



NYU STERN
NEW YORK UNIVERSITY · HONARD N. STERN SCHOOL OF BUSINESS



光华管理学院
Guanghua School of Management



CAMBRIDGE
Judge Business School

INTERNATIONAL INSTITUTE FOR THE STUDY OF CROSS-BORDER INVESTMENT AND M&A
跨国投资并购国际研究协会
WWW.XBMA.ORG

Cross-Border M&A and Strategic Investment Market Overview

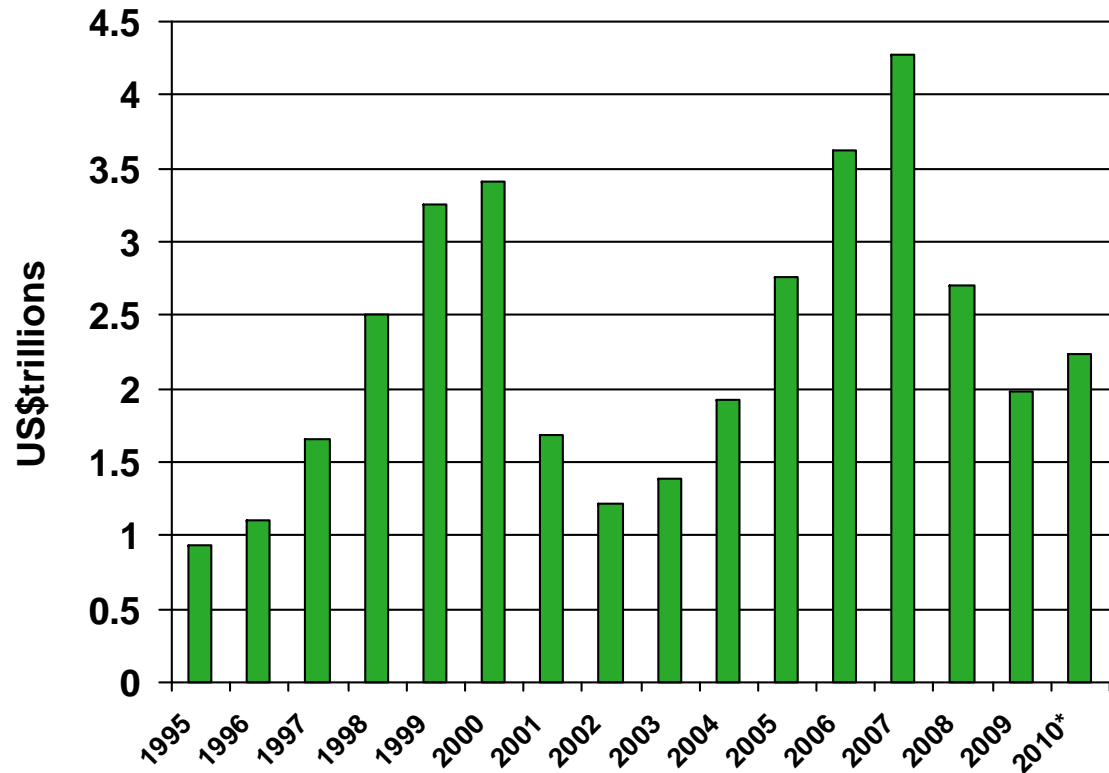
**New York University
October 19, 2010**

The views expressed herein reflect only the views of XBMA's editorial staff and not those of any of XBMA's founders, academic partners, advisory board members, or others.

Global M&A Volume: 1995 - 2010

- Global volume for 2010 is expected to be US\$2.2 trillion
 - Up 12.6% compared to 2009
 - Only 50% of 2007 high water mark
- Drivers:
 - Strong cash position from defensive stockpiling and aggressive expense management (top 1,000 global companies have US\$3 trillion)
 - Pent-up demand
 - Record low borrowing costs and relatively strong equity markets
 - Financial institutions' improved health
 - Decreased regulatory uncertainty
- But:
 - Overall economic uncertainty continues
 - Sluggish recovery in the West
 - Temperamental liquidity

