



The following report details mergers and acquisitions activity in South Africa in Q2 2015 using data from the Zephyr database.

It focuses on deal activity by target company.

Click [here](#) to access the raw data in an Excel spreadsheet.

South African M&A value slips Q-on-Q, up on a year ago

The value of mergers and acquisitions (M&A) targeting South African companies declined for the second successive quarter in Q2 2015, but was higher than the corresponding three months of 2014.

A total of 152 transactions worth an aggregate USD 3,951 million were recorded between April and June, compared to 266 deals worth a collective USD 6,436 million in Q1 2015 and 259 worth USD 9,575 million in the final three months of 2014.

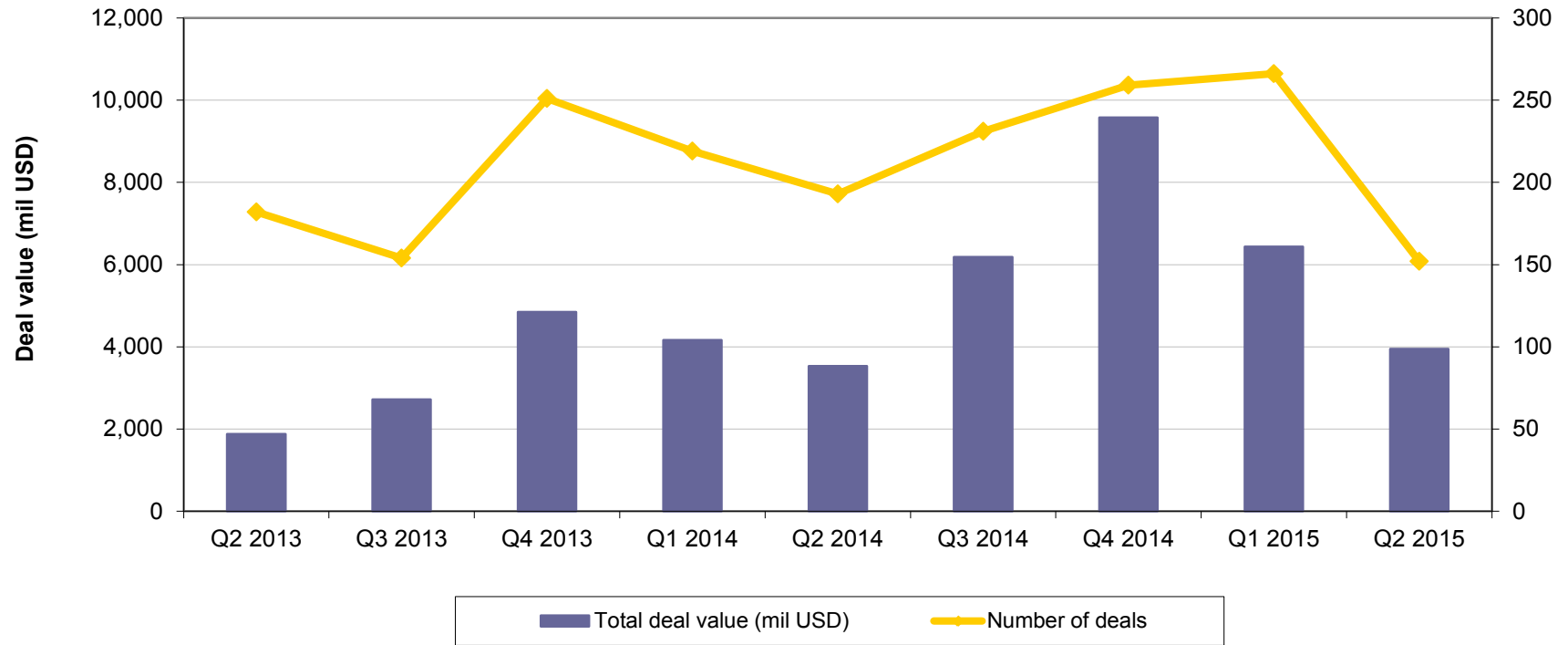
Year-over-year, value was up 12 per cent on the USD 3,531 million-worth of M&A announced in Q2 2014, while volume was around a fifth lower compared to the 193 deals signed off in the year-ago quarter.

