

Statistical bulletin

Mergers and Acquisitions Involving UK Companies: Q3 2014

Domestic and cross-border mergers and acquisitions valued at £1 million or more, and data on de-mergers and disposals.

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1 . Key points

- Overall in Q3 2014 the total number of domestic and cross-border mergers and acquisitions involving UK companies remained at the low levels experienced since the 2008/09 economic downturn
- There were 30 completed domestic acquisitions (UK companies acquiring other UK companies) reported in Q3 2014, the lowest since ONS first began publishing quarterly data in Q1 1969
- During Q3 2014 there were 19 completed inward acquisitions of UK companies made by investors from abroad compared with 23 recorded in the previous quarter (Q2 2014). This is the lowest number of inward acquisitions reported since Q1 1988, when 16 acquisitions were reported
- The number of outward acquisitions (those made abroad by UK companies) fell to 18 transactions during Q3 2014, from 21 in the previous quarter

2 . Summary

Mergers and Acquisitions (M&A) transactions which result in a change of ultimate control of the target company and have a value of £1 million or more are included in this release. Information on the number and value of transactions are reported, in addition to whether transactions are acquisitions or disposals.

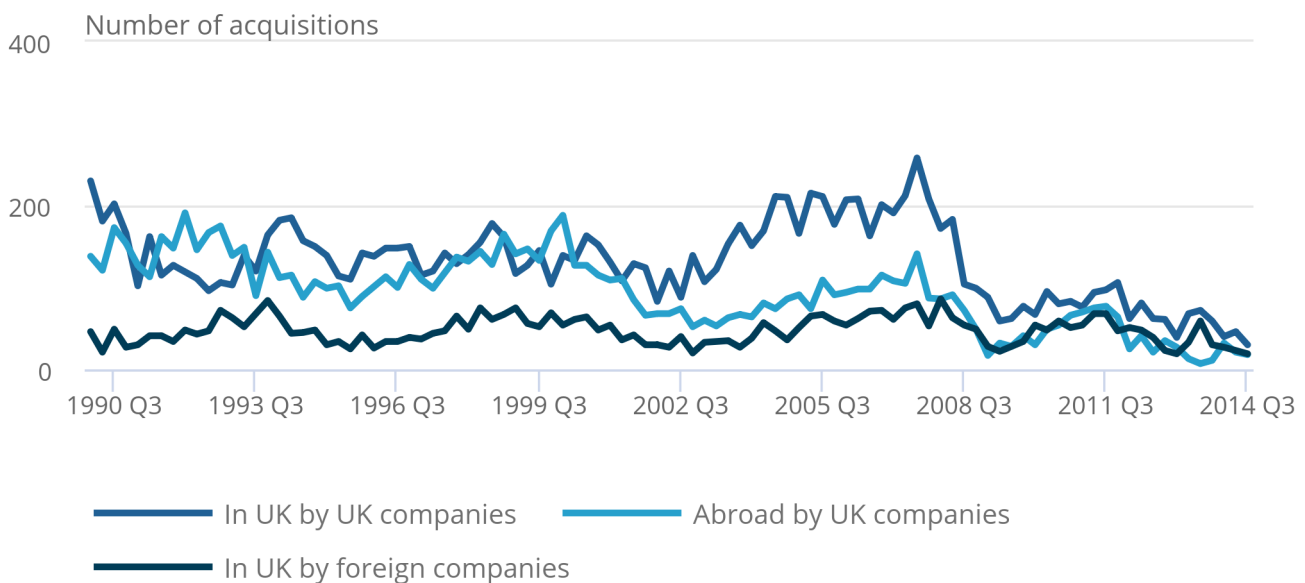
Figures relating to mergers are included within acquisitions and those relating to demergers are contained within disposals. These statistics are presented on a 'current price basis', which are prices as they were at the time of measurement and are therefore not adjusted for inflation.

