

# Mergers and Acquisitions Involving UK Companies, Q2 2013



Coverage: UK

Date: **03 September 2013**

Geographical Area: UK

Theme: **Business and Energy**

## Key points

- The Q2 2013 provisional estimate for the total number of domestic and cross-border merger and acquisition (M&A) transactions involving UK companies was 111, a 42% decrease on the volume recorded in Q2 2012 (191 transactions).
- In Q2 2013, domestic acquisitions between UK companies, were valued at £2.1 billion (current price basis that is not adjusted for inflation), a fall of approximately £0.7 billion on the previous quarter. However, the number of domestic acquisitions between UK companies in Q2 2013 increased to 60 transactions, from 38 in Q1 2013.
- The value of acquisitions of UK companies made by foreign companies (inward acquisitions) in Q2 2013 increased sizeably from £3.5 billion in Q1 2013 to £23.4 billion (current price basis). The number of transactions in Q2 2013 also increased to 30 from 19 recorded in the previous quarter. However, the number fell when compared with the same quarter a year ago when 48 transactions took place.
- The value of majority ownership acquisitions made by UK companies abroad (outward acquisitions) fell from £1.1 billion in Q1 2013 to £0.6 billion in Q2 2013 (current price basis). This was the lowest value for outward acquisitions since ONS first collected quarterly data in Q1 1987 (£1.7 billion). The number of acquisitions also fell, from 21 in Q1 2013 to 12 in Q2 2013, since ONS began collecting this data in 1987.

## Overview

This statistical bulletin provides estimates of the value and numbers of mergers, acquisitions and disposals involving UK companies with values of £1.0 million or more. The information provided reflects solely the change in majority ownership (ordinary shares) and therefore only transactions which result in a change of ultimate control of the target company are included. See note 5 of the Background Notes for more detail.

The M&A estimates are analysed and produced to measure investment data for:

1. Investment in the UK by UK companies  
(**Domestic investment**)



2. Investment in the UK by foreign companies  
(**Inward investment**)



3. Investment in foreign companies by UK companies  
(**Outward investment**)



M&A estimates form important components of the UK Balance of Payments and the 'Rest of the World' sector of the National Accounts and Financial Accounts.

Global Mergers and Acquisitions (M&A) activity is often driven by the availability of credit and company profits as well as a sense of confidence in the economic outlook. The majority of large M&A deals involve some element of borrowing or leveraging. Therefore when credit conditions deteriorate, as happened following the 2007 global financial market shock that led to a slowing of global economic growth, M&A activity should be curtailed. On the other hand, the process of completing an M&A transaction also takes time and thus there may be a lag between improving economic conditions and any quarter-to-quarter increase in M&A activity.

In the text that follows, figures relating to mergers are included within acquisitions. The values of transactions involving UK companies within this publication are on a 'current price' basis, which are the prices as they were at the time of measurement and not adjusted for inflation.

## User engagement

We are constantly aiming to improve this release and its associated commentary. We would welcome any feedback you might have and would be particularly interested in knowing how you make use of these data to inform our work. Please contact us via email: [m&a@ons.gsi.gov.uk](mailto:m&a@ons.gsi.gov.uk) or telephone Ciara Williams on +44 (0)1633 456455.

## Summary

The Q2 2013 estimate for the total number of domestic and cross-border merger and acquisition (M&A) transactions involving UK companies was 111, a 42% decrease on the volume recorded in Q2 2012 (191 transactions).

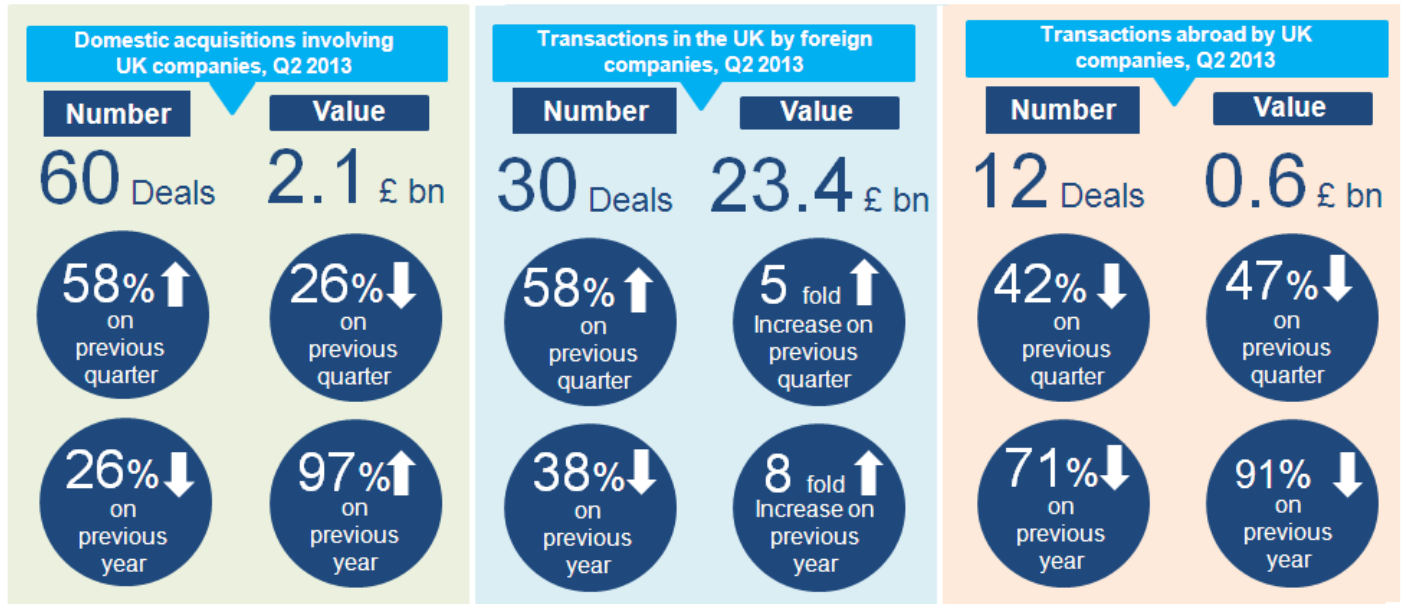
The number of domestic acquisitions between UK companies in Q2 2013 increased to 60 transactions, from 38 in Q1 2013, yet the value of acquisitions has decreased when compared with the previous quarter.

In Q2 2013, both the value and number of transactions in the UK by foreign companies (inward acquisitions) has increased compared with the previous quarter. However, the majority of the increase in value can be attributed to one significant transaction which took place during this period.

The value and number of transactions abroad by UK companies (outward acquisitions) in Q2 2013 are at their lowest levels since ONS first started collecting quarterly data in 1987.

The volume (30 deals) and value (£23.4 billion) of acquisitions of UK companies made by foreign companies increased in Q2 2013. This upturn in inward activity in the first half of 2013 would seem to indicate some optimism in the view that the M&A market may be recovering as investors renew their appetite for investment. This follows a long period in which companies have focused on paying off debts, improving cash flow and restructuring their balance sheets. However, evidence of the continued slowdown of inward M&A activity over the longer term can be seen from the year-on-year comparison which indicates that the number of inward acquisitions in Q2 2013 has fallen by 18 transactions (37%).

In Q2 2013 there were three inward acquisitions involving American-owned businesses with values above £100 million, upholding the view within the M&A markets, that the USA continues to be seen as a prime inward investor acquiring majority share interests of UK companies.



### How these statistics compare with other sources

The findings within these official figures are supported by comments from [Allen & Overy](#), an international legal practice. They advise that although UK M&A levels had picked up in Q2 2013, they were down on the same period of the previous year. Mergers and acquisitions activity involving UK companies during the first half of 2013 was reported to be at its lowest levels since 2009.

