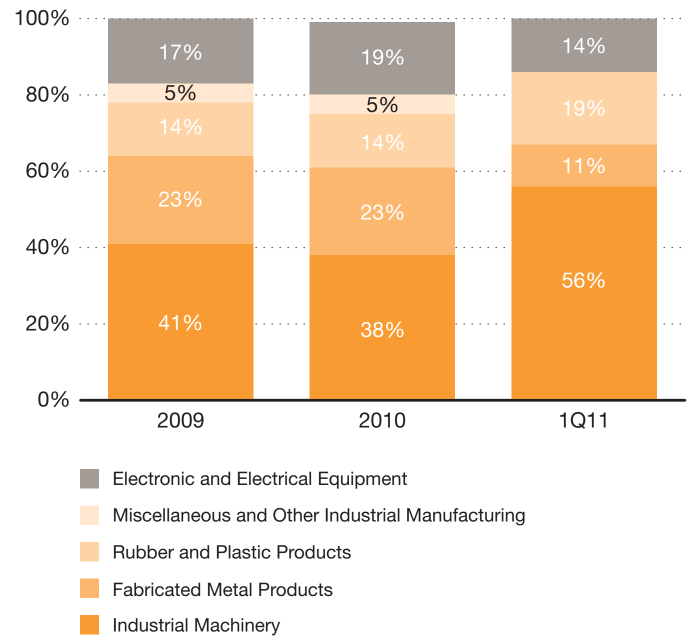
PwC segments the IM sector into five categories by comparing standard industrial classification (SIC) codes with our internal classification system. Based on this process, we group deals (measured by number) into five product and service segments:

- Industrial machinery
- Fabricated metal products
- Rubber and plastic products
- Miscellaneous and other industrial manufacturing
- Electronic and electrical equipment

Based on this methodology, during first-quarter 2011, targets classified in the industrial machinery category realized the largest increase in deal volume and represented the primary driver of deal activity during the period. Industrial machinery companies have used M&A as a tool to gain competitive advantage, enter into new markets, and grow revenue. As one of the largest sectors within the industry, industrial machinery is likely to continue to account for the largest proportion of M&A volume. Rubber and plastic products also increased in volume, while the fabricated metal products and electronic and electrical equipment categories represented a smaller part of the deal activity for the period.

Interestingly, while two of the four mega-deals this quarter were industrial machinery deals, electronic and electrical equipment accounted for the remaining two. Also worth noting is that while two of the mega-deals were by financial investors, the two strategic deals—GE's acquisition of Converteam Group and Ansaldo Electric Drives' acquisition of Ansaldo Energia—were in pursuit of expanding the companies' energy infrastructure, in particular, offshore oil platforms.

Deal volume by industrial manufacturing category
Measured by number of announced deals worth $50 million or more



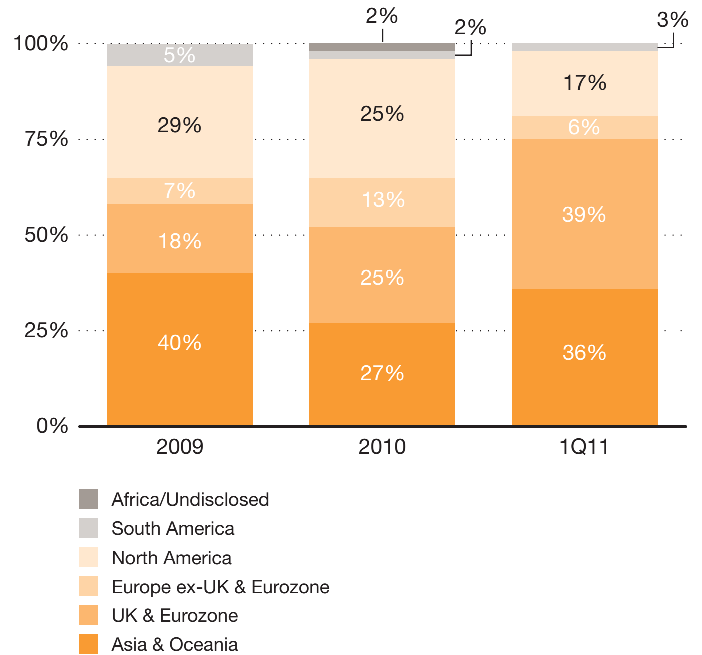
Note: Columns may not round to 100% due to rounding

