



WILLIAM FRY M&A REVIEW 2012



WILLIAM FRY

CONTENTS

Foreword	2
Irish M&A trends	3
Outbound M&A Spotlight	8
Financial Services M&A Spotlight	12
Transactions appearing in this report	14
About the research	15
About William Fry	16

FOREWORD



This third edition of the William Fry M&A Review, prepared in association with mergermarket, identifies the major trends in the Irish M&A market during 2012, as well as developments on the horizon.

Irish M&A figures remained solid in 2012, which is especially striking in the broader context of the eurozone moving back into recession during the year.

Foreign companies moving into and out of the country sustained the international flavour in Irish dealmaking. While inbound activity remained vibrant as in 2011, Irish businesses as international outbound acquirers also rose in prominence. For the first time, outbound activity in 2012 comprised a larger share of Irish dealmaking activity than inbound or domestic M&A. More

than ever, Irish businesses are increasing their market share worldwide, and are contributing to recovery at home.

In recent years, the financial services sector has consistently proven to be a high volume area for Irish M&A. Large international players with Irish bases have looked to streamline their holdings, creating opportunities for buyers that are already in Ireland and others that are looking to establish a base here. Areas of the sector that were often viewed as peripheral to large banks, including insurance, aircraft leasing and hedge fund management, have been particularly busy. Last year's activity was all the more impressive, given that financial services dealmaking was market-led, rather than generated by State bailouts.

While global uncertainty continues in early 2013, there is still cause for optimism on the M&A front, given the widespread perception of Ireland as a benchmark of economic recovery. Ireland's mainstay

sectors, including TMT and pharma, medical and biotech, are primed for a flurry of dealmaking. There is also the prospect of activity driven by State divestments.

This publication, which is prepared on the basis of mergermarket's research parameters of deals over EUR€5m, offers a comprehensive overview of the Irish M&A landscape. We hope you find this third edition interesting and informative and, as always, we welcome your feedback.

Bryan Bourke
Head of Corporate and M&A
T. +353 1 639 5106
E. bryan.bourke@williamfry.ie

IRISH M&A TRENDS

OVERVIEW

While 2012 did not see the dramatic increase in deal flow witnessed over the previous 12 months, Irish M&A still clocked up some notable activity and demonstrated signs of real recovery. Total disclosed deal value rose from €14.5bn to €17.1bn in 2012 – an 18% increase. Deal volume was more languid, with a 4% decline from 85 transactions in 2011 to 82 in 2012.

Strong growth in aggregate deal value was bolstered by activity in the large-cap space, which saw four deals over €250m in 2012. By comparison, there were five deals over €250m during the pre-crisis days of 2007. At the other end of the market, smaller and midmarket transactions have shown persistent signs of malaise: over the same period, the number of deals under €15m has dropped from 40 in 2007 to 11, or a 73% decrease.

INBOUND M&A

The challenging post-crisis adjustment process has manifestly reshaped the Irish M&A market in recent years. Even so, international investors have continued to watch Ireland with keen interest.

Overseas buyers are not only focused on distress-driven opportunities. With its improved competitiveness, Ireland's future with the euro is more certain than it was a year

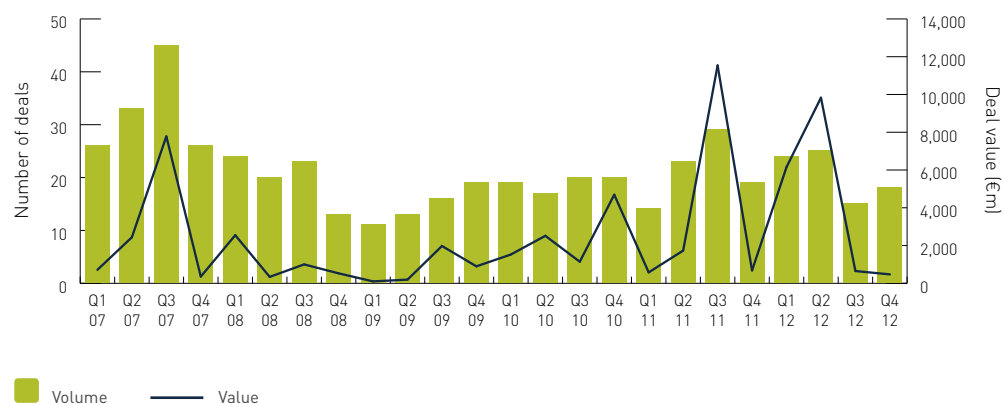
or two ago. While the International Monetary Fund's (IMF) Irish growth estimate for 2012 is just 0.4%, it still compares relatively well against several other eurozone states that are facing economic contraction. Indeed, improving stability is visible elsewhere, particularly in Fitch's upgrade of Ireland's credit rating to BBB+, the highest Irish rating since 2010.

Ireland is seen as a tax-efficient gateway into the rest of Europe: levels of inbound activity remained very respectable in 2012. Inward M&A has been key in sustaining Irish deal activity. For every three Irish M&A transactions brokered in 2012, two were undertaken by overseas acquirers. If one looks back to 2007, foreign acquisitions represented only half of all Irish deals.

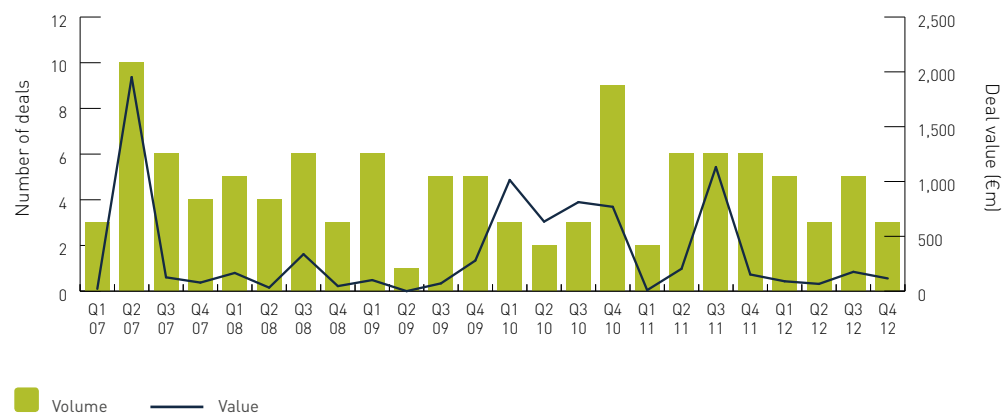
Some of the most noteworthy inbound transactions that came to market this year were in the financial services arena. One such deal saw Sumitomo Mitsui Financial Group purchase Royal Bank of Scotland's (RBS) aviation leasing business, now known as SMBC Aviation, in a €5.7bn deal.