The continued decline of M&A activity involving UK companies during 2013 may be partially explained by an increase in the number of UK companies liquidated or entering administration. [Insolvency News](#) reported that the number of corporate liquidations in England and Wales increased by approximately 10% during the second quarter of 2013. Remedial action taken by companies when dealing with poor performing businesses may be one factor explaining the rise in domestic insolvencies during Q2 2013.

Other external sources such as The Bank of England's [Credit Conditions Survey for Q2 2013](#) for Q2 2013 reported more optimism and confidence about the macroeconomic environment by companies as credit availability was seen to have increased. Mergers and acquisitions activity and costs related to restructuring balance sheets were cited as being the most significant factors for pushing up credit demand. However, in line with what ONS figures are showing, the Bank observed that confidence in the financial system remains fragile and markets had become more volatile following shifting expectations around monetary policy in a number of major advanced economies. Corporate credit demand in 2013 fell the most for larger companies compared with smaller companies and is estimated to be at much lower levels than before the economic downturn began in 2008.

### Information on M&A reference tables

Tables 2 through to 7D, which contain the annual 2012 M&A estimates, are not included within this publication as the values have not been revised. These tables will be updated when the M&A estimates for Q4 2013 are produced and will be published on 4 March 2014. The latest version

of these tables can be accessed via this link to the [Q1 2013 Statistical Bulletin Mergers and Acquisitions involving UK companies \(221.5 Kb Excel sheet\)](#).

**Table A: Number and value of mergers and acquisitions involving UK companies, by year and quarter**

Values in £ billion

	Acquisitions in the UK by other UK companies <sup>1</sup>		Acquisitions in the UK by foreign companies <sup>1</sup>		Acquisitions abroad by UK companies <sup>1</sup>	
	(domestic acquisitions)		(inward acquisitions)		(outward acquisitions)	
	Number	Value	Number	Value	Number	Value
2002	430	25.2	117	16.8	262	26.6
2003	558	18.7	129	9.3	243	20.8
2004	741	31.4	178	29.9	305	18.7
2005	769	25.1	242	50.3	365	32.7
2006	779	28.5	259	77.8	405	37.4
2007	869	26.8	269	82.1	441	57.8
2008	558	36.5	252	52.6	298	29.7
2009	286	12.2	112	32.0	118	10.1
2010	325	12.6	212	36.6	199	12.4
2011	373	8.1	237	33.0	286	50.2
2012	266	3.4	161	17.4	122	17.9
2011 Q1	76	1.5	54	5.8	70	19.8
2011 Q2	94	3.3	68	9.7	75	11.0
2011 Q3	97	1.5	68	5.1	77	6.8
2011 Q4	106	1.8	47	12.4	64	12.6
2012 Q1	62	1.1	51	4.2	25	0.8
2012 Q2	81	1.0	48	2.5	41	6.2
2012 Q3	62	0.6	39	8.8	21	8.2
2012 Q4	61	0.7	23	1.9	35	2.7
2013 Q1	38	2.8	19	3.5	21	1.1
2013 Q2	60	2.1	30	23.4	12	0.6

Acquisitions in the UK by other UK companies <sup>1</sup>	Acquisitions in the UK by foreign companies <sup>1</sup>	Acquisitions abroad by UK companies <sup>1</sup>
(domestic acquisitions)	(inward acquisitions)	(outward acquisitions)

**Table source:** Office for National Statistics

**Table notes:**

1. 2013 Q1 has been revised, 2013 Q2 is provisional. See background notes 4, 5 and 6.

**Download table**

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(35 Kb)

## Transactions in the UK by other UK companies

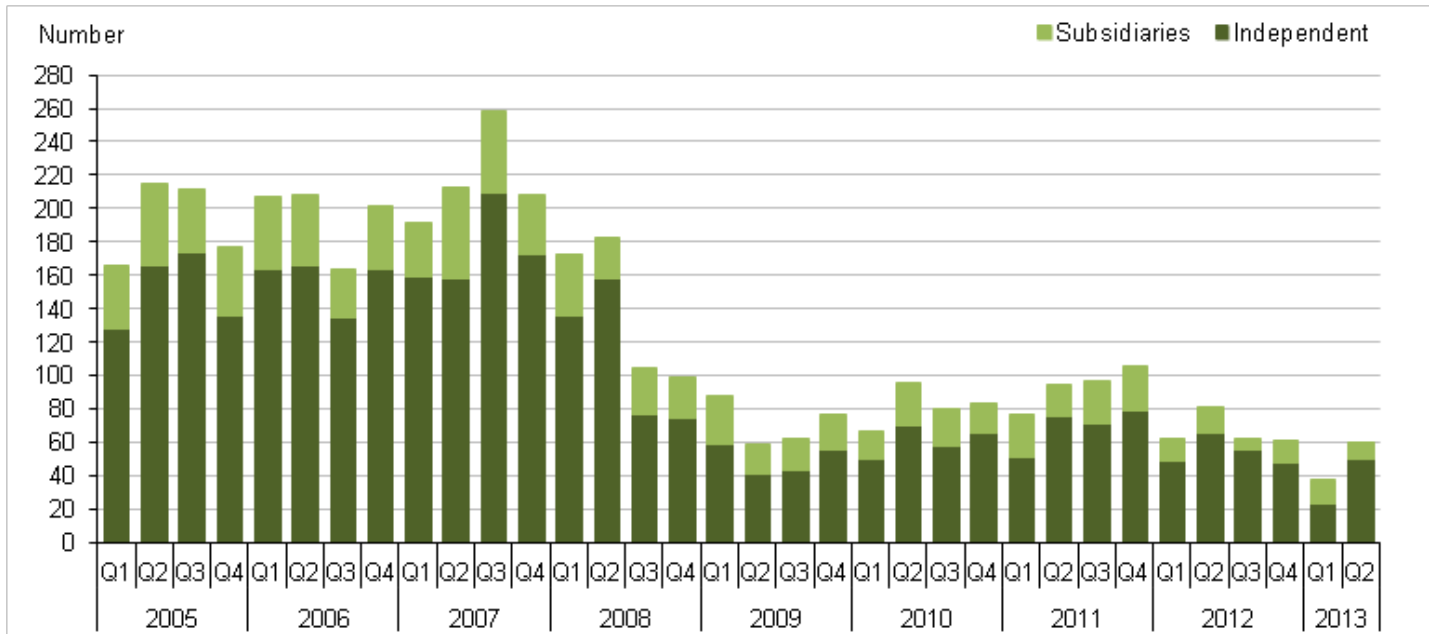
This section illustrates the value and number of acquisitions in the UK by other UK companies.

The value of domestic acquisitions in the UK fell by £0.7 billion between Q1 2013 and Q2 2013, from £2.8 billion to £2.1 billion in Q2 2013, on current price basis.

The Q2 2013 estimate for the number of domestic mergers and acquisitions involving UK companies has increased by 58% on the first quarter of 2013. There were 60 acquisitions of UK companies acquiring majority ownership of other UK companies in Q2 2013, compared with 38 in Q1 2013.

The majority of domestic transactions involved acquisitions of independently controlled companies (Table 8), valued at approximately £1.8 billion. These acquisitions represent 83% of the total number of domestic transactions reported at Q2 2013, valued at approximately £2.1 billion. This is the largest value recorded since Q2 2011, when the value for acquisitions of independently-controlled companies was reported to be approximately £2.6 billion. Acquisitions involving subsidiaries between UK company groups were valued at £0.3 billion in Q2 2013 and accounted for the remaining 17% of the total number of domestic acquisitions.

