Global M&A

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According to mergermarket, the mergers and acquisitions intelligence and research service, Global M&A for the first half of 2011 totalled US$1,161 billion, up 27.9% from the same period in 2010 (US$907.8 billion).

The mergermarket M&A Round-up for H1 2011 noted that deal count was down by 2.7% at 5,584 announced deals compared to 5,843 for H1 2010. H1 2011 was the busiest H1 period since H1 2008 which closed at US$1,266.1 billion.

US$535.7 billion worth of deals were announced globally in the second quarter of 2011 compared to US$448.9 billion in Q2 2010, a 19.3% increase and the highest Q2 total since Q2 2008 (US$676.5 billion). However, Q2 activity was down 14.3% from Q1 2011 (US$625.2 billion). This is the third year running to have seen less activity in Q2 than in Q1.

The largest deal so far this year is Deutsche Telecom's US$39 billion disposal of T-Mobile USA to AT&T, the largest corporate deal since ExxonMobil's US$40.6 billion acquisition of XTO Energy in December 2009. Johnson & Johnson's US$21.2 billion offer to acquire Swiss-based Synthes GmbH is Q2's largest announced deal. The three largest deals in Q1 amounted to US$79.7 billion compared to the three largest in Q2 which added up to US$51.1 billion.

Cross-border M&A saw the busiest H1 since 2008. Cross-border deals (by individual countries) announced in the first half of 2011 added up to US$468.1 billion, a 53.3% increase since H1 2010, which saw US$305.3 billion-worth by country. The first half of 2011 saw cross-border deals between individual countries accounting for 40.7% of global M&A activity, the highest proportion for a first half since 2008 (when it accounted for 44.7%).

"The largest deal so far this year is Deutsche Telecom's US$39 billion disposal of T-Mobile USA to AT&T, the largest corporate deal since ExxonMobil's US$40.6 billion acquisition of XTO Energy in December 2009."

JP Morgan, having led the global M&A financial advisory tables by total deal value in the first quarter of the year, has been displaced by Goldman Sachs, which also led the rankings in the first half of 2010. Goldman has worked on all three of the largest deals announced in the second quarter of 2011. The top ten firms in the global M&A financial advisory tables have seen an average increase of 46.5% in the total value of deals worked on so far this year compared to the same period in 2010. Credit Suisse, ranked third, was the top ranking non-US firm in the advisory tables, and there are nine other non-US firms in the top 20 rankings.

Global mid-market M&A saw the announcement of US$390 billion-worth of deals in H1 2011, a 10.5% increase on the same period in 2010 (US$352.8 billion), and the highest H1 total since H1 2008 (US$403.3 billion).

Mid-market M&A activity

The total value of mid-market M&A activity in Q2 2011 was US$208.1 billion, up 14.5% from Q1 2011 (US$181.7 billion). It was the highest quarterly total since Q4 2010, which saw US$248.5 billion-worth of deals.

All regions saw increases in H1 2011 when compared to the same period in 2010. The US accounted for midmarket deals valued at US$120.1 billion, 13% more than H1 2010 (US$106.3 billion). The Asia-Pacific region registered an increase of 18% with US$74.6 billion-worth of mid-market deals in H1 2011, compared to US$63.2 billion in H1 2010.

Japan witnessed the biggest increase in mid-market M&A with a total value of US$12.5 billion so far this year, 60.3% greater than in H1 2010 (US$7.8 billion).

Energy, Mining & Utilities was the most active sector in the global mid-market for H1 2011, accounting for 22.5% of total mid-market activity. Foreign majors and independents continue to look at partnering with US companies to enter the shale plays, but deals may be delayed until oil prices stabilise. The Utilities and Energy sectors continue to consolidate with lots of talk and few deals, but each deal has been a mid-market mover, such as Buckeye Partners' acquisition of 33 refined petroleum products terminals and 992 miles of pipelines of BP Products North America in a deal worth US$165m, and the listed Australia-based coal and energy company, Linc Energy's, acquisition of 14 oil fields from ERG Resources, the US based oil and gas exploration and production company, for a total consideration of US$236m.

The Leisure sector saw the biggest increase in mid-market activity with H1 2011 seeing US$13.7 billion-worth of deals, 81% higher than the same period in 2010 (US$7.6 billion). The Telecommunications sector on the other hand suffered from the biggest drop, to US$9.1 billion-worth of deals, a 74% decrease compared to H1 2010 (US$34.8 billion).

The top financial advisor in the mid-market in H1 2011, ranked by both value and deal count, was Goldman Sachs. The firm advised on 70 deals worth US$59.2 billion. Goldman Sachs was also the top financial advisor in H1 2010, although the firm saw a 16.1% increase in terms of total value compared to the same period last year.

Deal Type

The total value of public M&A deals announced globally in the first half of this year was US$528.2 billion, up 36.8% over the same period in 2010 (US$386.1 billion).

With the inclusion of lapsed deals, hostile offers announced in H1 added up to US$35.3 billion, an increase of 182% by total deal value compared to the same period last year (US$12.5 billion). 14 hostile deals were announced in H1, down from 18 in the same period last year.

Hostile deals accounted for 6.7% of aggregate public M&A by value, more than double the proportion represented by hostile deals in the same period in 2010 (when they accounted for 3.2%). For comparison, hostile deals accounted for 10.6% of aggregate public M&A deal value in the full year 2010; 11.6% in 2009 and 22.1% in 2008. Having started off on a relatively 'friendly' note in Q1 (during which only two unsolicited deals were hostile) 2011 has seen an increase in hostile deals which make up 12 of the 28 unsolicited offers announced in the year to date 2011.

By value, hostile offers currently represent 70.4% of all unsolicited offers, and are on track to match an eight-year average of 74.4%.

In Canada, two hostile mining deals with a combined value of approximately US$11 billion lapsed this year. In April, Equinox Minerals received an unsolicited proposal to be acquired by Hong Kong-based Minmetals for US$6.4 billion, underscoring heightened interest in Canada's mining resources from foreign investors. Later that month, Barrick Gold trumped the offer with a recommended US$7.7 billion cash bid, Minmetals withdrew accordingly, and in the reverse role, Equinox dropped its unsolicited bid to acquire rival Lundin Mining instead, for US$4.6 billion. Goldman Sachs, which offered a bridge loan arrangement to help finance Equinox's unsolicited takeover bid, advised Equinox in all three transaction.

Deal Value Breakdown

Mega-deals (over US$10 billion) accounted for a total of 17.6% of the value of global M&A announced in H1 2011, with US$202.7 billion-worth of deals announced, up 46.5% from H1 2010 (US$138.4 billion). Deals valued between US$2 billion and US$10 billion accounted for 36.3%, with a total value of US$418 billion, up 52.7% from H1 2010 (US$273.7 billion).

Globally, H1 2011 saw the announcement of 12 mega-deals, split equally between US and Europe, compared to eight for the same time period in 2010. Total deals valued at over US$2 billion represented 47.6% of overall deal value in Q2 2011 (US$251.4 billion) compared to 59.3% in Q1 2011 (US$369.2 billion).

In the US, mega-deals accounted for 25.2% of total deal value with US$117.1 billion, 58.5% up from H1 2010 (US$73.9 million).