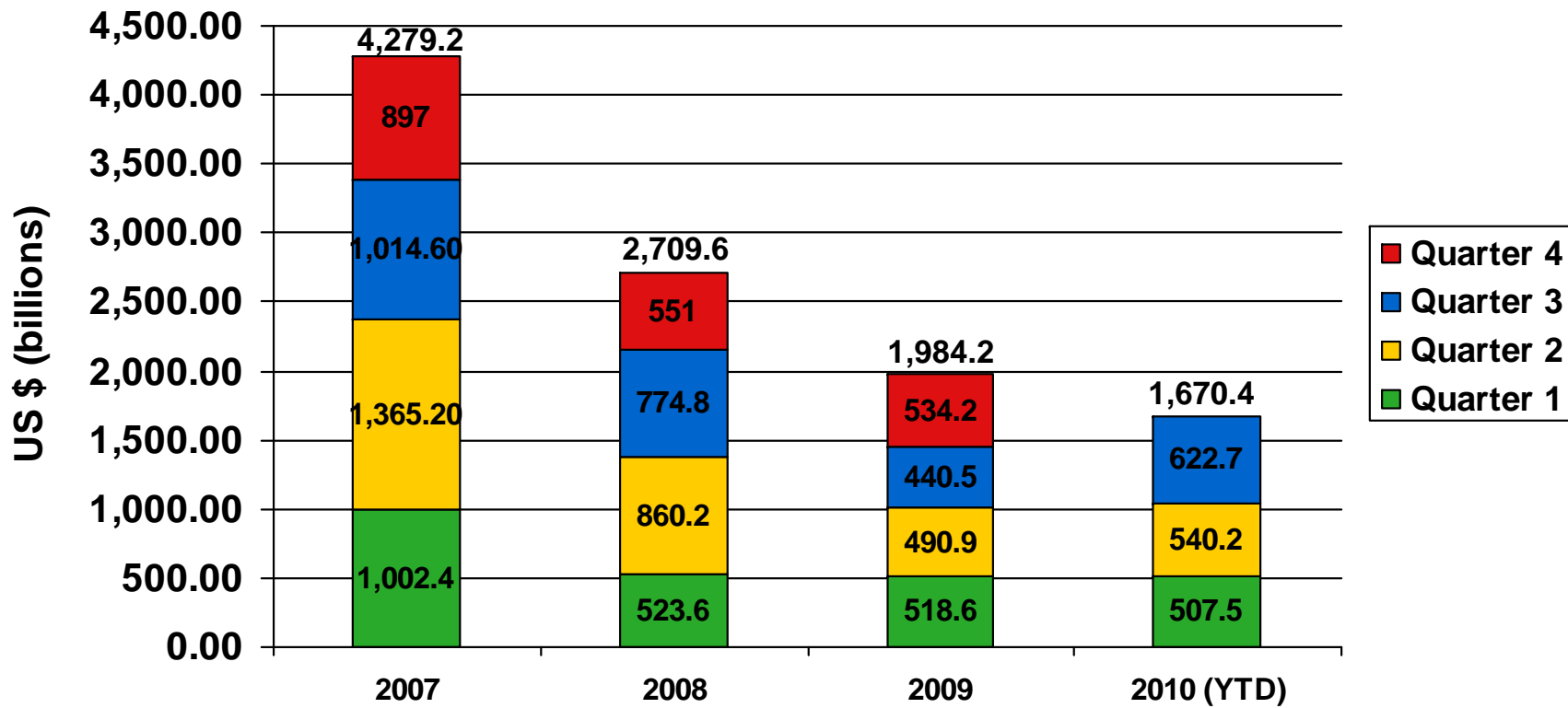
Global M&A Dollar Volume



*2010 figures are annualized values based on YTD 2010 data

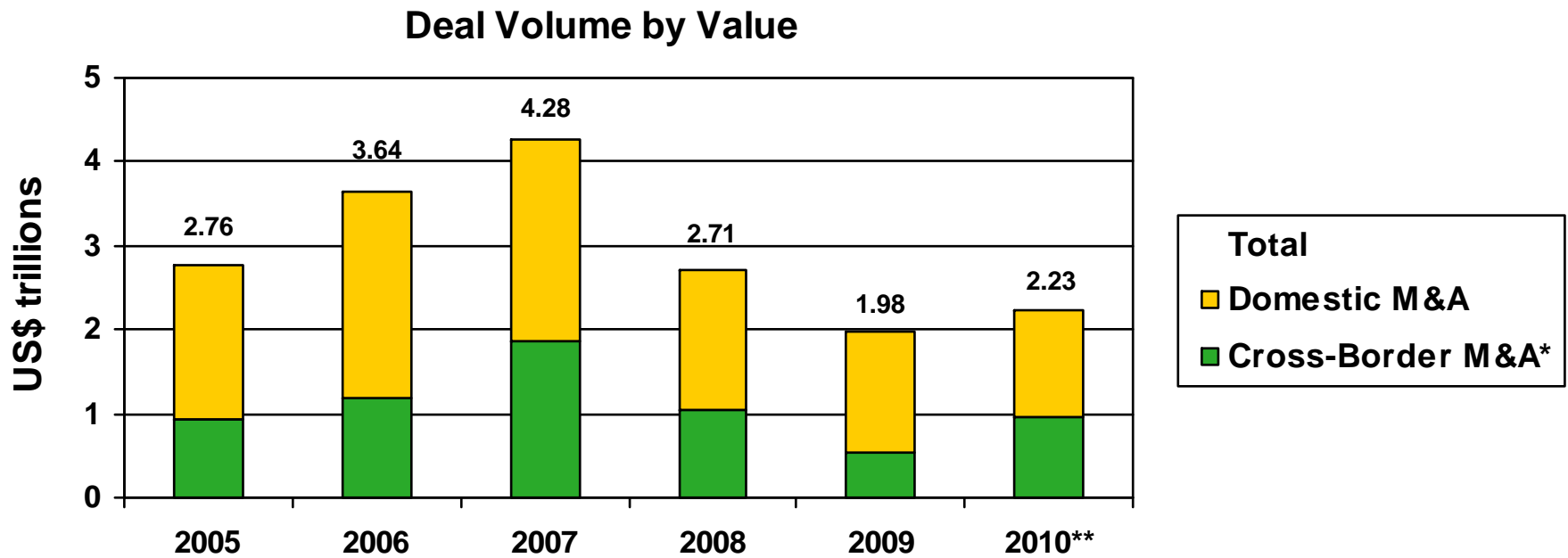
Global M&A Volume: Quarterly Snapshot

- Global M&A volume for Q3 2010 was US\$622.7 billion, up 41.4% as compared to Q3 2009 and 15.3% from Q2 2010.
 - Number of transactions valued at US\$3 billion or more in Q3 doubled as compared to Q2.
 - Private equity buyouts tripled from Q3 2009 to US\$58 billion, with more expected in advance of a possible increase in U.S. tax on carried interest.
 - Announced deals in last few months include BHP/Potash (US\$43.2 billion), Sanofi-Aventis/Genzyme (US\$19.3 billion), Intel/McAfee (US\$7.7 billion) and Sinopec/Repsol (US\$7.1 billion).



Cross-Border M&A Volume: 2005 – 2010

- The proportion of M&A deal value representing cross-border transactions has increased substantially from 2009.
- 43% of 2010 global M&A is expected to be cross-border*-- up from 26.6% in 2009 and 38.4% in 2008.

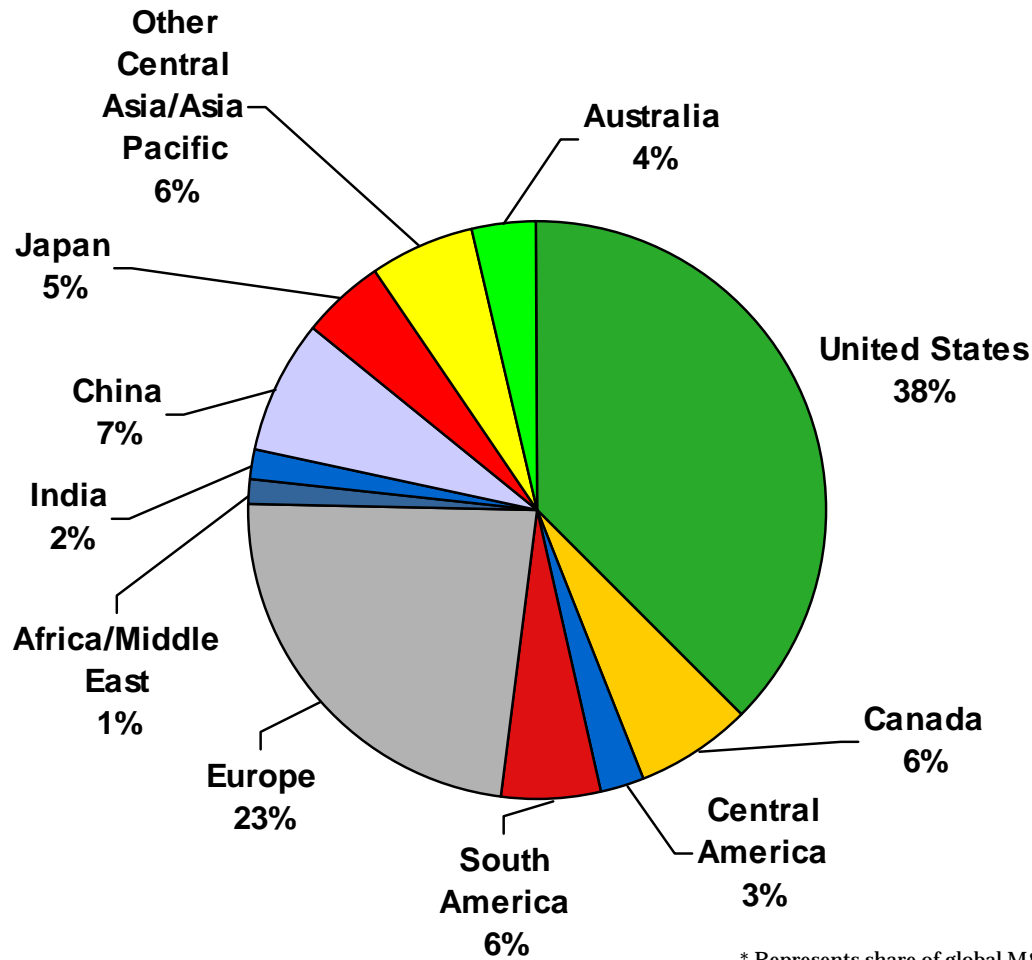


*Cross-border M&A transactions are defined as those in which the parties are headquartered/based in different countries.