**Figure 1: Summary of mergers and acquisitions in the UK by UK companies**



Source: Office for National Statistics

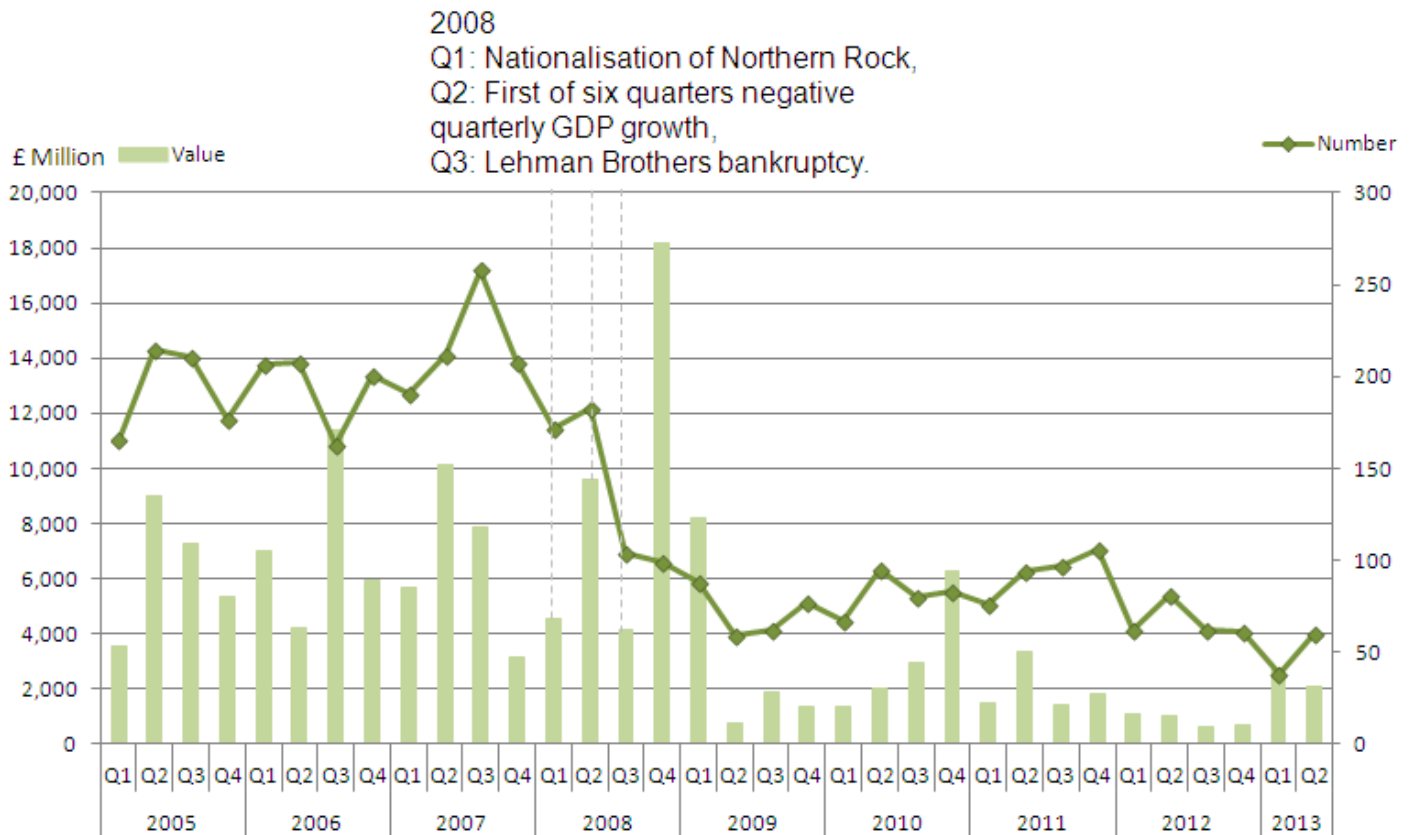
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(33.5 Kb)

The increase in the number of domestic M&A transactions in Q2 2013 compared with Q1 2013 is consistent with a pattern that has developed over the past decade. Q2 2009 is the only instance between Q2 2002 and Q2 2012 where the number of domestic transactions in the second quarter was lower than that of the first quarter.

**Significant acquisitions in the UK by other UK companies in Q2 2013**

- London Stock Exchange Plc acquired LCH.Clearnet Group Ltd.
- Bridgepoint Europe (IV) Nominees Limited acquired Aztec Bidco Limited.

**Figure 2: Value and number of acquisitions of UK companies by other UK companies**

Source: Office for National Statistics

#### Notes:

1. At Q1 2010 the deal identification threshold for the mergers and acquisitions surveys was raised from £0.1million to £1.0million. There is therefore a discontinuity in the number of transactions reported as illustrated above.
2. All values are at current prices (see Background Notes for definition).

#### Download chart

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(34 Kb)

Since 2005, the value of domestic acquisitions has continued to display quarter-on-quarter volatility. However, there appears to have been a shift in the number of M&A transactions 'after' compared with 'before' the economic downturn. The trend in the quarterly number of domestic acquisitions was broadly flat between 2005 and 2007. Likewise the trend has been largely flat from 2009 onwards, but at a lower level of activity.

## Transactions in the UK by foreign companies

This section illustrates the value and number of acquisitions and disposals in the UK by foreign companies.



The estimate for the value of UK acquisitions made by foreign companies increased to £23.4 billion in Q2 2013, on a current price basis. This is the highest value recorded in the series since Q2 2007 when the value was reported to be £51.5 billion. The vast majority of this increase can be explained by one large publically reported share-for-share acquisition, where Glencore International Plc (Jersey) acquired Xstrata Plc of the UK.

