MERGERMARKET

28th Apr - 4th May 2017

DEALSPEAK

The Week in Numbers (Global % increase/decrease in value compared to 1st Jan – 4th May 2017)

YTD Sector Breakdown

TMT	Industrials & Chemicals	Consumer	Financial Services	PMB	EMU	Real Estate	Construction
-19.7%	-41.0%	+191.7%	-3.8%	-0.4%	+102.3%	-42.5%	-60.3%

Daily Deal Values

FRI US$ 17.0bn SAT/SUN US$ 383m MON US$ 9.1bn TUES US$ 8.7bn WED US$ 1.8bn THUR US$ 1.4bn

Stories of the Week

01-May-2017

Pembina and Veresen in third largest Canadian deal of 2017

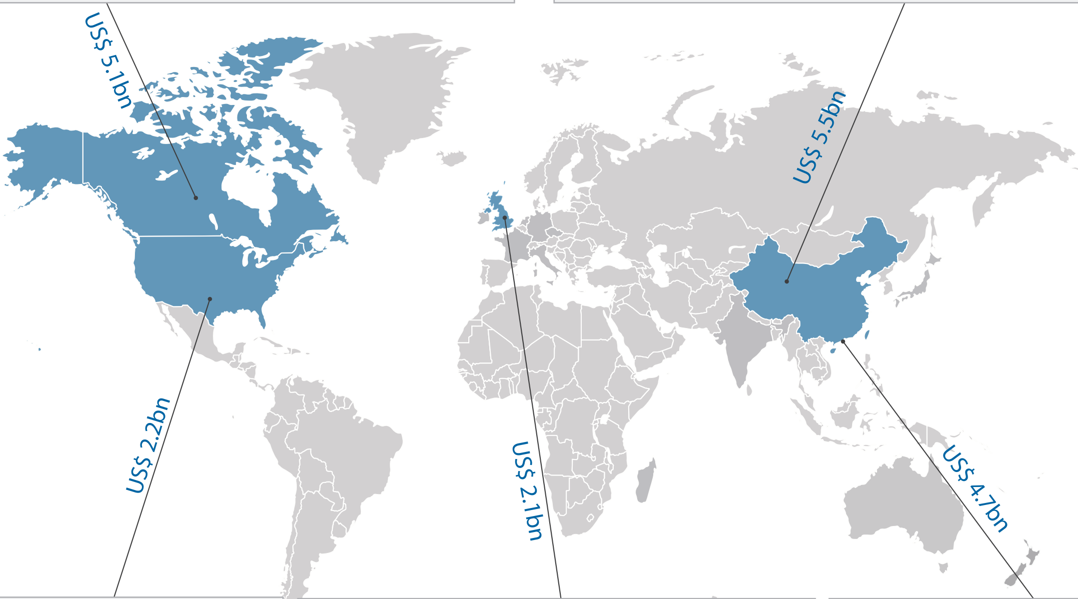
Pembina Pipeline Corp has agreed to acquire energy infrastructure business Veresen, for US$ 5.1bn, with a CAD 18.65 (US$ 13.66) offer. The offer price represents a premium of 22% over Veresen's closing price of CAD 15.23 (US$ 11.19) as of 28 April 2017, the last trading day prior to the announcement. The transaction, which is expected to close late in 3Q17 or 4Q17, will see the combined company benefit from diversification across basins and products.

28-Apr-2017

Didi secure US$ 5.5bn funding

Softbank, Silver Lake Partners, China Merchants Bank Co and Bank of Communications Co have acquired an undisclosed stake in mobile taxi booking service provider Didi Chuxing, for US$ 5.5bn.

The deal sees the management's holding reduced to 7.48%, with the company looking to use the proceeds towards R&D, including development of driverless cars.



28-Apr-2017

Enbridge Energy Partners divests gas business

Enbridge Energy Company has agreed to acquire the Midcoast gas gathering and processing business of Enbridge Energy Partners for US$ 2.2bn.

The transaction, which is expected to close in the second quarter of 2017, will fund an investment in the Bakken Pipeline System and repay debt.

2-May-2017

Affinity Water tapped up by consortium

Allianz Capital Partners, HICL Infrastructure and Dutch Infrastructure Fund have acquired Affinity Water from Infracapital Partners, Morgan Stanley Infrastructure, Partners Group, Veolia Water UK and Gingko Tree Investments for US$ 2.1bn. Affinity Water serves 1.5 million customers across the south east England, supplying over 3.6m people.

