

**Differences in Financial and Legal Systems and Contribution of
Private Equity Funds to Transfers of Shares***

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Abstract: This article deals with the role of private equity in the financing of transfers of shares in five European countries: France, Germany, Italy, Spain and the United Kingdom. These countries have been chosen because their corporate governance systems still remain different in spite of the process of European integration. We first identify the expected effects of the main characteristics of national financial and legal systems on the activity of private equity funds. Second, we use a sample of deals collected from the Zephyr database to investigate the similarities (and dissimilarities) between European countries in the role played by private equity in transfers of shares. Our results show that the French case is very specific and opposite to the British case. In France, private equity funds play a more important role in the financing of transfers of shares than in other countries. This result supports the thesis of a specific French corporate governance model and leads us to refute the hypothesis of the convergence towards the Anglo-American model for the French corporate governance system.

Keywords: private equity, transfers of shares, financial systems, legal systems, ownership structure, corporate governance.

JEL classification: G21, G24, G30, G32, G34

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1. Introduction

Private equity provides capital to enterprises not quoted on a stock market. This kind of investment is very illiquid in the short run and is generally made by private equity funds. For the last decade, private equity investments have sharply increased; the amount invested passed indeed from less than 5,000 million euros in 1990 to 35,000 million euros in 2000 (EVCA, 2002). Private equity can be used to finance new firms, to develop new products and technologies or to expand working capital. Most academic articles deal with these activities. Private equity, however, is also used to finance acquisitions and to resolve ownership and management issues. Successions in family-owned companies or buy-outs of businesses by experienced managers can be achieved using private equity funding. In this article, we focus on the role played by private equity firms in the financing of all types of transfers of ownership rights.

In spite of the process of the European integration, differences in financial systems still remain among European countries (Schmidt, Hackenthal and Tyrell, 2002). These differences can influence the role played by private equity firms in the financing of transfers of shares. After having identified the expected effects of legal and financial factors on private equity, we study, with individual data, similarities and dissimilarities between European countries in the contribution of these financial institutions to transfers of ownership rights. Five countries are retained in this analysis: France, Germany, Italy, Spain, and the United Kingdom. These countries are selected because they are the five largest European countries in terms of Gross Domestic Product and because their systems of governance still remain different (La Porta, Lopez-of-Silanes, Shleifer and Vishny 1998; Caby, 2003).

In this study, we use data from Zephyr, a database from Bureau Van Dijk. This database contains information on deals involving transfers of ownership rights. These deals include mergers (business combinations in which the number of companies decreases after the transaction), acquisitions of majority interests (all cases in which the acquirer ends up with 50% or more of the votes of the target), transfers of minority stakes (below 50%), leveraged buy-outs (LBOs), and IPOs, which involve targets (companies being sold, or companies in which a stake is being sold) from France, Germany, Italy, Spain and the United Kingdom. Transfers of ownership can be supported by private equity firms but this feature is not compulsory. The information used in this study is thus very different from the data gathered by surveys which only concern deals financed by venture capital (Manigart et alii., 2002; Cumming, Schmidt and Walz, 2004).

We structure the paper as follows. Section 2 identifies expected relationships between the nature of governance systems and the role of private equity firms in transfers of ownership rights. Section 3 describes the sample and the data. In section 4, we present the results of the tests of the expected relationships between the nationality of targets and the financing of transfers of ownerships by private equity firms. We conclude in section 5 by underlining the specific case of France. In this economy, private equity firms play a more important role in the financing of transfers of ownership rights than in the five other countries studied. This result supports the thesis of the specificity of the French corporate governance model and leads us to refute the assumption of the convergence of the French system of governance towards the Anglo-Saxon model.

2. Why could the contribution of private equity firms to transfers of shares be different in Europe?

For Cumming, Schmidt and Walz (2004), the nature of the legal system can justify differences of venture capital funds' practices around the world. These authors apply to venture capital the lessons of the classification of legal systems introduced by La Porta, Lopez-de-Silanes, Shleifer and Vishny (1998). These authors justify differences in financing structures between 49 members of the OECD with legal arguments. This approach, which links "Law" and "Finance" topics, has deeply renewed the comparative study of financing systems which, *hitherto*, was only based on financing means and on a dual classification of countries, which are, either market-centred or bank-oriented. Some authors complete these two approaches by taking into account the structure of shareholdings. In this section, we use these three approaches to analyze the role of private equity firms in the five countries studied. For each approach, we describe the countries studied and then we identify the consequences of their characteristics on the role of private equity.

2.1. Role of private equity firms and financing systems

2.1.1. Classification of financing systems and position of countries studied

Traditionally, the distinction between Anglo-Saxon countries and continental European countries has been expressed in terms of dominant providers of financing resources. Two systems are opposed: one is centred on financial markets whereas the other is centred on banks (Levine, 1997, 2002; Allen and Gale, 2000). In bank-centred systems, such as Germany and Japan during the 1970s and 1980s, banks play a major role in the collection of financial resources, the allowance of capital, and the definition of firms' investment plans. In market-

based systems, such as the Anglo-Saxon countries, securities market plays an important role besides banks in the collection of resources and their assignment, which makes investment less sensitive to banking debt (Demirguc-Kunt and Levine, 2004).

This classification has been called into question by Mayer (1988), and Corbett and Jenkinson (1997). Using net financial data (new debt *minus* reimbursement of existing debt and banking deposits), these authors do not find any significant difference in the way companies of the most developed countries are financed. Self-financing is the most important financing source everywhere, and then, among external financial resources, debt, in particular from banks, is the most used financing source (except for Canada). Schmidt, Hackenthal and Tyrell (1998, 2002) disputed these results. According to them, Mayer's results and those of Corbett and Jenkinson are mainly due to a statistical artefact related to the use of net data. When gross data from national accounts are used, Mayer's results are not confirmed and significant differences still exist in financing structures across the world: on the one hand, Germany is still very centred on banking debt and, on the other hand, the United Kingdom still relies on financial markets for external financing. For France, results are less clear but show a radical transformation of the financing system, which could converge towards the British system.

Demirguc-Kunt and Levine (2001) also find significant differences in financial structures for a sample of 150 countries during the 1990s. They reckon an index of financial development¹ and show the segmentation of countries into two classes, which corresponds to the traditional classification between bank-centred and market-based countries. According to this research, France, Germany, Italy, and Spain belong to bank-centred economies whereas the United Kingdom belongs to market-based ones. Paillard and Amable (2002), using net data on six countries (Germany, France, Italy, Netherlands, Sweden, and the United Kingdom), also find an opposition between two types of economies: one is characterized by a high level of internal financing, and the other one by an important use of banking loans.

To sum up, various systems of financing still remain in Europe. However, results by country are not always homogeneous. The British case is an exception; this country still remains a market-based country, with a high level of internal financing. For the other countries, the situation is less clear.

¹¹ This index is based on the ratios of development of the banking environment relative to financial markets (in terms of size, activity and effectiveness). The countries with the highest ratios of banking structures are centred on banks. The countries where the composite index is lower than the average are centred on markets.

For Germany, Demirguc-Kunt and Levine (1999), and Schmidt, Hackethal and Tyrell (1998) assert that this country is still a bank-centred economy. On the contrary, Friderichs and Paranque (2001), and Paillard and Amable (2002) show that only small and medium-sized firms are related to this financing system. The largest German firms are less and less financed by banks, and their financing tends to get closer to the Anglo-Saxon model.

