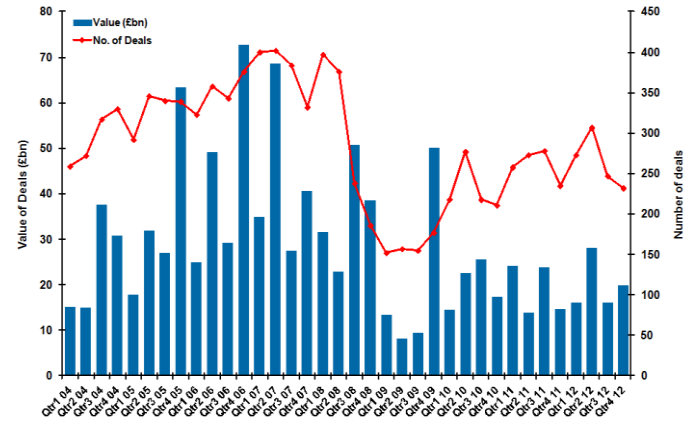


## Summary Overview

- UK M&A activity totalled £80.6bn in 2012, up 5.1% compared to 2011 (£76.7bn) and accounted for 18.6% of total European M&A activity of £433.3bn.
- Q4 2012 amounted to £20bn, up 36.1% from the same period last year (£14.7bn) and up 23.5% compared to Q3 2012 (£16.2bn).
- The top sector continued to be Energy, Mining & Utilities (£20.6bn) with a 25.6% market share of total UK deal value. The sector's largest deal with UK target was the £6.8bn acquisition of 30.2% stake in GDF Suez Energy International by GDF Suez in April.
- Foreign investments into the country accounted for 70.8% of all UK M&A in 2012. Totalling £57.1bn, this represented a 0.9% increase from 2011 (£56.6bn) and the highest annual value since 2008 (£74.8bn).
- UK cross-border outbound activity in 2012 amounted to £43.1bn, down 32.9% from the last year's £64.2bn, recording its lowest value since 2009 (£19.5bn). However, Q4 2012 (£14.3bn) was up for a third consecutive quarter in 2012, increasing by 7.5% from £13.3bn in Q3 2012 and up 120% from £6.5bn in Q1 2012.
- Having advised on £69.4bn-worth of deals including the top four UK deals, Barclays jumped five positions to take the lead in the financial advisor league table by deal value.
- Linklaters topped the legal advisor table by deal value after advising on 95 deals worth £66.1bn – this deal value includes the 50% acquisition of TNK-BP made by Rosneft Oil Company for £19.5bn.

## M&A Trend (target only)



## Financial Adviser League Tables by Value – 2012

Rank 2011	Rank 2012	House	Value (£m)	Deal count	% Value change
6	1	Barclays	69,398	43	126.7%
1	2	Goldman Sachs	68,565	56	7.0%
9	3	Bank of America Merrill Lynch	60,420	41	151.8%
4	4	Morgan Stanley	55,756	42	61.5%
7	5	Deutsche Bank	50,246	39	77.6%
3	6	Citi	40,197	29	15.7%
5	7	UBS Investment Bank	40,065	28	22.9%
8	8	Rothschild	37,486	81	50.2%
11	9	Credit Suisse	36,723	24	97.0%
2	10	JPMorgan Cazenove	31,416	43	-23.1%
-	11	Lambert Energy Advisory	22,937	3	-
193	12=	Renaissance Capital	22,562	2	37,503%
94	12=	VTB Capital	22,562	2	4,815.5%
20	14	Nomura Holdings	21,069	13	166.8%
12	15	Lazard	18,598	26	16.6%

## Financial Adviser League Tables by Deal Count – 2012

Rank 2011	Rank 2012	House	Value (£m)	Deal count	Count change
1	1	Rothschild	37,486	81	8
4	2	PwC	5,206	63	11
3	3	Goldman Sachs	68,565	56	0
6	4	Deloitte	3,078	49	5
2	5	KPMG	3,188	46	-23
17	6	Barclays	69,398	43	16
7	7	JPMorgan Cazenove	31,416	43	0
13	8	Morgan Stanley	55,756	42	9
14	9	Bank of America Merrill Lynch	60,420	41	9
19	10	Deutsche Bank	50,246	39	15
12	11	BDO	1,735	38	4
20	12	Investec	4,481	35	11
10	13	Grant Thornton Corporate Finance	575	35	-1
11	14	Citi	40,197	29	-6
8	15	UBS Investment Bank	40,065	28	-9

