Hostile Takeover Bids in Germany

A Look At the Biggest Attempts from 1990-Today

German companies have started to prop up their defenses to avoid becoming easy prey for possible suitors in the wake of Spanish builder ACS's pursuit of Hochtief, a top investment banker said. Following are some of the biggest hostile takeover attempts in German corporate history:

1990: Continental AG - launched by Pirelli (Failed)
A takeover attempt of the German automobiles and parts group by Italian peer Pirelli failed in Dec. 1990 when talks between the two were called off. Pirelli had said it would compensate shareholders holding a third of Continental's shares, if no merger was agreed by the end of November. Pirelli said the pledge cost it around $290 million.

1991: Hoesch - launched by Friedrich Krupp AG
The Krupp family - a prominent 400-year-old German dynasty from Essen - was the largest company in Europe at the start of the 20th century. Through a hostile takeover of rival steelmaker Hoesch AG in 1990, 20,000 lost their jobs. The new Krupp had six divisions: steel, engineering, plant construction, automotive supplies, trade and services. After two years of heavy losses, a modest net profit of 40 million Deutsche Marks followed in 1994.

1997: Thyssen - launched by Krupp-Hoesch
Krupp-Hoesch's initial announcement to take over peer Thyssen was met by intense protests as workers feared for their jobs. Both parties began talks, eventually agreeing to a merger. In a joint agreement with the IG Metall trade union, the companies agreed to carry out the planned workforce cuts at the new steel company with no redundancies. Today, ThyssenKrupp is Germany's biggest steelmaker.

2000: Mannesmann - Launched By Vodafone
British global telecommunications group Vodafone succeeded in winning a controlling stake in Mannesmann in February 2000, in what was at the time the largest corporate merger. The all-share deal was valued at 112 billion pounds
($177.6 billion) and ended months of political and corporate arguments.

2001: FAG Kugelfischer - launched by INA Holding Schaeffler
INA Holding Schaeffler launched a €673 million ($895.9 million) takeover offer for FAG Kugelfischer Georg Schaefer AG and six weeks later announced it held a controlling minority stake.

FAG used multiple tactics to try to fend off the bid, meaning that it was only in Jan. 2005 that INA and FAG formally, legally and operationally merged all operations worldwide, creating Schaeffler KG within Schaeffler Group.

2004: Aventis - launched by Sanofi
Sanofi's successful €47.8 billion takeover bid for Aventis, resulted in the first merger of large rival companies from France and Germany. Aventis initially rejected the bid, saying it undervalued the company. Following a three-month takeover battle, Sanofi-Synthelabo launched a friendly bid of €54.5 billion in place of the rejected hostile bid. Sanofi-Aventis in 2010 also launched an $18.5 billion hostile bid for U.S. biotech company Genzyme Corp.

2006: Schering AG - launched by Merck KGaA
In March, Merck KGaA announced a €14.6 billion bid for the research-focused pharmaceutical company Schering. Merck's move was knocked out by Bayer's €16.5 billion white-knight bid for Schering the same month.

2006: Engelhard - launched by BASF
On May 30, Engelhard - a New Jersey-based company credited with developing the first production catalytic converter - was taken over by BASF. The German chemicals group paid $39 per share in the 1902-founded company, taking the total value of the transaction to $5 billion.

2006/2007: Techem - launched by Macquarie
After one failed takeover attempt at the beginning of 2006, Australian investment bank Macquarie succeeded in taking over the German energy services company. Since March 2009, Macquarie has been the sole owner.

2008: Continental - launched by Schaeffler
After a fierce takeover battle, Continental agreed in August to be taken over by family-owned auto parts maker Schaeffler Group in a deal valuing it at €12 billion. Continental's Chief Executive Manfred Wennemer, who had tried to preserve its independence, subsequently resigned. Chairman of the supervisory board Hubertus von
Gruenberg, who at first supported a co-operative approach, was ousted by the new owner half a year later.

2010: Hochtief - launched by ACS (Incomplete)
Spain's biggest builder, ACS, launched a hostile bid for Germany's biggest construction group Hochtief, in December, after a more than three-month war of words between the two. Though a final decision was pending, it looked as if ACS was going to surpass the 30% threshold in Hochtief within the period allocated by German financial watchdog BaFin, allowing it to increase its stake through buying shares on the open market.