**2010 figures are annualized values based on YTD 2010 data through 9/30/10.

M&A Volume by Target's Region*: Last 12 Months

- The United States and Europe accounted for over 61% of global M&A volume, but M&A in emerging markets is growing fast.

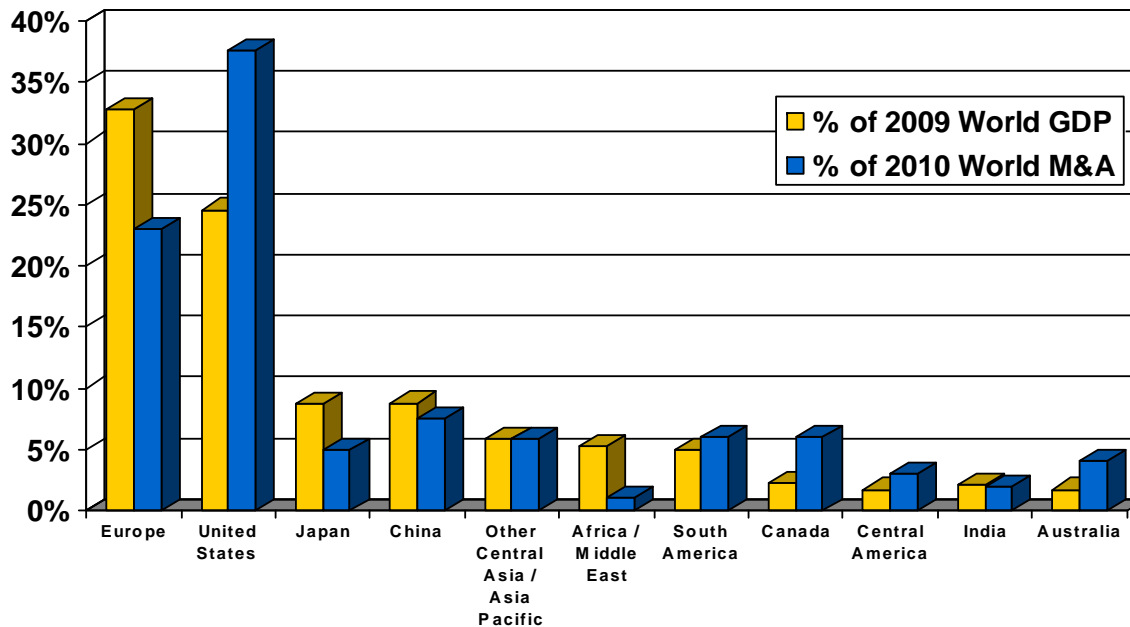


* Represents share of global M&A volume based on target's headquarters

GDP vs. M&A Volume

- The U.S. remains the most active M&A market. The U.S.'s share of global M&A (38%) continues to far exceed the U.S.'s contribution to world GDP (25%).
- China and Japan's shares of global M&A (6% and 5%, respectively) are approximately two-thirds of their respective contributions to world GDP (8.8% and 8.7%, respectively), indicating substantial room to grow.
- Europe's share of global M&A (23%) is also substantially smaller than its contribution to world GDP (32.8%).
- Canada and Australia's respective shares of global M&A more than double their contributions to world GDP.
- Percent of world GDP traded across borders is now about 30%, up from 18% in 1990.