Q2 2011 saw the highest European average deal size, US$459m, since Q2 2007 (US$576 million).

"Energy, Mining & Utilities was the most active sector in the global mid-market for H1 2011, accounting for 22.5% of total mid-market activity."

Consideration Structure

H1 2011 saw the announcement of US$153.8 billion-worth of cash and equity deals, 71.7% higher than the same period in 2010 (US$89.6 billion). US$587.8 billion-worth of cash-only deals were announced, 20.2% more than in the same period in 2010 (US$489.1 billion). Equity-only deals increased slightly by 9.3% in H1 2011, amounting to US$212.8 billion, compared with US$194.7 billion in H1 2010.

Globally, the proportion of transactions paid with cash and equity increased, accounting for 16.1% in value and 7.8% in volume of total M&A deals in H1 2011, compared to 11.6% in value and 6.7% in volume in H1 2010. The largest cash and equity deal in H1 2011 was the acquisition of T-Mobile USA Inc by AT&T Inc. for US$39 billion, announced in March.

Regionally, transactions with a cash and equity consideration in Europe increased most significantly, with a total value of US$37.1 billion, an increase of 252.9% compared to the same period last year.

Equity-only is the preferred structure for cross-border deals so far in 2011 – US$37.1 billion-worth of deals for the year to date, which is the highest H1 value of equity-only cross-border deals after H1 2007 (which saw US$47.6 billion-worth of equity-only deals).

Insolvency

With the announcement of 160 insolvency deals totalling US$6.9 billion so far this year (down 70% from H1 2010 with US$23 billion), the value of insolvency deals has continued to go down, and H1 2011 was the lowest first half since H1 2006 (US$6 billion). The second quarter, with 75 insolvency deals valued at US$3.9 billion, saw the lowest Q2 value since Q2 2008 (US$3.2 billion).

North America and Europe saw the most significant drop in both value and number of deals in H1 when compared with H1 2010. The total value of North American insolvency deals has gone down from US$18.7 billion in H1 2010 to US$5.5 billion so far this year (70.5% drop), and European insolvency deal value from US$2.2 billion to US$785 million(64.5% drop).

The Technology sector saw the highest value of insolvency deals in H1 2011, with three deals worth US$2.8 billion. The bankruptcy of DBSD North America for US$1.4 billion has been 2011's largest insolvency case so far this year.

Argentina

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Estudio Garrido Abogados is comprised of highly specialised and experienced attorneys, with partners and senior associates with business oriented LLMs and MBAs. The firm has participated in deals in almost every sector of the economy, working for both sellers and buyers with particular emphasis on private equity and leverage buyout firms. The firm also finds deals for its clients and makes cash investments in start-ups and small and middle sized companies.

Gustavo Garrido, managing partner, explained that after its creation in 2005, the firm grew exponentially to become one of the leading M&A law firms in Argentina. "Also, the firm has a strong presence in the entrepreneurship world through several investments such as Otro Mundo (brewery), Salix (forestry), Biosima (biotech), Centaurus (geothermal), and Celulosa (pulp and paper)."

"In the same way, the firm has a particular and outstanding association with the art world: it owns an art collection formed by more than 500 pictures and, as part of its community work, participates in the art circuits of Buenos Aires, especially at Gallery Nights," commented Mr Garrido. "In this connection, the firm advises the Malba Museum and the government of the City of Buenos Aires in cultural matters."

Mr Garrido describes the Argentinean business environment as competitive, with a high volume of work but reduced profitability due to overvaluation of the Argentine peso. He explained that the global economic crisis affected activity in 2008, but there has been no impact thereafter as the country has a cash economy.

"Today Argentina is attractive and competitive in several sectors such as agribusiness, forestry, renewable energies, and IT services," commented Mr Garrido. "EBITDA multiples are substantially lower than those of Brazil and Chile. Business entities (as opposed to real estate) are under-priced."

Commenting on the key challenges associated with acquiring businesses in Argentina, Mr Garrido noted that investors must adapt to changes in the legal environment and deep economic cycles, emergency legislation, inflation and hyperinflation scenarios.

"Our attorneys have experience in working in such atypical circumstances," said Mr Garrido. "Our business oriented approach to problems and solutions is a distinctive factor of our firm."

Recent significant developments in Argentina include the 30% mandatory reserve central bank requirement for international loans and the non-deductibility of the interest expense in LBO's, Mr Garrido noted.

"A positive development has been a court precedent granting the right to exclude a shareholder in a closed corporation (bringing additional certainty to drag-along and puts and calls in shareholders agreements)," he commented.

Besides the sectors noted above, Mr Garrido believes that many other sectors will flourish in Argentina, "in particular capital intensive projects, when government provides assurances that rules will not change in the long term (as it did already with the forestry and mining sector."

"The mining, agribusiness, oil and gas exploration, energy production and renewable energy sectors have enormous potential," he concluded.

Belgium

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Lorenz has a decisive range of legal and commercial skills which draw on its lawyers' broad and varied expertise from different areas of specialisation (including: corporate; finance; commercial; employment; privacy; e-commerce and IT; and new media) to assist companies in their business needs. For tax issues, the firm cooperates closely with recognised tax law practices to provide an effective and integrated service.

According to Steven De Schrijver, head of corporate/M&A and IT & new media departments, Lorenz has a unique approach to handling its clients' projects.

"Due to the absence of formal departments within the organizational structure of Lorenz, we are able to customize inter-disciplinary teams to match the needs of our clients," commented Mr De Schrijver. "This is arranged through a single contact partner who coordinates the work of the various team members in order to ensure the efficiency and cohesiveness of the projects."

Mr De Schrijver observed that the impact of the economic downturn in Belgium has been fairly limited compared to other EU member states. He stated that one reason for this is the dominance in the Belgian economy of small and middle-sized companies which are, to a large extent, financed with their own equity as opposed to debt equity, which has protected Belgium of the worst damages of the credit crisis.

"Although not back at pre-crisis level, the credit market is picking up again, private equity investors are opening their wallets again and the targets that were still on their list now come into reach," commented Mr De Schrijver. "A number of companies have struggled through the crisis and waited for the right moments to be sold. Now these companies are preparing themselves for sales and the last few months an increase in restructuring type activity has taken place, mostly in financial institutions, but also in the innovation driven sectors."

Mr De Schrijver noted that the first signs of M&A recovery occurred in the second half of 2010.

"The first quarter of 2011 confirms a return of M&A appetite, since the number of transactions represents a significant upturn compared to the same quarter in 2010," he said.

"This shows that, despite the political crisis that started in 2010, Belgium remains attractive for investors."

In the first quarter of 2011, 53 transactions took place of which 23 (or 43%) were inbound transactions. However, Mr De Schrijver explained that this is not new for Belgium – the dominance of inbound transactions is a trend that has been ongoing for the last five years.

"One of the reasons for Belgium's attractiveness is the Belgian government's tax incentives such as the notional interest deduction and the patent income deduction," commented Mr De Schrijver. "Belgium has also created more attractiveness by implementing two European Directives which aim to encourage cross-border European acquisitions. Consequently, Belgium remains at the sixth place of most attractive investment countries according to a study by Ernst & Young."