Regional analysis

Majority of deals come from UK and Eurozone, Asia and Oceania deals also increase

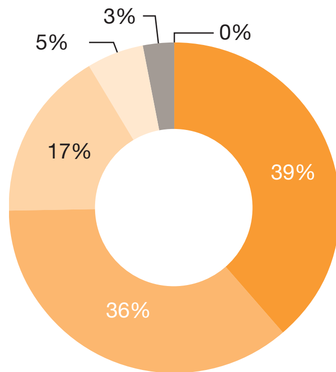
During the first quarter, targets and acquirers in the UK and Eurozone and Asia and Oceania regions were the primary drivers of deal activity. Because of its advanced capital markets and favorable regulatory environment, UK and Eurozone targets are likely to continue to be a major catalyst for deal activity. The Asia and Oceania region is attractive due to its high economic growth and lower production costs, and it should continue to increase its contribution to M&A activity. After a strong 2010, North America has significantly decreased its contribution to deal volume, partly because of slower economic recovery and less attractive market conditions. Due to the nature of the South America and Africa regions, characterized by greater levels of political instability, underdeveloped financial markets, and slower economic growth (with the exception of Brazil), they are expected to continue to play a minimal role in deal activity.

Regional distribution of deals by target region
Measured by number of announced deals worth $50 million or more

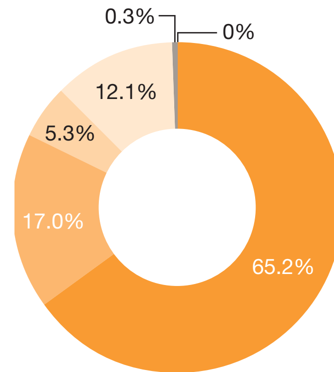


Note: Columns may not sum to 100% due to rounding

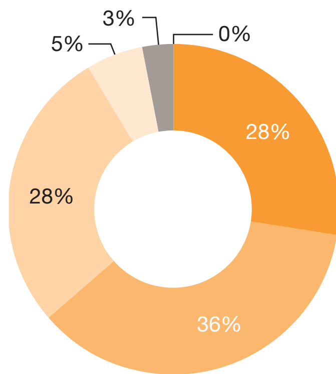
Regional distribution of deals by target region
Measured by number of announced deals worth
$50 million or more (1Q11)



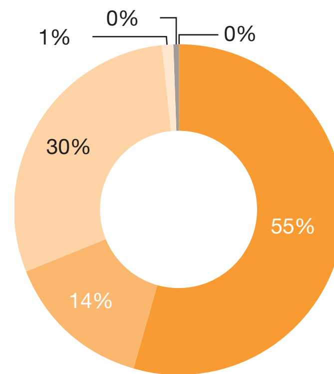
Regional distribution of deals by target region
Measured by value of announced deals worth
$50 million or more (1Q11)



Regional distribution of deals by acquirer region
Measured by number of announced deals worth
$50 million or more (1Q11)



Regional distribution of deals by acquirer region
Measured by value of announced deals worth
$50 million or more (1Q11)

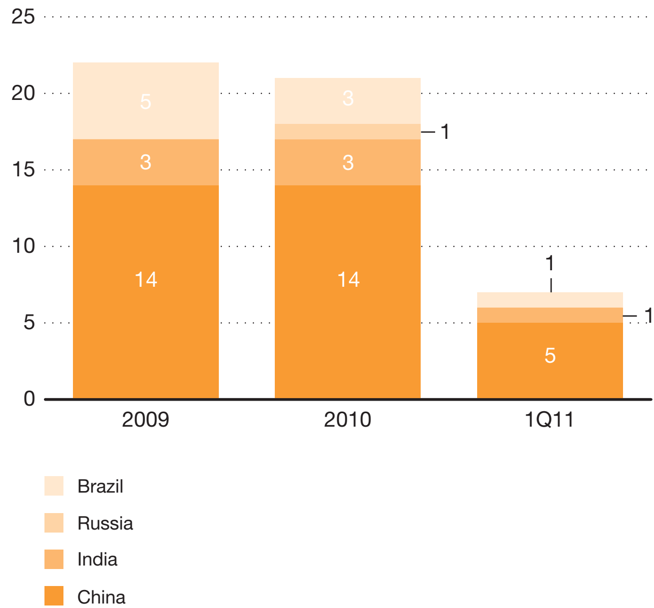


UK & Eurozone | Asia & Oceania | North America | Europe ex-UK & Eurozone | South America | Africa/Undisclosed