There were a total of 67 domestic and cross-border acquisitions involving UK companies in Q3 2014. This included 30 domestic transactions, 19 inward transactions and 18 outward transactions and represents a 26% fall on the previous quarter (90) and a 51% fall on the number recorded at Q3 2013 (138).

The quarterly numbers and value of M&A activity are prone to large quarter-on-quarter movements as these data relate to specific 'one time' only transactions, for example one quarter can be heavily impacted by one large transaction. Therefore it can be more appropriate to analyse trends over time. Overall, during the third quarter of 2014 the total number of domestic and cross-border mergers and acquisitions involving UK companies remain at much lower levels of activity than before and immediately after the 2008-09 the economic downturn.

Figure 1: Number of acquisitions involving UK companies

Figure 1: Number of acquisitions involving UK companies



Source: Office for National Statistics

The low level of overall M&A activity during Q3 2014 can also be illustrated by looking at the average number and value of acquisitions over consecutive five-year intervals since 1997 (Table 1).

Overall, at Q3 2014 the estimates for the number of acquisitions across all three M&A surveys (outward, inwards and domestic) have all fallen below the respective average values per quarter since 2012.

However, for the same comparison periods, the average value per transaction for both outward and domestic M&A has increased. This is due to the inclusion of two large, substantive-valued acquisitions which completed during Q3 2014.

Table 1: The average number and value of M&A involving UK companies, grouped into five year intervals.

	Abroad by UK companies			Overseas companies in the UK			Between UK companies		
	Number	Value	Average value per transaction	Number	Value	Average value per transaction	Number	Value	Average value per transaction
	£ million	£ million	£ million	£ million	£ million	£ million	£ million	£ million	£ million
1997-2014 Q3	81	10,523	130	49	9,542	195	128	6,536	51
1997-2001	128	20,402	159	54	9,900	183	136	10,921	80
2002-2006	79	6,812	86	46	9,203	200	164	6,448	40
2007-2011	67	8,014	120	54	11,813	219	121	4,807	40
2012-2014 Q3	23	3,205	139	34	5,376	158	56	1,535	27
Q3 2014	18	6,265	348	19	2,672	141	30	2,872	96

Source: Office for National Statistics

Notes:

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

3 . Your views matter

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. For further information please contact us via email: m&a@ons.gov.uk or telephone Michael Hardie on +44 (0) 1633 455923.

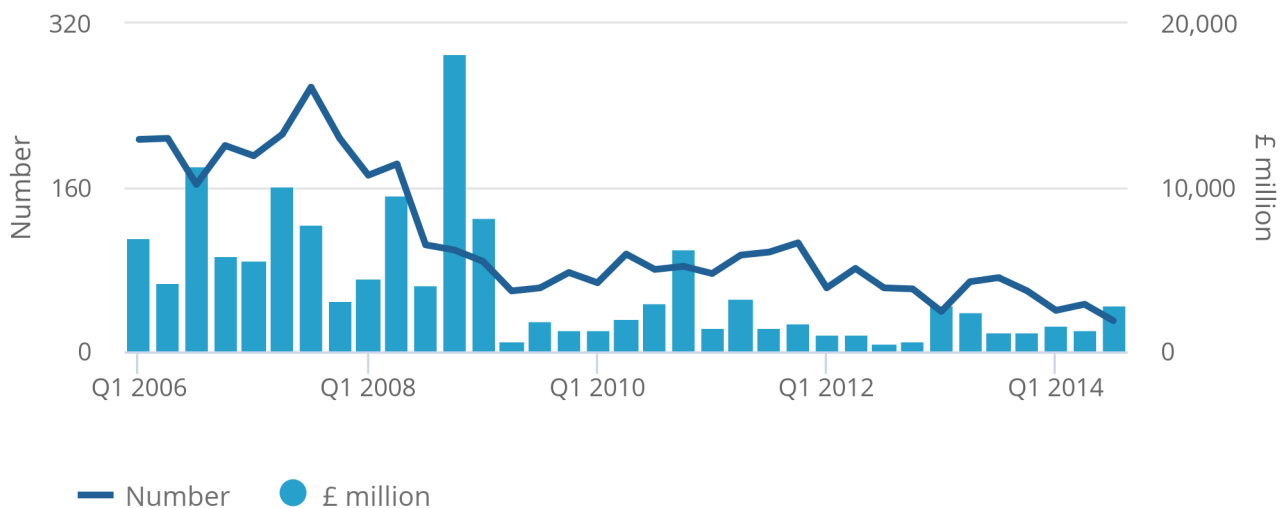
4 . Transactions in the UK by other UK companies

