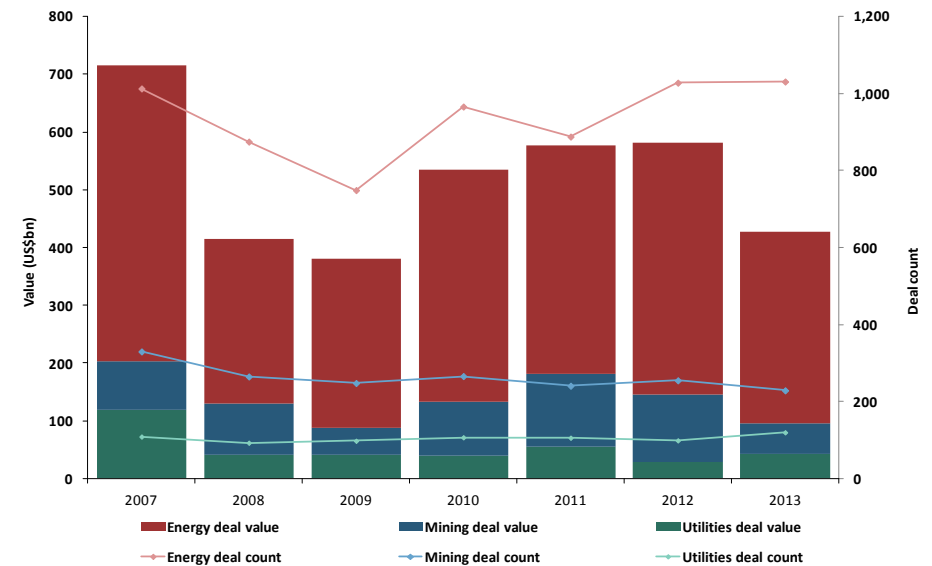


# Global Energy, Mining, Utilities Trend Report: 2013

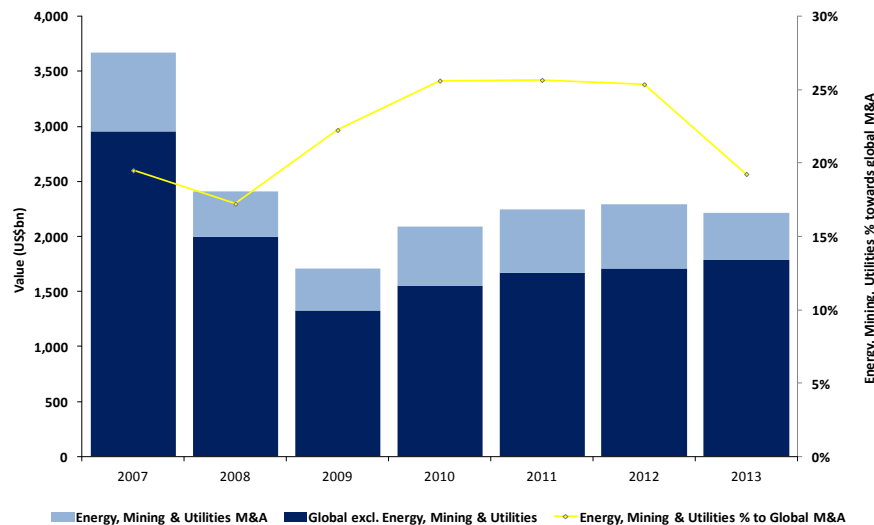
## Data analysis

- Global Energy, Mining, Utilities (EMU) M&A activity totalled US\$ 426.7bn in 2013, a decline of 26.5% from last year (US\$ 580.7bn). The sector was overshadowed by TMT activity in 2013 which put an end to the three-year consecutive increase and previous dominance
- Even though Q4 2013 was valued at US\$ 116bn which represented the lowest final quarter of any year since 2008 (Q4 was valued at US\$ 48.5bn), it was the highest valued quarter of 2013. Q4 increased deal values by 20.1% compared to Q3 (US\$ 96.6bn)
- The EMU sector accounted for 19.3% of the total global M&A value (US\$ 2,216.3bn). This was the lowest proportion in five years where in 2008 the sector registered US\$ 414.8bn-worth of deals that accounted for a 17.2% share of global M&A. 2013 was the first time in three years to see the proportion drop below a quarter of global M&A
- Sub sector overview: Utilities (US\$ 42.2bn) saw an increase of 48.1% over 2012 (US\$ 28.5bn) by value, while Energy (US\$ 331.7bn) and Mining (US\$ 52.7bn) transaction values dropped by 23.8% and 54.8% respectively compared to last year (in 2012 Energy was valued at US\$ 435.4bn and Mining valued at US\$ 116.8bn)