In the same sector, State Street Bank and Trust Company, the Boston-based financial services group, acquired Goldman Sachs Administration Services (GSAS). The deal, which completed in October, has positioned

Irish M&A Trends

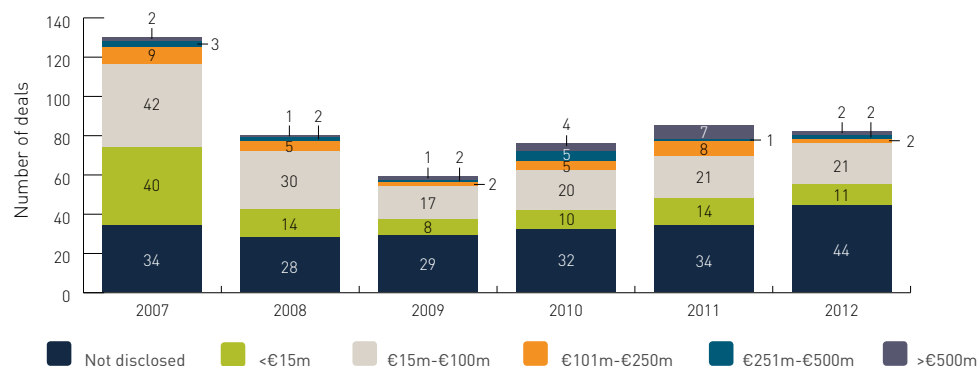


Irish Private Equity Trends



IRISH M&A TRENDS

Irish Deal Size Trends by Volume



State Street as the world's largest provider of hedge fund administration services.

The SMBC Aviation and GSAS acquisitions underline a trend underway in Ireland and economies across the globe, with multinationals reassessing and rationalising portfolios and divesting non-core assets to concentrate on their principal geographic or product markets. Such transactions will surely continue to feature prominently in Ireland and other markets.

OUTBOUND M&A

Another very striking aspect of cross-border M&A in 2012 was the success and abundance of outbound dealmaking by Ireland-based

groups. Indeed, 2012 represents the first year in recent times that outbound activity reached higher levels than inbound deal activity. This past year, the value of overseas acquisitions by Ireland-based buyers, which has exhibited a general upward trend since the low point of the crisis, stood at 58 deals worth €3.8bn.

By and large, Ireland-based acquirers looking abroad target the UK or the US. That said, the biggest outbound international deal of 2012 involved an emerging market acquisition. Experian made public its plans to purchase for €972m the remaining 29.6% of Brazil-based Serasa that it did not already own. The Dublin-headquartered information services

group has sought out acquisitions outside of Europe to manage the impact of the eurozone crisis on its business.

See Outbound M&A Spotlight, p. 8, for further details.

SECTORS

The financial services sector was undoubtedly responsible for much of the positivity in the Irish M&A space, as it generated deals both from cheaper distressed assets coming to market, and from overseas acquirers looking to access European economies. The sector represents a growing proportion of deal volume, and increased from 15.1% between 2007 and 2011, to 18.3% in 2012. Financial services also saw two of the three largest deals of 2012, and is primed for more activity in the coming year. While deleveraging-related asset sales have propped up deal volume in the sector over the past few years, regulatory changes and protracted economic turmoil globally will likely continue to generate financial services activity.

Financial services represented 37.6% of deal value in 2012, as compared to 57.3% between 2007 and 2011. This decrease is not as pronounced as the proportions suggest: a single transaction, Eaton Corporation's €9.3bn purchase of Cooper Industries, inflated deal value in the

industrials & chemicals sector, making financial services' share comparatively smaller. Eaton's acquisition of Cooper Industries was Ireland's biggest of 2012, as well as one of the biggest across Europe. With the deal completed, Eaton has announced its intention to move its base from Ohio to Ireland.

Between 2007 and 2011, industrials & chemicals represented 6% of Irish deal values, while in 2012 it comprised 54.9%. By way of comparison, volume was more stable, although it still increased its share: the proportion of industrials & chemicals deals rose from 9.1% over the preceding five years to 12.2% in 2012.

See Financial Services M&A Spotlight, p. 12, for further details.

PRIVATE EQUITY

Private equity M&A activity dipped in 2012, with buyout volume and value down year-on-year by 20% and 70%, respectively. However, these numbers belie a strong appetite for Irish assets, with some of the biggest names in private equity shifting away from traditional buyouts to invest in non-corporate Irish assets. In the aftermath of the crisis, loans and commercial properties are being scooped up by some of the biggest buyout firms globally, including Kennedy Wilson, KKR and the

IRISH M&A TRENDS



Blackstone Group. Apollo Global Management purchased non-performing loans from Lloyds TSB at a substantial discount in 2012. While this interest from private equity players did not translate into rising buyout activity in 2012, it may do so in the future.

Signs of recovery have made Ireland all the more appealing to investors. Distressed price-tags, which may first attract their attention, combined with growing belief in future stability, should help to drive acquisitions.

OUTLOOK

There are grounds to predict healthy M&A levels in 2013, even against a backdrop of global economic uncertainty. Ireland is viewed as a success story in its approach to addressing the financial crisis, with foreign acquirers still eagerly eyeing opportunities. This increasing confidence, both internationally and at home, will be a key element in driving deals in 2013 and beyond.