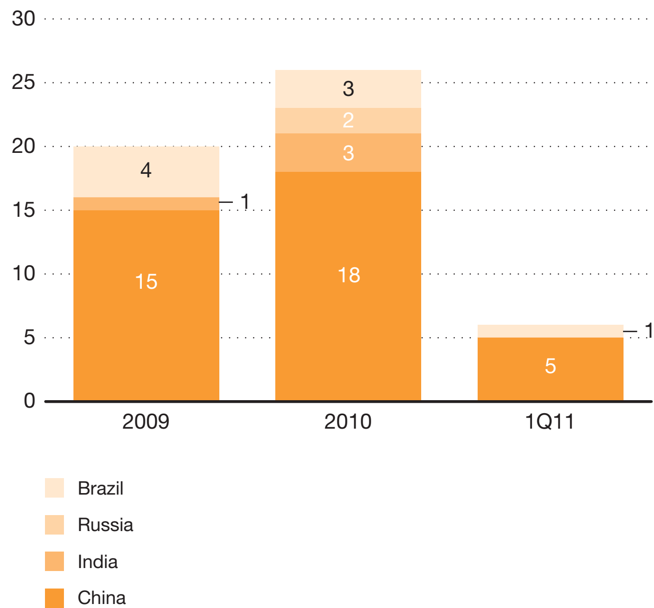
BRIC transactions

Deal activity in the BRIC countries remained strong in the first quarter of 2011, with China as the biggest contributor. The pace of announcements for BRIC targets in this period exceeded the pace of 2010, while the pace of announcements for BRIC acquirers during the first quarter lagged behind 2010. This phenomenon, combined with the shift toward cross-border deals, indicates that while BRIC acquirers are gaining the financial muscle to engage in deals, non-BRIC acquirers are targeting BRIC companies to drive growth. Going forward, improving global economic conditions and the BRIC countries' strong growth rates should support M&A activity increases in BRIC nations, with China continuing to dominate the group.

Distribution of BRIC deals by target nation
Measured by number of announced deals worth $50 million or more



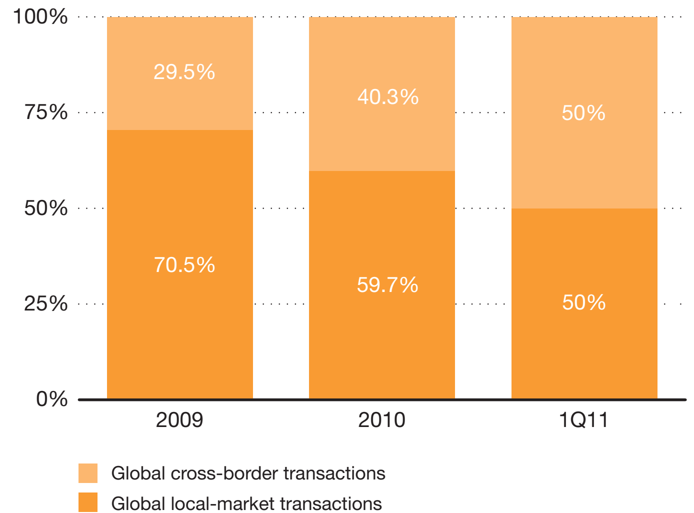
Distribution of BRIC deals by acquirer nation
Measured by number of announced deals worth $50 million or more