Proportionate Share of GDP vs. M&A by Region

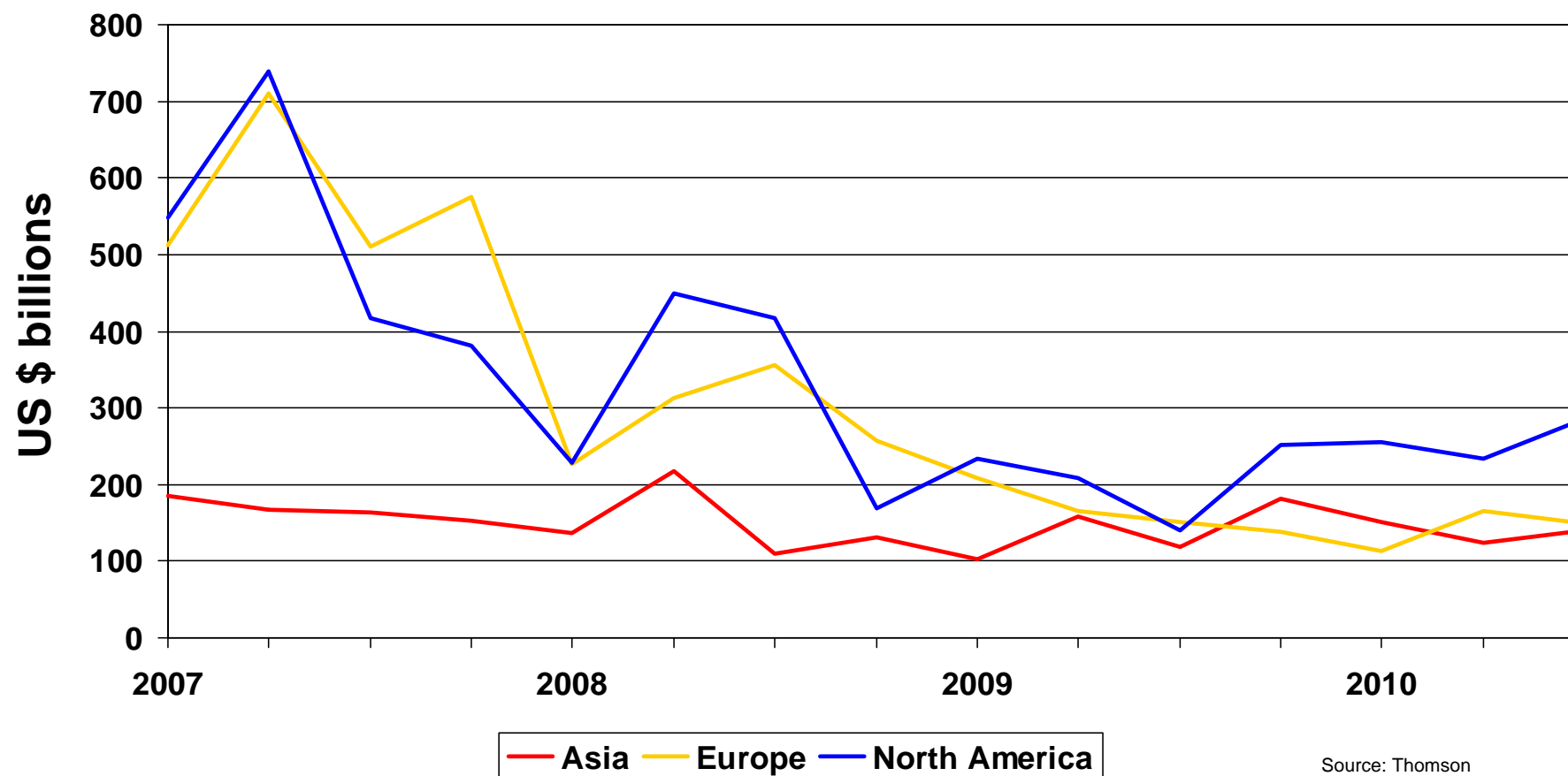


Absolute GDP by Region

	GDP (in \$US trillions)	Per Capita GDP (in \$US)
Europe	19.016	23,585
United States	14.256	46,380
Japan	5.068	39,731
China	5.120	3,816
India	1.236	1,031
World	57.937	8,606

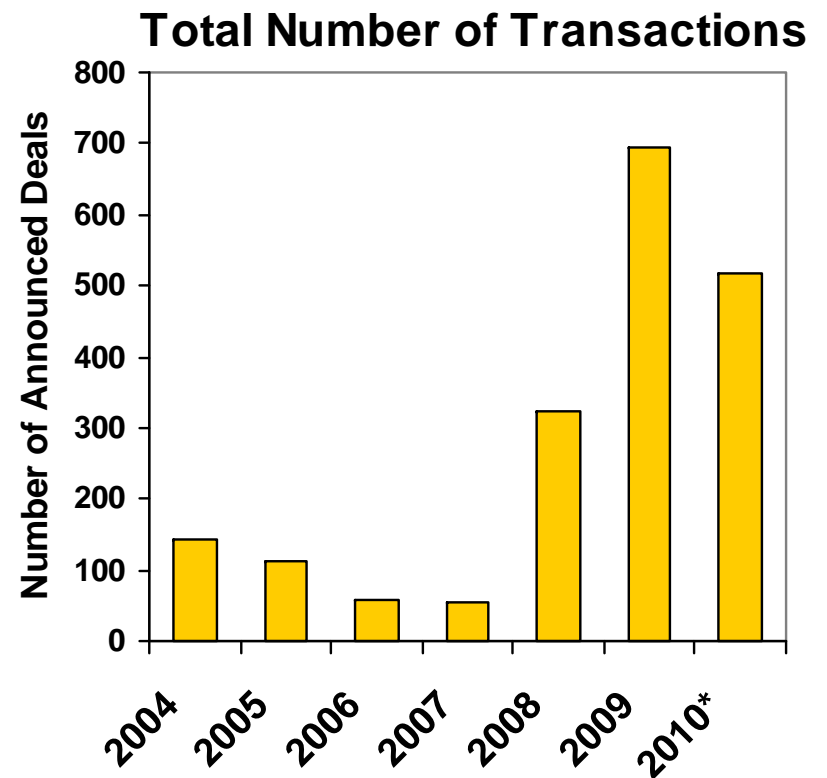
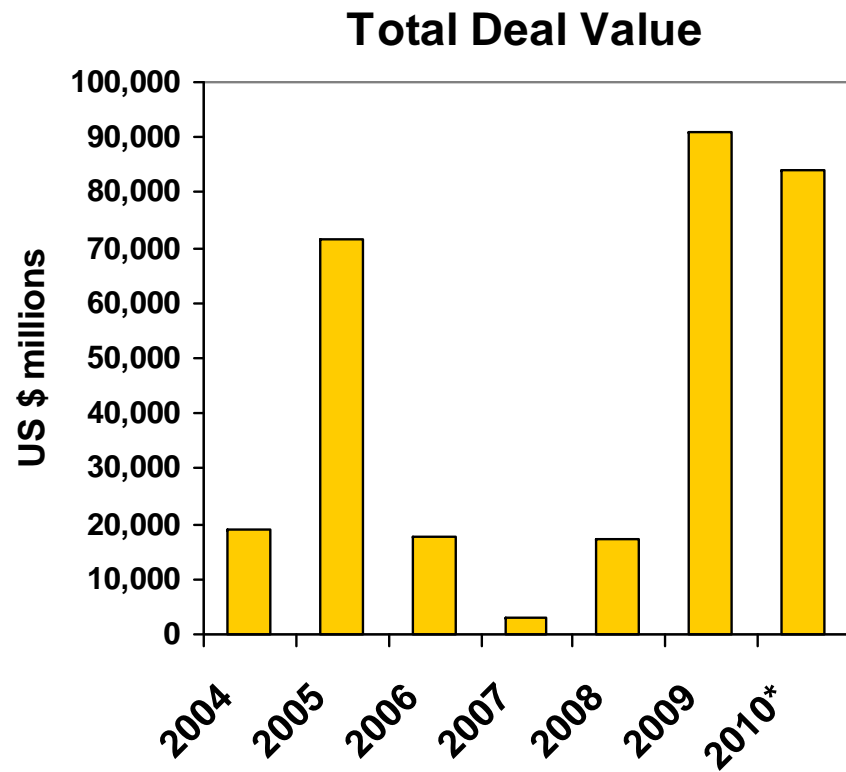
Trends in M&A Volume by Target's Region: 2007-2010 (Asia, Europe and North America)

- Activity in North American and Asian M&A markets accelerated in the third quarter of 2010.
- European M&A leveled off in the third quarter.