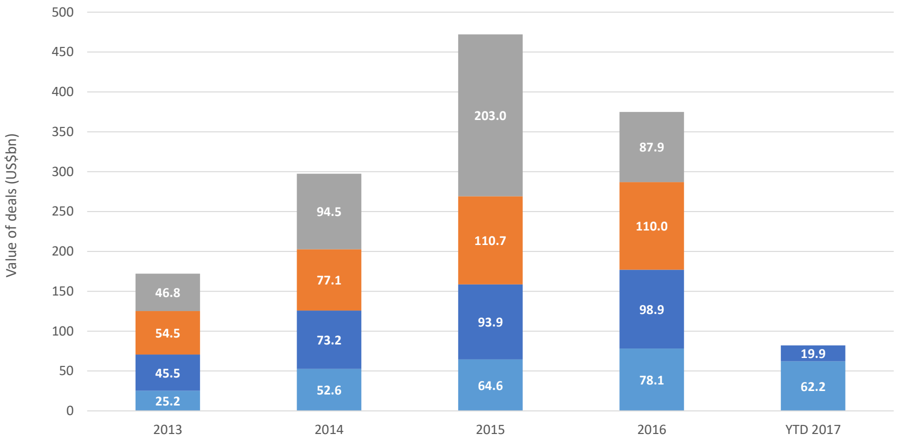
28-Apr-2017

Belle International taken private

A consortium led by directors of Belle International, Yu Wu and Sheng Fang, has agreed to take the company private for US$ 4.7bn. The consortium also includes Hillhouse Capital and CDH Group.

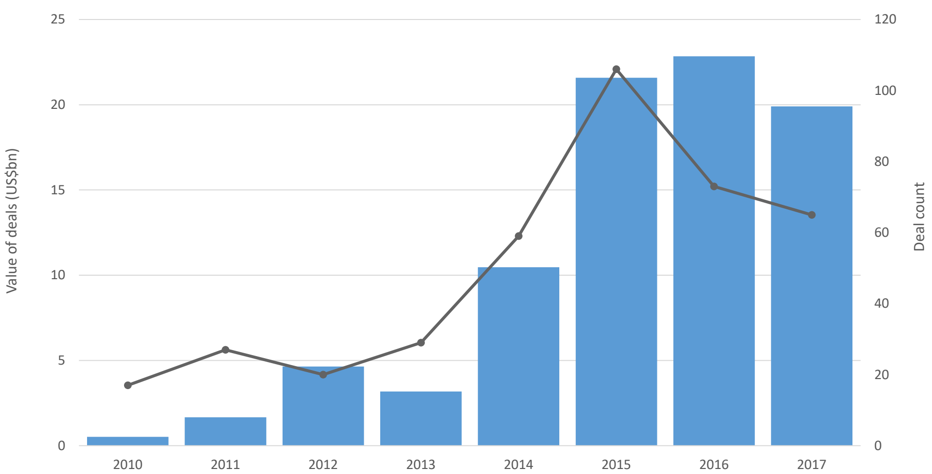
The HKD 6.3 (US$ 0.81) offer represents a 19.5% premium on Belle International's stock price the day prior to the trading suspension on 18th April.

Chinese M&A: Quarterly Breakdown



Chinese M&A has suffered a slower start to the year than has been seen in the last couple of years, with the lowest year-to-date value since 2013 (US$ 39.6bn). This year has seen 413 deals worth US$ 82.1bn, a 24.6% drop by value in comparison to the same period in 2016 (479 deals, US$ 108.8bn). The first three months of the year represent the lowest quarterly value since 1Q14, when US$ 52.6bn changed hands across 267 deals.

Year-to-date tech M&A in China



The tech sector in China has seen a surge in M&A in recent years with the last two years in particular showing growth. With 65 deals worth US$ 19.9bn, technology is the most targeted sector by value second most by volume (only behind Industrials & Chemicals) in 2017.

The investment into Didi becomes the largest tech deal in China since the US$7bn tie up between Didi and Uber China in August 2016. The transaction pushes Chinese tech M&A 12.9% short of the equivalent value in 2016 (73 deals, US$ 22.8bn) with eight fewer deals.

China League Tables

Financial Advisors YTD 2017/(YTD 2016)

1/(18)	CITIC Securities	US$ 11.1bn	▲
2/(1)	China International Capital	US$ 10.3bn	▼
3/(16)	China Renaissance Partners	US$ 6.6bn	▼

Legal Advisors Q1 2017/(Q1 2016)

1/(4)	Fangda Partners	US$ 94.2bn	▼
2/(15)	Skadden, Arps, Slate, Meagher & Flom	US$ 87.1bn	▼
3/(70)	Kirkland & Ellis	US$ 86.2bn	▲

Middle-market food companies facing greater competition for deals

Middle-market strategics are facing increasing competition from private equity and major corporations for the small-but-promising food companies that have been staples of their M&A diet according to *Mergermarket* intelligence. Factors include a greater willingness on the part of PE firms to pay up for on-trend food companies, combined with more resources being poured into emerging brands by the VC arms of major consumer packaged goods (CPG) companies.

> "There are lots of PE firms out there now and they're looking for a stable place to put their money"

Peter Parthenis Jr., CEO of Pure Mediterranean Foods

US midsized broadcasters consider options in small deal vacuum

Midsized broadcasters such as Raycom, E. W. Scripps and Gray Television face a lack of smaller targets willing to sell, and may be pushed to consider larger, transformational deals, according to *Mergermarket* intelligence.

Coming out of the National Association of Broadcasters exposition in Las Vegas last week, multiple executives expressed surprise at the lack of small pick-up opportunities that were immediately actionable.