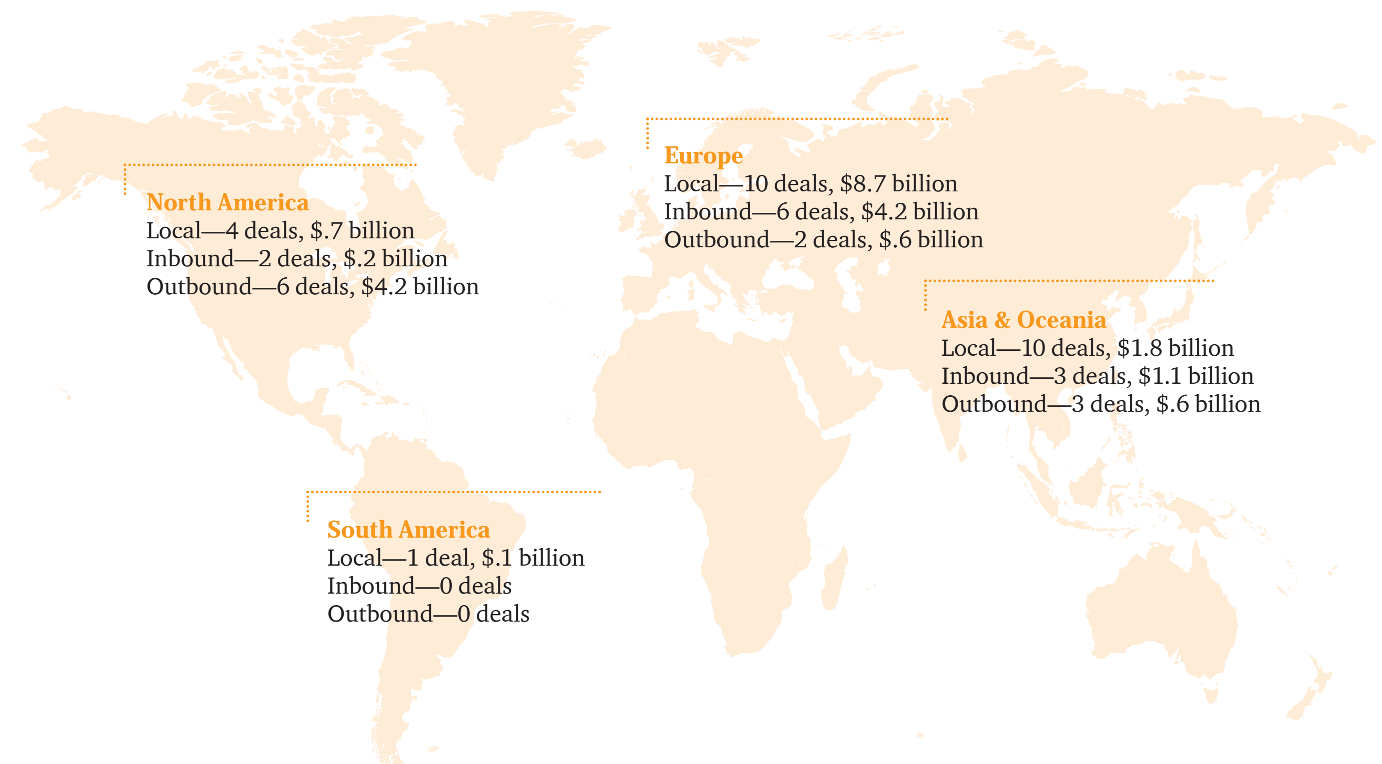
Cross-border transactions continue to build momentum

In the first quarter of the year, companies seeking to gain market share in either new or more attractive markets and an overall push toward globalization continued to drive cross-border transactions. As the global economy continues to recover, companies will seek to gain competitive advantage by broadening their international presence. Many businesses engage in cross-border transactions to follow their customers or gain new ones. The trend toward more international deals was widespread in the first quarter, as half of all deals valued at more than $50 million were cross-border, versus 40.3% in 2010 and 29.5% in 2009. This included mega-deals as well, with 50% being cross-border this quarter compared with about 40% in 2010. Because of increased deregulation, privatization, and corporate restructuring, globalization has become a major driver for cross-border M&A activity.

Local-market vs. cross-border deals (all nations)
Measured by number of announced deals worth $50 million or more



Global industrial manufacturing M&A activity
Measured by number of announced deals worth $50 million or more



PwC spotlight

With M&A activity steadily increasing across the globe, many companies are facing complex talent-management challenges. A number of people issues need to be addressed, including organizational design, integration planning, and the cultural fit between the acquirer and the target.

M&A transactions often fail to achieve their desired results for a variety of reasons. Companies can greatly enhance the success of their deals by properly understanding, addressing, and resolving important concerns related to these issues during the due diligence stage.

How PwC can help

PwC's People and Change (P&C) practice supports clients by using interviews and surveys to conduct cultural assessments to help identify critical issues during merger integration. PwC helps companies:

- Use a culture tool that assesses the operational norms of the organizations coming together and identifies how they might affect the integration. The goal is to map the differences between the operating styles, cultural drivers, and HR policies and practices of the companies to give the acquirer a clear picture of the size of the gulf between the organizations and decrease any cultural roadblocks to integration progress.

- Hold workshops with each organization's senior teams and agree on an integration culture, a process that helps the teams learn to respect each other's differences and to start to speak the same language.

- Build an elite integration team, relocating star performers from their usual roles to work with leadership and an effective integration management office—companies can no longer afford to choose members of their integration teams based solely on availability.