Distressed Deals

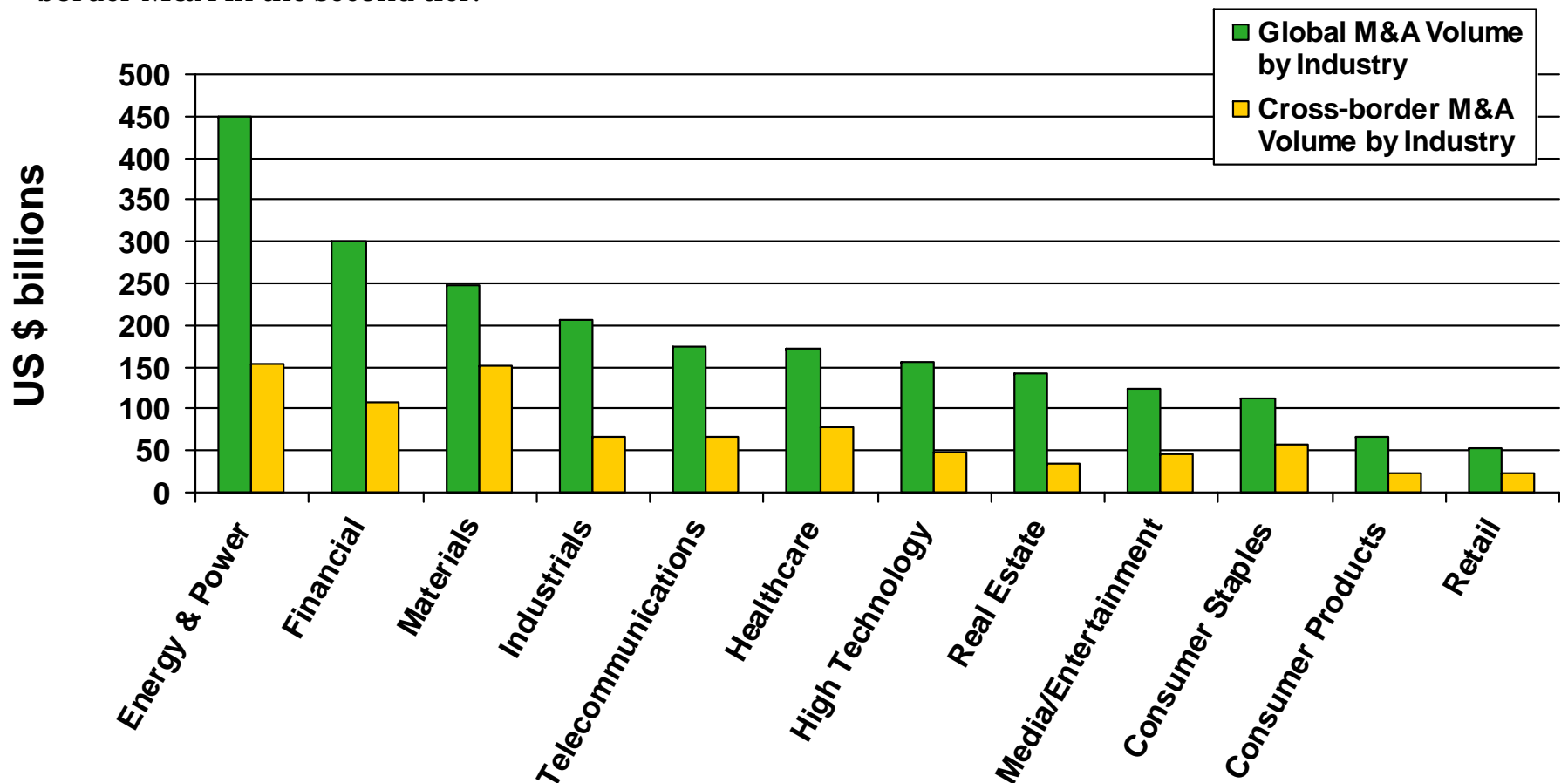
- Fewer and smaller distressed deals in 2010.
- Though the downward trend is promising as an indication of global recovery, distressed M&A remains very active relative to the historical norm.



*2010 figures are annualized values based on YTD 2010 data through 9/30/10.

Global M&A by Industry: Last 12 Months

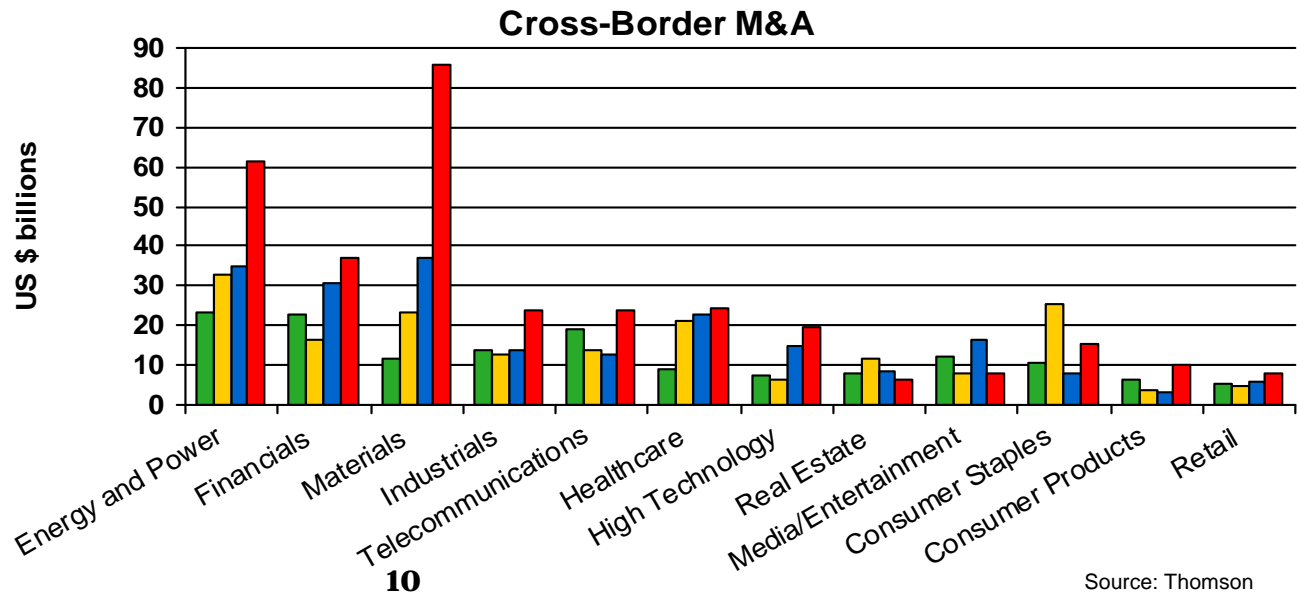
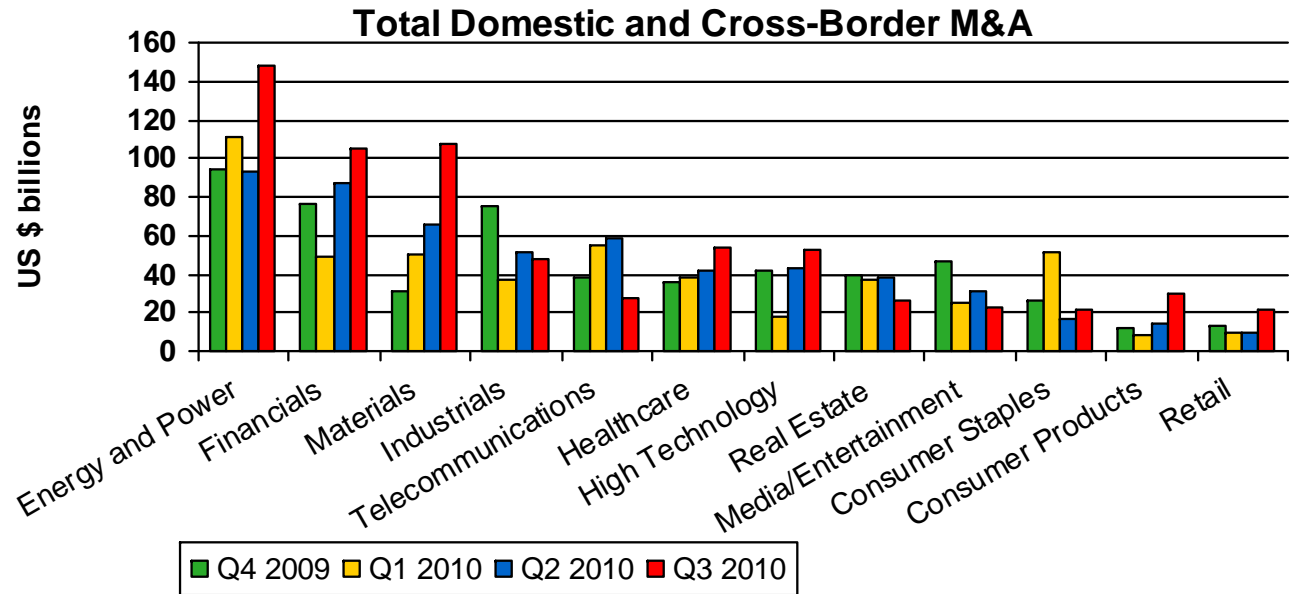
- Energy M&A leads globally by a wide margin, with Financial and Materials M&A in second and third places.
- Energy and Materials M&A are also most active among cross-border transactions (reflecting the ongoing pressure to acquire natural resources to fuel emerging economies), with Financials cross-border M&A in the second tier.