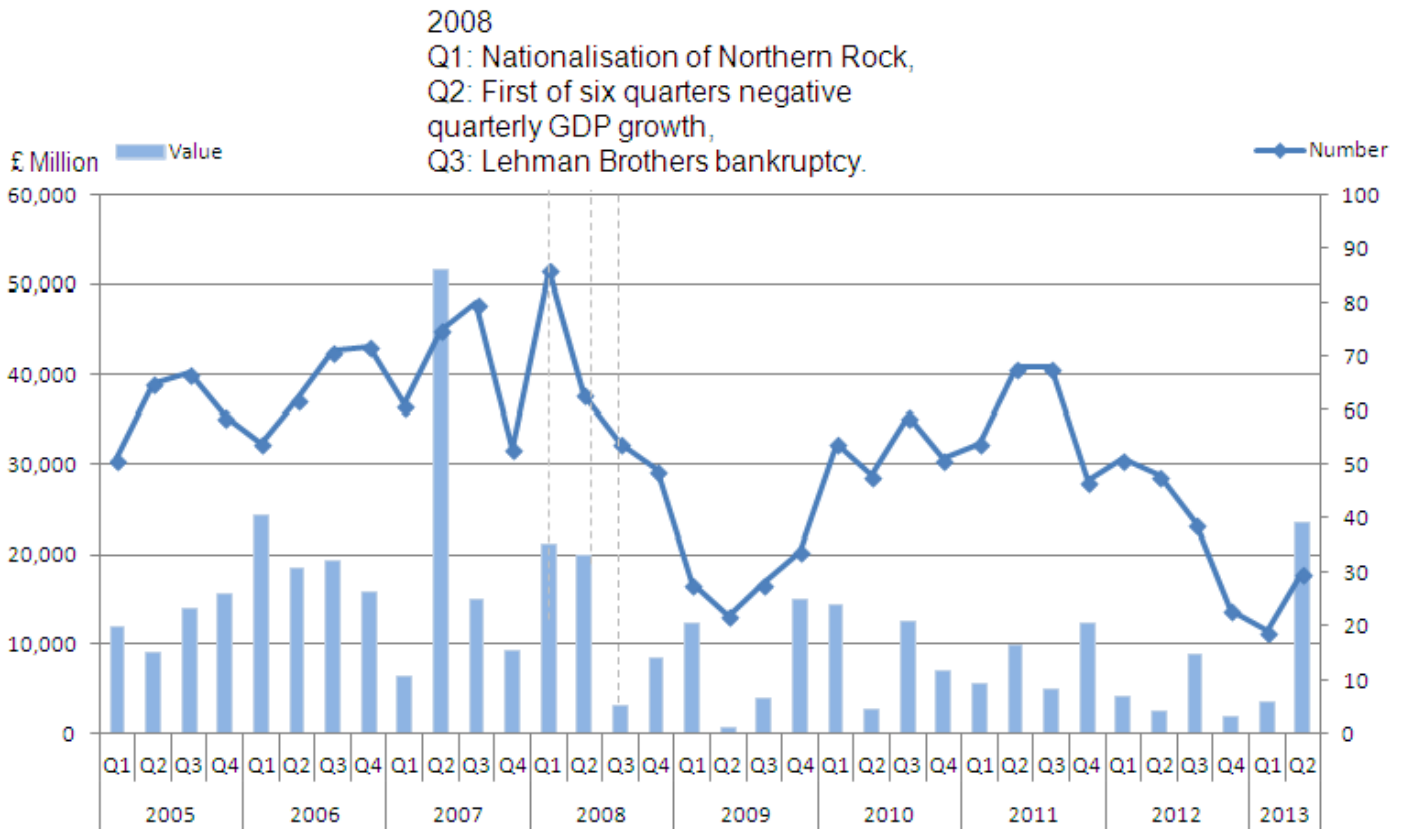
There were 30 acquisitions of majority ownership of UK companies by foreign companies in Q2 2013, up from 19 in the previous quarter.

The value of inward disposals, made by foreign companies, also increased in Q2 2013, while the number of inward disposals remained similar to the number recorded in Q1 2013. There were five disposals valued at £0.5 billion in Q2 2013 compared with four disposals worth £89 million in the previous quarter.

### Significant transactions in the UK by foreign companies in Q2 2013

- Glencore International Plc of Jersey acquired Xstrata Plc of the UK
- Cisco Systems Inc of the USA acquired Ubiquisys Ltd of the UK.
- Ithaca Energy Inc of Canada acquired Valiant Petroleum Plc of the UK.
- Cabot Holdings S.A.R.L of Luxembourg acquired Cabot Credit Management of the UK.
- Distell Group Ltd of South Africa acquired Burn Stewart Distillers Ltd of the UK.

**Figure 3: Value and number of acquisitions in the UK by foreign companies**



Source: Office for National Statistics

**Notes:**

1. At Q1 2010 the deal identification threshold for the mergers and acquisitions surveys was raised from £0.1million to £1.0million. There is therefore a discontinuity in the number of transactions reported as illustrated above.
2. All values are at current prices (see Background Notes for definition).

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The value of inward M&A activity has continued to show quarter-on-quarter volatility, since 2005. The highest number of acquisitions of UK companies recorded before the start of the economic downturn was in Q1 2008, reporting 86 completed transactions where as the highest quarterly value was in Q2 2007 at £51.5 billion. Acquisitions in the UK by foreign companies then decreased to a low of 22 transactions in Q2 2009, valued at approximately £0.6 billion (current price basis).

Between Q2 2009 and Q3 2011, inward M&A activity involving UK companies was on a general upward trend. Although the number of transactions tended to increase quarter-on-quarter, the values were much lower compared with the quarterly values before the downturn. A general downturn trend has developed since Q3 2011 in the number of M&A transactions completed, yet the total value of these transactions has been flatter by comparison. This volatility in M&A activity is not that unusual quarter on quarter as the data relates to 'one time only' transactions which are reported at the time that they are declared unconditional. Thus large single transactions can generate changes in the value of M&A between quarters.

**Transactions abroad by UK companies**

This section illustrates the value and number of acquisitions and disposals abroad by UK companies.

Transactions abroad involving UK companies have continued on a downward trend since Q3 2011. The estimates of outward acquisitions, involving majority share ownership, undertaken by UK companies fell further in Q2 2013 from a revised £1.1 billion in Q1 2013 to £0.6 billion, a fall of 47%. This is the lowest value recorded since Q1 1987 (£1.7 billion) when ONS first began to produce quarterly M&A estimates.

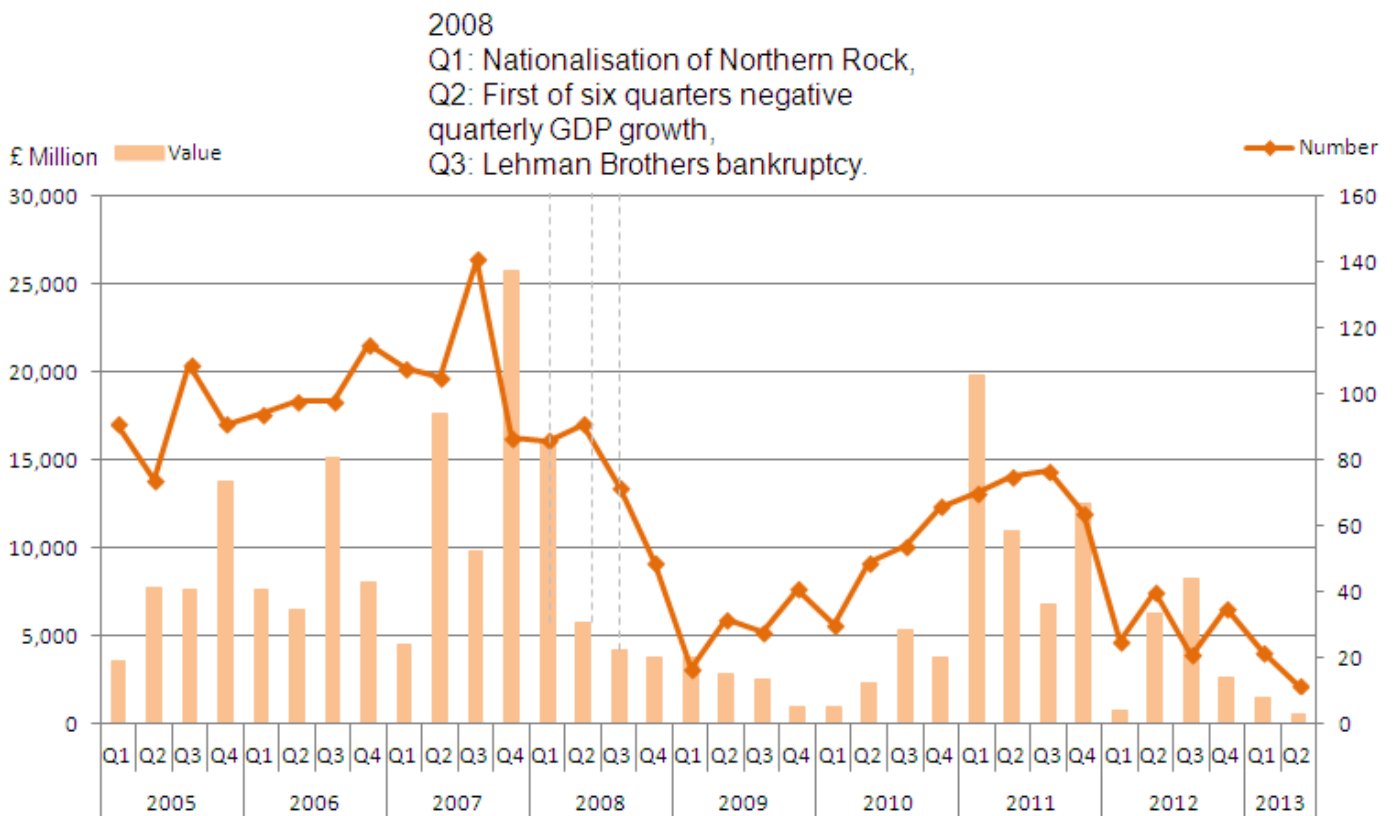
The number of acquisitions made by UK companies abroad in Q2 2013 fell to 12 deals (a 43% decrease on the previous quarter). The year-on-year comparison shows that the number of outward acquisitions recorded in Q2 2013 has fallen by 29 deals, when compared with Q2 2012.

