

Bestinver sniffs out potential takeover bids in the European mid caps market

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When things are going well everything seems easy, as if results were a logical outcome of a job well done. In recent months Bestinver, the Acciona group's fund manager, has enjoyed a number of small successes which demonstrate its ability to sniff out takeover bids. In fact, three of its investees have been the subject of bids which have pushed up their share prices and therefore the returns obtained by the Spanish company, headed by Francisco Garcia Paramés and Álvaro de Guzmán.

The most recent one was last week involving Ciba, the Franco-Swiss chemicals company in which Bestinver as fund manager holds a stake of over 5% including all its funds and products. Europe's leading manufacturer of plastic components has been subject to M&A speculation since the summer with various suitors including the sector giant, Dow Chemical.

A similar situation, and nearly coinciding with the previous one, affected the position in Brantano, the Belgian shoe distributor giant, where Bestinver also controls around 5%. Interest from third parties finally led to Macintosh's offer at €55/sh which was accepted and which saw Bestinver's stake once again bear fruit.

At the beginning of October, Brantano passed into German hands. Then it was the turn of Sonepar, a French electrical equipment distribution company, which tabled a bid for its German peer, Hagemeyer, whose shareholders include **Kyрил of Bulgaria** (GLG) and Bestinver, which at the time had recently acquired 5.1% of the company's capital. Definitely good timing.

Prior to this, and we're talking big guns now, Bestinver was also involved in Imperial Tobacco's takeover bid for the Franco-Spanish company Altadis, where it controlled around 1% through its funds. This is without doubt an important position which has been strengthened over the past months' delay which ensued until the CNMV approved the bid this week.

With successes of this calibre, which deserve merit and are noteworthy, Bestinver's investment strategy is even more commendable if we consider that many of the companies in its portfolio are unknown to the majority of investors. However, the results are there for all to see and very few companies can boast of taking advantage of four takeover bids in less than three months. Tune in your radars.