Source: Thomson

Trends in Global M&A by Industry: Last Four Quarters

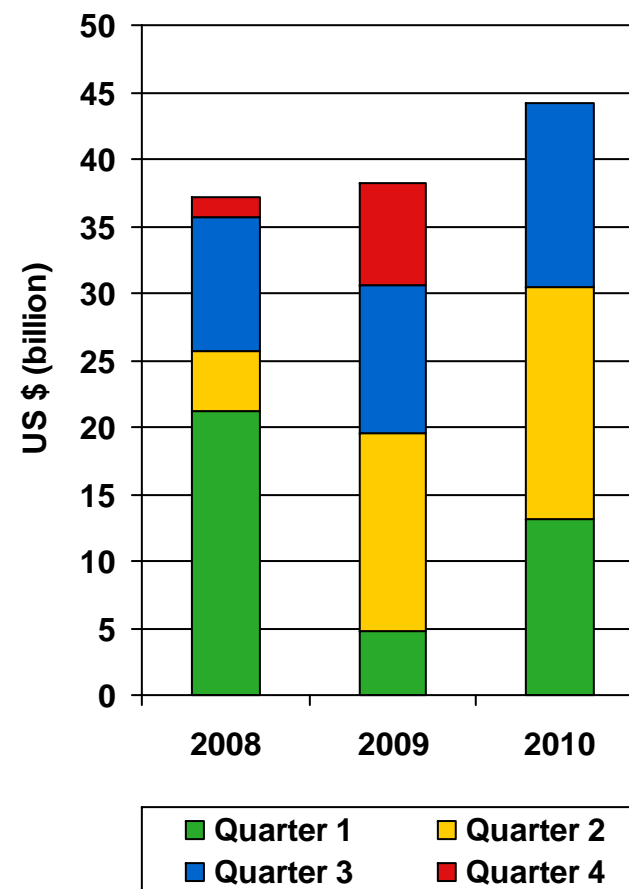
- Cross-border M&A in the Materials and Energy sectors continued its year-long exponential rise.
- Healthcare and high-tech cross-border M&A are also showing an uptick.
- Energy and Power M&A continue to be most active globally, with relatively less cross-border activity potentially reflecting regulatory wariness in certain jurisdictions regarding foreign influence over energy resources.



Top 10 Outbound Chinese Deals Announced in Last 12 Months





















Acquirer*	Target*	Target Industry	Value of Deal (US\$mil)	Date Announced
 Investor Group China	 EDF Energy – UK Power Distn Bus United Kingdom	Electric, Gas, and Water Distribution	9,056	30 Jul 2010
 Sinopec Corp. China	 Syncrude Canada Ltd Canada	Oil and Gas; Petroleum Refining	4,650	12 Apr 2010
 CNOOC International Ltd China	 Bridas Corp Argentina	Oil and Gas; Petroleum Refining	3,100	14 Mar 2010
 Sinochem Group China	 Peregrino Project, Campos Basin Brazil	Oil and Gas; Petroleum Refining	3,070	21 May 2010
 State Grid Corporation of China China	 Expansion Transmissao Itumbiar Brazil	Electric, Gas and Water Dist	1,702	16 May 2010
 China Investment Corporation China	 AES Corp United States	Electric, Gas and Water Dist	1,581	06 Nov 2009
 Zhejiang Geely Hldg China	 Volvo Car Corp Sweden	Auto	1,500	28 Mar 2010
 China Pipe Group Ltd China	 Dynamic Event Ltd Indonesia	Holding Companies, Except Banks	1,378	29 Apr 2010
 Aluminum Corp. of China (Chinalco) China	 Rio Tinto PLC – Simandou Iron Guinea	Mining	1,350	19 Mar 2010
 CNOOC International Ltd China	 Chesapeake – Oil, Gas Asts, TX United States	Oil and Gas; Petroleum Refining	1,080	10 Oct 2010