The number of disposals abroad by UK companies also declined in Q2 2013, to four deals valued at £1.4 billion (current price basis), from nine transactions reported in the previous quarter. The time series for UK companies divesting their interests in foreign companies, shows that the number of outward disposals at Q2 2013 is the lowest since ONS first began collecting M&A quarterly data in Q1 1987 (31 transactions).

### Significant transactions abroad by UK companies in Q2 2013

- Aviva Plc of the UK disposed of Aseval of Spain.
- Aviva Plc of the UK disposed of CIMB Aviva Assurance Berhad and CIMB Aviva Takaful Berhad of Malaysia.
- Cable & Wireless Communications Plc of the UK disposed of Companhia De Telecomunicacoes De Macau S.A.R.L. of Macau.
- Cable & Wireless Communications Plc of the UK disposed of Monaco & Islands Division of the Maldives.
- GlaxoSmithKline Plc of the UK acquired Okairos AG of Switzerland.
- British United Provident Association Ltd of the UK acquired Lux Med Diagnostyka Zoo of Poland.

**Figure 4: Value and number of acquisitions abroad by UK companies**



Source: Office for National Statistics

**Notes:**

1. At Q1 2010 the deal identification threshold for the mergers and acquisitions surveys was raised from £0.1million to £1.0million There is therefore a discontinuity in the number of transactions reported as illustrated above.
2. All values are at current prices (see Background Notes for definition).

**Download chart**

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(34 Kb)

The M&A activity of UK companies abroad has followed a similar trend to that of inward M&A. Between Q1 2005 and Q3 2007, before the onset of the economic downturn, the UK saw a steady increase in the level of its outward M&A activity. The total number of outward acquisitions involving UK companies during this period was shown to be 1124 transactions. This level of outward M&A at this time may have been due to the confidence by UK companies in overseas M&A markets which allowed them to readily invest in companies abroad and also the relative stability of global economic conditions.

In Q4 2007 the number of outward acquisitions fell sharply to 87 transactions. This decline of M&A outward activity continued through the quarters until the first half of 2009. From Q2 2009, M&A outward activity then seemed to recover gradually to a peak of 77 acquisitions recorded at Q3 2011. This is a similar number to the numbers recorded in 2007 and 2008. The number and value of outward acquisitions made by UK companies showed a noticeable decline from Q4 2011, possibly as a result of renewed concerns about economic conditions. The number and value of outward acquisitions by UK companies at Q2 2013 reported record low levels of M&A activity with 12 transactions completed, valued at £0.6 billion.

## Background notes

### 1. User Engagement

We are constantly aiming to improve this release and its associated commentary. We would welcome any feedback you might have and would be particularly interested in knowing how you make use of these data to inform our work. Please contact us via email: [m&a@ons.gsi.gov.uk](mailto:m&a@ons.gsi.gov.uk) or telephone Ciara Williams on (+44) (0)1633 4564552.

### 2. Basic quality information

A [Quality and Methodology Information \(QMI\) \(656.3 Kb Pdf\)](#) report can be found on the Office for National Statistics (ONS) website. The aims of the QMI report are to provide users with a greater understanding of ONS's statistics, their quality and the methods that are used to create them.

### 3. Relevance to users

The degree to which the statistical outputs meet users' needs.

Within ONS, the mergers and acquisitions data are considered to be essential for producing Balance of Payments and economic accounts statistics. The survey results form important components of the UK Balance of Payments and Financial Accounts and are vital in the measurement of the financial and non-financial business sector accounts.

The Cross-Borders Acquisitions and Mergers survey (M&A) data are used in the compilation of the estimates of Foreign Direct Investment (FDI). These data meet the needs of FDI by collecting data on all acquisitions which lead to a holding in excess of 10% of the issued share capital. These estimates then feed into the UK Balance of Payments and the 'Rest of the World' sector of the financial accounts in the National Accounts, for which there is an EU legal

requirement. Individual transaction information is also used to estimate the counterpart in 'portfolio' investment flows for monthly Balance of Payments.

The data collected are also used in updating business structures and country of ownership codes on the Inter-Departmental Business Register (IDBR). The IDBR is a comprehensive list of UK businesses that is used by government for statistical purposes.

Elsewhere in government, examples of departments who use the data include:

- HM Treasury, Economic Analysis Division, where the data are used in preparing briefing and forecasting;
- Department for Business, Innovation and Skills, where direct investment data are required for ministerial briefing, parliamentary questions and in formulating trade policy;
- UK Trade & Investment, where the information is used for briefing on the extent to which the UK is successful in attracting inward investment;
- HM Revenue and Customs, where the data are used to help in forecasting company taxation.

#### **Non-government users include:**

- Private companies which are interested in analysing country and industry data for trends by foreign firms in the UK and by UK companies abroad and also for researching corporate finance activity and for the purpose of investment banking;
- UK embassies in foreign countries, who are interested in information on specific countries and companies making acquisitions, and
- Private sector economists, journalists and academics who are interested in information on particular industries and particular countries for research purposes and who use the data for periodic statistical comparisons.

Feedback from users has indicated that the information received from the M&A survey has a high degree of relevance across the above user groups, meets the vast majority of user needs, and all information currently collected and published is used.

#### **Source of data:**

The information collected is based on reports in the financial press, specialist magazines, company and financial websites supplemented by special surveys to businesses to determine the form, value and timing of each transaction.

If the information is not yet in the public domain, such transactions may not be reflected in the analysis. Where full information has not yet been received on the details of the acquisition or disposal, the value of the transaction indicated in the public domain is used as an interim estimate.

The data shown in this release relate solely to mergers and acquisitions undertaken by companies: acquisitions by individuals are not included.

All values are published on a current price basis which means deal values are as they were at the time of measurement and not adjusted for inflation.

#### 4. **Significant transactions**

Significant Transactions tables show the reported figures for a selection of significant transactions which occurred in the quarter, where 'significance' is defined as the absolute value of the deal.

The figures shown are usually the ones available from the financial press or other sources in the public domain although occasionally, with the consent of the company, the value returned to the ONS is used in the tables instead of the press reported figure. If the company's consent cannot be obtained then the deal is excluded, however, the values are included in the aggregate tables. Occasionally, therefore, a large deal may be missing (suppressed) from the lists so it is best to regard these tables as an indication of the ranking of deals rather than a completely exhaustive listing.

Press reported figures for M&A transactions often differ to some extent from those supplied by companies to ONS and it is the latter which are used in compiling statistical aggregates in tables 1-10. Included in the prices quoted in the tables of significant transactions is the total published price paid for the company excluding any assumed debt where known. Deferred payments are included in the reported price even if the payment is made in a different quarter.