- Execute a strong, clear communications strategy by providing the right communications at the right time, and accounting for different levels of employee understanding of the changes. Steady communication is vital, even when there is no major news to announce, as a critical element in combating the distractions and anxiety that result from an integration effort.

- Determine whether there are likely to be any significant employee-related costs.

Organizations considering a merger or acquisition should devote appropriate time and resources to merging the companies' cultures, HR policies and processes, and organizational reporting relationships. PwC's disciplined approach to delivering people integration helps companies achieve early wins, build momentum, and instill confidence among stakeholders. PwC takes a proactive approach to helping clients focus on the right things at the right times, thereby enhancing the value of the deal. PwC's integration processes support client integration teams and supplement them with experienced professionals who fill resource and technical gaps as needed.

Specialty case study:

Enhancing global manufacturing capacity—global manufacturer integrates ahead of schedule

Issue

A leading industrial manufacturing company sought help integrating a competitor. The market demand for its products was growing rapidly, and the acquirer needed to grow its ability to deliver. The deal was designed to reduce overhead, combine and enhance research and development, and propel product advances that could generate additional cost savings.

To transform two distinct companies into one global enterprise, leadership required a proven process and trusted advisors to help guide them through the integration. They wanted to make sure that they could integrate the acquired company while sustaining high standards of customer service, and avoiding disruptions to manufacturing operations.

Action

PwC's experienced integration team analyzed the client's situation quickly and began providing immediate assistance. Within a week, PwC worked with the client to coordinate a dozen functional teams involving more than 300 people. By week two, we had helped the client establish an integration management office to coordinate operations, human resources, and facilities.

We assisted the client with several key tasks, including cost synergy realization, procurement and supply chain, information technology, finance and tax, business processes, operations, and facilities. We helped develop a process for improving production capacity and workforce levels, which provided leaders more information to use when they were deciding which manufacturing centers to retain as the company restructured.

Impact

The transaction closed without incident, and Day One was so successful that many people called it a non-event. The company was able to complete the integration four months ahead of schedule, accelerating the timeline for integration completion from 16 months to 12 months.

Contacts

PwC Industrial Manufacturing practice

Our Industrial Manufacturing practice, strategically located in more than 30 countries around the world, comprises a global network of industry professionals serving manufacturing clients. We bring experience, international industry best practices, and a wealth of specialized resources to help solve business issues.

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Methodology

Assembling value is an analysis of deals in the global industrial manufacturing industry. Deal information was sourced from Thomson Reuters and includes deals for which targets have primary SIC codes that fall into one of the following SIC industry groups: millwork, plywood and structure; wood buildings and mobile homes; partitions, shelving, and lockers; gaskets, packing, and sealing devices; fabricated rubber products; miscellaneous plastics products; heating equipment, except electric air; fabricated structural metal products; bolts, nuts, screws, and other machine products; metals forgings and stampings; coating, engraving, and allied services; miscellaneous fabricated metal products; engines, and turbines; farm and garden machinery; metalworking machinery; special industry machinery; general industrial machinery; refrigeration and service industry machinery; miscellaneous industrial and commercial machinery; electric transmission and distribution equipment; electrical industrial apparatus; electrical lighting and wiring equipment; miscellaneous electrical machinery and equipment; and miscellaneous manufacturing industries. Balance sheet data was sourced from public company reports.

This analysis includes all individual mergers and acquisitions for disclosed or undisclosed values, leveraged buyouts, privatizations, minority stake purchases, and acquisitions of remaining interest announced between January 1, 2008, and March 31, 2011, with a deal status of completed, intended, partially completed, pending, pending regulatory approval, unconditional (i.e., initial conditions set forth by the buyer have been met but deal has not been completed), or withdrawn.

Regional categories used in this report approximate United Nations (UN) Regional Groups, as determined by the UN Statistics Division, with the exception of the North America region (includes Northern America and Latin and Caribbean UN groups), the Asia and Oceania region (includes Asia and Oceania UN groups) and Europe (divided into UK and Eurozone and Europe ex-UK and Eurozone regions). The Eurozone includes Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovenia, and Spain. Oceania includes Australia, New Zealand, Melanesia, Micronesia, and Polynesia. Overseas territories were included in the region of the parent country. China, when referenced separately, includes Hong Kong. The term *deals*, when referenced herein, refers to deals with a disclosed value of at least $50 million unless otherwise noted.

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