Austria

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Kunz Schima Wallentin's (KSW) corporate/M&A practice covers the full range of M&A work, including public takeovers, private equity deals, joint ventures and corporate restructurings. Corporate/M&A is complemented by market leading teams with the capacity and expertise to handle assignments of any size or complexity in the areas of real estate; employment; banking and finance; litigation and arbitration; insolvency; competition/antitrust and financial regulation. The firm was recently involved the acquisition of a majority stake in Intermarket Bank AG by Erste Bank der Österreichischen Sparkassen AG. Dr Peter Kunz and Mag Daniel Liemberger from KSW represented Intermarket Bank AG during the parallel sale of the subsidiaries in Poland and the Czech Republic to the Polish Commerzbank subsidiary BRE Bank.

Commenting on the current business environment in Austria, Dr Kunz explained that the past 12 months were more about strategic investors.

"Equity investors are still on hold and we expect that private-equity funds are still a while away – probably this sector will improve at the end of 2011," said Dr Kunz. "Transactions put on hold in the height of the crisis started again, although more limited to small and mid-sized transactions."

The M&A market in Austria slightly recovered over the past 12 months, with workflow proving better than actually feared. Mag Liemberger noted that venture capital deals were almost out of the question, but the renewable energy and healthcare industry performed remarkably well.

"Though the market in 2010 was still driven by distress-work and restructurings in the banking, aviation and real estate sector, which reflects a sort of clearing in the market," said Mag Liemberger. "The main driver of Austrian was consolidation."

"We believe that the floor of the crisis has been reached in Austria in 2009/2010 and it is likely that the oncoming year will see further upward movement. Reasons for this may be found in the structure and positioning of the Austrian economic market."

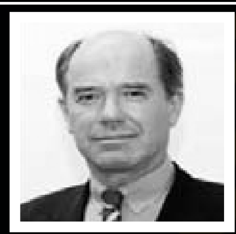
While Austria is not a tax haven, it is a very interesting holding location. Dr Kunz explained that important benefits include the comprehensive (international) participation exemption, even if there is no taxation in the country of residence of the subsidiary, as well as the unlimited deductibility of interest payments in case of debt financing are important benefits.

"In connection with the generally unlimited deductibility of interest payments, the fact that Austria does not generally claim any withholding taxes on interest payments even if the payments are made to an offshore company is of importance," commented Dr Kunz.

"Additionally, the Austrian group taxation concept with the possibility of cross-border compensation of losses within the group and possible structuring possibilities (especially permanent establishment structures, as described above) should be taken into account when considering the benefits and limitation of an Austrian holding company."

According to Mag Liemberger, the most interest for investments in Austria in recent months has come from member states of the European Union. There is also a recognisable growing interest from companies of the former Eastern European for investments in Austria.

China



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Quam Capital is a leading independent investment banking services firm focusing on the mid-market, headquartered in Hong Kong. It is the corporate finance arm of Quam Group, which is listed on the Hong Kong Stock Exchange.

Quam Capital has extensive experience in complex transactions and cross-border deals. The firm specialises in M&A, financing and restructuring, IPO's, and advisory services for public and private firms.

The Quam Capital team has completed 34 transactions in the last financial year. The M&A team consists of highly qualified and experienced professionals speaking a total of seven different languages. The team has good relationships with trade buyers as well as financial sponsors in Hong Kong and mainland China.

Quam Capital is a member of M&A International, the world's leading global mid-market alliance of investment bankers, with 47 members in 41 countries.

Richard Winter, managing director, explained that while Asia's and China's economy in particular are growing rapidly, the recent global economic crisis affected M&A activity in China. However, because of the "red hot growth" of the Chinese economy, it is already back to pre-crisis levels. Outbound M&A deals increased by 30% in 2010 representing a total deal value of US$38 billion.

"The variance between the economic growth of most developed Western countries and China gives rise to interesting and plentiful movements and opportunities in terms of cross-border M&A transactions," commented Mr Winter.

According to Mr Winter, a transaction involving a Chinese firm can be a challenge from the beginning until close.

"M&A in this part of the world is a fairly new concept and most Chinese firms, especially in the mid-market, are not familiar with the different phases of an inbound or outbound cross-border transaction," said Mr Winter. "Therefore, you have to be flexible, patient, and persistent when dealing with a Chinese counterpart. The M&A market in China is still in its infancy, good qualified M&A professionals are a rarity.

"Because of our experience and a developed international network we are ideally equipped to advise both Western companies that are looking for Chinese investors and Chinese firms that want to expand internationally by means of acquisitions."

Mr Winter believes that an important reason for inbound M&A transactions in China is the strong economic growth. Acquiring a Chinese firm gives the foreign counterparty access to a market where the spending power is rising rapidly. Such a transaction might also allow a foreign company to build its brand or increase control over its sourcing base.

"Other external factors that can be considered drivers of foreign investment in China are the loosening of Chinese government regulations and the credit market, and the interest of the PRC in foreign PE funds coming to China," explained Mr Winter. He concluded: "In addition, as the Hong Kong Stock Exchange is rapidly gaining in popularity, more and more foreign firms from all over the world are deciding to list in Hong Kong."

Denmark

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LETT is a leading Danish full-service law firm. The firm renders advice to domestic and international equity funds, financial institutions, blue-chip industrials and the public sector. LETT has roots going back to 1869, and the firm is today located in all business centers of Denmark in order to act locally.

In 2011 the firm will open a sales office in Hamburg, which is integrated in its German Desk and part of its strong international network in the legal community. With more than 360 employees, LETT is a highly specialised law firm with dedicated experts within all practice areas.

LETT applies the most modern methods to project manage clients, transactions and cross-border work, and facilitates dedicated client relationship partners if relevant. LETT's corporate values are to apply top standards and be direct, dynamic, straight-forward and decent.

"In the wake of the credit crunch aftermath, the Middle East crisis and nature/nuclear catastrophes in Japan, it is my opinion that cross-border investment, corporate/M&A and international trade in general, has picked up during 2011, however, regarding M&A and private equity, we are still not close to the 2003-2007 levels. We still see valuation issues – a gap between buyers' and sellers' expectations – and that strategic transactions are coming back. Though the 2010 EU bank stress test gave some comfort, there are still many questions on recovery, which is why the market is still volatile and I expect it to be for the rest of 2011", says corporate finance partner Søren Brinkmann. The current financial situation in Greece, Ireland, Spain and Portugal, supports this expectation.

Mr Brinkmann goes on: "We therefore see massive consolidation in the Danish market and particularly in the banking sector, which has been accelerated by the end of the supporting bank packages." LETT has assisted numerous domestic and international banks and financial institutions in their attempts to acquire Danish companies (banks, insurance companies, etc.) from their owners or and some distressed banks from the Danish Financial Stability Company. E.g. senior partner N.E. Nielsen assisted Købstædernes Forsikring in the acquisition of Diba Forsikring from Diba Bank, Henrik Puggaard assisted Kemp & Lauritzen in the largest private equity deal so far in 2011, by acquiring Semco, and Sebastian Ingversen assisted former national telecom provider TDC in the strategic acquisition of OnPhone.