Aggregate Value of Outbound Chinese Deals

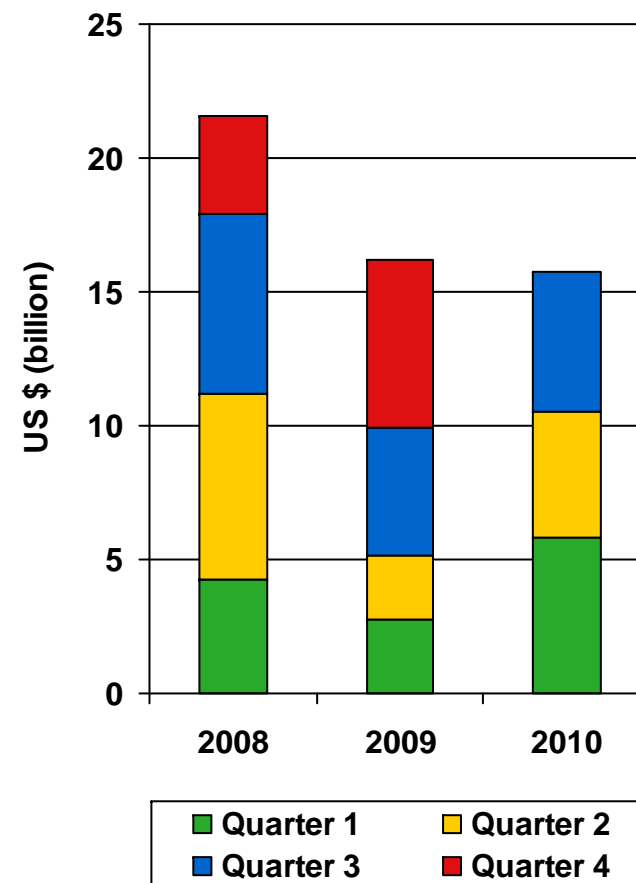


* Company nationality determined by location of headquarters

Top 10 Inbound Chinese Deals Announced in Last 12 Months

Acquirer*	Target*	Target Industry	Value of Deal (US\$mil)	Date Announced
 CapitaLand Ltd Singapore	 Orient Overseas Dvlp Ltd China	Real Estate; Mortgage Bankers and Brokers	2,200	18 Jan 2010
 BBVA Spain	 China CITIC Bank Corp Ltd China	Commercial Banks, Bank Holding Companies	1,652	23 Nov 2009
 Diageo PLC United Kingdom	 Sichuan Swellfun Co Ltd China	Food and Kindred Products	926	1 Mar 2010
 TTM Technologies Inc United States	 MTG Investment (BVI) Ltd – PCB Bus China	Electronic and Electrical Equipment	874	16 Nov 2009
 Glencore International AG Switzerland	 Chemoil Energy Ltd China	Wholesale Trade – Nondurable Goods	859	14 Dec 2009
 China Gold Intl Resources Corp Canada	 Skyland Mining Ltd China	Mining	791	30 Aug 2010
 Lotte Shopping Co Ltd South Korea	 Times Ltd China	Retail Trade – Food Stores	614	20 Oct 2009
 Investor Group United States	 Dili Group Holdings Co China	Wood Products, Furniture, and Fixes	600	18 Mar 2010
 Rhodia SA France	 Jiangsu Feixiang Chemical Co China	Chemicals and Allied Products	489	17 June 2010
 Nippon Paper Group Inc Japan	 Lee & Man Paper Mnfg Ltd China	Paper and Allied Products	456	22 Jun 2010

Aggregate Value of Inbound Chinese Deals























* Company nationality determined by location of headquarters



INTERNATIONAL INSTITUTE FOR THE STUDY OF CROSS-BORDER INVESTMENT AND M&A
跨国投资并购国际研究协会
WWW.XBMA.ORG

Addendum

Top 10 Global Deals Announced in Last 12 Months

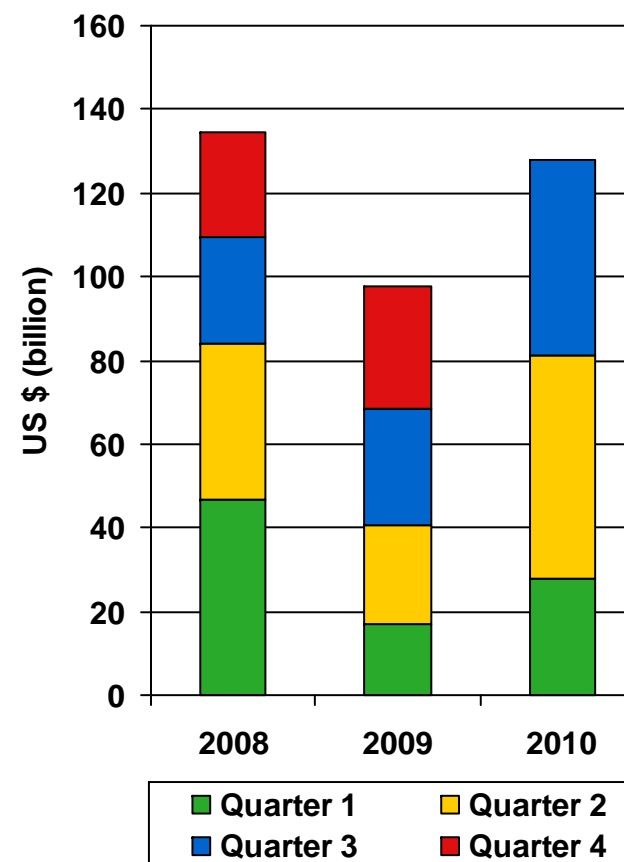
Acquirer*	Target*	Target Industry	Value of Deal (US\$mil)	Date Announced
 BHP Billiton Ltd Australia	 Potash Corp of Saskatchewan Canada	Agricultural Chemicals	43,180	17 Aug 2010
 Exxon Mobil Corp United States	 XTO Energy Inc United States	Oil and Gas; Petroleum Refining	40,659	14 Dec 2009
 Berkshire Hathaway Inc. United States	 Burlington Northern Santa Fe United States	Transportation and Shipping	35,948	03 Nov 2009
 America Movil SAB de CV Mexico	 Carso Global Telecom SAB de CV Mexico	Telecom	27,483	13 Jan 2010
 International Power PLC United Kingdom	 GFD Suez Energy International United States	Electric, Gas and Water Distribution	25,090	19 Jul 2010
 CenturyLink Inc United States	 Qwest Communications Intl Inc United States	Telecom	22,170	22 Apr 2010
 Sanofi-Aventis SA France	 Genzyme Corp United States	Drugs	19,260	29 Aug 2010
 MetLife Inc United States	 American Life Insurance Co Inc United States	Insurance	15,544	8 Mar 2010
 Comcast Corp United States	 NBC Universal Inc United States	Radio and Television Broadcasting Stations	14,400	03 Dec 2009
 News Corp United States	 British Sky Broadcasting Group PLC United Kingdom	Radio and Television Broadcasting Stations	13,730	15 Jun 2010

* Company nationality determined by location of headquarters

Top 10 Deals from Developed into Emerging Economies* Announced in Last 12 Months

Acquirer**	Target**	Target Industry	Value of Deal (US\$mil)	Date Announced
Telefonica SA  Spain	Brasilcel NV  Brazil	Telecom	9,743	10 May 2010
Newcrest Mining Ltd  Australia	Lihir Gold Ltd  Papua New Guinea	Mining	8,578	01 Apr 2010
Heineken N.V.  Netherlands	FEMSA-Beer Op  Mexico	Food and Kindred Products	7,325	11 Jan 2010
Volcan Investments Ltd  United Kingdom	Cairn India Ltd  India	Oil and Gas; Petroleum Refining	6,596	12 Aug 2010
Banco Santander SA  Spain	Bank Zachodni WBK  Poland	Commercial Banks	5,344	10 Sep 2010
Norsk Hydro ASA  Norway	Vale SA-Aluminum Operations  Brazil	Mining	4,900	2 May 2010
Wal-Mart Stores Inc  United States	Massmart Holdings Ltd  South Africa	Wholesale Trade	4,173	27 Sep 2010
Abbott Laboratories  United States	Piramal Healthcare Ltd  India	Drugs	3,713	21 May 2010
CVC Capital Partners  United Kingdom	Anheuser-Busch Inbev  Bulgaria	Food and Kindred Products	3,032	15 Oct 2009
Nippon Telegraph & Tel  Japan	Dimension Data Hldngs  South Africa	Business Services	2,730	15 Jul 2010

Aggregate Value of Deals from Developed into Emerging Economies



* Developed/Emerging economies are defined by IMF classification, available at <http://www.imf.org/external/pubs/ft/weo/2010/01/weodata/groups.htm>. Developed economies include the United States, Japan, Germany, France and the United Kingdom. Emerging economies include China, Brazil, India, Russia and Mexico.