During Q3 2014 there was a decrease of 35% in the number of quarter-on-quarter domestic M&A involving UK companies. There were 30 completed domestic acquisitions reported in Q3 2014 compared with 46 in Q2 2014, and is the lowest number of domestic M&A recorded since ONS first began publishing quarterly data (Q1 1969).

In contrast, the value of domestic acquisitions involving a change in majority share ownership increased between the second and third quarters of 2014 (from £1.3 billion in Q2 2014 to £2.9 billion in Q3 2014 – current price basis). This is the highest value recorded since Q1 2013 (£2.8 billion) (see Figure 2 below). The vast majority (69%) of the total value for domestic acquisitions at Q3 2014 (£2.9 billion) is represented by one large acquisition that occurred within the retail industry, for example [Carphone Warehouse Group PLC](#) of the UK completed the all share merger of Dixons Retail Plc of the UK.

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

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



Source: Office for National Statistics

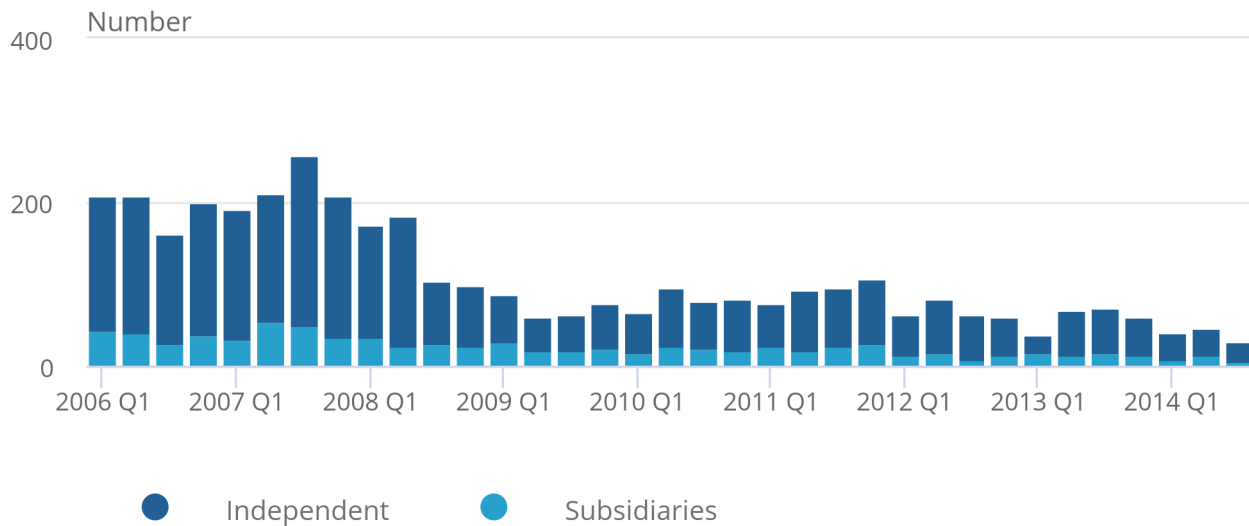
Notes:

1. At Q1 2010 the deal identification threshold for the mergers and acquisitions surveys was raised from £0.1 million 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).