Some of Ireland's mainstay sectors are primed to see dealmaking activity in 2013. TMT, for instance, is expected to see more activity this year. The computer software space was quieter than expected in 2012, with only five deals announced. However, computer software companies have represented the bulk of TMT 'business

2012 Top Deals

Announced Date	Deal Status	Target Company	Target Sector	Bidder Company	Bidder Country	Seller Company	Seller Country	Deal Value (€m)
21/05/2012	C	Cooper Industries plc	Industrial: Electronics	Eaton Corporation	USA			9,342
17/01/2012	C	SMBC Aviation Capital Ltd	Financial Services	Sumitomo Mitsui Financial Group, Inc.	Japan	Royal Bank of Scotland Group plc	United Kingdom	5,732
17/07/2012	P	Goldman Sachs Administration Services	Financial Services	State Street Bank and Trust Company	USA	Goldman Sachs	USA	449
15/06/2012	P	Endesa (Irish operations)	Energy	Scottish & Southern Energy plc	United Kingdom	Endesa, S.A.	Spain	320
23/10/2012	C	Dairy Ingredients Ireland (60% Stake)	Consumer: Foods	Glanbia Co-operative Society Ltd	Ireland (Republic)	Glanbia plc	Ireland (Republic)	173
17/08/2012	C	Fintrax Group Holdings, Ltd	Services: (other)	Exponent Private Equity Partners II	United Kingdom	Barry Family	Ireland (Republic)	170
05/01/2012	P	Ark Life Assurance Company Ltd (75% Stake)	Financial Services	Allied Irish Banks plc	Ireland (Republic)	Aviva Group Ireland plc	Ireland (Republic)	100
29/03/2012	P	IFG International Trust and Corporate Services Group	Financial Services	AnaCap Financial Partners LLP	United Kingdom	IFG Group plc	Ireland (Republic)	84
25/11/2012	P	The Burlington Hotel	Leisure	Blackstone Group LP	USA			67
09/06/2012	C	Eco Wind Power Ltd (75% Stake); Viridian Resources Ltd (75% Stake)	Energy	The Irish Infrastructure Fund	Australia	Viridian Group Ltd	United Kingdom	60

P = Pending C = Completed

IRISH M&A TRENDS

2011 Top Deals

Announced Date	Deal Status	Target Company	Target Sector	Bidder Company	Bidder Country	Seller Company	Seller Country	Deal Value (€m)
01/07/2011	C	Allied Irish Banks plc (98% Stake)	Financial Services	National Pensions Reserve Fund	Ireland (Republic)			5,000
26/07/2011	C	Permanent TSB Group Holdings p.lc (99.24% Stake)	Financial Services	Government of Ireland	Ireland (Republic)			2,300
12/09/2011	C	Charter International plc	Industrial Products and Services	Colfax Corporation	USA			1,770
25/07/2011	C	Bank of Ireland Group (34.9% Stake)	Financial Services	Fairfax Financial Holdings Ltd; The Capital Group Companies, Inc.; WL Ross & Co.; Fidelity Investments; Kennedy-Wilson	USA	National Pensions Reserve Fund	Ireland (Republic)	1,052
09/05/2011	C	Elan Drug Technologies	Medical: Pharmaceuticals	Alkermes, Inc.	USA	Elan Corporation plc	Ireland (Republic)	668
08/06/2011	C	Bank of Ireland Group (19.1% Stake)	Financial Services	Bank of Ireland Group (Bondholders)	Ireland (Republic)			650
27/07/2011	C	Bank of Ireland Group (25.78% Stake)	Financial Services	National Pensions Reserve Fund	Ireland (Republic)			628
19/09/2011	C	Azur Pharma Ltd	Medical: Pharmaceuticals	Jazz Pharmaceuticals, Inc.	USA			380
14/01/2011	C	Norkom Group plc	Computer Software	BAE Systems plc	United Kingdom			217
27/10/2011	P	Avolon Aerospace Ltd (Undisclosed Stake)	Financial Services	Government of Singapore Investment Corporation Pte Ltd	Singapore			211

P = Pending C = Completed

for sale' announcements in the past six months, according to mergermarket data. This suggests a new phase of growth for Ireland's budding technology sector over the next few years. The country continues to play host to industry giants like Google and Microsoft. The government has also taken an active interest in supporting tech start-ups, mainly through the Enterprise Ireland initiative. Although most tech activity still takes the form of venture capital funding, larger transactions will inevitably follow in the coming years.

Pharma, medical & biotech is another profitable, innovation-focused industry that will likely see positive levels of activity. The sector has always played a key role in the Irish economy, as Ireland is home to some of the world's biggest pharmaceuticals firms. More broadly, the sector worldwide is experiencing a shift: pharma firms are looking to minimise risks by moving away from keeping early stage research in-house, thereby providing start-up biotech firms with more opportunities. This trend could trigger growth in the SME space. At the upper end, some of Ireland's biggest biotech and pharma players have stated that they are actively seeking prospective acquirers. Amarin is one example, with the company looking for buyers to enhance distribution of products it has developed and patented.

There have been far fewer financial services 'business for sale' announcements than usual in recent months. Yet, appetites for Irish financial services assets remained steady over 2012, with the end of the year seeing foreign buyers acquiring Irish businesses. While the sector is unlikely to see a dramatic increase in activity as it did in 2011, it seems equally likely that Ireland's busiest sector by volume will continue to experience movement in 2013.

Looking forward, we anticipate activity in relation to the sale of State assets. Financial and legal advisors have already been appointed to advise on the sale of Bord Gáis Energy, a division of Bord Gáis Éireann, with yet other State assets primed for sale. This activity will help to ensure healthy dealmaking levels over the next few years.

Although there is ample room for optimism, the announcement in late 2012 that the eurozone is back in recession may inhibit M&A activity. The Irish economy may be recovering, but other parts of Europe are struggling.

Financing hurdles are also still present for some buyers. The IMF noted at the beginning of 2012 that the deleveraging of banks' non-core assets may have led to the run-off of banks' core loan portfolios, thus constraining credit. SMEs argue that they are affected by a

IRISH M&A TRENDS



lack of available credit. This could continue to limit M&A to larger corporates and PE houses that are in a position to self-fund acquisitions.

