

**DELOITTE**

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### **Northern Dealmakers Say 'Worst is Over'**



Deloitte's annual survey of the Northern deals market has delivered insight into changing perceptions of the leading private equity attitudes and predictions for the year.

The survey of over 100 leading bankers, corporate financiers and lawyers in the Northern private equity market has shown that an overwhelming 97 per cent of dealmakers predict that prices paid for businesses will remain stable or rise over the coming 12 months and not one of those interviewed expect deal volumes to fall.

"The consensus is that we have now bottomed out in terms of deal values, liquidity and the sheer difficulty of doing deals, but that isn't to say that dealmakers are seeing green shoots just yet, and the optimism is cautious and there won't be a sudden 'bounce back' this year.

"The results show that most in the market feel that we are bumping along the bottom, and the market should start climbing again in 2011," said Martin Jenkins, head of corporate finance at Deloitte in Leeds.

More than half (56 per cent) of those who took part in the survey predicted that recovery would take at least 18 months to be established. The results also showed a much more bullish view of the year ahead from respondents in Yorkshire compared with their counterparts across the Pennines.

Almost half of dealmakers in Yorkshire (47 per cent) saw conditions improving over the course of 2010 compared to just 18 per cent in the North West.



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Significantly more Yorkshire respondents expected a rise in an average deal value this year, and 74 per cent of dealmakers in this region expect the number of transactions reaching completion to rise; almost three times the 24 per cent total of their colleagues in the North West.

The survey also revealed that, just as in the past year, the majority of deals in 2010 look likely to involve family owned and private businesses.

Perhaps surprisingly, last year only two per cent of deals involved businesses in administration, the same as in 2008 although 15 per cent were described as having experienced a level of distress.

“Overall the market is expecting more transactions, and anticipates that they will be bigger deals this year after a very difficult period last year. This is obviously welcome, but we are looking at some years before we return to the activity levels seen in 2006 and 2007,” added Jenkins.

**Photo**

Martin Jenkins, head of corporate finance at Deloitte in Leeds