Two transactions exceeded USD 500 million in value between April and June, one of which involved a UK-based acquiror. Clinics and hospitals operator Mediclinic announced a rights issue to raise USD 823 million to fund the acquisition of UK healthcare group Spire. This was followed by UK-based renewable energy investment company Abengoa Yield agreeing to purchase further assets, including a solar power plant in South Africa, from Spain's Abengoa for USD 689 million.

Deals by volume and value

Announced date	No of deals	Total deal value (mil USD)
Q2 2015	152	3,951
Q1 2015	266	6,436
Q4 2014	259	9,575
Q3 2014	231	6,182
Q2 2014	193	3,531
Q1 2014	219	4,166
Q4 2013	251	4,848
Q3 2013	154	2,720
Q2 2013	182	1,880

Deals by volume and value



Top 20 deals by value with South Africa targets

	Deal value (mil USD)	Deal type	Target	Acquiror	Acquiror country	Announced date
1.	823	Capital Increase 11%	Mediclinic International Ltd	Remgro Ltd; Shareholders	ZA	22/06/2015
2.	689	Acquisition	Helioenergy Electricidad Uno SA; Helioenergy Electricidad Dos SA; Helios 1; Helios 2; Solnovas 1; Solnovas 3; Solnovas 4; Kaxu Solar One (PTY) Ltd	Abengoa Yield plc	GB	11/05/2015
3.	292	Capital Increase 8%	Redefine Properties Ltd	Redefine Empowerment Trust	ZA	06/05/2015
4.	286	Acquisition increased from 66% to 100%	Fountainhead Property Trust	Redefine Properties Ltd	ZA	25/06/2015
5.	232	Minority stake	Capitec Bank Holdings Ltd			12/05/2015
6.	229	Capital Increase 9%	Resilient Property Income Fund Ltd	Shareholders		22/05/2015
7.	194	Acquisition 100%	Intaprop (Pty) Ltd	Equites Property Fund Ltd	ZA	29/05/2015
8.	189	IBO 51%	Servest Group (Pty) Ltd	Kagiso Tiso Holdings (Pty) Ltd	ZA	25/06/2015
9.	134	Acquisition 100%	Pharmacare Ltd's pharmaceutical business unit	Litha Pharma (Pty) Ltd	ZA	11/05/2015
10.	70	Minority stake 1%	Capitec Bank Holdings Ltd			28/04/2015
11.	61	Capital Increase 8%	Curro Holdings (Pty) Ltd			11/05/2015
12.	52	Acquisition 100%	Reinhardt Transport Group (Pty) Ltd	Labat Africa Ltd	ZA	12/06/2015
13.	49	Minority stake 2%	Santam Ltd	Institutional Investors		13/05/2015
14.	48	Minority stake 29%	ACT Healthcare Assets (Pty) Ltd	Sanlam Ltd	ZA	04/06/2015
15.	47	Minority stake 29%	Merafe Resources Ltd	Glencore (Netherlands) BV	NL	29/04/2015
16.	46	Minority stake 8%	Investec Property Fund Ltd	Investors		17/06/2015
17.	41	Capital Increase 24%	Tower Property Fund Ltd			01/06/2015
18.	37	Acquisition increased from 50% to 100%	Dwarsrivier Chrome Mine	K2011105280 (Pty) Ltd	ZA	25/06/2015
19.	36	Acquisition increased from 50% to 100%	United National Breweries (SA) (Pty) Ltd's traditional sorghum beer business	Diageo plc	GB	02/04/2015
20.	31	Minority stake 0%	Sanlam Ltd	Sanlam Limited Share Incentive Trust	ZA	03/06/2015