Ultimately, 2013 will shed greater light on Ireland's debt obligations and overall financial health. Indeed, we have already seen developments on this front in early 2013 with the appointment of joint Special Liquidators to Irish Bank Resolution Corporation Limited (IBRC, formerly Anglo Irish Bank). Removing doubt from acquirers' minds over these issues should contribute to a positive dealmaking environment.

Heat Chart

Sector	Ireland
TMT	13
Pharma/Med/Biotech	8
Consumer	5
Energy/Mining/Utilities	4
Transportation	4
Business Services	3
Industrials & Chemicals	3
Leisure	3
Construction	1
Financial Services	1
Real Estate	1
Grand Total	46

The Heat Chart is based on 'company for sale' stories tracked by mergermarket over 01/07/2012 to 01/01/2013. Opportunities are classified by the dominant sector and geography of the target company.

Hot
10
8
4
2
1
Cold

OUTBOUND M&A SPOTLIGHT



**Myra Garrett,
Managing Partner**

The growing proportion of Irish buyers that targeted foreign acquisitions in 2012 is impressive.

2012 saw a significant shift. For the first time, at 41.4%, the share of Irish outbound international M&A as a proportion of M&A overall was greater than the respective share of either inbound (37.9%) or purely domestic (20.7%) transactions. In fact, the outbound share increased steadily over the past few years, up from 33.7% in 2009.

Outbound M&A's rise as a proportion of total M&A in 2012 is most directly tied to a decline in domestic M&A. This is demonstrated by the fact that the number of international outbound deals remained nearly constant when compared with 2011. The deal count for international outbound acquisitions jumped in 2011, when levels increased 57% from 2010. In turbulent economic times, the fact that there was no immediate drop-off in deal volume after the spike in 2011 reflects the strength of

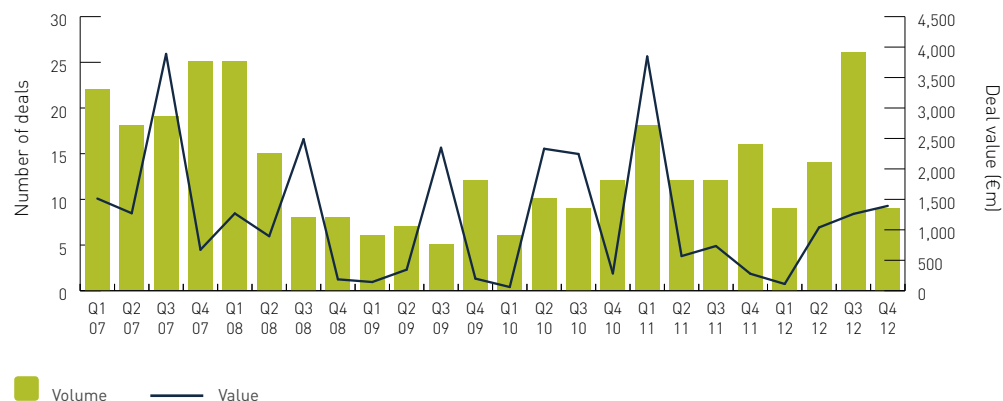
Ireland-based corporates and their ability to compete globally.

Growth in deal value has been even more remarkable. In 2012, the fourth quarter saw nine deals with an aggregate value of €1.4bn, while the same period in 2011 witnessed 16 deals at €279m. The growing share of outbound M&A deal value is attributable to a handful of large-cap acquisitions. While there was only one deal in 2011 over €250m, there were five in 2012. Given the lower year-on-year deal values across Europe in 2012, outbound M&A's stability serves as another reminder of Ireland's ongoing rebound from the dark days of 2009.

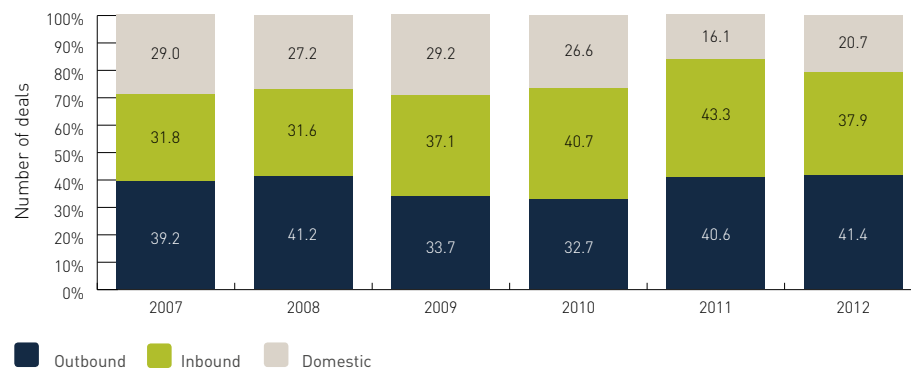
The midmarket also saw an increase in outbound activity. There were 20 deals with values between €15m and €100m in 2012, up 43% from 2011. While not headline-grabbing deals, this return to incremental, add-on acquisitions demonstrates the market's holistic return to acquisitive growth.

Many of these deals are driven by home-grown Irish companies' desire to expand. Smurfit Kappa sought to reinforce its position as one of the largest paper packaging makers in 2012, buying the Orange County Container Group, which is headquartered in California but has sizeable operations in

Outbound M&A Volume and Value



Proportion of Inbound, Domestic and Outbound M&A



OUTBOUND M&A SPOTLIGHT



Mexico. Smurfit Kappa is an industry leader in Europe, and has sizeable Latin American operations. Its €263m acquisition of Orange County Container Group will help to bolster its market share considerably.

Much like inbound M&A, however, a sizeable portion of outbound activity is triggered by international interest in Ireland's attractive business climate. Many of the bidders in 2012's biggest deals are multinational companies registered in Ireland, albeit with core operations elsewhere. Covidien, the bidder in one of the largest outbound deals in the year, was re-domiciled in Ireland in 2009.

Other factors which prompt foreign corporates to relocate to Ireland include cost-cuts and efficiency gains. WPP, the British advertising and PR company, houses its main management office in London, and its executive office in Dublin. In 2012, it was responsible for Ireland's fourth largest international outbound deal, when it announced plans to purchase London-based AKQA for €425m, in order to expand its digital advertising capabilities.