"We still see massive activity on the dispute resolution side", says Mr Brinkmann. "Arbitration has become more important following the substantial Danish court reform in 2006. We see significant litigations revolving around professional negligence, banking and white collar crime. This obviously increased as a result of the financial crisis, however, not as substantially as expected."

LETT boasts impressive credentials within all aspects of dispute resolution. Georg Lett is the Danish member of ICC and Jesper Lett is chairman of Danish Arbitration. Together with top litigator René Offersen, these fronts LETT's dispute resolution endeavors.

Germany

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Mütze Korsch Rechtsanwaltsgesellschaft mbH (MKRG) was established in 2004. Since then, the firm has successfully expanded its partnership internally as well as via lateral hirings. At present, MKRG has 23 lawyers of whom 16 are partners.

MKRG is a completely independent full-service law firm with offices in Dusseldorf and Cologne. Its main areas of legal practice are: corporate law and finance; insolvency advice and restructuring; labour law; real estate and construction law; public services; and IP/IT. MKRG renders legal and economic advice not only to domestic but in particular also to international clients and attends to mandates throughout the Federal Republic of Germany.

The German M&A business has been hit markedly by the global credit crisis. Dr. Maximilian Koch, partner, explained that firms in Germany were struggling to cope with the global economic crisis in 2009 and were mostly tied up with cutting costs. In addition, it was extremely difficult to obtain credit to leverage M&A transactions.

"The firms which did their homework, performed the necessary cost cutting exercises and managed to keep or even to gain a good competitive foothold are now in a position to pursue a growth strategy via mergers," commented Dr Koch. "Right now the business environment in Germany seems to be good. In fact the jobless rate has reached the bottom, which adds to the attractiveness of external growth by horizontal mergers."

In Dr Koch's opinion, the situation for private equity deals has improved as well. The M&A Report by the Centre for European Economic Research (ZEW), Mannheim, which was published in April 2011, confirms that the M&A activity in Germany is recovering after a lean time in the years before.

"M&A deals in Germany were declining even in 2010, while the M&A activity stabilising abroad already. The report states that this was due to the fact that in 2010 German firms were still focused on internal restructuring tasks rather than external growth," said Dr Koch. "Now the financing conditions even for M&A deals have improved markedly, and external growth via mergers becomes more and more an interesting option."

The report also says that in particular in the financial sector M&A transactions should be observed in the near future because banks have to part with their shareholdings in order to meet the requirements of the EU.

"However, it is obvious that from an international perspective the macroeconomic dangers, in particular the ones associated with the burden of the indebtedness of Western countries, become more and more oppressive and can pose a real threat to the world economy as a whole," said Dr Koch. He concluded: "A worldwide economic downswing would also stall the M&A activity in Germany, in particular (leveraged) mergers."

Global M&A

India

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M S Mishra Associates is a full service law firm headquartered in New Delhi with core competence in strategic and complex litigation. "Advisory is purely incidental" says Manu Shanker Mishra, managing partner.

Mr Mishra noted that an informal study of realised and competitive strategy for mid-cap firms, for a ready to diversify acquirer, showed both linear and non-linear operators.

"Ranking in terms of growth rates and market potential, the cost of capital was based on beta coefficients after tax cost of borrowing and a debt ratio," explained Mr Mishra. "Critical mass was linear in reflection of cash flows and critical structures lead to corporate restructuring for horizontal/vertical mergers in spatially differentiated markets."

Mr Mishra observed that probable values of synergy and control with the tendency towards attaining a local join optimal strategy profile were with sub-optimal global strategy. This was efficient for the firm, inefficient socially, yet feasible.

"Adaptive strategies required oscillators. Intersecting high and low type probably value lines lent directionality, non intersecting suggested potentiality of unlocking value in sub-optimal strategies whose routine was based on alpha coefficients and lambda. The global sub-optimal strategy with the synchronisation of social and financial derivatives was in preparation for restrictive random walk test horizontally to check the efficiency of markets with a redundancy of information which lead to the shadow banking system with the hubris."

Mr Mishra noted that timing became important in the alignment of corporate and M&A strategy in the probability distribution over strategies with underlying conditional and provisional probabilities.

"The projected cash flows were found deficient," commented Mr Mishra. "Risk adjusted expectations had to be reasonable to be legitimate, realisations in business and financial cycles set up by the market pulse were inward. Gamma bursts and market meltdowns showed up in resonances giving heated markets."

Commenting on the current business environment in India, Mr Mishra explained that the economic predictions are good with an attractive growth rate.

"Collision of rules and standard poles give rise to significant legal uncertainties, but thrown up with consistency, reduce legal risks," commented Mr Mishra. "The sub-optimal FDI strategy is sector specific with caps in segments.

"The takeover code is not clear on risk arbitrageurs, street swaps and front loaded offers in securities market, nor obligates the target company to provide information to acquirer for a public announcement. Asymmetries of information have lead to charges of insider trading. The audit fraud detected in a few instances in some companies has led to introduction of clauses restricting competitive offers in takeovers."

Mr Mishra noted that there is a growing awareness about corruption issues and transparency. He believes that, as political risks are low, what is required is sufficiency of reasoning in bounded-rationality for market risks with hedging.

"Regulatory bureaucratisation furthers the rule-standards battle," he explained. "The quality of enabling environment needs much improvement, while there is bonding of the tax base internationally. An emerging market with relatively young population makes it a viable destination for investment."

Jamaica

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Nunes, Scholefield, DeLeon & Co is a full service Civil Law firm of 24 attorneys along with an experienced team of paralegals, secretaries and supporting staff. The firm has a wide range of capabilities providing corporate and commercial law, litigation, arbitration, insurance, marine and real estate expertise to its clients.

"The firm strives to provide the highest quality of legal services in a timely and cost effective manner with a view to ensuring that our client's business objectives are being adequately met," said Paul Tai, partner.

"The firm distinguishes itself from its competition by consistently making an effort to contain cost to clients while delivering the highest level of service. We make a deliberate effort to provide a wide range of services that can be offered to a civil law form."

Mr Tai explained that Jamaica has felt the negative impact of the current global economic downturn, which appears to have resulted in an overall reduction in business activity. However, there have been areas of growth and Mr Tai believes that there are significant opportunities arising from announced government divestments.

"We have not seen the level of mergers which one may have expected in the current economic environment, but have seen a number of recent acquisitions and the emergence of new businesses," said Mr Tai. "Current economic policies have improved the business environment."

According to Mr Tai, one of the major challenges associated with acquiring businesses in Jamaica is the concern of the level and variety of potential tax issues that can arise. Another challenge is in the course of due diligence, where the need for up to date records and information from the vendor as well as relevant Government Agencies can cause delays.

"We assist clients in overcoming these challenges by identifying the problems at the earliest possible stage and taking steps to address them as the circumstances permit," explained Mr Tai.

There have been no major recent amendments in M&A law in Jamaica, however Mr Tai noted a recent increase in vigilance on the part of local regulatory agencies and Governmental Authorities.

Jamaica has suffered from difficulties which have made it unattractive to certain foreign investments, including a high level of taxation and bureaucracy.