For France, Demirguc-Kunt and Levine (1999) show that this country is a bank-centred economy. Schmidt, Hackethal and Tyrell (1998) underline, nevertheless, that the recent transformation of this economy makes its situation confused. According to the authors, in the middle of the 1990s, the French economy was difficult to classify. Paillard and Amable (2002) also underline the evolution of the French financing system. They show the high increase in the internal financing of French firms during the 1990s and their important degearing. Moreover, Caby (2003) shows that the role of financial markets has sharply increased in France so that it tends to approach the British and American levels. In 2001, the ratio “stock exchange capitalization to GNP” was equal to 103% (against 49% in 1997), whereas the same ratio was equal to 152% in the United States (against 132% in 1997) and 166% in the United Kingdom (against 161% in 1997).

For Italy, Demirguc-Kunt and Levine (1999), and Paillard and Amable (2002) classify this country as a bank-centred economy. Paillard and Amable (2002), however, underline the relative importance of securities in Italy, a fact that the traditional classification between bank-centred and market-based economies cannot take into account.

For Spain, very few studies exist on the financial system. Demirguc-Kunt and Levine (1999) classify this country as a bank-centred economy. Artola *et al.* (2002) analyse the Spanish financing system and confirm this conclusion.

To conclude, this traditional typology of financial systems must be used with circumspection. We can retain the clear opposition between the British case, a pure market-based economy, and the Italian and Spanish cases, which are still bank-centred economies. The German case is dual; the situation of large firms is very different from the situation of small firms. Insofar, as the activity of private equity firms is concentrated on unquoted firms which are, for most of them, small or medium-sized firms, we retain, for Germany, the model of a bank-centred economy. The French case is more difficult to characterize and deserves further research (Table 1).

Table 1: Classification of countries according to their financial systems

Market-based countries	Indecision	Bank-centred countries
<ul style="list-style-type: none"> • United Kingdom • Germany: large firms 	<ul style="list-style-type: none"> • France 	<ul style="list-style-type: none"> • Germany: small firms • Italy • Spain

2.1.2. - Financing systems and activity of private equity firms

It is difficult to take into account private equity within the framework of the traditional approach of financial systems. Two forms of private equity can indeed be distinguished. The first one is direct, through the funding of business angels. The second one, with no doubt the most important amount, is indirect and is based on the activity of private equity firms. Private equity firms are, in some countries such as France, Italy, Germany and the Netherlands, subsidiaries of banks (Abdesselam and Cieply, 2005). In this case, the financing system is still centred on financial institutions (like in bank-centred economies) but these institutions provide capital for firms, not only through debt, but also through equity (like in market-based economies). In addition, even when private equity firms are subsidiaries of banks, they draw an important benefit from the existence of an active financial market where their shares can be sold.

Finally, two alternative assumptions on the expected role of private equity funds according to the nature of the financing system can be stressed. On the one hand, as private equity funds need financial markets where shares can be sold, a more active role of private equity funds can be expected in market-based economies, such as the United Kingdom, or, in a more restrictive way, in countries where the securities market is particularly active, such as France and Italy. On the other hand, as private equity firms are financial intermediaries, we can suppose that they are more likely to develop in countries, which are centred on financial institutions such as, traditionally, Germany, Italy, Spain, and, to a lesser extent, France.

To conclude, taking into account the role of private equity funds underlines the limits of the traditional classification of financing systems based on the opposition between markets and banks. Financial intermediation and financial markets are indeed complementary tools rather than substitutes. More recently, another classification based on differences in legal systems has been introduced. It brings other elements to explain the differentiation of governance systems and the role of private equity firms.

2.2. Role of private equity firms and legal systems

2.2.1. Typology of legal systems and position of countries studied

The classical analysis of financial systems has been recently amended. On the one hand, the development of banking activities on financial markets shows some limits to the efficiency of this approach, which opposes banks to markets. On the other hand, according to many authors (La Porta, Lopez-de-Silanes, Shleifer and Vishny, 1998; Levine, 1997; Paillard and Amable, 2002), this classification is indeed no longer effective to distinguish between financial systems. A new approach, developed by La Porta, Lopez-de-Silanes, Shleifer and Vishny (1998), takes into account the nature of the legal regimes, which offer a legal and regulatory framework for financial activities, to discriminate between countries. As financing is a matter of contracts and transfer of information, the nature of the legal regime is crucial. In particular, the ability of the legal system to protect creditors and shareholders and its enforcement power are essential criteria for the development of financial activities.

More precisely, La Porta, Lopez-de-Silanes, Shleifer and Vishny (1998) oppose two types of legal systems. The regime of common law, based on the Anglo-Saxon tradition, ensures a very strong protection to both shareholders and creditors, whereas the regime of French civil law, which derives from the Roman law, offers a low degree of protection to external investors as the power of enforcement of contracts² and the quality of information are low. The regimes of German and Scandinavian civil law are intermediate. In these two legal systems, the power of enforcement of contracts is higher than in common law countries. For the quality of information, it is better in Scandinavia than in common law countries and than in German civil law countries.

Using this typology, La Porta, Lopez-de-Silanes, Shleifer and Vishny (1998) studied 49 countries, members of the OECD, during the 1990s. According to their results, Italy and Spain belong, like France, to French civil law systems. On the contrary, the United Kingdom has a pure common law system. The German legal system is close to the French one but it is less far from the British system than Italy and Spain (Table 2).

² In particular, the Tax authorities can discuss some agreements and modify them deeply.

Table 2: Classification of countries according to legal systems

Common law system	Civil law system	
	German civil law system	French civil law system
<ul style="list-style-type: none"> • United Kingdom 	<ul style="list-style-type: none"> • Germany 	<ul style="list-style-type: none"> • France • Italy • Spain

2.2.2. Legal systems and activity of private equity firms

The influence of legal systems on private equity firms has already been studied in the literature. Studies often examine the impact of new regulations on venture capital. For example, Gompers and Lerner (1999) study the influence of new taxes and new process of initial public offerings on venture capital in the United States. Other studies analyze the impact of differences in legal systems between countries on venture capital firms. Cumming, Schmidt and Walz (2004) show, on a sample of 3 848 portfolios of venture capital firms from 39 countries during the period 1971-2003, that differences in legal systems have a significant impact on the way venture capital firms screen and monitor businesses. More precisely, countries, where shareholders are more protected, are those where deals are originated the most quickly, with the strongest rate of syndication and the highest frequency of private equity firms among the members of the boards.

We can formulate two assumptions about the influence of legal systems on the contribution of private equity firms to transfers of ownership rights. On the one hand, the microeconomic approach of venture capital firms justifies the existence of these institutions on the fact that they use sophisticated contracts which make it possible to limit the consequences of imperfection of information. As, in the French civil law system, information transparency is weak and the power of enforcement of contracts limited, we expect significant advantages of private equity firms in these countries and a more significant role of these institutions in the financing of transfers of ownership rights than in common law countries. On the other hand, as private equity firms are shareholders, we can expect their activity to be more developed in legal systems that protect shareholders the most. Their activity being based on complex contracts, it can be supposed easier in countries where the power of enforcement of contracts is higher. Lastly, as screening and monitoring rely on accounting and financial data, their practices are easier in countries where the quality of information is the best. Consequently, we can expect a more important activity of private equity firms in countries

with common law as a legal origin and, to a lesser extent, in Germany than countries centred on civil French law (France, Spain, Italy).

2.3. Role of private equity firms and ownership structure

2.3.1. Classification of shareholdings structures and position of the countries studied

Differences in legal systems induce different firms' behaviours in terms of ownership and control, which are, according to Franks and Mayer (1994), the main distinguishing factors between corporate governance models. The ownership structure has been examined in many researches for many years so that we can differentiate the five countries studied.

According to La Porta, Lopez-de-Silanes, Shleifer and Vishny (1998), the concentration of shareholdings could be indeed a rational response to the lack of protection of investors in a given country. If the law does not protect owners against controllers, owners will seek to be controllers. The authors indicate that, in this situation, agency conflicts between managers and shareholders are not significant because large shareholders have at the same time the incentive and the ability to control the management. La Porta, Lopez-de-Silanes, Shleifer and Vishny (1998), however, point out that a high concentration of shareholdings leads to an agency problem between the majority shareholders and the minority ones.