Turning to specific target markets, the UK, as in years past, enjoyed the lion's share of outbound activity in 2012, both in terms of volume (32.8%) and value (44.7%). There were 19 deals with UK-based targets, with a total value of €1.7bn. On the flip side, Irish deals with UK bidders

formed nearly one third of all Irish inbound activity, pointing again to the close investment ties between the two countries.

A number of 2012's biggest international outbound deals involved Irish bidders with UK-based targets. One such deal was the merger of oil and gas producers Petroceltic International, operating in Ireland, and Melrose Resources, based in Scotland, resulting in a combined company under the Petroceltic name. The deal complemented both companies' pre-existing operations in the Black Sea, the Middle East and North Africa, and will ultimately increase their production ability.

Out of the 58 outbound deals last year, the consumer sector was the most active, with 12 transactions. At ten deals before the year's end, TMT closely followed consumer as the second busiest sector. Outbound deal value shows a similar split, although this year saw an inflated rise in the aggregate deal value in the business services sector caused by Experian's acquisition of Serasa. This relatively even spread of deals indicates that Irish outbound M&A is not entirely dependent on the fate of any one industry.

The industrials & chemicals sector has seen a number of deals closing under the radar, with Irish companies making acquisitions

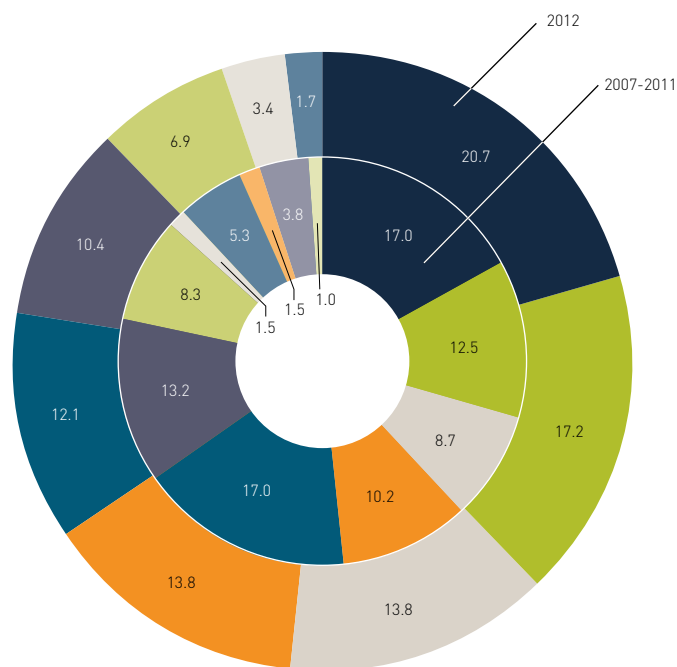
OUTBOUND M&A SPOTLIGHT

through international subsidiaries, or through changes in domicile. For instance, CRH, the Irish-listed building supply company, has acquired competitors and grown throughout North America and Europe, often operating through subsidiaries. These deals have typically had values in the tens of millions, but their abundance, with six deals tracked by mergermarket in the past year, indicates that the company is in a position to fundamentally, albeit incrementally, alter its market position.

Ardagh Group also has made a number of notable acquisitions over the past year. The company has strong Irish connections, but is registered in Luxembourg. If it were not for the Group's domicile, its €719m purchase of Anchor Glass Container Corporation would have ranked as the second largest international outbound deal of the year.

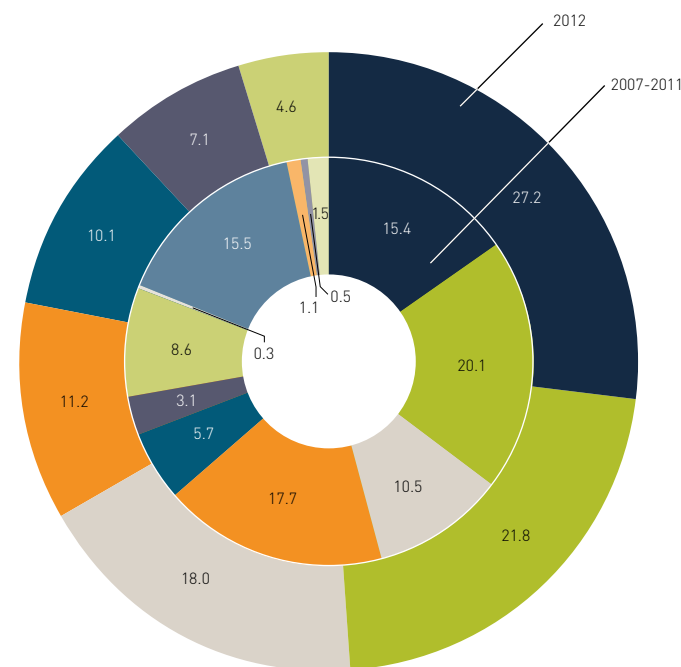
The success of Irish international outbound activity signals that the overall M&A climate is seeing a broad recovery, and is more likely to be long-lasting. While there continues to be some market uncertainty, large corporates based in Ireland have been consolidating their market standings, and show a continued willingness to expand through overseas acquisitions.

Percent of Outbound M&A Deal Volume Split by Target Sector



- Consumer
- TMT
- Energy, Mining & Utilities
- Pharma, Medical & Biotech
- Business Services
- Construction
- Industrials & Chemicals
- Transportation
- Financial Services
- Agriculture
- Leisure
- Real Estate

Percent of Outbound M&A Deal Value Split by Target Sector



- Business Services
- Construction
- Pharma, Medical & Biotech
- Agriculture
- Energy, Mining & Utilities
- Financial Services
- TMT
- Consumer
- Leisure
- Industrials & Chemicals
- Real Estate
- Transportation