During Q1 to Q3 2014 the combined total value of domestic M&A (£5.8 billion) has fallen by 9% when compared with the total value of domestic M&A (£6.4 billion) during the same three quarters of 2013. However, the percentage decrease for the number of domestic M&A during the same comparison periods appears much greater, reporting a 35% decrease, falling from 179 to 116 acquisitions. This may indicate that although fewer domestic acquisitions completed between these periods, the transactions which did were of a higher monetary value.

Figure 3: Summary of mergers and acquisitions in the UK by UK companies

Figure 3: Summary of mergers and acquisitions in the UK by UK companies



Source: Office for National Statistics

It is possible to split out the total number of domestic M&A into those made by independently-controlled companies and those which are subsidiaries. The acquisition of an independent company means the purchase of a company in its entirety, whereas the acquisition of a subsidiary means the acquisition of a part of a company, between 50.1% to 100%.

During Q3 2014 the number of acquisitions of independently-controlled companies (25), totalling £2.5 billion, represented the majority (83%) of the total number of completed domestic M&A.

In comparison, domestic acquisitions involving subsidiaries between UK company groups, valued at £0.4 billion, accounted for 17% of the overall total number of domestic M&A involving a change of majority ownership.

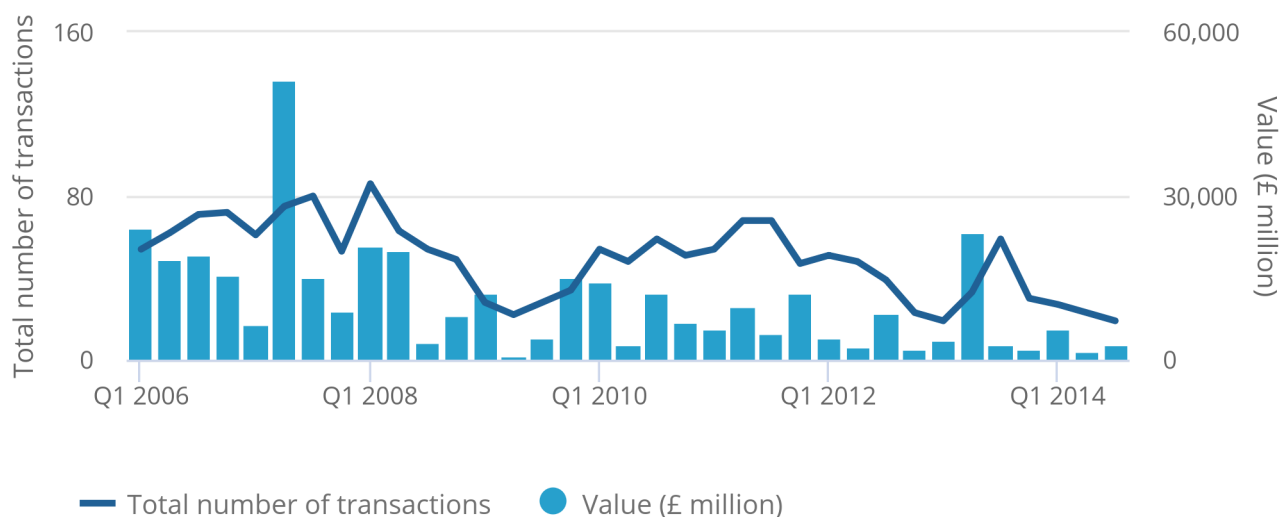
Other significant domestic acquisition, valued at £100 million or more, that took place during Q3 2014:

- [Standard Life Investments Holdings of the UK](#) acquired Ignis Asset Management Ltd of the UK
- [Anacap Financial Partners LLP](#) of the UK acquired Brightside Group PLC of the UK

5 . Transactions in the UK by foreign companies

Figure 4: Number and Value of Acquisitions in the UK by Foreign Companies

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Source: Office for National Statistics

Notes:

1. At Q1 2010 the deal identification threshold for the mergers and acquisitions surveys was raised from £0.1 million 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).