Studies show that the structure of ownership is characterized in the United Kingdom by a dispersed ownership (Faccio and Lang, 2000). On the contrary, they find a higher concentration of shareholdings in Germany (Franks and Mayer, 1994; Gorton and Schmid, 2000), in France (Bloch and Kremp, 1999), in Italy (Barca, 1995), and in Spain (Crespí-Cladera and García-Cestona, 1999).

For the United Kingdom, ownership structure is characterized, historically, as for the United-States, by a great number of quoted firms, the majority of them having a dispersed shareholding.

For Germany, the concentration of shareholdings is historically high because banks have played an active part in the German industrialization and they still hold large stakes in the largest companies (Roe, 1994). Important reforms, however, have been launched during the second half of the 1990s and they may call into question this situation. According to Nowak (2001), the observed increase in hostile takeovers and initial public offerings in Germany can be associated with the changes in German law which improve the situation of shareholders³.

³ In 1998, a reform has reinforced the power of boards and made the use of stock-options easier.

Wojcik (2001) studies the evolution of the ownership structure of large German firms between 1997 and 2001. He finds a decrease in the level of ownership concentration but it remains nevertheless very high.. Cross-holdings have become less important and financial sector institutions, including the most powerful ones, have lost their position as blockholders. These financial institutions have adopted behaviours of portfolio investors which are very different from the traditional bank-industry model. Wojcik documents a quick step of Germany towards the parameters of the Anglo-American corporate governance, but at the same time he identifies areas of strong persistence.

For France, the distinctive characteristics of ownership structure are a high concentration, family shareholdings and the important role played by holding companies, the two last characteristics being closely dependent. Concentration of shareholdings is high for both private companies and public companies in the CAC 40 index. Family shareholdings are significant, whereas stakes held by banks, insurance companies and other financial institutions are relatively low, except for CAC 40 firms. Caby (2003) underlines that the percentage of shares held by foreign investors, mainly Anglo-Saxon institutional investors, has become very important: 36% in 2000 (against 6% in the United States, 9% in the United Kingdom, 11% in Japan, and 15% in Germany). France is now the most internationalised Western country (by far) as regards to the shareholdings structure.

For Spain, concentration of ownership is high. Non-financial companies are the largest investors. Banks' shareholdings, historically high, have decreased but still remain significant in some sectors as Banking and Communication. State's shareholdings, that were significant in some sectors and many large companies until 1995, have almost disappeared since 1998 because of the process of privatisation.

For Italy, traditionally, ownership structure is characterized by a high concentration with a small number of powerful industrial families holding large stakes in large companies. However, since the end of the 1990s, new laws have been introduced in order to modify corporate governance. In particular, thanks to the Draghi law, investors' protection has improved, the development of the Italian financial market has accelerated and concentration of ownership has decreased.

La Porta, Lopez-de-Silanes, Shleifer and Vishny (1998) show that concentration of ownership varies according to the legal origin of a country (49 countries, measure of ownership structure in 1994). The highest concentration of ownership is observed in countries with a French civil law, with an average stake for the three main shareholders of about 54%

for the ten largest privately-held companies. The lowest concentration is observed in the countries with a German legal origin (German civil law), with an average of 34%. Countries with a common law system are intermediate cases, with an average of 43%. Results, however, differ somewhat within legal families. If we consider the average percentages per country, then the United Kingdom is characterized by a low concentration of ownership (19%), France by an average concentration (34%), and Germany, Italy and Spain by a high concentration (respectively, 48%, 51% and 58%). The differences in the degree of ownership concentration between all the countries of German civil law and Germany is explained by the very weak concentration of ownership in the Eastern Asia countries where business law has been more influenced by the United States than by Germany, Austria or Switzerland (La Porta, Lopez-de-Silanes, Shleifer and Vishny, 1998, p. 1146). Pedersen and Thomsen's results (1997) are similar with data of 1990. Less than 10% of the 100 largest German, Spanish and Italian companies are characterized by a dispersed ownership. This proportion is 61% for the largest British companies. The position of France is intermediate: for 16% of firms, ownership structure is dispersed.

Tableau 3: Classification of countries according to the ownership structure

Dispersed ownership structure	Concentrated ownership structure	
	Medium	High
<ul style="list-style-type: none"> • United Kingdom 	<ul style="list-style-type: none"> • France 	<ul style="list-style-type: none"> • Italy • Germany • Spain

2.3.2. Ownership structure and activity of private equity firms

How could differences in ownership structures influence the activity of private equity firms? To answer this question, we can formulate two alternative answers again.

Private equity funds are, in general, minority investors. Indeed, only Institutional Buy-Outs (purchases of a firm by a financial investor) lead private equity firms to become majority shareholders and the number of IBOs, although increasing, remains limited in Europe⁴. La Porta, Lopez-de-Silanes, and Shleifer (1999) show that an agency conflict exists between majority shareholders, those who have control, and minority ones in countries with high concentration of ownership. The expropriation of minority shareholders appears all the easier since concentration of ownership is larger in countries with poorer investors' protection. The

⁴ In Europe, less than 2% of transfers of ownership rights are IBO between 2000 and 2003 according to the Zephyr database (Bastie and Cieply, 2005).

activity of private equity firms, as minority shareholders, can be more difficult in these countries. Moreover, pyramidal structures and reciprocal stakes are more frequent in countries with poorer shareholders protection.. These characteristics of the ownership structure, in particular its complexity, can dissuade private equity firms from investing in some firms because of expected agency costs. As a consequence, we expect a lower contribution of private equity firms to transfers of ownership rights in countries with a high concentration of ownership, except within the framework of IBOs.

An argument can contradict this hypothesis. Indeed, in order to support the development of their firms, owners are often constrained to raise equity and to sell shares to external investors. In this situation, the financing by private equity firms, except the case of IBOs, is a solution both to find external finance and to keep the control. Private equity firms provide capital to firms, and in particular to family-owner firms, to develop new projects by opening equity to only one investor, for a short period of time (between 3 and 7 years). Moreover, thanks to the introduction of covenants, as the pre-emption one, in the shareholders' agreement, the initial owners can plan to buy the shares held by the private equity firm once the firm's development is achieved. Since maintaining the firm's control is an issue which is common to owners in all countries, we can expect an important contribution of private equity firms in all the countries studied, including those which are characterized by a high concentration of ownership.

To conclude, this analysis of the determinants of the contribution of private equity firms to transfers of ownership rights leads, for each group of determinants, to several alternative assumptions. Our empirical study will make it possible to identify, for each group of arguments, the assumption which is corroborated.

3. Description of data and variables

We use a sample that contains deals, corresponding to sales of shares, completed between 1996 and 2004 in France, Germany, Italy, Spain and the United Kingdom, and reported by Zephyr, a database from Bureau Van Dijk. Descriptive statistics show the diversity of deals in the sample. The variables used allow us to examine the role played by private equity firms in the financing of transfers of ownership.

3.1. Population and sample selection

Zephyr database from Bureau Van Dijk contains information on various types of deals including mergers and acquisitions, initial public offerings (IPOs), joint ventures and private

equity deals, with no minimum deal value. Over 260,000 transactions are included since 1996⁵. We select all deals corresponding to transfers of ownership rights, completed during the period January 1, 1996 - May 5, 2004. These deals are mergers (business combinations in which the number of companies decreases after the transaction), acquisitions of majority interests (all cases in which the acquirer ends up with 50% or more of the votes of the target), transfers of minority stakes (below 50%), leveraged buy-outs (LBOs), and IPOs, which involve targets (companies being sold, or companies in which a stake is being sold) from France, Germany, Italy, Spain and the United Kingdom.