OUTBOUND M&A SPOTLIGHT



Outbound 2012 Top Deals Table

Announced Date	Deal Status	Target Company	Target Sector	Target Country	Bidder Company	Bidder Country	Seller Company	Seller Country	Deal Value (€m)
23/10/2012	P	Serasa S.A. (29.6% Stake)	Services: Other	Brazil	Experian plc	Ireland (Republic)	HSBC; Banco Santander S.A.; Itau Unibanco Holding S.A.; Banco Bradesco S.A.	Brazil	972
26/04/2012	C	EUSA Pharma (Europe) Ltd	Medical: Pharmaceuticals	United Kingdom	Jazz Pharmaceuticals, Inc.	Ireland (Republic)	3i Group plc; Advent Venture Partners; SV Life Sciences; TVM Capital GmbH; Essex Woodlands Health Ventures, Inc.; NovaQuest Capital Management, LLC; NeoMed Management AS	USA	529
17/08/2012	C	Melrose Resources plc	Energy	United Kingdom	Petroceltic International plc	Ireland (Republic)			478
20/06/2012	P	AKQA Ltd	Media	United Kingdom	WPP Plc	Ireland (Republic)	General Atlantic LLC	USA	425
24/09/2012	C	Orange County Container Group LLC	Manufacturing: Other	USA	Smurfit Kappa Group plc	Ireland (Republic)			263
23/10/2012	P	Vermont Hard Cider Company LLC	Consumer: Other	USA	C&C Group plc (formerly Cantrell & Cochrane Group Ltd)	Ireland (Republic)			235
22/03/2012	P	Newport Medical Instruments, Inc.	Medical	USA	Covidien plc	Ireland (Republic)			82
12/11/2012	P	Aurelian Oil & Gas plc	Energy	United Kingdom	San Leon Energy plc	Ireland (Republic)			77
24/09/2012	C	CNS Therapeutics, Inc.	Medical: Pharmaceuticals	USA	Mallinckrodt LLC	Ireland (Republic)			77
20/12/2012	P	Kent Pharmaceuticals Ltd	Medical: Pharmaceuticals	United Kingdom	DCC Healthcare Ltd	Ireland (Republic)	Denis O'Neill (Private Investor); Mike Overy (Private Investor)	United Kingdom	68

P = Pending C = Completed

FINANCIAL SERVICES M&A SPOTLIGHT



Bryan Bourke,
Head of Corporate
and M&A



Joanne Conlon,
Corporate Partner

generated by the global leaders in finance, investment management and aviation leasing that are well-established in the International Financial Services Centre (IFSC). Created 25 years ago, the Dublin-based IFSC continues to boost business in Ireland and has also bolstered M&A activity in recent months.

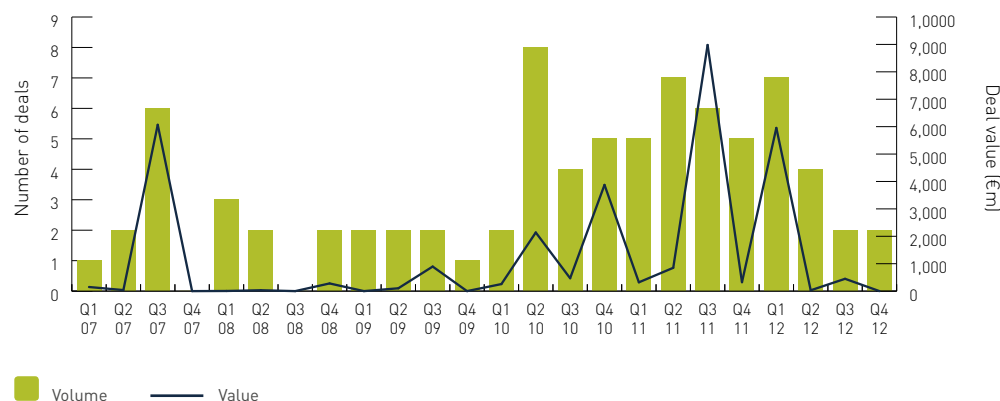
In the most notable example, the Royal Bank of Scotland (RBS) sold its global aviation capital business, which is headquartered in the IFSC, to Sumitomo Mitsui Financial Group for €5.7bn. The deal was part of RBS's broader plan to streamline its business through deleveraging. This blockbuster deal was announced in January 2012 and was the biggest financial services transaction of the year, as well as the second largest Irish deal overall.

Later in the year, corporations continued to make significant disposals. In the third quarter, Goldman Sachs announced the €449m sale of its hedge fund administration business, Goldman Sachs Administration Services, which has its main operations in the US and Dublin, to State Street, an increasingly substantial player in Dublin's investment fund space. In addition, Sumitomo Mitsui Trust Bank, the listed Japanese bank, acquired Daiwa Europe Fund Managers (Ireland) and its UK-based asset management company from Daiwa Securities Group for €30m.

In recent years, Ireland's financial services sector has been at the forefront of the country's M&A activity. In 2011, the sector accounted for 29% and 73% of total dealmaking volume and value, respectively. In 2012, the financial services sector was again at the top of the tables, representing 18% of volume and 38% of value. While the absolute volume and value figures were down by 47% and 40% respectively on the previous year, 2011's figures were artificially inflated by activity relating to State bailouts and the recapitalisation of major Irish banks.

2012 saw a small number of transactions emanating from the crisis, but M&A was also driven by large multinational players making strategic moves as they sought to focus on their primary businesses by offloading non-core assets. Some of the largest financial services transactions of last year were

Financial Services M&A Trends



Government initiatives to attract international businesses within the fund management and aviation leasing sectors have clearly boosted M&A in these sectors.

Financial services firms looking to make disposals have also been evaluating their exposure to insurance. As part of a strategic decision to exit the insurance space, HSBC agreed to sell its Irish non-life insurance and reinsurance businesses to Catalina Holdings, a Bermuda-based company that specialises in buying run-off insurance companies. Meanwhile Irish Life Assurance, which moved into direct State ownership in late March, announced plans to acquire Quinn

Life Direct's pension operations, as well as the majority of its life insurance portfolio.

Stockbroking and private wealth management were at the centre of activity throughout 2012. In January, international bank and asset manager Investec made public plans to purchase Neontar, the holding company of wealth and finance firm NCB Group. In March 2012, J&E Davy announced that it had agreed to purchase the private client business of Ireland's oldest stockbroking firm Bloxham. Shortly thereafter, Bloxham was obliged to stop all regulated activities, and Davy again stepped in to consolidate its market leading position by picking up

FINANCIAL SERVICES M&A SPOTLIGHT



Bloxham's fund management business. At the end of the year, domestic broker and wealth management firm Dolmen was purchased by US-based Cantor Fitzgerald, establishing its presence in Ireland.