#### 5. **Types of transaction covered**

Mergers are acquisitions in which all or part of the payment is made in shares, such that the shareholders of the two companies become shareholders of a new, combined company group.

Demergers are disposals where a company group divides into two or more separate companies, in such a way that the shareholders of the restructured companies remain the same, or retain the equivalent value shareholding in one of the newly independent companies. Demergers are included in the statistics within disposals.

Acquisitions are transactions which involve one company purchasing the ordinary shares of a second company ('target company'). A target company is usually of a smaller size than the company undertaking the purchase.

Disposal is a term used to describe the action when a company or organisation sells or liquidates an asset or business.

Cross-border acquisitions denote transactions where a company in one country acquires, either directly or indirectly, a controlling interest in a company in another country.

Direct transactions are those where a company acquires a controlling interest in another company.

Indirect transactions are those where a company uses an existing foreign subsidiary to acquire a controlling interest in a company resident in another country. The acquiring foreign intermediate company may be located in the same country in which the acquisition is being made or in a different country.

Acquisitions within the UK by other UK companies denote mergers and acquisitions involving only UK registered companies.

Where the acquired company was a subsidiary of another company the transaction is classified as a sale between company groups.

The phrase 'acquisitions in the UK by UK companies' refer to deals where the ultimate ownership remains in the UK. This heading does not cover the total number or value of deals where a UK company is the acquirer. When a foreign company acquires a UK company through one of its existing UK subsidiaries or a UK registered special purpose vehicle that deal is shown as part of the data under 'acquisitions in the UK by foreign companies'.

## 6. Financing

This statistical bulletin provides details of the application of funds to effect mergers and acquisitions and the proceeds raised from disinvestments and demergers.

For indirect foreign transactions there is the added complication of considering the movements of funds either as capital injection or in the form of loans between parent companies and their foreign subsidiaries making the acquisition. Occasionally, the foreign subsidiary obtains the funds required partly or entirely outside the UK from sources such as:

- Own resources.
- Borrowing from banks and other local sources.
- Share, bond and other capital or notes issued abroad.
- Also, a transaction may be funded by more than one method.

## 7. Revisions

Data for Q1 2013 has been revised in the light of new information, and so revisions to the data for Q1 2013 have been published in this statistical bulletin. No further revisions to data prior to Q1 2013 have been made. Therefore time series data for all quarters of 2012 and any previous historic quarterly periods remain unchanged.

Annual data tables for 2012 are produced in conjunction with the Q4 2012 data. Revisions to the 2012 quarterly and annual figures are re-calculated at Q1 2013 only. No revisions to annual data prior to 2012 have been made. Therefore time series data for previous historic annual periods remain unchanged.

Revisions to the aggregates used in M&A principally occur for the following reasons:

- Completion of transactions:

On announcement of a proposed transaction an expected completion date is usually given. The publicly reported values will be allocated to the quarter of expected completion. If the transaction is ultimately completed in an earlier or later quarter, the recorded values will be reallocated to the new quarter.

- Publicly reported values:

Publicly reported values are initially used to compile the aggregates. These can vary considerably from the values ultimately supplied by the respondents, frequently because the assumption of debt has been included in the publicly reported value. A nominal value is applied if no publicly reported value is available. The final values used to create the aggregates are those supplied by the respondent.

- Non-completion of transactions:

On announcement of a proposed transaction the publicly reported value of the transaction is recorded. If the transaction does not subsequently take place the recorded value will be deleted.

- Non-share transactions:

On announcement of a proposed transaction it may appear that there will be transactions in the share capital of the companies involved and the publicly reported values will be recorded. If subsequent information contradicts this the recorded values will be amended or deleted.

- Control:

On announcement of a proposed transaction it may appear that the transaction will give the purchasing company control of the purchased company, that is, a share ownership of greater than 50%. If subsequent information contradicts this the recorded values will be amended or deleted.

- Revisions from respondents:

Very occasionally respondents revise the values that they have previously supplied to ONS. The revised values are those used to create the aggregates.



## Definitions of geographic areas

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### Europe

#### EU

Austria	Belgium	Bulgaria
Cyprus	Czech Republic	Denmark
Estonia	Finland	France
Germany	Greece	Hungary
Irish Republic	Italy	Latvia
Lithuania	Luxembourg	Malta
Netherlands	Poland	Portugal
Romania	Slovakia	Slovenia
Spain	Sweden	

#### Other European Countries

Albania	Andorra	Belarus
Bosnia and Herzegovina	Croatia	Faroe Islands
Gibraltar	Iceland	Liechtenstein
Macedonia, the Former Yugoslav Republic of	Moldova	Montenegro
Norway	Russian Federation	San Marino
Serbia	Switzerland	Turkey
UK Offshore Islands (Guernsey, Jersey, other Channel Islands & Isle of Man)	Ukraine	Vatican City State

### The Americas

Anguilla	Antigua & Barbuda	Argentina	Aruba
Bahamas	Barbados	Belize	Bermuda

Bolivia	Bonaire, Sint Eustatius & Saba	Brazil	British Virgin Islands
Canada	Cayman Islands	Chile	Colombia
Costa Rica	Cuba	Curacao	Dominica
Dominican Republic	Ecuador	El Salvador	Falkland Islands
Greenland	Grenada	Guatemala	Guyana
Haiti	Honduras	Jamaica	Mexico
Montserrat	Nicaragua	Panama	Paraguay
Peru	St Kitts & Nevis	Saint Lucia	Sint Maarten
St Vincent & the Grenadines	Suriname	Trinidad & Tobago	Turks & Caicos Islands
Uruguay	US Virgin Islands	USA	Venezuela

## Asia

Afghanistan	Armenia	Azerbaijan	Bahrain
Bangladesh	Bhutan	Brunei Darussalam	Burma/ Myanmar
Cambodia	China	Georgia	Hong Kong
India	Indonesia	Iran	Iraq
Israel	Japan	Jordan	Kazakhstan
Kuwait	Kyrgyzstan	Laos	Lebanon
Macao	Malaysia	Maldives	Mongolia
Nepal	North Korea	Oman	Pakistan
Palestinian Territory	Philippines	Qatar	Saudi Arabia
Singapore	South Korea	Sri Lanka	Syria
Taiwan	Tajikistan	Thailand	Timor - Leste
Turkmenistan	United Arab Emirates	Uzbekistan	Viet Nam
Yemen			

**Australasia & Oceania**

American Samoa	Antarctica	Australia	Bouvet Island
Christmas Island	Cocos (Keeling) Islands	Cook Islands	French Polynesia
French Southern & Antarctic Lands	Fiji	Guam	Heard Island & Macdonald Islands
Kiribati	Marshall Islands	Micronesia, Federated States of	Nauru
New Caledonia	New Zealand	Niue	Norfolk Island
Northern Mariana Islands	Palau	Papua New Guinea	Pitcairn
Samoa	Solomon Islands	South Georgia & South Sandwich Islands	Tokelau
Tonga	Tuvalu	US Minor Outlying Islands	Vanuatu
Wallis & Futuna			

**Africa**

Algeria	Angola	Benin	Botswana
British Indian Ocean Territory	Burkina Faso	Burundi	Cameroon
Cape Verde	Central African Republic	Chad	Comoros
Congo	Democratic Republic of the Congo (Zaire)	Djibouti	Egypt

Equatorial Guinea	Eritrea	Ethiopia	Gabon
Gambia	Ghana	Guinea	Guinea Bissau
Ivory Coast (Cote d'Ivoire)	Kenya	Lesotho	Liberia
Libya	Madagascar	Malawi	Mali
Mauritania	Mauritius	Morocco	Mozambique
Namibia	Niger	Nigeria	Rwanda
Sao Tome & Principe	Senegal	Seychelles	Sierra Leone
Somalia	South Africa	South Sudan	St Helena, Ascension & Tristan da Cunha
Sudan	Swaziland	Tanzania	Togo
Tunisia	Uganda	Zambia	Zimbabwe