We thus obtain 47 942 deals. The availability of targets' turnover before the deal limits our sample's size to 21 155 deals. Moreover, data on deal financing is available for only 7 441 deals. In interpreting the results, we note that it is important to be aware that the availability and the quality of data may be better in the United Kingdom because of broader Zephyr coverage. Moreover, the coverage of a country seems to improve over time. The sample is redressed so that it is representative of the total population in Zephyr according to the target's country before the filters are applied to select the sample.

3.2. Description of sample

The sample gathers 7 441 deals for which data on deal financing is available. For each deal, we retain only the main target company, its first branch of industry and the most significant financing mode.

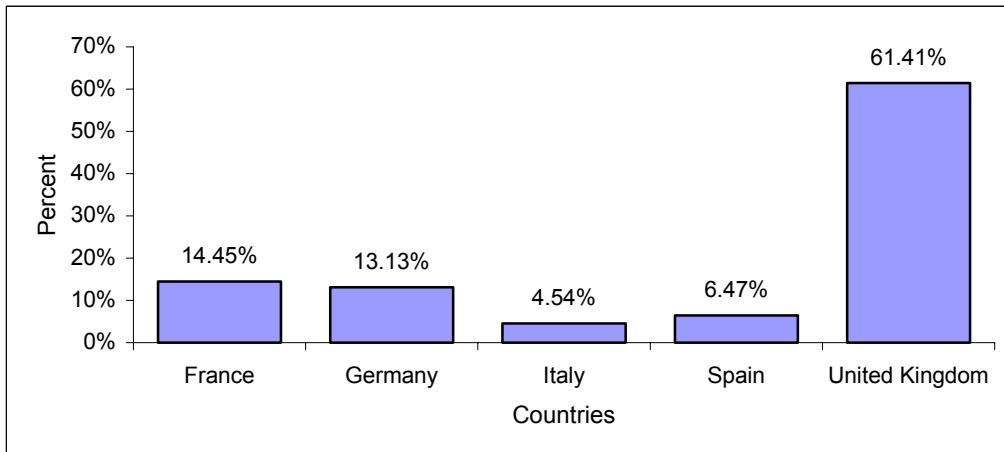
27.35% of the deals retained in the sample are acquisitions of majority interests (above 50%) whereas 30.47% are mergers, 19.72% transfers of minority stakes (below 50%), 13.24% Leveraged Buy-Outs (MBOs, MBIs and IBOs) and 9.21% Initial Public Offerings (IPOs).

As shown in figure 1, more than half the deals involve British targets (61.41%), 14.45% French targets, 13.13% German targets, 6.47% Spanish targets and less than 5% Italian targets (4.54%).

Deals take place in many branches of industry. Among them, the sector of Computer, information technology and internet services is the most represented one (23.12%), followed by Personal, leisure and business services (14.96%) and Industrial, electric and electronic machinery (8.13%).

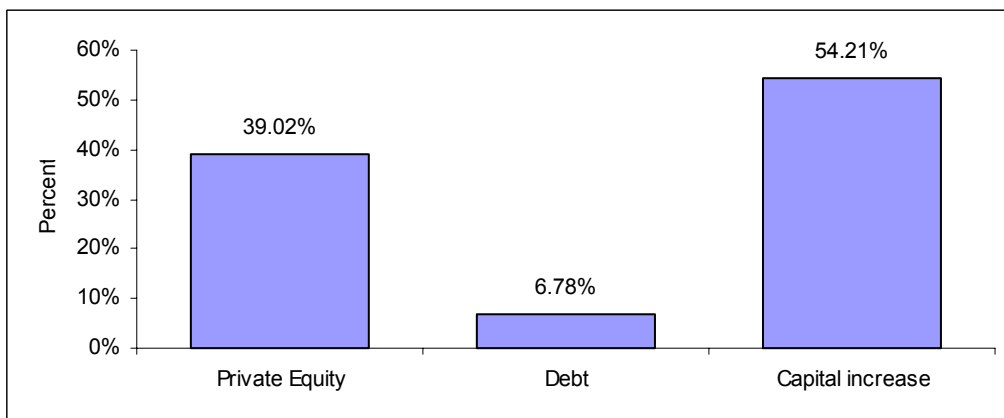
⁵ The availability of data varies with deals' types.

Figure 1: Targets' country



65.55% of the deals involve unquoted targets. More than half the deals are mainly financed by capital increase, almost 40% by private equity firms and less than 7% by debt (Figure 2).

Figure 2: Deal financing



3.3. Description of variables

We retain only the main answer for the variables that allow multiple answers. For instance, if a deal is financed by both capital increase and debt, then we retain only the main financing resource.

The first variable aims to identify the presence of private equity firms in deals. More broadly, this variable studies the deal financing. It is made of three modalities:

- « presence of a private equity firm » when the deal financing contains an element of private equity activity either as development capital, an MBO, an MBI, an IBO, or corporate venturing (when a normal company joins a round of development capital financing or when it owns one of the venture firms),

- « debt » when the deal is mainly financed through new bank facilities, a syndicated loan, loan notes, or mezzanine debt,
- and « capital increase » that gathers different methods for placing new shares and convertible bonds.

The « target country » variable is made of five modalities: France, Germany, Italy, Spain, and the United Kingdom. The « quotation of target », « quotation of acquirer », « target's activity » and « acquirer country » are used as illustrative (or supplementary) variables. These variables intervene *a posteriori* in the characterization of the profiles to enrich their interpretation.

4. Comparison of the contribution of private equity firms to transfers of ownership

Descriptive analysis has shown the great number of deals involving British targets. On the 7 441 deals for which data on deal financing is available, 2 903 (that is to say 39.02%) are mainly financed by a private equity firm. 49.79% of the interventions carried out by private equity firms involve British targets, 23.92% French targets, 13.73% German targets, 7.61% Spanish targets and 4.95% Italian targets.

This result does not allow us to highlight the relation of dependence between the target country and the deal financing by a private equity firm. To study the link between these two variables⁶, we apply a Factorial Correspondence Analysis (F.C.A.) on the two-way table of target country by deal financing (Table 4). This analysis leads to two factorial axes, which account for 100% of information to be summarized, that is to say of the symmetrical association between the target country and the deal financing. The Pearson's Chi-square test allows us to reject the assumption of independence: as shown in statistics of Table 4, there is a significant relation between the target country and the deal financing.

⁶ We use the French SPAD software.

Table 4: Contingency table and independence test of target country by deal financing

Frequency Row percent Column percent		Deal financing			Total
		Private Equity	Debt	Capital increase	
T a r g e t C o u n t r y	France	694 64.6% 23.9%	24 2.3% 4.8%	356 33.2% 8.8%	1 075 100.0% 14.4%
	Germany	399 40.8% 13.7%	28 2.9% 5.5%	551 56.4% 13.7%	977 100.0% 13.1%
	Italy	144 42.6% 5.0%	15 4.4% 2.9%	179 53.1% 4.4%	338 100.0% 4.5%
	Spain	221 45.9% 7.6%	18 3.7% 3.5%	243 50.5% 6.0%	482 100.0% 6.5%
	United Kingdom	1 446 31.6% 49.8%	420 9.2% 83.3%	2 704 59.2% 67.0%	4 569 100.0% 61.4%
Total		2 903 39.0% 100.0%	504 6.8% 100.0%	4 033 54.2% 100.0%	7 441 100.0% 100.0%