## Energy, Mining & Utilities M&A trend



## Annual Energy, Mining & Utilities as a proportion of Global M&A



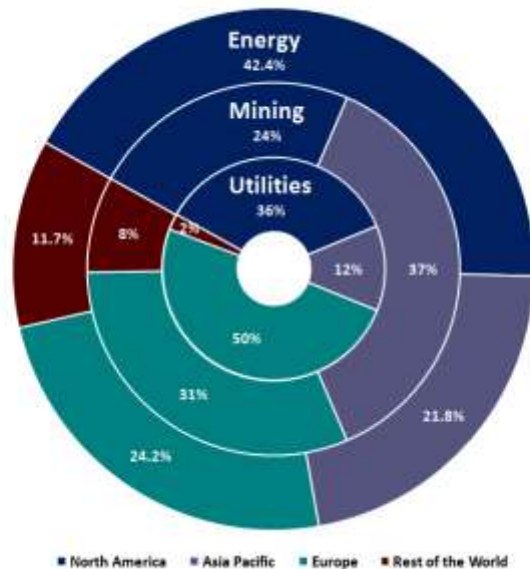
- The number of private equity buyouts in the sector were at the highest level since 2010 but the 133 buyouts valued at US\$ 18.3bn decline 52.7% compared to the 121 buyouts valued at US\$ 38.7bn in 2012 marking a second annual decline by value
- The largest EMU transaction of the year is Russian Grids' US\$ 14.4bn bid for Federal Grid Company of Unified Energy System in April; followed by US based Spectra Energy Partner's US\$ 12.3bn acquisition of Spectra Energy Corp's U.S. transmission, storage and liquids assets in August
- Citi led the EMU financial advisor league table both by value and by volume in 2013. All financial advisory firms apart from Evercore Partners saw a decline in transaction value advised on compared to 2012
- Vinson & Elkins topped legal advisor league table both by value and by volume in 2013 after advising on 57 EMU deals valued at US\$ 69.6bn

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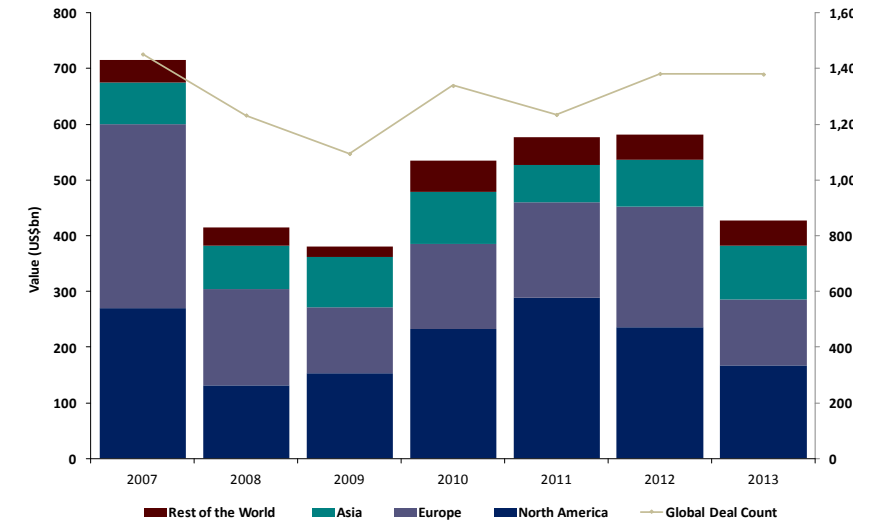
## Deal drivers

