

Grindrod Bank wins top award for deal

STAFF REPORTER

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GRINDROD Bank has been awarded the 2009 Global Deal of the Year Award in the property industry category of the annual M&A International (MAI) Awards.

Spain-based MAI is the world's leading mid-market mergers and acquisitions alliance, and is made up of 40 top advisory and investment banking firms operating in 39 countries. Alliance members accounted for 252 deals last year for \$20bn.

The MAI Awards cover 11 industry categories, and recognise the most innovative mergers and acquisitions deals concluded worldwide in the preceding year. Grindrod received the 2009 property industry award for the disposal of a diversified property portfolio worth R1bn for a local corporation.

"As the only member of the alliance in the sub-Saharan region, we're deeply honoured by this award," said Jannie Grobbelaar, head of corporate finance at Grindrod Bank. "The trading environment over the past year has been extremely challenging, but we believe this has brought out the very best levels of innovation, both at Grindrod Bank and among our alliance partners."

In a cautious market, mergers and acquisitions have remained buoyant in SA, despite recent market pressures. Local deal volumes increased last year, said Grobbelaar, mainly for two reasons:

"Firstly, mergers and acquisitions have offered companies the opportunity to achieve the kind of growth they would not have achieved organically in such a recessionary environment and, secondly, they have enabled them to take advantage of strategic opportunities that would not have been available under different circumstances."

With tight liquidity, debt more expensive and the downturn in world markets, this had been an almost counterintuitive trend.

"Liquidity is, of course, always a factor," said Grobbelaar, "but as the recession started to ease, a number of companies decided to pursue mergers and acquisitions as a strategic objective — either to grow their operational footprint, to take advantage of investment opportunities, or to expand their presence in the international arena.

"In short, these deals were identified as a means to secure stability, achieve short-term growth, benefit from increased economies of scale, and create a solid platform for more long-term growth." *I-Net Bridge*