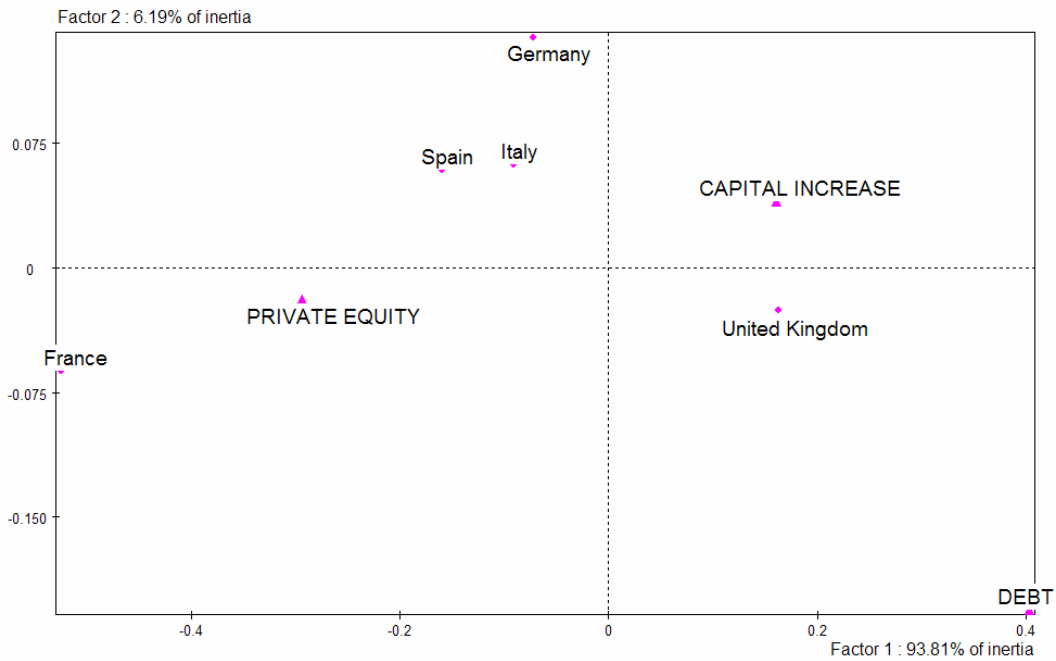
Statistics: Test Chi-square Value = 466.26 with 8 DF, Prob (Chi-Square > 466.26) = 0.0001, Test value = 99.99

Figure 3 proposes a simultaneous representation on the first factorial plane of the F.C.A. and illustrates the relations between the modalities of the variables. The first axis, which summarizes 93,81% of the relation between these variables, reveals two notable dependences:

- a positive relation between the financing by private equity firms and French targets,
- a negative relation between debt financing and French targets.

The second axis, which summarizes 6.19% of information, reveals a negative relation between debt financing and German targets.

Figure 3: Factorial Correspondence Analysis representation



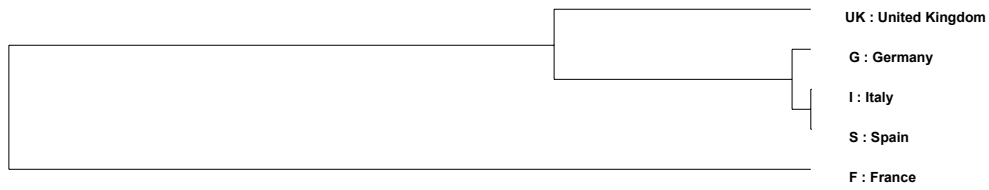
After this study of the relations, we seek what differentiates and separates as well as possible these countries according to the deal financing. The results from discriminant analysis illustrate the proximities between the countries studied in their methods of financing of transfers of ownership (Figure 4 and Table 5). They show:

- the strong similarity between Germany, Italy and Spain,
- the notable resemblance between this group and the United Kingdom,
- the very specific case of France, which is opposite to other countries.

A ClustanGraphics tree summarizing the final classification of the five targets' countries studied according to the deal financing is shown in Figure 4. This was obtained using an Ascendant Hierarchical Classification (AHC) with Ward's criteria⁷ on the results of F.C.A.

⁷ Generalised Ward's Criteria: aggregation based on the criterion of the loss of minimal inertia.

Figure 4: Hierarchical tree of target countries according to deal financing



This analysis leads us to split the hierarchical tree into three groups of countries, which are characterized in Table 5. The three classes division was strengthened around the centers of gravity for the classes thanks to the k-means method.

The statistical description (using a 5% significance level) of the content of each class of the three classes retained is given in Table 5. The class standard profile is based upon comparisons of percentages of the modality in the class (% of frequency in the class) and of this same modality out of the class (% of frequency in total sample) taking into account the degree of inclusion of the class in the modality (% of the class in the frequency). The selection of the most characteristic modalities that come out of each class stems from the gap between the relative values of the class and the global values. These values are converted into a test-value criterion (Test-Value) and are given in a decreasing order with a lower than 5% error risk (Probability) which allows us to classify the most characteristic modalities for each class.

The first class corresponds to France. The 1,075 deals on French targets are distinguished, relative to the whole sample, by a higher contribution of private equity financing and a lower use of debt and capital increase financing.

The second class contains three countries (Germany, Italy and Spain). The 1,797 deals in these countries are distinguished, relative to the whole sample, by a higher contribution of private equity financing and a lower use of debt financing.

The third class corresponds to the United Kingdom. The 4,569 deals on British targets are distinguished, relative to the whole sample, by a larger use of debt and capital increase financing and a lower contribution of private equity financing. The deals on British targets thus exhibit the opposite characteristics of the deals in the first class, that is to say of those on French targets.

Table 5: Characterization of classes by discriminant analysis

CLASSE 1 / 3 FRANCE

Characteristical frequencies	% of frequency in total sample	% of frequency in the class	% of the class in the frequency	Test-Value	Probability	Frequency
Private Equity	39,02	64,59	23,92	18,30	0,000	2903
Debt	6,78	2,25	4,81	-7,14	0,000	504
Capital increase	54,20	33,15	8,84	-15,01	0,000	4033

CLASSE 2 / 3 GERMANY ITALY SPAIN

Characteristical frequencies	% of frequency in total sample	% of frequency in the class	% of the class in the frequency	Test-Value	Probability	Frequency
Private Equity	39,02	42,48	26,29	3,42	0,000	2903
Debt	6,78	3,35	11,94	-7,06	0,000	504

CLASSE 3 / 3 UK

Characteristical frequencies	% of frequency in total sample	% of frequency in the class	% of the class in the frequency	Test-Value	Probability	Frequency
Debt	6,78	9,19	83,25	10,91	0,000	504
Capital increase	54,20	59,17	67,03	10,81	0,000	4033
Private Equity	39,02	31,64	49,79	-16,41	0,000	2903

We introduce illustrative (or supplementary) variables into the discriminant analysis to specify the nature of the deals that belong to each class (Appendix 2). Results show, on the one hand, a large number of quoted targets among British targets and, on the other hand, a large number of unquoted targets in France. British and French targets are, relative to the whole sample, more often acquired by companies from the same country. On the contrary, targets from the second class of countries (Germany, Italy and Spain) are, relative to the whole sample, more often acquired by companies from the same country and also by companies with a different nationality (different from the five European countries studied).

Finally, Table 6 presents the characterization of the three deals classes according to targets' turnover. The two classes of deals involving French targets and German, Italian, and Spanish targets are characterized by a higher target turnover than the sample average. On the contrary, the class of deals involving British targets is characterized by a lower target turnover than the sample average. This result may be explained by a broader Zephyr coverage for deals involving small companies in the United Kingdom.