"Policies have been put in place to try to address some of these issues, for example, the applicable taxes to transfer real estate and shares and to refinance debt have been significantly reduced," commented Mr Tai. "While attempts have been made to reduce the bureaucracy which businesses face significant improvement is still needed."

Foreign investment interests in Jamaica have come primarily from the United States, Canada, Spain, Ireland, China, Brazil and Mexico. Interest has been shown in the Finance, Banking, Tourism, Agriculture and Infrastructure Development Industries.

"There is a significant amount of divestment of publicly held businesses by the Government. In the short-medium term one **can expect to see significant opportunity in this area," concluded Mr Tai.**

Kenya


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Coulson Harney is a leading Kenyan corporate, IP and technology law firm. The firm was established in 2008 and has quickly moved up the rankings of the international legal directories such as Chambers Global, Legal 500, PLC and International Financial Law Review.

Commenting on the current business environment in Kenya, Haanee Khan, lawyer, explained that members of the East African community (EAC) are following the example set by the EU (with the exception of a common currency) on economic cooperation and policy synergy as a means to achieving an accelerated growth rate, albeit on a smaller scale.

The East African Market Protocol was ratified by Kenya, Uganda, Tanzania, Rwanda and Burundi on 27th April 2010, with members agreeing to harmonise their domestic law in line with the protocol by 21st August 2010. The harmonisation process is on-going on a piecemeal basis with the protocol having come into effect on 1st July 2010 (having been ratified by all member states). The EAC Common Market Protocol provides for the following to be progressively implemented: free movement of goods; free movement of persons; free movement of workers; the right of establishment; the right of residence; free movement of services; and free movement of capital.

"This development, coupled with an array of legislative amendments, has prompted significant investment interest from both global and domestic players in Kenya making the region a hub for key investors wishing to access the Central and Eastern African market," commented Mr Khan.

"The EAC is expected to create a market of about 126 million people and allow the free movement of factors and production, goods and services among the five member states. The World Bank estimates that East Africa will receive new investments in excess of US$25 billion in the next five years following the launch of the common market."

Kenya experienced strong economic recovery in 2010, with GDP accelerating from 2.6% in 2009 to 5.6%. Philip Coulson, founding partner, attributes this accelerated growth mainly to the recovery of activities in the tourism sector and the building and construction industry boosted by government intervention through an economic stimulus package.

"On the flipside, 2011 is proving to be slower with challenges stemming from the effects of high crude oil prices, rising good imports and slowed exports of horticultural produce," commented Mr Coulson. "The Kenyan shilling has not been spared by these factors, as the currency has recently touched an all time low, as it was pushed about KES 90/= to the US Dollar. The last time the local currency was at such lows was in March 1994.

"Despite this the Kenyan M&A market continues to perform well with all sectors experiencing activity, particularly the telecommunications and ICT sectors. There is also a great interest in the country's natural resources, infrastructure and other large-scale project work. The key investing countries consist mainly of Australia, China, India and the Middle East, all seeking to tap into the available opportunities in eastern and other parts of Africa."

Malta

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Camilleri Preziosi Advocates was established in the 1960s and is one of Malta's leading law firms. The firm is headed by partners Henri Mizzi, Louis de Gabriele, Laragh Cassar and Marisa Azzopardi.

Camilleri Preziosi is a specialised practice, advising on domestic and international transactions with a focus on corporate and commercial law, and the financial services sector. The firm provides both transactional and regulatory advice and assistance to clients.

The firm's major practice areas include:

- banking and finance;
- capital markets;
- corporate/M&A;
- dispute resolution;
- EU & competition;
- gaming;
- intellectual property;
- investment services;
- real estate & utilities; taxation;
- technology, media and communications;
- transport

"We take a multi-disciplinary approach to our practice and all our lawyers advise across a broad range of areas, which enables us to give practical and effective advice to clients," said Louis de Gabriele, partner. "This enables our lawyers to be exposed to a wide array of industry sectors while specialising in their particular areas of interest."

In 2011, the firm has worked on a major M&A transaction involving the acquisition of a number of pharmaceutical operations in a number of jurisdictions across Europe and South America.

Mr Gabriele explained that M&A activity seems to be gathering momentum in Malta again, particularly with cross border M&A transactions using Malta holding companies as acquisition vehicles. Local M&A activity remains sporadic.

"The situation has improved, with credit terms easing, but we are still far off from the levels of activity experienced up to mid-2007," commented Mr Gabriele.

Malta has been establishing itself as a centre for international business over the last years. Mr Gabriele attributes the country's attractiveness for acquisitions to the legislative framework, together with fiscal incentives.

However, in any transaction there will inevitably be legal challenges that need to be overcome.

"Our experience and exposure in this market enables us to identify those challenges swiftly and address them in structuring a transaction," concluded Mr Gabriele.

Luxembourg

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DSM has established itself as a leading player amongst independent law firms in the Luxembourg market, with a solid track record of excellence in each of its key sectors. The firm's multi-specialist approach has earned DSM a reputation for its ability to handle complex, high-end transactions and for its reactive and efficient approach.

The firm's proven success in large international transactions and the active involvement in international legal networks have engendered a solutions-driven working methodology with a unique international outlook.

The firm continues to experience growth, in both its client base and its staff. DSM also regularly acts in high profile, cross-border, mergers and acquisitions, reinforcing its position as experts in the structuring of trans-European operations. The partners are internationally recognised experts in their fields of corporate and commercial law, corporate finance and the Luxembourg financial regulatory regime, tax and dispute resolution.

DSM counsels both on structured finance transactions and on commercial and real estate transactions. The firm's in-depth understanding of European and Luxembourg Jurisprudence places DSM in a strong position to provide advice and representation in cases involving multiple claims and parties. The firm's list of accomplishments includes complex cross-border litigation, involving major corporations and financial institutions. DSM's reputation as experts in Luxembourg constitutional and administrative matters is both confirmed and reinforced by being the firm of choice, by key members of the international media.

The firm's achievements regarding sophisticated international transactions and its active involvement in international networks foster the development of its know-how and its recognition within the international legal community. The partners are supported by a multinational and multilingual team that is highly experienced in dealing with issues involving all conceivable aspects of international and European law.

Mario Di Stefano is a proven expert in working on M&A and high-end real estate transactions, combining exceptional business acumen with legal expertise. His strength and depth of knowledge of the Luxembourg jurisdiction is recognized by clients and peers alike.

As a managing partner at DSM, he now fields a powerful team of lawyers specialising in M&A, corporate law, Real Estate, taxation, corporate finance and dispute resolution.

Mario Di Stefano has an extensive track record of advising on complex M&A and real estate transactions. This includes acquisitions and project developments in Luxembourg, as well as in other jurisdictions, using Luxembourg investment vehicles. Founded upon innovative solutions and commercial excellence, the DSM-team consistently provides advice on transactions and follow up, handling the entire process from planning, structuring, development, contracting, financing to exit strategy. DSM has become a significant player for projects both within Luxembourg and across Europe, providing multilingual contractual support and becoming the Luxembourg firm of choice by a range of developers, institutional investors and high net worth individuals.

Nigeria

KPMG

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KPMG Financial Advisory Services group in Nigeria comprises Transaction Services, Corporate Finance and Restructuring. The firm provides financial advisory services across the M&A spectrum covering pre-deal, deal evaluation and execution, and post-deal stages.