PE value rises, despite weak volume

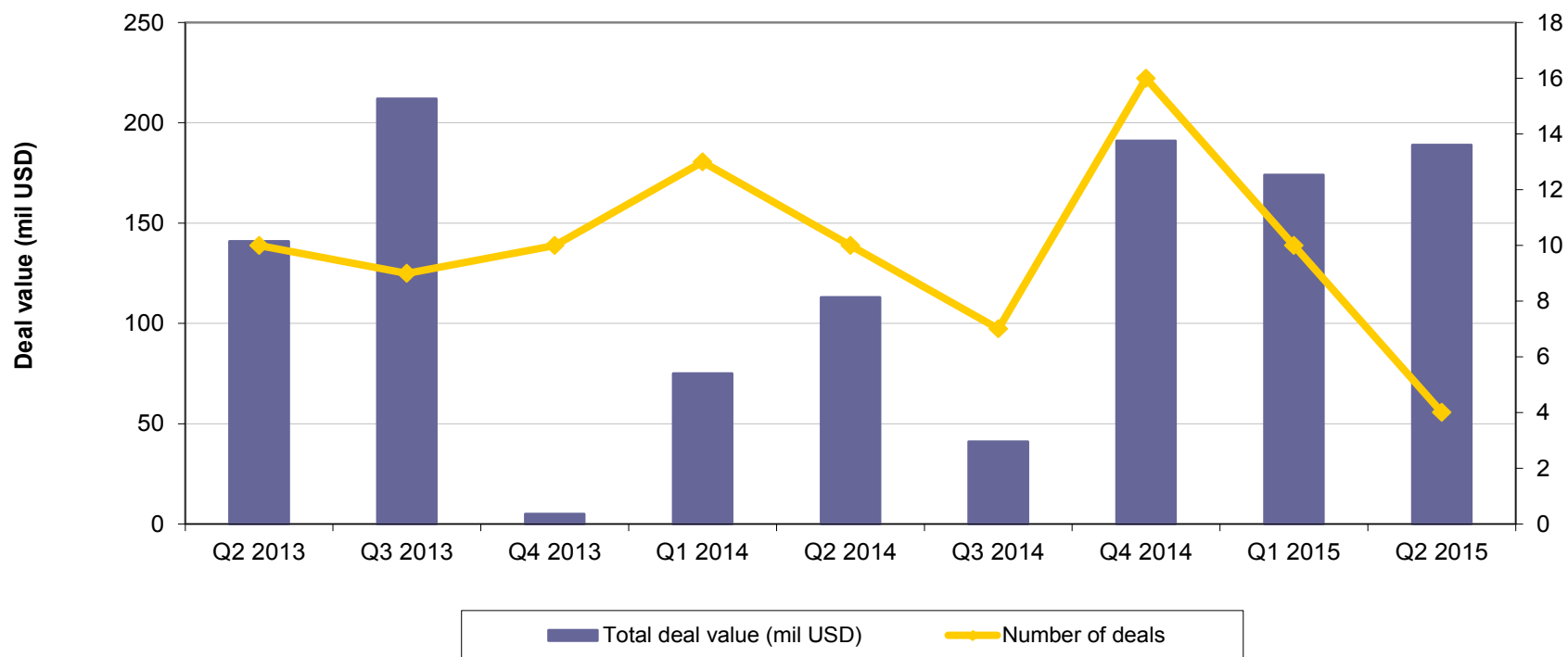
The value of private equity and venture capital (PE and VC) investment targeting South African companies rose 9 per cent in Q2 2015 compared to Q1 2015, while volume decreased by 60 per cent quarter-on-quarter from 10 to 4 transactions.

In a 12-month comparison, volume was unchanged while investment value was higher than in the corresponding three months of last year (Q2 2014: USD 113 million).

Private equity deals by volume and value

Announced date	No of deals	Total deal value (mil USD)
Q2 2015	4	189
Q1 2015	10	174
Q4 2014	16	191
Q3 2014	7	41
Q2 2014	10	113
Q1 2014	13	75
Q4 2013	10	5
Q3 2013	9	212
Q2 2013	10	141

Private Equity Deals by volume and value



Target sectors by volume

Target sector	Q2 2014	Q1 2015	Q2 2015
Other services	67	56	37
Banks	25	47	23
Wholesale & retail trade	26	44	22
Machinery, equipment, furniture, recycling	14	11	9
Metals & metal products	10	17	8
Construction	8	12	8
Food, beverages, tobacco	5	17	8
Chemicals, rubber, plastics	4	16	8
Hotels & restaurants	4	11	6
Transport	8	8	4
Insurance companies	2	3	4
Primary sector	11	14	4
Publishing, printing	1	3	3
Wood, cork, paper	3	3	3
Education, health	6	5	2
Gas, water, electricity	0	0	1
Post and telecommunications	0	1	0
Public administration and defence	0	0	0
Textiles, wearing apparel, leather	0	1	0