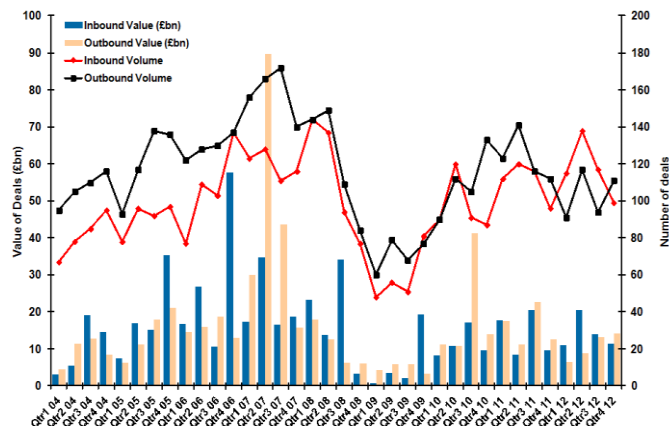
## Legal Adviser League Tables by Value – 2012

Rank 2011	Rank 2012	House	Value (£m)	Deal count	% Value change
1	1	Linklaters	66,132	95	24.0%
28	2	Cleary Gottlieb Steen & Hamilton	44,247	11	516.5%
2	3	Freshfields Bruckhaus Deringer	41,872	74	-16.0%
9	4	Clifford Chance	40,945	65	126.4%
16	5	Weil Gotshal & Manges	29,073	30	199.0%
3	6	Allen & Overy	25,505	61	-42.9%
116	7	Cravath, Swaine & Moore	23,222	7	2,007.3%
13	8	Latham & Watkins	22,365	33	117.2%
12	9	Simpson Thacher & Bartlett	18,650	16	80.9%
18	10	Sullivan & Cromwell	16,945	18	79.8%
20	11	Skadden Arps Slate Meagher & Flom	16,767	28	84.9%
4	12	Slaughter and May	16,042	39	-51.2%
8	13	Shearman & Sterling	15,210	14	-21.9%
14	14	Kirkland & Ellis	13,388	25	32.4%
19	15	Wachtell, Lipton, Rosen & Katz	12,314	7	33.6%

## Legal Adviser League Tables by Deal Count – 2012

Rank 2011	Rank 2012	House	Value (£m)	Deal count	Count change
1	1	DLA Piper	11,488	97	-29
3	2	Linklaters	66,132	95	13
2	3	Freshfields Bruckhaus Deringer	41,872	74	-10
5	4	Eversheds	6,482	69	-2
6	5	Pinsent Masons	2,292	67	-1
4	6	Clifford Chance	40,945	65	-7
7	7	Allen & Overy	25,505	61	-5
19	8	Olsang	1,367	48	9
8	9	CMS	4,582	46	-13
25	10	Macfarlanes	1,873	43	13
11	11	Ashurst	8,201	41	-6
9	12	Slaughter and May	16,042	39	-19
-	13	Herbert Smith Freehills	11,014	39	-
17	14	Travers Smith	8,156	38	-3
12	15	Hogan Lovells	7,572	38	0

## Cross Border M&A



## Deal Value Breakdown – 2012

Deal Size (£)	Value (£bn)	Deal count	Change	
			% Value	Deal count
5 – 500m (*)	30.9	1,022	-11.9%	11
501m – 1,000m	14.6	20	-0.9%	-2
1,001m – 5,000m	28.2	16	36.4%	6
5,000m and over	6.8	1	10.3%	0
<b>Total</b>	<b>80.6</b>	<b>1,059</b>	<b>5.0%</b>	<b>15</b>

## Industry Analysis

Sector	2012			2011			Change	
	Value (£m)	Market share	Deal count	Value (£m)	Market share	Deal count	Value (%)	Deal count
Energy, Mining & Utilities	20,579	25.5%	71	19,643	25.6%	76	4.8%	-5
Financial Services	9,199	11.4%	101	10,445	13.6%	108	-11.9%	-7
Consumer	8,308	10.3%	140	7,927	10.3%	127	4.8%	13
Business Services	7,608	9.4%	191	6,313	8.2%	224	20.5%	-33
Technology	6,965	8.6%	111	9,655	12.6%	120	-27.9%	-9
Industrials & Chemicals	6,843	8.5%	173	6,491	8.5%	154	5.4%	19
Real Estate	5,487	6.8%	14	1,371	1.8%	12	300.2%	2
Media	3,744	4.6%	60	1,505	2.0%	49	148.8%	11
Pharma, Medical & Biotech	3,643	4.5%	64	2,629	3.4%	46	38.6%	18
Transportation	2,807	3.5%	26	2,029	2.6%	19	38.3%	7
Leisure	2,700	3.4%	57	6,665	8.7%	66	-59.5%	-9
Construction	1,312	1.6%	36	1,992	2.6%	33	-34.1%	3
Telecommunications	1,143	1.4%	6	26	0.03%	5	4,296.2%	1
Defence	213	0.3%	6	-	-	2	-	4
Agriculture	25	0.03%	3	41	0.1%	3	-39.0%	0
<b>Total</b>	<b>80,576</b>		<b>1,059</b>	<b>76,732</b>		<b>1,044</b>	<b>5.0%</b>	<b>15</b>