The firm's clients include leading international and indigenous private equity firms, strategic buyers, government agencies and parastatals. Its coverage spans key sectors including the financial services, FMCG, telecommunications, oil and gas, infrastructure and government.

Dapo Okubadejo partner and head, Financial Advisory Services, explained that the banking sector crisis in 2009 led to the intervention of the Central Bank of Nigeria (CBN) in eight out of the 24 banks operating in Nigeria. The eight rescued banks were given until September 2011 to independently re-capitalise, and KPMG was engaged as adviser in M&A transactions involving seven of the banks.

KPMG recently acted as transaction adviser to a leading PE firm, Helios Investors Genpar II, in its acquisition of a majority stake holding in InterSwitch Limited, an integrated transaction switching and electronic payment processing company.

Mr Okubadejo explained that the global recession along with a crash in oil prices resulted in a capital market flight and a crash of the Nigerian stock market. The huge exposure of Nigerian Banks to the oil and gas sector as well as margin loans (loans advanced for the acquisition of shares) precipitated the Nigerian banking sector crisis. According to Mr Okubadejo, all these factors caused a decline in M&A activity.

"Nevertheless, the Nigerian banking crisis has abated, given the various reforms in the financial services sector, the intervention funds availed to the real sectors of the economy, and the injection of N620 billion (circa $4.13 billion) as liquidity support and long term loans to banks," commented Mr Okubadejo.

"Further, the activities of the Asset Management Corporation of Nigeria which recently issued circa $11.3 billion bonds to acquire toxic assets held by banks, the issuance of the first Eurobond ($500 million) by the federal government and the ongoing re-capitalisation exercise of banks have assisted in restoring confidence in the economy, with several M&A activities currently ongoing in the Nigerian financial services industry."

Commenting on the key challenges associated with acquiring a business in Nigeria, Mr Okubadejo noted that there are typically difficulties in understanding the local operating environment and carrying out a comprehensive pre-deal evaluation. He added that KPMG is reputed for assisting in carrying out detailed environmental scanning and strategic fit assessments.

"Our versatility has been proven in undertaking a thorough and full-scope due diligence as well as providing innovative ideas and advice on structuring and execution, given our deep knowledge of the market," commented Mr Okubadejo. "We provide assistance at all stages of an M&A transaction, spanning the pre-deal/transaction evaluation phase, business valuations, deal structuring, execution and transaction closing and post deal support, with the aim of realising synergies and ensuring a successful transaction close."

Pakistan

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Vellani & Vellani is a law firm based in Pakistan which continues a practice first established in 1937 under the name of Wali Mohammed Vellani & Co and carried on under various names. It also incorporates the practice formerly carried on in the firm name of Fatehali W. Vellani & Co.

"We provide a comprehensive range of legal advice to our multinational client base," commented Badaruddin F. Vellani, senior partner. "We aim to satisfy our clients through a better understanding of their needs and their businesses, and by providing an excellent, responsive and innovative service. We combine technical excellence in our work with a commercial approach and a focus on solutions. We put intense effort into our work and actively look for ways of building the success of our clients and of the firm.

Due to the firm's continuing success and commitment to its values, it has built strong long-term relationships with its international and domestic clients.

Mr. Vellani explained that Pakistan has an investor friendly environment which is conducive to foreign entities investing in Pakistan companies. Further, while there is a regulatory environment under the head of State Bank of Pakistan and the Securities and Exchange Commission of Pakistan and the Competition Commission of Pakistan, these are all relatively accessible and seek to make prospective investors in businesses comfortable with their commercial approach to transactions.

According to Mr. Vellani, the global economic crisis saw a waning of interest by international and local companies. However, he noted that there has been a recent flurry of activity on the M&A front, which indicates that Pakistan is "once again in the centre of world interest."

Commenting on the key challenges associated with acquiring businesses in Pakistan, Mr. Vellani explained that in acquisitions by foreign entities the foreign exchange regulations require due reporting and permission (as and when applicable) from the State Bank of Pakistan.

"Further the anti monopolies legislation in Pakistan requires all mergers and acquisitions taking place in Pakistan and which effect the competition in Pakistan, to seek clearance from the Competition Commission of Pakistan prior to completing the transaction, if the thresholds prescribed in the regulations by the Competition Commission of Pakistan are met. In connection therewith, we undertake the preparation of all related documentation and also file and submit such documentation with the relevant regulatory authorities like the State Bank of Pakistan and Competition Commission of Pakistan and engage in discussions with the regulators to expedite the requisite recordal or grant of the requisite approvals.

"Further while mergers and amalgamations require the sanction of the high court having jurisdiction, there is no court process to be undertaken for acquisitions."

Mergers and reconstruction of companies in Pakistan are governed under the Companies Ordinance 1984. There have been no recent amendments to the provisions relating to this legislation. However, Mr. Vellani noted that recently there has been a promulgation of a new anti monopolies legislation, which has its impact on mergers and acquisitions.

Philippines

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PwC provides innovative and responsive audit, tax and business advisory services to select clients, both local and foreign. Mary Jade T. Roxas-Divinagracia, partner, leads the Deals practice in the Philippines. The firm helps companies make acquisitions, divestitures and strategic alliances.

"We work together with clients to help craft the right strategy before the deal, execute the deal seamlessly, identify areas of risks and opportunities, and implement improvements to deliver value post-deal," Ms Roxas-Divinagracia said."In each case, we have the same overriding objective across the PwC network – maximising returns and minimising risks for our clients."

She explained that the Philippines was not spared from the effects of the global economic crisis, although the impact was not as significant as that in other countries.

"GDP still grew 0.9% in 2009 and fully recovered in 2010 with a phenomenal growth of 7.3%", Ms Roxas-Divinagracia revealed. "The exports sector, particularly electronics manufacturing, was most affected. For 2011, GDP is forecasted to grow between 4.5-5.5%."

M&A activity in 2010 slowed compared to 2009, from 157 to 147 deals with deal value shrinking 36.5% from US$9.6 billion to US$6.1 billion. She also noted that M&A activity started slightly slower in 2011 with just 71 deals announced in the first half compared to 77 the year before. Deal value also further went down by 35% from US$4.4 billion to US$2.9 billion in the same period. The largest announced deal is between Philippine Long Distance Telephone Company (PLDT) and Digital Telecommunications Philippines, Inc. PLDT announced the US$1.59 billion deal that will give it 51.5% ownership in Digitel. The transaction is currently awaiting regulatory approvals. "I expect to see more M&A activities as well as capital market transactions in the second half of 2011 as business confidence remains to be positive," she added.

Commenting on the key challenges associated with acquiring businesses in the Philippines, she disclosed that potential investors usually consult with PwC to assist them in the due diligence review and valuation of the target's businesses.

"Transparency through proper financial reporting still remains to be one of the major concerns for investors and they want to get sufficient level of comfort prior to making an investment," she added.

In the last two decades, the Philippines opted to liberalise a number of industries to encourage competition and investment. With the resurgence of mega deals, however, there has been a renewed call to revisit the adequacy of Philippine laws in addressing anti-competition issues. An Executive Order was issued recently to designate the Department of Justice as the Competition Authority, mandated to monitor competition in markets and ensure that related laws are adhered to.