In Q3 2014 there were 19 completed inward acquisitions of UK companies made by investors from abroad compared with 23 recorded in the previous quarter (Q2 2014), showing a slight fall of 17%. At Q3 2014 the number of inward acquisitions is the lowest number reported since Q1 1988, when 16 acquisitions were reported.

Despite the downturn in the number of inward acquisitions during the first three quarters of 2014, the value of inward M&A shows an increase on the previous quarter (Q2 2014). During Q3 2014 the estimates for the value of acquisitions in the UK made by investors overseas was £2.7 billion compared with £1.6 billion reported in the previous quarter (Q2 2014). This shows a quarter-on-quarter increase of approximately 69%.

Further analysis of inward M&A shows that there were 69 completed acquisitions for Q1-Q3 2014 compared with 111 recorded for Q1-Q3 2013. This shows a year-on-year decrease of approximately 38%.

At Q3 2014 there were seven inward disposals of UK companies involving a change of majority ownership with a reported value of £1.0 billion. This is similar to the number of inward disposals that completed during Q3 2013 (eight), albeit then with a slightly lower reported value of £0.6billion.

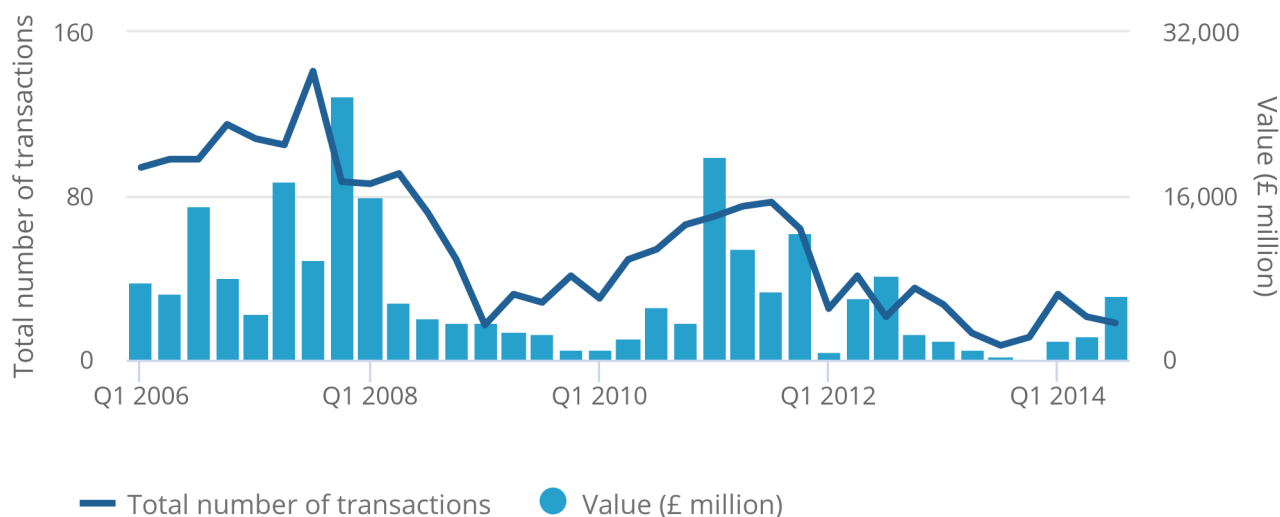
The following significant transactions, valued at £100 million or more, that took place in the UK by foreign companies during Q3 2014:

- [Phoenix Group Holdings](#) of The Cayman Islands disposed of Ignis Asset Management Ltd of the UK
- [K+S Baltic Offshore \(Cyprus\) Ltd](#) of Cyprus disposed of OCHL (Globe) Ltd of the UK
- [Packaging Coordinators Inc](#) of the USA acquired Penn Pharmaceutical Services Ltd of the UK
- [Sanpower Group](#) owner of Nanjing Xinjiekou Department Store Co Ltd of China acquired Highland Group Holdings Ltd of the UK
- [Viacom Inc](#) of the USA acquired Channel 5 Broadcasting Ltd of the UK
- [Hony Capital Beijing Co Ltd](#) of China acquired Pizza Express Ltd of the UK
- [Cirrus Logic INC](#) of the USA acquired Wolfson Microelectronics Plc of the UK
- [KKR Management Holdings LP \(USA\)](#) of the USA acquired OCHL (Globe) Ltd of the UK
- [Hexagon AB](#) of Sweden acquired Vero Software Ltd of the UK

6 . Transactions abroad by UK companies

Figure 5: Number and Value of Acquisitions Abroad by UK Companies

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Source: Office for National Statistics

Notes:

1. At Q1 2010 the deal identification threshold for the mergers and acquisitions surveys was raised from £0.1 million 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).
3. * Denotes disclosive figures.

Between Q2 and Q3 2014 the number of outward acquisitions made by UK companies involving a change of majority ownership remained relatively flat. There were 18 completed acquisitions during Q3 2014, a 14% decrease when compared with the previous quarter (21). This flat trend of outward M&A activity abroad by UK companies between the second and third quarters of 2014 appears to follow a similar pattern seen since 2012.

In contrast, the value of acquisitions abroad involving UK companies increased considerably to £6.3 billion during Q3 2014, from £2.4 billion reported in Q2 2014. This indicates that although fewer acquisitions completed during Q1 to Q3 2014, the transactions which did were of a higher monetary value.

This increased value of outward acquisitions in the Q3 2014 can be partially explained by one large completed acquisition within the telecommunications industry, for example [Vodafone Group Plc](#) of the UK acquired Grupo Corporativo Ono S.A. of Spain.

Other significant transaction, valued £100 million or more, that took place abroad by UK companies in Q3 2014:

- [Man Group plc](#) of the UK acquired Numeric Holdings LLC of the USA
- [Rolls-Royce Holdings Plc](#) of the UK acquired Rolls-Royce Power Systems (Tognum AG) of Germany
- [Cobham Plc](#) of the UK acquired Aeroflex Holding Corp of the USA

7 . Additional information

Data for the following domestic and cross-border acquisitions and mergers will be included in the next M&A quarterly estimates for Q4 2014.

[Access Industries Inc](#) of USA acquired Perform Group Plc of the UK.

[Amec Group Ltd](#) of the UK acquired Foster Wheeler of Switzerland.

[British Sky Broadcasting Group Plc](#) of the UK completed the acquisition of Sky Italia SRL of Italy.

[British Sky Broadcasting Group Plc](#) of the UK completed the takeover of Sky Deutschland AG of Germany.

8 . How our statistics compare with external evidence

Global merger, acquisitions and disposals 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 transactions involve some element of borrowing or leveraging. Therefore when credit conditions deteriorate, as happened in the 2008-09 economic downturn, M&A activity declines. On the other hand, the process of completing an M&A transaction takes time and sometimes there may be a lag between improving economic conditions and any quarter-on-quarter increase in M&A activity.

[The Bank of England's \(BOE\)](#) September 2014 Agents' Summary of Business Conditions, showed that corporate credit conditions had improved further and there is a growing desire among some companies to increase their capacity. On the other hand, the BOE Credit Conditions Survey for Q3 2014 stated that demand for secured corporate credit from small businesses was reported to have decreased in Q3 2014. ; demand for lending from medium-sized companies and larger corporates had increased notably. The Bank of England's (BOE) November Quarterly Inflation report also concluded that business investment growth has continued to rise this year with that from services industries contributing the most.

The [Organisation of Economic Corporation and Development \(OECD\)](#) 2014 Investment Insights paper dated November 2014 also appears to support the downward trend of global and domestic M&A. Using data on M&A investment it stated that international and domestic M&A are both on track (based on data through Q3) to reach their lowest levels in a decade. Economic conditions that are holding back international investment in Europe would seem to be discouraging domestic investment as well.