**Table source:** Office for National Statistics

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### Data Quality

**Table B: Average revisions over the previous five quarters**

Values quoted in £ million

Value of	Value in latest revised period (Q2 2013)	Average revision	Average revision (%)	Average without regard to sign <sup>1</sup>
Outward acquisitions	1,512.0	1,011.0	66.9	1,236.0
Outward disposals	5,325.0	428.8	8.1	624.0
Inward acquisitions	3,528.0	209.4	5.9	210.0
Inward disposals	89.0	458.6	515.3	290.8
Domestic acquisitions	2,773.0	400.0	14.4	512.0

**Table source:** Office for National Statistics**Table notes:**

1. Average absolute revision.

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(30.5 Kb)

**Table C: Average revisions over the previous five quarters**

Number of	Number in latest revised period (Q2 2013)	Average revision
Outward acquisitions	22	9.4
Outward disposals	9	4.0
Inward acquisitions	19	7.8
Inward disposals	4	1.2
Domestic acquisitions	38	10.6

**Table source:** Office for National Statistics

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Analysing average revisions between provisional and final estimates can provide an indication of reliability in an initial statistic. Provisional statistics may be based on less information than is available for final statistics as they have been processed more quickly to meet the demand of customers. By looking at these average revisions it can help us determine whether revisions are being made consistently in one direction i.e. if early estimates are consistently under or overestimating the later figures. A test is subsequently performed on these average revisions to determine if they are statistically different from zero. Revisions that are not statistically significant imply that an average revision might be non-zero simply through random effects.

**8. Response rates****Table D: Response rates****Cross-border mergers and acquisitions: Outwards**

Statistics of sample size – latest survey conducted:

Reference period	Q1 2013	Q2 2013
Response rate (%)	96.9	88.9

**Cross-border mergers and acquisitions: Inwards**

Statistics of sample size – latest survey conducted:

Reference period	Q1 2013	Q2 2013
Response rate (%)	95.8	77.8

**Domestic mergers and acquisitions (DAM)**

Statistics of sample size – latest survey conducted:

Reference period	Q1 2013	Q2 2013
Response rate (%)	100.0	87.7

**Table source:** Office for National Statistics**Table notes:**

1. Previous quarter has been revised, latest quarter is provisional.

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**9. Notes to tables and symbols used**

The deal identification threshold was increased at Q1 2010 to a value of £1.0 million from a previous value of £0.1 million. As a consequence there is a discontinuity in the value and number of deals reported from Q1 2010 onwards compared with previous periods.

Symbols used in the tables are:

.. Figure suppressed to avoid disclosure of information relating to individual enterprises.

– Nil or less than half the final digit shown.

The sum of constituent items in tables may not always agree exactly with the totals shown due to rounding.

**10. Office for National Statistics**

The Office for National Statistics (ONS) is the executive office of the UK Statistics Authority, a non-ministerial department which reports directly to Parliament. ONS is the UK government's single largest statistical producer. It compiles information about the UK's society and economy, and provides the evidence-base for policy and decision-making, the allocation of resources, and public accountability. The Director General of ONS reports directly to the National Statistician who is the Authority's Chief Executive and the Head of the Government Statistical Service.

The UK Statistics Authority has reviewed this publication in their report: "[Assessment of compliance with the Code of Practice for Official Statistics](#)": Statistics of International Transactions, which was published on 8 December 2011. This review recommended that the Mergers and Acquisitions estimates be designated as National Statistics on 3 May 2013.

The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods, and
- are managed impartially and objectively in the public interest.

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

## 11. Social media

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and receive up to date information about our statistics.

Like ONS on [Facebook](#)

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to receive our updates in your newsfeed and to post comments on our page.

Watch our videos on [YouTube](#).

## 12. The Government Statistical Service (GSS)

The Government Statistical Service is a network of professional statisticians and their staff operating both within the Office for National Statistics and across more than 30 other government departments and agencies.

## 13. Government Statistical Service (GSS) business statistics

To find out about other official business statistics, and choose the right data for your needs, use the [GSS Business Statistics Interactive User Guide](#). By selecting your topics of interest, the tool will pinpoint publications that should be of interest to you, and provide you with links to more detailed information and the relevant statistical releases. It also offers guidance on which statistics are appropriate for different uses.

## 14. Discussing ONS business statistics online

There is a [Business and Trade Statistics](#) community on the [StatsUserNet](#) website. StatsUserNet is the Royal Statistical Society's interactive site for users of official statistics. The community objectives are to promote dialogue and share information between users and producers of official business and trade statistics about the structure, content and performance of businesses within the UK. Anyone can join the discussions by registering via either of the links above.

## 15. Special events

ONS has published commentary, analysis and policy on 'Special Events' which may affect statistical outputs. For full details visit the [Special Events](#) page on the ONS website.

## 16. Release policy



All data in this release can be downloaded free of charge from the ONS website. Alternatively for low-cost tailored data call Online Services on +44 (0)845 601 3034 or email: [info@ons.gsi.gov.uk](mailto:info@ons.gsi.gov.uk)

Here are the instructions to obtain a full time series of data from the statistical bulletin or release pages:

- Select 'Data in this release';
- Select 'View datasets associated with this release';
- Select the latest release;
- Select 'Select series from this dataset';
- Select the reference table of interest;
- Select 'View series';
- Select the series of interest (Hint: for a custom download you can use SHIFT to select a range of series or CTRL to select multiple individual series);
- Select 'View selection';
- Select 'Download'.

17. Details of the policy governing the release of new data are available by visiting [www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html](http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html) or from the Media Relations Office email: [media.relations@ons.gsi.gov.uk](mailto:media.relations@ons.gsi.gov.uk)

These National Statistics are produced to high professional standards and released according to the arrangements approved by the UK Statistics Authority.

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This document is also available on our website at [www.ons.gov.uk](http://www.ons.gov.uk).

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# 1 Summary of cross-border mergers, acquisitions and disposals

£million

	Transactions abroad by UK companies				Transactions in the UK by foreign companies <sup>1</sup>			
	Acquisitions		Disposals		Acquisitions		Disposals	
	Number	Value	Number	Value	Number	Value	Number	Value
	CBAQ	CBBI	CBAS	CBBT	CBAU	CBCQ	CBAW	CBDB
2003	243	20 756	136	8 643	129	9 309	55	3 620
2004	305	18 709	118	5 485	178	29 928	54	5 514
2005	365	32 732	110	12 668	242	50 280	61	8 387
2006	405	37 412	89	21 214	259	77 750	55	14 208
2007	441	57 814	104	10 221	269	82 121	66	7 524
2008	298	29 670	71	12 062	252	52 552	49	5 139
2009	118	10 148	37	5 101	112	31 984	38	7 820
2010	199	12 414	73	11 411	212	36 643	58	9 891
2011	286	50 234	80	14 111	237	32 967	69	11 748
2012	122	17 933	40	..	161	17 414	27	..
2009 Q3	28	2 574	7	..	28	3 934	8	2 715
Q4	41	1 019	10	..	34	15 051	13	2 712
2010 Q1 <sup>2</sup>	30	1 027	13	2 790	54	14 371	8	332
Q2	49	2 293	18	866	48	2 841	15	1 092
Q3	54	5 308	18	4 189	59	12 405	19	3 448
Q4	66	3 786	24	3 566	51	7 026	16	5 019
2011 Q1	70	19 848	18	3 268	54	5 765	15	925
Q2	75	10 982	19	3 110	68	9 712	15	6 102
Q3	77	6 816	22	3 620	68	5 108	17	1 887
Q4	64	12 588	21	4 113	47	12 382	22	2 834
2012 Q1	25	772	8	2 122	51	4 235	8	..
Q2	41	6 243	14	1 375	48	2 514	7	..
Q3	21	8 231	7	632	39	8 778	4	..
Q4	35	2 687	11	..	23	1 887	8	1 150
2013 Q1	21	1 060	9	..	19	3 528	4	89
Q2	12	560	4	1 385	30	23 411	5	480