"Foreign investment continues to pour in, specifically in the business process outsourcing (BPO) sector," commented Ms Roxas-Divinagracia. "The Philippines is now number one in voice and number two in non-voice services. In 2010, call centre revenues reached US$5.5 billion, higher than India's US$5.3 billion.

"Likewise, there is growing anticipation for the public-private partnership projects that the government will bid out in 2011. For this year alone, 10 projects in the roads and transport sectors are expected to be offered to interested bidders.

"Aside from the BPO, there appears to be significant interest in renewable energy and financial services sectors."

Senegal & Francophone Africa

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GENI & KEBE was founded in 1912 in Senegal and began acting as a legal adviser firm for foreign embassies and companies. From then to now on, it remains the premier destination law services firm of national and foreign companies, institutions and individuals in Senegal and the Francophone African Region, and is at the forefront of most of the high profile projects and businesses carried on within this region.

The firm has a local and cross jurisdictional expertise across a wide spectrum of practice areas including but not limited to Aerospace and Shipping, Banking & finance, Corporate/M&A, Dispute Resolution & ADR, Employment & HR, FDI, Natural Resources, Tax, TMT. This expertise, combined to an extensive network of alliances with law firms based in most of the capital cities of the Francophone African States confer to its services an unrivalled added value. This is why its services are highly sought after by clients from all the regions including the top law firms in London, New York, Paris, Dubai, Mumbai, Hong Kong, on their transactions in the Francophone Africa Region.

Top ranked for many successive years by Chambers Global which acknowledges it as *"one of Senegal's premier firms thanks to its international approach and high standard of work"*, the firm is praised according to sources interviewed by Chambers for its *"high quality advice and ability to handle pan-African corporate transactions."*

GENI & KEBE has as well a leading position on domestic and cross-border M&A transactions. Over the last five years, the firm has advised on many cross border M&A transactions and corporates involving the acquisition of companies and assets incorporated in Senegal and the Francophone African sub region by foreign-owned corporations. The firm's services cover a wide spectrum of industries and include a full range of legal services, including comprehensive advice on due diligence on all the stages of the process.

GENI & KEBE is currently advising a UK listed company on a cross border asset and shares acquisition involving a Nigerian company having subsidiaries in Mauritius, Senegal, Cameroon and Cote d'Ivoire.

The firm has recently completed a process of M&A involving a French incorporated company having branches in 8 Francophone African countries, and a company incorporated in Morocco.

Mouhamed Kebe, partner, believes that the firm distinguishes itself from its competition through its 99 years' experience and its status as one of the largest law firms in Senegal and the Francophone Africa Region, with three offices located in three different regions and a wide network of alliances in most of the capital cities of the Francophone African countries.

Besides, given that Senegal belongs to the OHADA system, a common business law including, corporate, securities, insolvency, arbitration applicable in 17 African countries, the firm is constantly selected, when it comes to plan foreign investment in these countries, to provide due diligence on business law.

GENI & KEBE was recently appointed by the Senegalese government and the World Bank to conduct a survey aiming to improve the regulatory environment for business in Senegal. The firm has also recently carried out procedures on behalf of a US investment bank in the West and Central Africa.

In 2010, the firm was selected by the West African Economic and Monetary Union (WAEMU) to conduct a similar work on the telecommunications sector in six West African countries (Benin, Burkina Faso, Cote d'Ivoire, Guinea Bissau, Mali, Senegal).

Mr Kebe noted that the current business environment in Senegal and the francophone African Region is safe, and that the global economic crisis did not have a significant impact on the region.

"Our jurisdictions provide a secure legal environment for investors and a flexible procedure for starting a business," commented Mr Kebe.

Mr Kebe explained that the key challenges associated with acquiring businesses in Senegal and the Francophone African countries include: taxation, political stability, and labour law.

"Being a bilingual firm and a corporate member of the Law Society of England and Wales in a Francophone region confers to our services an unrivalled added value concluded Mr Kebe.

Memberships
The Senegalese Bar Association
The Law Society of England and Wales (International Division)
The American Chamber of Commerce in Senegal
The European Investors Society in Senegal

COUNTRIES WHERE WE ADVISE ON
Benin, Burkina Faso, Cameroon, Chad, Central African Republic, Congo, Gabon, Cote d'Ivoire, D. R. Congo, Guinea Bissau, Guinea, Equatorial Guinea, Mali, Niger, Senegal, Togo

REPRESENTATIVE CLIENTS
ACCENTURE; BALLI GROUP; CITIGROUP; DANGOTTE GROUP PLC; EMIRATES; GOLDMAN SACHS; KENYA AIRWAYS; KOMATSU; MICROSOFT; NOBLE GROUP; ORACLE; PFIZER; ROYAL AIR MAROC; TOTAL; UNITED BANK FOR AFRICA; WARTSILA.

Singapore

STAMFORD LAW.

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Stamford Law was established in Singapore in 2000. Within a decade, the firm has built a reputation as a premier law firm in the areas of M&A, capital markets and banking & finance. It is also home to rapidly growing practices in the areas of insolvency & restructuring, corporate real estate, intellectual property & technology and international arbitration & dispute resolution.

Suet Fern Lee, senior director, explained that Singapore is generally an attractive location for foreign investment, both as an investment destination itself as well as a gateway to Asia, including in particular, South-East Asia.

"As an investment destination itself, Singapore offers a politically stable environment and a transparent legal system with clarity in our laws and regulations which bring about greater certainty," commented Mrs Lee. "Our laws and regulations are generally investor-friendly, and the regulatory touch in Singapore is also relatively 'light'. We have an excellent and efficient dispute resolution system, with our courts being highly regarded, and a growing reputation for arbitration."

Mrs Lee also noted that Singapore offers a favourable tax regime, with a low corporate tax rate, various tax incentives that apply to different industries and double taxation agreements with a number of other countries.

"Given the spate of natural disasters recently with near catastrophic consequences (such as the Japan nuclear incident triggered by the earthquake), we should also mention that Singapore is not in the earthquake belt and is generally free from natural disasters," added Mrs Lee.

According to Mrs Lee, valuations were lower during the global financial crisis and therefore more attractive, but acquisition funding was a problem in some cases.

"The converse is now probably the case," she observed. "Valuations have since risen. Acquisition funding is less of an issue, as some acquirers have built up their own war chest and there is also a lot of liquidity in the market."

"Given the small domestic market in Singapore, Singapore targets of the bigger foreign acquirers have tended to be players with a regional footprint, particularly in the Asian region. The challenge has really been to find Singapore targets with good quality businesses and whose major shareholders are prepared to part with control at valuations that are still attractive to acquirers."

According to Thomson Reuters' First Quarter 2011 Singapore Preliminary M&A Review, Singapore inbound M&A saw a 21.3% growth to US$3 billion as compared to the first quarter of 2010. Malaysia accounted for 10 deals amounting to US$1.6 billion, representing 54.3% of the total inbound value of M&A transactions. In terms of sectors, financials topped the list, bolstered by the acquisition of securities brokerage firm Kim Eng by Malaysia's Maybank.