Table 6: Characterization of classes according to target turnover

France (Weight = 1075.07 Frequency = 1221)						
Characteristic variable	Mean in the modality	General mean	Standard deviation in the modality	General Standard deviation	Test-Value	Probability
Target Turnover (millions)	773.627	401.666	4409.210	2570.640	5.13	0.000

Germany-Italy-Spain (Weight = 1796.94 Frequency = 1775)						
Characteristic variable	Mean in the modality	General mean	Standard deviation in the modality	General Standard deviation	Test-Value	Probability
Target Turnover (millions)	637.852	401.666	3285.310	2570.640	4.47	0.000

United Kingdom (Weight = 4569.22 Frequency = 4227)						
Characteristic variable	Mean in the modality	General mean	Standard deviation in the modality	General Standard deviation	Test-Value	Probability
Target Turnover (millions)	221.261	401.666	1362.250	2570.640	-7.64	0.000

The three classes obtained correspond to the traditional classification of the financing systems. We find an opposition between the United Kingdom, which is a pure market-based economy, and the other countries, which are rather bank-centred economies. According to our results, private equity firms' activity plays a more important role in the financing of transfers of shares in bank-centred economies. Results show a radical opposition between the British and the French cases that makes it possible to reject the thesis of the convergence of the French financial system towards the Anglo-Saxon model.

The three classes also correspond to the typology based on the origin of legal systems. Results suggest that private equity firms play a more important role in the financing of transfers of shares in civil-law countries. On the contrary, we show the lower contribution of private equity firms in the financing of transfers of shares in the United Kingdom. This can be explained by the existence of other modes of financing, in particular thanks to the importance of the financial markets. The role of private equity firms in civil-law countries confirms the need for financial intermediaries providing equity financing in the economies with a lower investor protection, in particular for minority ones, a lower quality of accounting standards and a lower quality of law enforcement.

Finally, the three classes obtained are in accordance with the expected opposition between the countries with a dispersed ownership and those with a higher concentration of

ownership. Results show that private equity firms play a more important role in the economies with a higher concentration of ownership. This result validates the interpretation according to which private equity can be used by owners-managers to open the capital of their firms, possibly temporarily, in order to raise external funds while maintaining control.

5. Conclusion

Using a large sample of transfers of ownership rights in five European countries, completed between 1996 and 2004, we find that the French case is very specific. In France, private equity firms play a more important role in the financing of transfers of ownership than in the other countries studied. This result supports the thesis of the specificity of the French corporate governance system. Moreover, the marked opposition between France and the United Kingdom in terms of financing of transfers of shares makes it possible to refute the assumption of the convergence of the French corporate governance system towards the Anglo-Saxon model.

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APPENDIX 1: Description of sample of transfers of ownership

1.- Frequencies for qualitative variables

Target country

	Frequency	% / Total	% / Expr.
France	1 075	14,45	14,45
Germany	977	13,13	13,13
Italy	338	4,54	4,54
Spain	482	6,47	6,47
United Kingdom	4 569	61,41	61,41
Total	7 441	100,00	100,00

Target Zephus Classification

	Frequency	% / Total	% / Expr.
Agriculture, Horticulture	21	0,29	0,29
Banking, Insurance	569	7,65	7,65
Biotechnology, Pharmaceuti.	237	3,19	3,19
Chemicals, Petroleum	250	3,36	3,36
Communications	266	3,58	3,58
Computer, IT, Internet servi.	1 720	23,12	23,12
Construction	100	1,34	1,34
Food & Tobacco Manufact.	199	2,67	2,67
Hotels and Restaurants	214	2,88	2,88
Industrial, Electric, Electro.	605	8,13	8,13
Leather, Stone, Clay, Glass	68	0,91	0,91
Metals & Metal products	158	2,13	2,13
Mining & Extraction	133	1,78	1,78
Miscellaneous Manufactu.	44	0,60	0,60
Personal, Leisure services	1 114	14,96	14,96
Printing & Publishing	171	2,30	2,30
Property Services	118	1,58	1,58
Public Administration, Edu.	182	2,44	2,44
Retailing	256	3,45	3,45
Wholesaling	291	3,92	3,92
Textiles & Clothing Manu.	82	1,10	1,10
Transport Manufacturing	126	1,69	1,69
Transport, Freight, Storage	199	2,68	2,68
Wood, Furniture, Paper Ma.	115	1,55	1,55
Utilities	71	0,95	0,95
Unknown	131	1,76	1,76
Total	7 441	100,00	100,00

Target quoted/unquoted

	Frequency	% / Total	% / Expr.
Quoted	2 563	34,45	34,45
Unquoted	4 878	65,55	65,55
Total	7 441	100,00	100,00

Deal type

	Frequency	% / Total	% / Expr.
Acquisition	2 036	27,35	27,35
Minority	1 468	19,72	19,72
MBO	84	1,13	1,13
IPO	685	9,21	9,21
IBO	435	5,84	5,84
MBI	467	6,27	6,27
Merger-Demerger	2 267	30,47	30,47
Total	7 441	100,00	100,00

Deal financing

	Frequency	% / Total	% / Expr.
Private Equity	2 903	39,02	39,02
Debt	504	6,78	6,78
Capital increase	4 033	54,21	54,21
Total	7 441	100,00	100,00

Deal method of payment

	Frequency	% / Total	% / Expr.
Cash	4 927	66,22	83,45
Converted Debt	9	0,12	0,15
Debt	93	1,25	1,57
Earn-out	6	0,08	0,10
Loan notes	51	0,69	0,87
Other	18	0,25	0,31
Shares	800	10,75	13,55
Total	5 905	79,35	100,00

Acquirer country

	Frequency	% / Total	% / Expr.
Acquirer others	666	8,95	12,56
Acquirer France	760	10,21	14,33
Acquirer Germany	412	5,54	7,78
Acquirer Italy	222	2,98	4,18
Acquirer Spain	313	4,21	5,91
Acquirer UK	2 930	39,38	55,25
Total	5 304	71,27	100,00

Acquirer Zephus classification

	Frequency	% / Total	% / Expr.
A. Agriculture, Horticulture & Livestock	6	0,09	0,15
A. Banking, Insurance & Financial Services	2 351	31,59	53,30
A. Biotechnology, Pharmaceuticals, Life Sciences	48	0,65	1,09
A. Chemicals, Petroleum, Rubber & Plastic	64	0,86	1,46
A. Communications	102	1,37	2,32
A. Computer, IT and Internet services	405	5,45	9,19
A. Construction	46	0,62	1,05
A. Food & Tobacco Manufacturing	58	0,78	1,31
A. Hotels and Restaurants	91	1,22	2,05
A. Industrial Electric & Electronic Machinery	162	2,17	3,67
A. Leather, Stone, Clay & Glass Products	16	0,21	0,36
A. Metals & Metal products	43	0,57	0,97
A. Mining & Extractio	28	0,38	0,65
A. Miscellaneous Manufacturing	10	0,13	0,22
A. Personal, Leisure & Business services	429	5,77	9,73
A. Printing & Publishing	56	0,76	1,28
A. Property Services	57	0,76	1,29
A. Public Administration, Education, Health	36	0,48	0,82
A. Retailing	91	1,23	2,07
A. Wholesaling	16	0,22	0,37
A. Textiles & Clothing Manufacturing	34	0,45	0,76
A. Transport Manufacturing	75	1,01	1,70
A. Transport, Freight, Storage & Travel Services	107	1,44	2,44
A. Wood, Furniture & Paper Manufacturing	35	0,47	0,79
A. Utilities	43	0,58	0,97
Total	4 410	59,27	100,00

Acquirer quoted/unquoted

	Frequency	% / Total	% / Expr.
Acquirer Quoted	1 748	23,49	30,95
Acquirer Unquoted	3 899	52,40	69,05
Total	5 646	75,88	100,00