Target sectors by value

Target sector	Q2 2014 (mil USD)	Q1 2015 (mil USD)	Q2 2015 (mil USD)
Education, health	321	7	884
Other services	1,892	511	781
Banks	1,085	1,290	743
Gas, water, electricity	0	0	689
Construction	7	67	220
Chemicals, rubber, plastics	0	1,428	139
Metals & metal products	22	926	103
Insurance companies	120	419	81
Wholesale & retail trade	36	182	77
Transport	313	28	69
Food, beverages, tobacco	13	37	48
Machinery, equipment, furniture, recycling	88	546	28
Primary sector	38	107	20
Hotels & restaurants	19	884	19
Wood, cork, paper	0	3	2
Public administration and defence	0	0	0
Textiles, wearing apparel, leather	0	0	0
Post and telecommunications	0	10	0
Publishing, printing	2	0	0

Target countries by volume

Target country	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
1 US	3,772	4,191	3,493	3,309	3,156
2 China	1,355	1,886	2,176	2,098	2,763
3 UK	1,545	1,588	1,784	1,835	1,910
4 Canada	989	1,044	1,080	961	996
5 Australia	1,078	1,207	1,110	856	884
6 India	727	863	774	616	828
7 South Korea	786	843	898	615	721
8 France	560	517	601	709	692
9 Spain	739	647	837	590	688
10 Japan	919	973	887	886	616
11 Germany	465	519	514	645	611
12 Taiwan	590	613	625	655	542
13 Netherlands	350	321	328	391	530
14 Russia	722	733	749	422	488
15 Poland	422	333	552	426	464
16 Italy	376	346	322	311	405
17 Bulgaria	928	975	658	459	395
18 Malaysia	344	374	339	315	339
19 Sweden	384	291	297	243	295
20 Vietnam	305	276	301	243	275
27 South Africa	193	231	259	265	152

Target countries by value

Target country	Q2 2014 (mil USD)	Q3 2014 (mil USD)	Q4 2014 (mil USD)	Q1 2015 (mil USD)	Q2 2015 (mil USD)
1 US	470,055	491,185	450,912	417,238	453,066
2 China	155,816	137,073	179,495	136,503	286,722
3 UK	66,321	59,119	76,736	129,540	147,901
4 Netherlands	30,390	13,763	29,935	31,312	76,247
5 Canada	45,956	59,316	36,898	49,533	57,733
6 Switzerland	18,203	26,939	12,470	19,614	54,135
7 Australia	46,783	32,534	32,900	27,770	44,564
8 Ireland	44,983	1,073	7,202	12,897	44,464
9 Cayman Islands	15,429	13,059	16,058	17,584	34,607
10 South Korea	27,210	22,689	32,797	15,736	34,493
11 Italy	23,353	21,489	15,056	24,087	30,239
12 Japan	33,464	47,195	34,191	23,144	30,124
13 Germany	52,154	29,037	14,714	29,684	29,495
14 Russia	26,067	36,403	49,309	4,426	26,392
15 Spain	20,466	26,775	20,750	26,689	26,142
16 Hong Kong	18,478	6,576	6,206	78,483	24,950
17 France	55,035	18,753	30,016	52,174	22,832
18 Taiwan	14,225	14,342	14,840	18,520	22,561
19 India	25,221	17,373	17,725	28,466	22,521
20 Bermuda	7,365	7,334	15,371	18,126	18,961
29 South Africa	3,531	6,182	9,575	6,326	3,951

Notes to editors

Activity is based on the activity of the target company.

Deal status is announced within the time period

The sector breakdown uses targets' activities as defined to be 'Major Sectors' by Zephyr

The Q2 2015 date range is from 01/04/2015 to 30/06/2015 inclusive