- Asia-Pacific (excl. Japan) saw a high amount of activity in its Energy sector during 2013 with deals valued at US\$ 72.3bn increasing 62.1% over 2012 (US\$ 44.6bn). Indian, Chinese O&G majors are expected to continue on their growth strategy in the sector with confidence
- Europe's Energy and Mining sectors dropped by 45.2% and 70.5%, respectively. The drop in European activity was impacted by the Glencore Xstrata merger, which completed in 2013 but was part of 2012 figures. Meanwhile the region's Utilities sector was valued at US\$ 20.9bn, up 43.4% from 2012 (US\$ 14.6bn). In the Utilities market, European activity was up due to deleveraging and asset selling driven by regulatory changes such as Germany's changed stance on nuclear, which is forcing the country's RWE and Eon to sell assets
- Reforms aimed at deregulation of the Russian power industry are expected to open up new M&A opportunities in one of the most capital intensive sectors of the economy

## Sub-sector breakdown by region



## Annual geography breakdown



- Globally, Mining majors are expected to rationalize portfolios and pare down expenses wherever possible. 2014 could see further deals for Asia as the Australian government plans to encourage the development of a streamlined environmental approval process to fast-track mining projects
- Mining activity in the Americas remained stable at US\$ 12.3bn compared to US\$ 12.8bn in 2012. Intermediate miners may be best-positioned to take advantage of potential precious metal and red metal acquisition opportunities in the Americas. Gold mining M&A in 2014 is seen by sector players to be driven by cash-strapped and beleaguered juniors seeking financing and larger players needing to replace reserves at a relatively low cost, according to a December Mergermarket report. Red metal M&A could be stymied, with majors focused on improving existing efficiencies

# Global Energy, Mining, Utilities Trend Report: 2013



## Top Deals

Ann. Date	Bidder Company	Bidder Dominant Geography	Target Company	Target Dominant Geography	Seller Company	Bidder Advisors	Target/Seller Advisors	Deal Value (US\$bn)
4-Aug-13	Russian Grids OAO	Russia	Federal Grid Company of Unified Energy System OAO (79.64% Stake)	Russia	The Federal Agency for State Property Management	FA: Barclays; EY; Morgan Stanley; VTB Capital LA: -	FA: - LA: -	14.4
8-Jun-13	Spectra Energy Partners LP	USA	Spectra Energy Corp (U.S. transmission, storage and liquids assets)	USA	Spectra Energy Corp	FA: Evercore Partners LA: Andrews Kurth; Richards Layton & Finger; Advising FA: Baker Botts	FA: Advising seller: Morgan Stanley LA: Advising seller: Bracewell & Giuliani; Vinson & Elkins; Advising FA: Latham & Watkins	12.3
29-May-13	MidAmerican Energy Holdings Company	USA	NV Energy Inc	USA		FA: - LA: Gibson Dunn & Crutcher	FA: Lazard LA: Hogan Lovells International; Sidley Austin ; Woodburn and Wedge; Advising FA: Simpson Thacher & Bartlett	10.4
14-Jun-13	Taikang Asset Management Company ; and Beijing Guolian Energy Industry Investment Fund	China	PetroChina United Pipelines Company Limited (50% Stake)	China	PetroChina Company Limited	FA: - LA: -	FA: - LA: Advising seller: King & Wood Mallesons	9.8
24-Jun-13	Eurasian Resources Group BV	United Kingdom	Eurasian Natural Resources Corporation Plc (46.1% Stake)	Kazakhstan	Kazakhmys Plc	FA: Rothschild; Sberbank; Societe Generale; VTB Capital LA: Clifford Chance; Loyens & Loeff; Reed Smith; Advising FA: Allen & Overy	FA: Credit Suisse; Lazard; Advising seller: Citi; JPMorgan LA: Freshfields Bruckhaus Deringer; Jones Day; Advising FA: Herbert Smith Freehills; Advising seller: Linklaters	7.1