2. Summary statistics for continuous variables

Label (all values are in million euros)	Frequency	Weight	Mean	Standard-deviation	Minimum	Maximum
Deal value	5 647	5 868,60	273,715	3 409,620	0,003	200 823,000
Initial stake (%)	1 398	1 415,67	5,03	17,04	0,00	99,34
Acquired stake (%)	4 432	4 555,85	70,05	38,56	0,00	100,00
Final stake (%)	1 496	1 508,63	82,29	32,20	0,00	100,00
Equity value	3 348	3 485,69	735,534	5 973,060	0,000	200 823,000
Enterprise value	81	86,95	736,091	2 344,490	0,490	17 045,800
Target Turnover	7 190	7 406,39	403,548	2 576,510	0,010	69 900,000
Target EBITDA	5 370	5 469,01	60,718	589,950	-4 561,670	14 831,000
Target EBIT	6 130	6 265,69	35,450	527,426	-22 049,000	12 003,500
Target Profit before tax	6 221	6 362,01	12,810	518,466	-26 786,000	8 570,720
Target Profit after tax	6 016	6 134,42	4,888	466,902	-24 303,000	6 320,130
Target Total assets	6 010	6 131,74	2 312,960	23 051,400	0,002	580 795,000
Target Shareholders funds	6 066	6 187,32	222,109	1 620,720	-9 951,000	51 795,500
Target Market capitalisation	1 771	1 830,19	1 397,490	6 758,040	0,000	106 094,000
Acquirer Turnover	2 830	2 880,01	1 569,360	6 509,820	-11,627	110 986,000
Acquirer EBITDA	2 135	2 175,70	-1 529,750	78 272,700	-3 516 730,000	22 215,900
Acquirer EBIT	2 859	2 895,34	153,893	954,922	-13 900,000	16 462,600
Acquirer Profit before tax	2 767	2 796,05	170,759	958,039	-12 997,700	16 462,600
Acquirer Profit after tax	2 829	2 862,20	109,938	919,860	-25 695,100	13 513,000
Acquirer Total assets	2 928	2 967,23	12 510,700	65 579,600	0,000	927 918,000
Acquirer Shareholders funds	2 931	2 970,60	1 625,730	7 610,100	-9 951,000	255 731,000
Acquirer Market capitalisation	961	995,65	4 899,360	14 787,200	0,000	211 396,000
EBITDA margin (%)	4 829	4 908,17	-2,51	17,55	-616,05	10,35
EBIT margin (%)	5 121	5 202,42	-2,60	17,57	-635,53	1,54
Net Profit Margin (%)	5 153	5 237,33	-2,86	77,18	-4 133,70	2 608,22
ROE (%)	5 146	5 229,31	5,60	323,93	-490,37	22 426,00
ROA (%)	5 121	5 202,56	-0,38	4,58	-156,00	13,97
Acquirer EBITDA margin (%)	1 875	1 906,40	-13,93	369,39	-15 280,20	18,12
Acquirer EBIT margin (%)	2 447	2 470,01	-4,56	63,13	-1 948,60	86,00
Acquirer Net Profit margin (%)	2 442	2 464,30	-7,04	307,34	-11 126,00	2 860,25
Acquirer ROE (%)	2 570	2 591,59	8,92	422,85	-53,13	20 737,00
Acquirer ROA (%)	2 572	2 594,02	-0,49	21,87	-1 196,52	4,45

APPENDIX 2: Results from discriminant analysis including supplementary variables

The class standard profile is based upon comparisons of percentages of the modality in the class (FRE/CLA) and of this same modality out of the class (GLOBAL) taking into account the degree of inclusion of the class in the modality (CLA/FRE). The selection of the most characteristic modalities that come out of each class stems from the gap between the relative values of the class and the global values. These values are converted into a test-value criterion (V.TEST) and are given in a decreasing order with a lower than 5% error risk (PROBA) which allows us to classify the most characteristic modalities for each class. Discriminating variables of countries according to the deal financing are highlighted. The other variables only illustrate the classes.

CLASSE 1 / 3 FRANCE											
V.TEST	PROBA	POURCENTAGES			FREQUENCES CARACTERISTIQUES					IDEN	POIDS
		CLA/FRE	FRE/CLA	GLOBAL	NUM	LIBELLE					
				14.45	CLASSE 1 / 3					aa1a	1075
48.78	0.0000	85.96	60.76	10.21	33	Acquirer France				FRAN	759
18.30	0.0000	23.92	64.59	39.02	29	Private Equity				PRIE	2903
14.04	0.0000	23.18	50.67	31.59	39	A.Banking, Insurance				BANK	2350
10.63	0.0000	18.57	67.33	52.39	64	Acquirer Non-Quoted				ANQU	3898
5.50	0.0000	18.69	29.90	23.12	6	Computer, IT				COMP	1720
5.13	0.0000	15.95	72.37	65.55	28	Unquoted				UNQU	4877
3.88	0.0001	32.18	2.46	1.10	21	Textiles & Clothing				TEXT	82
2.39	0.0084	17.94	10.09	8.13	10	Industrial Electric				INDE	604
2.19	0.0141	19.73	4.71	3.45	19	Retailing				RETA	256
1.97	0.0246	19.92	3.68	2.67	8	Food & Tobacco Manuf				FTAB	198
1.88	0.0303	21.34	2.59	1.76	26	Unknown				UNKN	130
-1.90	0.0290	10.28	2.05	2.88	9	Hotels and Restauran				HRES	213
-1.93	0.0266	6.48	0.35	0.78	45	A.Food & Tobacco Man				FTAB	57
-2.12	0.0170	7.81	0.73	1.34	7	Construction				CONS	100
-2.37	0.0088	6.72	0.67	1.44	60	A.Transport Freight				TRAF	107
-2.37	0.0088	8.68	1.38	2.30	16	Printing & Publishin				PPUB	171
-2.39	0.0085	5.13	0.27	0.76	54	A.Property Services				PSER	56
-2.39	0.0085	4.96	0.26	0.76	53	A.Printing & Publish				PPUB	56
-2.91	0.0018	7.19	1.21	2.44	18	Public Administratio				PADM	181
-3.28	0.0005	3.33	0.28	1.22	46	A.Hotels and Restaur				HRES	90
-3.70	0.0001	6.76	1.39	2.98	35	Acquirer Italy				ITAL	221
-3.71	0.0001	11.77	19.13	23.49	63	Acquirer Quoted				AQUO	1747
-4.54	0.0000	10.19	10.55	14.96	15	Personal Leisure				PLEI	1113
-4.66	0.0000	7.34	2.93	5.77	52	A.Personal Leisure				PLEI	429
-5.02	0.0000	2.00	0.25	1.78	13	Mining & Extraction				MEXT	132
-5.12	0.0000	11.59	27.63	34.45	27	Quoted				QUOT	2563
-5.75	0.0000	7.02	3.72	7.65	2	Banking, Insurance				BANK	569
-7.14	0.0000	4.81	2.25	6.78	30	Debt				DEBT	504
-7.53	0.0000	3.45	1.32	5.54	34	Acquirer Germany				GERM	412
-7.95	0.0000	1.62	0.47	4.21	36	Acquirer Spain				SPAI	313
-15.01	0.0000	8.84	33.15	54.20	31	Capital increase				CINC	4033
-25.04	0.0000	2.90	7.91	39.38	37	Acquirer UK				UK	2930