## Top Announced Deals 2012

Ann. Date	Bidder company	Target Company	Seller company	Buy-side Advisory	Sell-side Advisory	Deal Value (£m)
22-Nov-12	Rosneft Oil Company OJSC	TNK-BP Limited (50% Stake)	BP Plc	FA: Bank of America Merrill Lynch; Barclays; Citi; Deutsche Bank; VTB Capital LA: Cleary Gottlieb Steen & Hamilton; Cravath, Swaine & Moore (Advising FA)	FA: Credit Suisse; Goldman Sachs; Lambert Energy Advisory; Morgan Stanley; Renaissance Capital; UBS Investment Bank LA: Linklaters	19,549
23-Jan-12	Lehman Brothers Holdings Inc	Archstone-Smith Trust (26.5% Stake)	Bank of America Corporation; and Barclays Plc	FA: Gleacher & Company LA: Weil Gotshal & Manges	FA: Bank of America Merrill Lynch; Barclays LA: Cleary Gottlieb Steen & Hamilton; Kaye Scholer; Orrick Herrington & Sutcliffe; Simpson Thacher & Bartlett	7,595
16-Apr-12	GDF Suez SA	GDF Suez Energy International (30.23% Stake)		FA: BNP Paribas; HSBC; Lazard; Ondra Partners; Rothschild LA: Cleary Gottlieb Steen & Hamilton (Advising FA); Linklaters; Weil Gotshal & Manges	FA: Barclays; Morgan Stanley; Nomura Holdings LA: Clifford Chance	6,840
05-Dec-12	Charoen Pokphand Group Co Ltd	Ping An Insurance (Group) Company of China Ltd (15.57% Stake)	The Hong Kong and Shanghai Banking Corporation Limited; and HSBC Insurance Holdings Ltd	FA: - LA: Clifford Chance (Advising FA); Linklaters	FA: HSBC LA: Freshfields Bruckhaus Deringer	5,833
17-Jan-12	Sumitomo Mitsui Financial Group Inc	SMBC Aviation Capital Limited	Royal Bank of Scotland Group Plc	FA: Barclays LA: A&L Goodbody; Arthur Cox (Advising FA); Milbank Tweed Hadley & McCloy; Nagashima Ohno & Tsunematsu	FA: Goldman Sachs; Royal Bank of Scotland Group LA: Clifford Chance; McCann FitzGerald	4,760

### 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 30% 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.

All data excludes minority stake deals (10% - 30%) where the dominant target geography is Asia-Pacific and the deal value is less than US\$ 100m.

- **M&A Trend:** Based on the dominant geography of the target company being UK. Excludes lapsed and withdrawn bids;
- **League Tables:** Based on the dominant geography of the target, bidder or seller company being UK. The financial adviser tables exclude lapsed and withdrawn bids and the legal adviser tables include lapsed and withdrawn bids. Data was run from 1 January 2012 to 31 December 2012. Previous period changes refer to 1 January to 31 December 2011;
- **Cross Border M&A:** Inbound refers to cross border M&A where the dominant geography of the target company is UK. Outbound refers to cross border M&A where the dominant geography of the bidder company is UK. Excludes lapsed and withdrawn bids;
- **Deal Value Breakdown:** Based on the dominant geography of the target company being UK. Excludes lapsed and withdrawn bids. Previous period changes refer to the time period of 1 January to 31 December 2011. £5m to £500m range includes undisclosed deals(\*);
- **Industry Analysis:** Based on the dominant geography of the target company being UK. Industry sectors represent the primary industry sector of the target company only. Excludes lapsed and withdrawn bids;
- **Top Announced Deals:** Based on the dominant geography of the target, bidder or seller company being UK. Excludes lapsed and withdrawn bids. FA refers to Financial Adviser and LA refers to Legal Adviser.

Criteria: [http://www.mergermarket.com/pdf/deal\\_criteria.pdf](http://www.mergermarket.com/pdf/deal_criteria.pdf)

All data correct as of 15 January 2013.

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