"We also saw last year Malaysian sovereign wealth fund Khazanah acquiring control of healthcare group, Parkway Holdings," commented Mrs Lee. She concluded: "Apart from Malaysia, we also see interest from India and China in Singapore targets. For example, India's Fortis Healthcare (which we acted for) was involved in a tussle with Khazanah for Parkway Holdings."

Switzerland

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VISCHER is one of the leading law firms in Switzerland and a market leader in M&A transactions. The firm regularly assists clients in major transactions in the areas of equity capital markets, public and private M&A and private equity. The firm also advises on restructuring, financial services, regulatory and trade practice issues.

"From the feedback we get from our clients, competitors and peers, we are convinced that our consistent growth in the last years was the right move and that this trend will continue as we are deepening our expertise and delivering real value to our clients," commented Dr Juerg Luginbuehl, partner.

Dr Luginbuehl noted that, although Swiss companies continue to be net acquirers of foreign targets in 2011, the investment environment is increasingly conductive to acquirers from outside Switzerland. According to Mr Luginbuehl, this is due to the stable Swiss economic and legal environment, the rising confidence of buyers in general, and the debt market which is beginning to support M&A activity.

Commenting on the impact of the global economic crisis, Mr Luginbuehl explained that Swiss M&A activities declined by approximately 20% in 2009 and by 10% in 2010, in terms of numbers of deals.

"However, the deal value increased by approximately 30% in 2009 and 20% in 2010," commented Mr Luginbuehl. "Unlike in other jurisdictions, the financial crisis did not hit the Swiss economy that hard and there are strong signs that M&A activity will increase during the rest of 2011."

M&A activity increased towards the end of 2010 and in 2011, which Mr Luginbuehl believes is an indicator that 2011 will be a much stronger year for M&A.

"Given the healthy business environment in Switzerland and the substantial excess cash on many Swiss companies' balance sheets, we expect an increase in M&A activity in 2011," said Mr Luginbuehl. "While large cash reserves and very low interest rates make it easier for transactions to be closed in 2011, unpredictable revenue projections will be the main challenge for deal makers and their advisers in Switzerland."

According to Mr Luginbuehl, there are no major legal challenges that might deter investors from acquiring businesses in Switzerland.

"The Swiss legal and tax framework is reliable, predictable, and generally very attractive for foreigners. However, unpredictable revenue projections will make it more difficult for transactions to be closed in 2011. Also export-led industrial players may suffer from the strong Swiss Franc in 2011.

"We expect banking, life sciences and energy to be the most active industries in Switzerland's 2011 M&A activity," concluded Mr Luginbuehl.

ESIN

Turkey

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Composed of 36 associates and four partners, Esin Law Firm was established in Istanbul in 1997. The firm's main practice areas are M&A, Corporate Law, Dispute Resolution, Competition Law, Real Estate and Capital Markets and the firm works with prominent counsels and advisers of Turkey and all over the world in other areas of activity. The firm is creative, dynamic and solution-oriented and uniquely combines solid legal knowledge with its capacity of understanding business matters to serve its clients in the most effective manner. Esin Law Firm has a passion for excellence in legal services and strives to create added value for its clients.

Esin Law Firm's general strategy is to provide high quality legal services to its clients in its essential practice areas consisting of M&A, Corporate Law, Competition Law, Dispute Resolution, Real Estate and Capital Markets. The quality of service provided by Esin Law Firm in other areas of expertise and the services provided by Turkey's top senior consultants working with the firm in such areas strive to perfect such strategy. The services provided by Esin Law Firm and the quality thereof serve as the main marketing tool of the firm. Accordingly, an innovative and high quality legal service at international standards, which is amplified by a distinguishing business approach and "tailor-made" thinking, makes Esin Law Firm one of the most preferred law firms in the market.

Esin Law Firm is fully independent and has developed successful and long-standing relationships with leading foreign law firms; consequently, it is ideally positioned to assist clients in cross-border transactions.

Esin Law Firm's quality oriented approach with respect to rendering legal services distinguishes the firm from its tiers. In order to ensure such quality, matter partners lead every transaction in detail and are involved in every meeting, conference call and thus fully focus on each and every detail of the projects.

The partnership mechanism of Esin Law Firm is based solely on professional abilities and is not dependent on the ability to attract new clients to the firm. As a result of this approach, only those having strong professional abilities can become partners of the firm.

Esin Law Firm pays great attention to the training of its associates and provides them with insights regarding risk assessment, risk calculation and risk management. To this end, Esin organised seminars with the attendance of professors of the highest calibre in order to keep up with the very recent changes in the main laws and regulations.

Esin Law Firm makes realistic risk assessment, which leads to minimising commercial risks and enabling its client only to concentrate on major business related risks. Through the firm's legal assistance, commercial risks that are likely to be faced by its clients are minimised.

Thanks to the firm's closing oriented approach, is has closed approximately 90% of the deals in which it has been involved within the last three years.

Esin Law Firm's attitude towards negotiations is smooth, fully backed up with comprehensive doctrinal knowledge and always oriented to close the deal.

Esin Law Firm's professionals have substantive experience in a wide range of M&A transactions. The firm is capable of handling complex M&A transactions covering privatisations, competition law, private equity, acquisition finance, and real estate related M&A in various sectors, including health, retail, energy, automotive supply, food production, construction materials, tobacco and the telecommunication services industries. As part of the firm's focus on M&A, approximately 60% of its manpower is dedicated to M&A and approximately 60% of its revenue derives from M&A.

Competition law is another core practice area of Esin Law Firm. Esin Law Firm is compromised of lawyers and economists that can conduct the best competition analysis for its clients. Professionals of Esin Law Firm are also experienced in defending multinational clients in investigations of the Turkish Competition Authority.

The firm also has a strong team capable of handling complex disputes and composed of academicians and attorneys who are well experienced in the practice of dispute resolution. The team focuses on litigation in the fields of M&A, Commercial, Labour and Administrative Law. Real Estate and Competition Litigation is also practiced.

Esin focuses on international commercial arbitration arising from M&A transactions, joint ventures and real estate investments. The firm's professionals are capable of handling parallel procedures in front of arbitration tribunals and state courts. Esin's team includes both academics and attorneys who are also actively involved in litigation. This provides a great opportunity to form crack litigation teams capable of gathering up-to-date data and of drawing on vast practice experience.

The firm's corporate team represents a large number of Turkish companies in their daily legal problems and projects. All litigation, employment law and intellectual property law related matters are dealt with by the lawyers of the corporate department.

Esin Law Firm's strength in its Real Estate practice is based on the knowledge of its team of experts who have academic careers specialising in Turkish Real Estate Law, Administrative Law and Civil Law. Apart from being unique practitioners, both Dr. Ismail G. Esin and Dr. Murat Canyürek are lecturers of Real Estate Law at the most reputable universities in Turkey. Dr. iur. Burak Oder, asst. professor at Bilgi University in Administrative Law, has provided invaluable contributions to many Real Estate transactions.

Backing up its capital markets team with professionals from the Capital Markets Board, the firm is among the top tier Turkish law firms when it comes to Capital Markets Practice.