Also in the first quarter, IFG Group, itself the subject of attempted takeovers in recent years, announced a €84m management buyout of its International Trust and Corporate Services business. This puts the IFG Group in a better position to pay down debt and inject cash into its core businesses. The newly-formed IFG Trust and Corporate Group quickly came up to speed on the M&A front, announcing in November the purchase of Jersey-based fund manager Moore Management with a view to expanding its product offering and geographic footprint.

In the coming year, the market is likely to see a continuation of 2012's main trends, with foreign businesses focusing on their primary operations and offloading assets which are not viewed as core to their strategy. Already, Permanent TSB is in talks to sell its car leasing arm to Deutsche Bank while Denmark's Danske Bank has discussed spinning off more units of its National Irish Bank subsidiary, but has not yet received adequate offers. At the beginning of 2013, BlackRock announced plans to acquire Credit Suisse's exchange traded funds business.

Financial Services Top 5 Deals

Announced Date	Deal Status	Target Company	Target Sector	Bidder Company	Bidder Country	Seller Company	Seller Country	Deal Value (€m)
17/01/2012	C	SMBC Aviation Capital Ltd	Airlines, Rental and Leasing	Sumitomo Mitsui Financial Group, Inc.	Japan	Royal Bank of Scotland Group plc	United Kingdom	5,732
17/07/2012	P	Goldman Sachs Administration Services	Business Support Services, Fund Management, Other Services	State Street Bank and Trust Company	USA	Goldman Sachs	USA	449
05/01/2012	P	Ark Life Assurance	Insurance-related	Allied Irish Banks plc	Ireland (Republic)	Aviva Group Ireland plc	Ireland (Republic)	100
29/03/2012	C	IFG International Trust and Corporate Services Group	Fund Management	AnaCap Financial Partners LLP	United Kingdom	IFG Group plc	Ireland (Republic)	84
27/01/2012	P	Neontar Ltd	Securities and Commodities Brokers	Investec plc	United Kingdom			32

P = Pending C = Completed

The Irish government has also announced that a sale of personal financial services provider Irish Life will likely be finalised by the end of February 2013.

2013 should see Ireland's financial services sector continue to move towards stability. At the end of 2012, Ireland's Central Bank characterised Ireland's banking system as 'fragile', and noted that the system has not yet returned to pre-crisis normality. As noted above, early 2013 has seen the appointment of joint Special Liquidators

to IBRC. Financial services deals worldwide are down both in size and number, which will invariably weigh on Ireland. The landscape will probably see a gradual recovery, as financial services businesses continue to jockey for position, while changing priorities and regulation push assets to market. Even so, Ireland's financial services is one of the few stories of positive recovery over the past few years - while its success should be qualified, it should not be understated.

TRANSACTIONS APPEARING IN THIS REPORT

Announced Date	Deal Status	Target Company	Target Sector	Target Country	Bidder Company	Bidder Country	Seller Company	Seller Country	Deal Value (€m)
20/06/2012	P	AKQA Ltd	Media	United Kingdom	WPP plc	Ireland (Republic)	General Atlantic LLC	USA	425
24/01/2012	C	Anchor Bay Construction Products Ltd	Construction	United Kingdom	CRH (UK) Limited (subsidiary of CRH plc)	Ireland (Republic)	Phillip Greene (Private Investor); Keir Donald (Private Investor)	United Kingdom	9
17/07/2012	C	Anchor Glass Container Corp.	Manufacturing: Other	USA	Ardagh Glass Group S.A.	Luxembourg	Wayzata Investment Partners LLC	USA	719
08/03/2012	C	Bloxham Stockbrokers (Private-client division)	Financial Services	Ireland (Republic)	J&E Davy Holdings Ltd	Ireland (Republic)	Bloxham Stockbrokers	Ireland (Republic)	6
02/08/2012	C	Central Precast Concrete, Inc.	Construction	USA	Oldcastle Precast, Inc. (subsidiary of CRH plc)	USA	U.S. Concrete, Inc.	USA	17
21/05/2012	C	Cooper Industries plc	Industrial: Electronics	Ireland (Republic)	Eaton Corporation	USA			9,342
28/06/2012	C	Daiwa Securities Trust & Banking (Europe) plc; Daiwa Europe Fund Managers (Ireland) Ltd	Financial Services	Ireland (Republic)	Sumitomo Mitsui Trust Bank Ltd	Japan	Daiwa Securities Group, Inc.	Japan	30
03/12/2012	C	Dolmen Stockbrokers Ltd	Financial Services	Ireland (Republic)	Cantor Fitzgerald	USA			
17/07/2012	P	Goldman Sachs Administration Services	Financial Services	Ireland (Republic)	State Street Bank and Trust Company	USA	Goldman Sachs	USA	449
09/07/2012	P	HSBC Insurance (Ireland) Ltd; HSBC Reinsurance Ltd	Financial Services	Ireland (Republic)	Catalina Holdings (Bermuda) Ltd	Bermuda	HSBC Holdings plc	United Kingdom	
29/03/2012	P	IFG International Trust and Corporate Services Group	Financial Services	Ireland (Republic)	AnaCap Financial Partners LLP	United Kingdom	IFG Group plc	Ireland (Republic)	84
03/07/2012	P	Lemminkainen Rakennustuotteet Oy	Construction	Finland	Rudus Oy (subsidiary of CRH plc)	Ireland (Republic)	Lemminkainen Oyj	Finland	55
17/08/2012	C	Melrose Resources plc	Energy	United Kingdom	Petroceltic International plc	United Kingdom			478
03/07/2012	C	MMM Industries Sdn Bhd	Industrial Products and Services	Malaysia	CRH Nederland B.V. (subsidiary of CRH plc)	Netherlands			
16/11/2012	C	Moore Management Ltd	Financial Services	Channel Islands	IFG International Trust and Corporate Services Group	Channel Islands			
27/01/2012	P	Neontar Ltd	Financial Services	Ireland (Republic)	Investec plc	United Kingdom			32
24/09/2012	C	Orange County Container Group LLC	Manufacturing: Other	USA	Smurfit Kappa Group plc	Ireland (Republic)			263
21/02/2012	P	Quinn Life Direct (life assurance and pension business) [Majority Stake]	Financial Services	Ireland (Republic)	Irish Life Assurance plc	Ireland (Republic)	Quinn Group Ltd		
19/01/2012	C	Schrauwen Sanitair en Verwarming BVBA	Construction	Belgium	CRH plc	Ireland (Republic)	Kris Vanderbeken (Private Investor); Luc Schrauwen (Private Investor)	Belgium	
23/10/2012	P	Serasa S.A. (29.6% Stake)	Services: Other	Brazil	Experian plc	Ireland (Republic)	HSBC; Banco Santander S.A.; Itau Unibanco Holding S.A.; Banco Bradesco S.A.	Brazil	972
17/01/2012	C	SMBC Aviation Capital Ltd	Financial Services	Ireland (Republic)	Sumitomo Mitsui Financial Group, Inc.	Japan	Royal Bank of Scotland Group plc	United Kingdom	5,732
03/07/2012	C	Wijck's Afbouwmaterialen	Construction	Netherlands	CRH Bouwmaterialenhandel B.V. (subsidiary of CRH plc)	Netherlands			