[Allen and Overy](#), an international legal practice, reported in its M&A index Q3 2014, that the surge in transactions was particularly marked as Q3 is typically quieter. However, transactions are continuing at a healthy pace and the pipeline of upcoming deals is strong enough to suggest the recovery will continue through to the year end and into 2015. In the same report it was stated that deal values in the first three quarters of 2014 are already higher than the same period of 2013, with average deal sizes at their highest level for many years.

In addition [Thomson Reuters]([http://share.thomsonreuters.com/general/PR/MA-3Q14-\(E\).pdf](http://share.thomsonreuters.com/general/PR/MA-3Q14-(E).pdf) "Thomson Reuters") reported in its Q3 2014 Mergers and Acquisitions Review, that the overall volume of cross-border M&A during the first nine months of 2014 more than doubled the levels reached during the first nine months of 2013. This review also suggests that the first nine months of 2014 appears to be the strongest for worldwide deal-making since 2007.

. Background notes

1. Overview of Mergers and Acquisitions:

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

- Investment in the UK by UK companies (Domestic investment)
- Investment in the UK by foreign companies (Inward investment)
- Investment in foreign companies by UK companies (Outward investment)

Within ONS, M&A data are essential for producing the National Accounts. 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. M&A data is used in the compilation of the estimates for Foreign Direct Investment and additionally used by other government departments when preparing ministerial briefings. For example, HM Treasury, the Department for Business, Innovation and Skills, UK Trade & Investment and HM Revenue and Customs. The M&A data estimates are also used by foreign embassies, economists and academics for research purposes and for periodic statistical comparisons

2. Your views matter?

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.gov.uk> or telephone Michael Hardie on +44 (0) 1633 455923

This bulletin has been produced by the International Transactions branch in ONS. We want to find out what you like about our outputs, what you don't like about them, and how you think we can improve them. We would really appreciate it if you will take around 10 minutes to complete our Opinion Survey to enable us to improve our outputs for you

3. Basic quality information

The [Quality and Methodology Information for Mergers and Acquisitions\(M&A\) \(300 Kb Pdf\)](#) surveys report describes in detail the intended uses of the statistics presented in this publication, their general quality and the methods used to produce them

4. 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 the National Accounts. 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
- 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

This publication contains data relating mergers, demergers, acquisitions and disposals. Figures relating to mergers are included within acquisitions and those relating to demergers are contained within disposals

ONS makes every effort to provide informative commentary on the data in this release. As part of the quality assurance process, individual businesses are contacted in an attempt to capture reasons for large period on period data movements. It can prove difficult to gather detailed reasons from some businesses to help inform the commentary. Frequently, reasons given for data movements refer to a 'change in market conditions' or a 'restructure of the company'. Consequently, it's not possible for all data movements to be fully explained

ONS are aware that a number of users make use of these data for modelling or forecasting purposes. In doing so, it is important that users make note of our revisions policy (see note 9 in the background notes) and that all time series are on a 'current price' basis, which means that the values are as they were at the time of measurement and not adjusted for inflation. Acquisitions and disposal activity can be affected by UK and global economic and political issues and therefore quarterly estimates can be volatile

One question often asked of the M&A release is 'why is there a time delay between the announcement of M&A transactions in the press and the inclusion of these transactions within ONS M&A figures?' The difference is that ONS figures record when a transactions legally completes as opposed to when the transaction has been announced in the press. The complexities surrounding the acquisitions/disposals taking place often incurs a time lag, which can vary between quarters

5. 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 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

6. Types of transactions 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 the ordinary shares of a second company ('target company')

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'

Acquisition of independent companies

The acquisition of an independent company means the purchase of a company in its entirety – the company itself and all of its subsidiaries