# Global Energy, Mining, Utilities Trend Report: 2013



## League tables for advisors on Energy, Mining & Utilities deals

### Financial advisor league table by value

Rank 2013	Rank 2012	House	Value (US\$bn)	Deal count	% Value change
1	2	Citi	65.7	46	-63%
2	5	Morgan Stanley	60.1	35	-62.7%
3	3	Goldman Sachs	53.5	44	-68.2%
4	1	Barclays	51.2	28	-71.4%
5	16	Evercore Partners	47.9	38	4%
6	7	JPMorgan	45.9	33	-67.2%
7	4	Credit Suisse	42.1	29	-74%
8	8	Bank of America Merrill Lynch	41.4	35	-59.8%
9	21	Lazard	31	15	-8.1%
10	13	VTB Capital	28.3	7	-53.4%

### Financial advisor league table by deal count

Rank 2013	Rank 2012	House	Value (US\$bn)	Deal count	Deal count change
1	3	Citi	65.7	46	3
2	2	Goldman Sachs	53.5	44	-7
3	15	Evercore Partners	47.9	38	15
4	1	RBC Capital Markets	8.7	38	-30
5	6	Morgan Stanley	60.1	35	-2
6	9	Bank of America Merrill Lynch	41.4	35	1
7	12	Macquarie Group	11.2	34	5
8	11	JPMorgan	45.9	33	2
9	5	Credit Suisse	42.1	29	-9
10	4	Barclays	51.2	28	-14

### Legal advisor league table by value

Rank 2013	Rank 2012	House	Value (US\$bn)	Deal count	% Value change
1	13	Vinson & Elkins	69.6	57	58.7%
2	1	Linklaters	50.1	48	-58.1%
3	21	Baker Botts	49.2	27	64.2%
4	11	Bracewell & Giuliani	43.4	24	-14.5%
5	17	Herbert Smith Freehills	38.6	30	9.8%
6	8	Latham & Watkins	33.9	43	-41.4%
7	10	White & Case	32.6	29	-36.9%
8	7	King & Wood Mallesons	31.2	29	-48%
9	4	Clifford Chance	26.5	25	-66.7%
10	79	Simpson Thacher & Bartlett	24.9	14	696.1%

### Legal advisor league table by deal count

Rank 2013	Rank 2012	House	Value (US\$bn)	Deal count	Deal count change
1	1	Vinson & Elkins	69.6	57	-4
2	2	Norton Rose Fulbright	19	57	-1
3	3	Linklaters	50.1	48	2
4	4	Latham & Watkins	33.9	43	-2
5	28	Akin Gump Strauss Hauer & Feld	19.7	34	17
6	9	Baker & McKenzie	14.9	31	-2
7	16	Herbert Smith Freehills	38.6	30	6
8	14	White & Case	32.6	29	3
9	11	King & Wood Mallesons	31.2	29	-2
10	7	Stikeman Elliott	9.5	29	-7

# Global Energy, Mining, Utilities Trend Report: 2013



## Notes

All data is based on announced transactions over US\$ 5m. Deals with undisclosed deal values are included where the target's turnover exceeds US\$ 10m. Deals where the stake acquired is less than 10% will only be included if their value is greater than US\$ 100m. Activities excluded include property transactions and restructurings where the ultimate shareholders' interests are not changed. [Criteria](#)

- M&A Trend: Based on the dominant sector of the target being Energy, Mining & Utilities and the dominant geography of the target company being Global unless otherwise stated. Excludes lapsed and withdrawn bids.
- Top Announced Deals: Based on the dominant sector of the target company Energy, Mining & Utilities. FA refers to Financial Advisor and LA refers to Legal Advisor. Excludes lapsed and withdrawn bids.
- League Tables: Based on the dominant sector of the target, bidder or seller company being Industrials. The Financial Advisor tables exclude lapsed and withdrawn bids. The Legal Advisor tables include lapsed and withdrawn bids.
- All values are in US\$.
- Mega-deal refers to deals above US\$ 5bn.
- 2013/2012 refers to the period 01-Jan-2013/2012 to 31-Dec-2013/2012

All data correct as of **02-Jan-2013**

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