P = Pending C = Completed

ABOUT THE RESEARCH

The underlying data to this report comes from the mergermarket database. Historical data contained in this report includes deals announced from 01/01/2007 to 31/12/2012, excluding lapsed or withdrawn bids or deals valued below €5m.

Remark, the research and publications division of The Mergermarket Group, publishes over 50 thought leadership reports and holds over 70 events across the globe each year which allow clients to demonstrate their expertise and underline their credentials in a given market, sector or product.



The Mergermarket Group, a division of the Financial Times Group, a Pearson company, offers a range of services that give clients the opportunity to enhance their brand profile, and to develop new business opportunities.

To find out more please visit:

www.mergermarketgroup.com/events-publications/

ABOUT WILLIAM FRY

William Fry is one of Ireland's largest law firms and has been a top tier firm in the corporate and M&A markets for many decades. With offices in Dublin, London, New York and Mountain View, California, we offer unrivalled corporate and commercial expertise and experience across the full breadth of the business sector. Our results-focused and innovative team of more than 270 high calibre lawyers and tax professionals and 110 support staff have worked on the highest profile corporate and commercial transactions and legal challenges of recent years.

M&A is core to our practice at William Fry. Our team has top tier credentials, a wealth of experience and an impressive depth of expertise. We are consistently involved in the most sophisticated and complex corporate transactions in Ireland, including large cross-border deals.

We focus on identifying, and delivering on our clients' priorities.

Recent awards include:

- Law Firm of the Year 2012 (Irish Law Award)
- European Private Equity Tax Team of the Year (International Tax Review's Annual European Tax Awards)
- Advised on Equity Capital Markets Deal of the Year 2012 and Most Innovative Deal of the Year 2012 (Finance Dublin Deals of the Year)

Recent directory commentary includes:

- "William Fry is fabulous. It understands the issues clients face and ensures transactions progress smoothly". (Chambers Europe, 2012)
- "William Fry's 'first class' team is capable of 'devising and delivering a solution' that clients are happy with". (Legal 500 EMEA, 2012)

CONTACTS



Bryan Bourke
Head of Corporate and M&A
T. +353 1 639 5106
E. bryan.bourke@williamfry.ie



Myra Garrett
Managing Partner
T. +353 1 639 5122
E. myra.garrett@williamfry.ie



Owen O'Connell
Partner
T. +353 1 639 5120
E. owen.oconnell@williamfry.ie



Alvin Price
Partner
T. +353 1 639 5140
E. alvin.price@williamfry.ie



Brendan Cahill
Partner
T. +353 1 639 5180
E. brendan.cahill@williamfry.ie



Ken Casey
Partner
T. +353 1 639 5104
E. ken.casey@williamfry.ie



David Carthy
Partner
T. +353 1 639 5186
E. david.carthy@williamfry.ie



Stephen Keogh
Partner, London office
T. +44 20 7571 0495
E. stephen.keogh@williamfry.com



Shane O'Donnell
Partner
T. +353 1 639 5112
E. shane.odonnell@williamfry.ie



David Cullen
Partner
T. +353 1 639 5202
E. david.cullen@williamfry.ie



Barry Conway
Partner
T. +353 1 639 5284
E. barry.conway@williamfry.ie



Barbara Kenny
Partner
T. +353 1 639 5146
E. barbara.kenny@williamfry.ie



David Fitzgibbon
Partner
T. +353 1 639 5154
E. david.fitzgibbon@williamfry.ie



Ivor Banim
Partner
T. +353 1 639 5158
E. ivor.banim@williamfry.ie



Andrew McIntyre
Partner
T. +353 1 639 5184
E. andrew.mcintyre@williamfry.ie



Adam Synnott
Partner
T. +353 1 639 5108
E. adam.synnott@williamfry.ie



Leo Moore
Partner
T. +353 1 639 5152
E. leo.moore@williamfry.ie



Joanne Conlon
Partner
T. +353 1 639 5118
E. joanne.conlon@williamfry.ie



WILLIAM FRY

Client focused. Results driven.



On its acquisition of
Cahill May Roberts



On its acquisition of
Bloxham Stockbrokers



On its sale to
Saudi Pharma



On the acquisition of Goldman
Sachs' administration services



On its sale to
Atercin Liffey



On its acquisition of
ThirdForce Group



On its acquisition of
Clerys & Co



On its acquisition of
Orange County Container Group



On its sale to
Cantor Fitzgerald



On the establishment of Glanbia Ingredients
Ireland Limited, a dairy processing JV
between Glanbia Co-Op and Glanbia plc



On its acquisition of
Lloyds TSB Insurance Services



On its sale to
C&C Group



WILLIAM FRY

Tel: +353 1 639 5000 · Fax: +353 1 639 5333 · www.williamfry.ie
Dublin · London · New York · Mountain View