Acquisition of subsidiary companies

The acquisition of a subsidiary company means the purchase of part of a company

7. 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

8. Definitions of geographic areas

Table A: Definitions of geographic and economic areas

Europe				
EU	Austria	Belgium	Bulgaria	Croatia
	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
	Faroe Islands	Gibraltar	Iceland	Liechtenstein
	Macedonia, the Former Yugoslav Republic of	Moldova	Montenegro	Norway
	Russian Federation	San Marino	Serbia	Switzerland
	Turkey	Ukraine	UK Offshore Islands (Guernsey, Jersey, other Channel Islands & Isle of Man)	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	
<hr/>				
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		
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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				

9. Revisions

Data for Q1 and Q2 2014 has been revised in the light of new information, and so revisions to the data for Q1 and Q2 2014 have been published in this statistical bulletin. No further revisions to data prior to Q1 2014 have been made. Therefore time series data for all quarters of 2013 and any previous historic quarterly periods remain unchanged

Annual data tables for 2013 are produced in conjunction with the Q4 2013 data. Revisions to the 2013 quarterly and annual figures are recalculated at Q1 2014 only. No revisions to annual data prior to 2013 have been made. Therefore time series data for previous historic annual periods remains 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

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 for example; 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

Table B: Average Revisions over the Previous Five Quarters

	First Published Value (Q2 2014)	Number in Latest Revised Period	(Q2 2014)	Average Revision
Number of Outward Acquisitions	17.0	21.0		1.2
Number of Outward Disposals	2.0	6.0		1.2

Number of Inward Acquisitions	19.0	23.0	1.2
Number of Inward Disposals	'	'	'
Number of Domestic Acquisitions	37.0	6.0	1.2

Source: Office for National Statistics

Notes:

1. " Data Suppressed.
2. * Significant revision.

Table C: Average Revisions over the Previous Five Quarters

	Values quoted in £ million			
	First Published Value (Q2 2014)	Value in Latest Revised Period (Q2 2014)	Average Revision	Average without Regard to Sign
Value of Outward Acquisitions	2,117	2,421	131.60	263.0
Value of Outward Disposals	546.0	1,865.0	171.80	355.8
Value of Inward Acquisitions	1503.0	1,648.0	32.0	50.0
Value of Inward Disposals	'	'	'	'
Value of Domestic Acquisitions	1167.0	1,327.0	32.8	32.8

Source: Office for National Statistics

Notes:

1. " Suppressed.
2. * Significant Revision.

10. Response rates

Table D: Response rates

Cross-Border Mergers and Acquisitions (CBAM) Outwards		
Statistics of Sample Size – Latest Survey Conducted:		
Reference Period	Quarter 2 2014	Quarter 3 2014
Response Rate (%)	98	85
Cross-Border Mergers and Acquisitions (CBAM) Inwards		
Statistics of Sample Size – Latest Survey Conducted:		
Reference Period	Quarter 2 2014	Quarter 3 2014
Response Rate (%)	95	93
Domestic Mergers and Acquisitions (DAM)		
Statistics of Sample Size – Latest Survey Conducted:		

Reference Period	Quarter 2 2014	Quarter 3 2014
Response Rate (%)	90	88

Source: Office for National Statistics

Notes:

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

11. Notes to tables

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

12. Disclosure

It is sometimes necessary to suppress figures for certain items in order to avoid disclosing information about an individual business. Further information on why data are suppressed is available in the [ONS Disclosure Control Policy \(337 Kb Word document\)](#)

13. 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, subject to ONS carrying out certain requirements. ONS met all of these requirements on 3 May 2013

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
- 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

14. Social media

Follow ONS on [Twitter](#) and receive up to date information about our statistics

Like ONS on [Facebook](#) to receive our updates in your newsfeed and to post comments on our page

15. 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

16. 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

17. 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

18. 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

19. 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.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'

20. Details of the policy governing the release of new data are available by visiting www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html or from the Media Relations Office email: media.relations@ons.gov.uk

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