CLASSE 2 / 3 GERMANY ITALY SPAIN

V.TEST	PROBA	POURCENTAGES			FREQUENCES CARACTERISTIQUES		IDEN	POIDS
		CLA/FRE	FRE/CLA	GLOBAL	NUM	LIBELLE		
				24.15		CLASSE 2 / 3	aa2a	1796
30.05	0.0000	91.22	20.94	5.54	34	. Acquirer Germany	GERM	412
28.54	0.0000	97.02	16.92	4.21	36	. Acquirer Spain	SPAI	313
20.36	0.0000	87.56	10.80	2.98	35	. Acquirer Italy	ITAL	221
10.63	0.0000	32.07	41.96	31.59	39	. A.Banking, Insurance	BANK	2350
6.46	0.0000	35.38	11.91	8.13	10	. Industrial Electric	INDE	604
5.34	0.0000	33.02	12.24	8.95	32	. Acquirer others	AUTR	665
5.06	0.0000	40.54	4.49	2.67	8	. Food & Tobacco Manuf	FTAB	198
4.83	0.0000	51.26	2.02	0.95	25	. Utilities	UTIL	70
3.69	0.0001	34.61	4.81	3.36	4	. Chemicals, Petroleum	CHEM	249
3.42	0.0003	26.29	42.48	39.02	29	. Private Equity	PRIE	2903
3.30	0.0005	33.40	4.95	3.58	5	. Communications	COM	266
3.29	0.0005	37.79	2.65	1.69	22	. Transport Manufactur	TRAM	125
2.53	0.0057	42.93	1.02	0.58	62	. A. Utilities	UTIL	42
2.26	0.0119	25.22	54.72	52.39	64	. Acquirer Non-Quoted	ANQU	3898
2.09	0.0185	33.13	2.13	1.55	24	. Wood	WOOD	115
2.04	0.0209	35.88	1.35	0.91	11	. Leather Stone Clay	LSCL	67
1.77	0.0388	30.61	2.76	2.17	47	. A.Industrial Electri	INDE	161
1.74	0.0411	36.17	1.16	0.78	45	. A.Food & Tobacco Man	FTAB	57
1.67	0.0471	38.95	0.76	0.47	61	. A. Wood	WOOD	34
-1.71	0.0438	17.35	1.04	1.44	60	. A.Transport Freight	TRAF	107
-2.18	0.0148	15.25	0.78	1.23	56	. A.Retailing	RETA	91
-2.24	0.0126	22.10	21.15	23.12	6	. Computer, IT	COMP	1720
-2.59	0.0049	16.02	1.53	2.30	16	. Printing & Publishin	PPUB	171
-2.80	0.0026	14.26	1.04	1.76	26	. Unknown	UNKN	130
-3.13	0.0009	15.99	2.28	3.45	19	. Retailing	RETA	256
-3.55	0.0002	6.29	0.20	0.76	53	. A.Printing & Publish	PPUB	56
-4.19	0.0000	11.92	1.20	2.44	18	. Public Administratio	PADM	181
-4.43	0.0000	19.02	11.78	14.96	15	. Personal Leisure	PLEI	1113
-5.50	0.0000	9.62	1.15	2.88	9	. Hotels and Restauran	HRES	213
-5.70	0.0000	3.20	0.16	1.22	46	. A.Hotels and Restaur	HRES	90
-6.08	0.0000	12.71	3.04	5.77	52	. A.Personal Leisure	PLEI	429
-6.33	0.0000	4.23	0.31	1.78	13	. Mining & Extraction	MEXT	132
-7.06	0.0000	11.94	3.35	6.78	30	. Debt	DEBT	504
-13.69	0.0000	6.20	2.62	10.21	33	. Acquirer France	FRAN	759
-31.63	0.0000	6.01	9.80	39.38	37	. Acquirer UK	UK	2930

V.TEST	PROBA	POURCENTAGES			NUM .	LIBELLE	FREQUENCES CARACTERISTIQUES	IDEN	POIDS
		CLA/FRE	FRE/CLA	GLOBAL					
				61.40		CLASSE 3 / 3	aa3a	4569	
44.95	0.0000	91.09	58.42	39.38	37 .	Acquirer UK	UK	2930	
10.91	0.0000	83.25	9.19	6.78	30 .	Debt	DEBT	504	
10.81	0.0000	67.03	59.17	54.20	31 .	Capital increase	CINC	4033	
8.63	0.0000	93.77	2.72	1.78	13 .	Mining & Extraction	MEXT	132	
8.44	0.0000	79.95	7.51	5.77	52 .	A.Personal Leisure	PLEI	429	
7.06	0.0000	70.79	17.25	14.96	15 .	Personal Leisure	PLEI	1113	
6.88	0.0000	93.46	1.85	1.22	46 .	A.Hotels and Restauran	HRES	90	
5.93	0.0000	80.10	3.75	2.88	9 .	Hotels and Restauran	HRES	213	
5.56	0.0000	80.89	3.21	2.44	18 .	Public Administratio	PADM	181	
4.52	0.0000	88.74	1.10	0.76	53 .	A.Printing & Publishin	PPUB	56	
3.84	0.0001	75.30	2.82	2.30	16 .	Printing & Publishin	PPUB	171	
3.26	0.0006	64.73	24.76	23.49	63 .	Acquirer Quoted	AQUO	1747	
3.25	0.0006	63.97	35.89	34.45	27 .	Quoted	QUOT	2563	
3.04	0.0012	75.93	1.79	1.44	60 .	A.Transport Freight	TRAF	107	
2.99	0.0014	67.39	8.40	7.65	2 .	Banking, Insurance	BANK	569	
2.34	0.0097	73.45	1.61	1.34	7 .	Construction	CONS	100	
2.12	0.0170	73.07	1.46	1.23	56 .	A.Retailing	RETA	91	
1.83	0.0335	66.69	4.25	3.92	20 .	Wholesaling	WHOL	291	
-1.89	0.0293	55.16	2.87	3.19	3 .	Biotechnology, Pharm	BTEC	237	
-1.91	0.0282	50.08	0.74	0.91	11 .	Leather Stone Clay	LSCL	67	
-2.05	0.0201	53.10	1.84	2.13	12 .	Metals & Metal produ	META	158	
-2.12	0.0169	59.21	22.29	23.12	6 .	Computer, IT	COMP	1720	
-2.60	0.0047	41.16	0.39	0.58	62 .	A. Utilities	UTIL	42	
-2.88	0.0020	47.68	1.20	1.55	24 .	Wood	WOOD	115	
-2.91	0.0018	35.67	0.27	0.47	61 .	A. Wood	WOOD	34	
-2.97	0.0015	48.02	1.32	1.69	22 .	Transport Manufactur	TRAM	125	
-3.07	0.0011	51.84	2.83	3.36	4 .	Chemicals, Petroleum	CHEM	249	
-3.11	0.0009	44.17	0.79	1.10	21 .	Textiles & Clothing	TEXT	82	
-3.27	0.0005	60.05	64.11	65.55	28 .	Unquoted	UNQU	4877	
-3.28	0.0005	51.80	3.02	3.58	5 .	Communications	COM	266	
-4.00	0.0000	37.84	0.59	0.95	25 .	Utilities	UTIL	70	
-5.76	0.0000	50.78	7.40	8.95	32 .	Acquirer others	AUTR	665	
-6.27	0.0000	39.54	1.72	2.67	8 .	Food & Tobacco Manuf	FTAB	198	
-7.60	0.0000	46.69	6.18	8.13	10 .	Industrial Electric	INDE	604	
-9.65	0.0000	56.22	47.97	52.39	64 .	Acquirer Non-Quoted	ANQU	3898	
-16.41	0.0000	49.79	31.64	39.02	29 .	Private Equity	PRIE	2903	
-17.94	0.0000	5.67	0.28	2.98	35 .	Acquirer Italy	ITAL	221	
-19.93	0.0000	44.75	23.02	31.59	39 .	A.Banking, Insurance	BANK	2350	
-23.78	0.0000	1.36	0.09	4.21	36 .	Acquirer Spain	SPAI	313	
-25.06	0.0000	5.33	0.48	5.54	34 .	Acquirer Germany	GERM	412	
-32.85	0.0000	7.84	1.30	10.21	33 .	Acquirer France	FRAN	759	