

# URÍA AND LINKLATERS INSTRUCTED ON €6.2BN SIEMENS-GAMESA MERGER

*Posted on 22/06/2016*



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**Uria Menéndez and Linklaters were instructed in relation to the merger of Siemens and Gamesa's wind power businesses in one of the biggest Iberian deals of 2016.**

Under the terms of the deal, Siemens and Gamesa signed binding agreements to merge Siemens' wind power business with Gamesa – Siemens will receive newly issued shares of the combined company and will hold 59 per cent of the share capital while Gamesa's existing shareholders will hold 41 per cent.

As part of the merger, Siemens will fund a cash payment of €3.75 per share, which will be distributed to Gamesa's shareholders immediately following the completion of the merger (net of any ordinary dividends paid until completion of the merger). The cash payment represents 26 per cent of Gamesa's unaffected share price at market close on January 28, 2016.

Additionally, Gamesa and Areva have entered into contractual agreements whereby Areva waives existing contractual restrictions in Gamesa's and Areva's offshore wind joint venture Adwen, thus simplifying the merger between Gamesa and Siemens. As part of these agreements, Gamesa – in alignment with Siemens – grants Areva a put option (that is, an option to sell assets at an agreed price on or before a particular date) for Areva's 50 percent stake and a call option (an option to buy assets at an agreed price on or before a particular date) for Gamesa's 50 per cent stake in Adwen. Both options expire in three months. Alternatively, Areva can in this time divest 100 percent of Adwen to a third party via a drag-along right (which assures that if the majority shareholder sells his stake, minority holders are forced to join the deal) for Gamesa's stake.

The new company, which will be consolidated in Siemens' financial statements, is expected to have on a pro forma basis (last twelve months as of March 2016) a 69 GW installed base worldwide, an order backlog of around €20 billion, revenue of €9.3 billion and an adjusted EBIT of €839 million.

A Siemens statement said Siemens and Gamesa expect "significant synergy potentials in a combined setup – in total, annual EBIT synergies of €230 million are expected in year four post closing".

Linklaters advised Siemens on the transaction, while Gamesa instructed Uría Menéndez.

The deal was valued at €6.2 billion, according to Mergemarket.

CMS Albiñana & Suárez de Lezo advised Iberdrola, a major shareholder in Gamesa, on the transaction.