## 8 Summary of mergers and acquisitions in the UK by UK companies

£million

	Total all mergers and acquisitions		Mergers and acquisitions of independent companies		Sales of subsidiaries between company groups	
	Number	Value	Number	Value	Number	Value
	AIHA	DUCM	DWVH	HIKB	DWVL	HIKC
2003	558	18 679	392	10 954	166	7 725
2004	741	31 408	577	22 882	164	8 526
2005	769	25 134	604	16 276	165	8 858
2006	779	28 511	628	20 180	151	8 331
2007	869	26 778	698	19 779	171	6 999
2008	558	36 469	445	33 469	113	3 000
2009	286	12 195	198	11 455	88	740
2010	325	12 605	243	7 775	82	4 830
2011	373	8 089	276	5 265	97	2 824
2012	266	3 413	216	2 536	50	877
2009 Q3	62	1 886	43	1 652	19	234
Q4	77	1 374	55	1 152	22	222
2010 Q1 <sup>1</sup>	67	1 361	50	825	17	536
Q2	95	2 032	70	1 272	25	760
Q3	80	2 949	58	2 017	22	932
Q4	83	6 263	65	3 661	18	2 602
2011 Q1	76	1 500	51	829	25	671
Q2	94	3 346	75	2 571	19	775
Q3	97	1 452	71	941	26	511
Q4	106	1 791	79	924	27	867
2012 Q1	62	1 070	49	871	13	199
Q2	81	1 041	65	695	16	346
Q3	62	610	55	510	7	100
Q4	61	692	47	460	14	232
2013 Q1	38	2 773	23	593	15	2 180
Q2	60	2 051	50	1 780	10	271

## 9 Mergers and acquisitions in the UK by UK companies: category of expenditure

£million

	Expenditure					Percentage of expenditure		
	Total	Cash		Issues of ordinary shares <sup>2</sup>	Issues of fixed interest securities <sup>2</sup>	Cash	Issues of ordinary shares	Issues of fixed interest securities
		Independent companies	Subsidiaries					
	DUCM	DWVW	DWVX	AIHD	AIHE	DWVY	DWVZ	DWWA
2003	18 679	8 956	7 183	1 667	873	86	9	5
2004	31 408	12 080	7 822	10 338	1 168	63	33	4
2005	25 134	13 425	8 510	2 768	431	87	11	2
2006	28 511	..	8 131	..	335	..	..	2
2007	26 778	13 671	6 507	4 909	1 691	76	18	6
2008	36 469	31 333	2 851	1 910	375	94	5	1
2009	12 195	2 937	709	8 435	114	30	69	1
2010	12 605	6 175	4 520	1 560	350	85	12	3
2011	8 089	4 432	2 667	719	271	87	10	4
2012	3 413	1 937	789	419	268	82	10	8
2009 Q3	1 886	1 409	214	254	9	87	13	-
Q4	1 374	1 066	217	45	46	94	3	3
2010 Q1	1 361	765	525	58	13	95	4	1
Q2	2 032	986	714	275	57	83	14	3
Q3	2 949	1 165	814	839	131	68	28	4
Q4	6 263	3 259	2 467	388	149	92	6	2
2011 Q1	1 500	552	651	240	57	80	16	4
Q2	3 346	2 355	704	204	83	92	6	2
Q3	1 452	828	462	75	87	89	5	6
Q4	1 791	697	850	200	44	87	11	2
2012 Q1	1 070	518	199	323	30	67	30	3
Q2	1 041	575	269	54	143	81	5	14
Q3	610	409	100	8	93	84	1	15
Q4	692	435	221	34	2	95	5	-
2013 Q1	2 773	567	2 164	..	..	..	..	..
Q2	2 051	1 668	257	74	48	95	3	2

<sup>1</sup> Indicates earliest revision, if any  
Disclosive data are indicated with ..

<sup>1</sup> The deal identification threshold has been increased from q1 2010 from £0.1m to £1.0m and as a consequence there is a discontinuity in the number of transactions reported.

<sup>2</sup> Issued to the vendor company as payment.

# 10 Summary of net cross-border acquisitions and disposals

£million

	Net transactions abroad by UK companies		Net transactions in the UK by foreign companies <sup>1</sup>		Net cross-border transactions involving UK companies	
	Number	Value	Number	Value	Number	Value
2003	107	12 113	74	5 689	33	6 424
2004	187	13 224	124	24 414	63	-11 190
2005	255	20 064	181	41 893	74	-21 829
2006	316	16 198	204	63 542	112	-47 344
2007	337	47 593	203	74 597	134	-27 004
2008	227	17 608	203	47 413	24	-29 805
2009	81	5 047	74	24 164	7	-19 117
2010	126	1 003	154	26 752	-28	-25 749
2011	206	36 123	168	21 219	38	14 904
2012	82	..	134	..	-52	..
2009 Q3	21	..	20	1 219	1	..
Q4	31	..	21	12 339	10	..
2010 Q1 <sup>2</sup>	17	-1 763	46	14 039	-29	-15 802
Q2	31	1 427	33	1 749	-2	-322
Q3	36	1 119	40	8 957	-4	-7 838
Q4	42	220	35	2 007	7	-1 787
2011 Q1	52	16 580	39	4 840	13	11 740
Q2	56	7 872	53	3 610	3	4 262
Q3	55	3 196	51	3 221	4	-25
Q4	43	8 475	25	9 548	18	-1 073
2012 Q1	17	-1 350	43	..	-26	..
Q2	27	4 868	41	..	-14	..
Q3	14	7 599	35	..	-21	..
Q4	24	..	15	737	9	..
2013 Q1	12	..	15	3 439	-3	..
Q2	8	-825	25	22 931	-17	-23 756

<sup>†</sup> Indicates earliest revision, if any.

Disclosive data indicated by ..

1 Includes acquisitions by foreign companies routed through their UK subsidiary companies.

2 The deal identification threshold has been increased at Q1 2010 from £0.1m to £1.0m and as a consequence there is a discontinuity in the number of transactions reported.

# R1 REVISIONS ANALYSIS

## Revisions since last mergers and acquisitions publication

£ million

		2012	2013 Q1	2013 Q2
<b>Cross-border mergers, acquisitions and disposals</b>				
Transactions abroad by UK companies				
Value of acquisitions	CBBI	–	357	..
Value of disposals	CBBT	..	..	..
Transactions in the UK by foreign companies				
Value of acquisitions	CBCQ	–	329	..
Value of disposals	CBDB	..	10	..
<b>Mergers and acquisitions in the UK by UK companies</b>				
Summary of transactions				
Value of all acquisitions and mergers	DUCM	–	1 728	..
Value of acquisitions of independent companies	HIKB	–	62	..
Value of sales of subsidiary companies	HIKC	–	1 666	..
Category of expenditure				
Cash paid for independent companies	DWVW	–	55	..
Cash paid for subsidiary companies	DWVX	–	1 652	..
Issue of ordinary shares	AIHD	–	..	..
Issue of fixed interest securities	AIHE	–	..	..