** Company nationality determined by location of headquarters

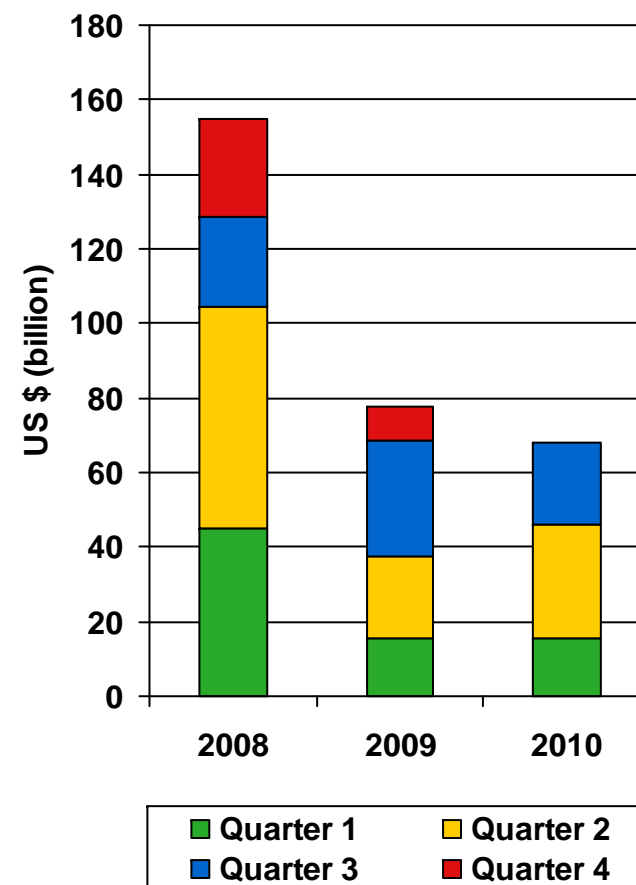
Top 10 Deals from Emerging into Developed Economies* Announced in Last 12 Months

Acquirer**	Target**	Target Industry	Value of Deal (US\$mil)	Date Announced
Sinopec Corp.  China	Syncrude Canada Ltd  Canada	Oil and Gas; Petroleum Refining	4,650	12 Apr 2010
Malaysia  Malaysia	Parkway Holdings Ltd  Singapore	Health Services	2,785	27 May 2010
United Arab Emirates  UAE	UniCredit SpA  Italy	Commercial Banks	2,253	16 Jun 2010
Qatar  Qatar	Harrods  United Kingdom	Retail Trade – General Merchandise and Apparel	2,227	7 May 2010
Banpu PCL  Thailand	Centennial Coal Co Ltd  Australia	Mining	1,905	05 Jul 2010
Reliance Industries Ltd  India	Atlas Energy Inc-Marcellus  United States	Oil and Gas; Petroleum Refining	1,700	9 Apr 2010
Hinduja Group  India	KBL European Private Bankers  Luxembourg	Commercial Banks, Bank Holding Companies	1,684	21 May 2010
China Investment Corporation  China	AES Corp  United States	Electronic, Gas and Water Dist.	1,581	06 Nov 2009
Zhejiang Geely Hldg  China	Volvo Car Corp  Sweden	Auto	1,500	28 Mar 2010
CNOOC International Ltd  China	Chesapeake – Oil, Gas Asts, TX  United States	Oil and Gas; Petroleum Refining	1,080	10 Oct 2010





















* Developed/Emerging economies defined by IMF classification

** Company nationality determined by location of headquarters

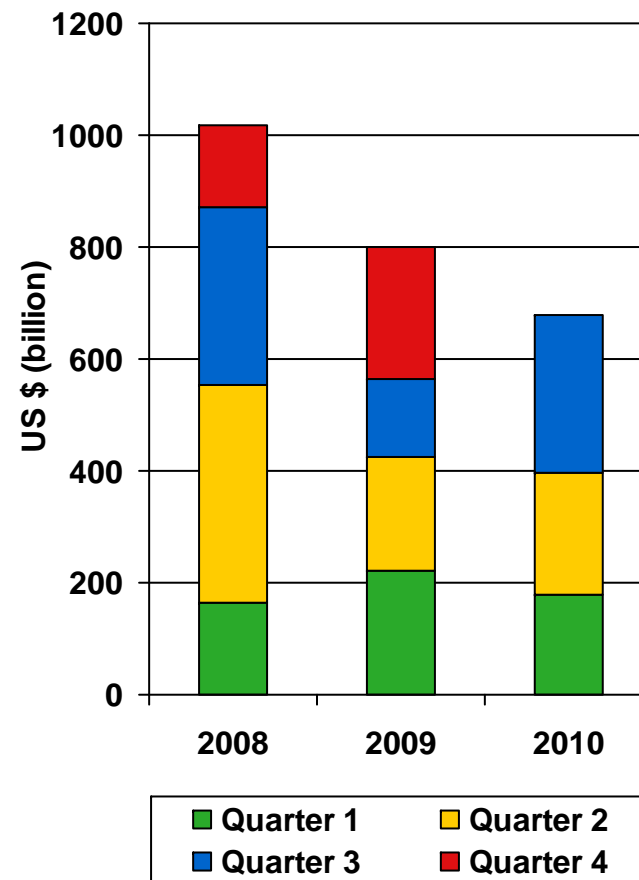
Aggregate Value of Deals from Emerging into Developed Economies



Top 10 North American* Deals Announced in Last 12 Months

Acquirer*	Target*	Target Industry	Value of Deal (US\$mil)	Date Announced
 BHP Billiton LTD Australia	 Potash Corp of Saskatchewan Canada	Mining	43,180	17 Aug 2010
 Exxon Mobil Corp United States	 XTO Energy Inc United States	Oil and Gas; Petroleum Refining	40,659	14 Dec 2009
 Berkshire Hathaway Inc United States	 Burlington Northern Santa Fe United States	Transportation and Shipping	35,948	3 Nov 2009
 International Power PLC United Kingdom	 GDF Suez Energy International United States	Electric, Gas and Water Distribution	25,090	19 Jul 2010
 CenturyLink Inc United States	 Qwest Communications Intl Inc United States	Telecom	22,170	22 Apr 2010
 Sanofi-Aventis SA France	 Genzyme Corp United States	Drugs	19,260	29 Aug 2010
 MetLife Inc United States	 American Life Insurance Co Inc United States	Insurance	15,544	8 Mar 2010
 Comcast Corp United States	 NBC Universal Inc United States	Radio and Television Broadcasting Stations	14,400	3 Dec 2009
 Coca-Cola Co United States	 Coca-Cola Entr Inc-NA Bus United States	Food and Kindred Products	13,441	25 Feb 10
 Schlumberger Ltd United States	 Smith International Inc United States	Machinery	12,224	21 Feb 2010

Aggregate Value of North American Deals

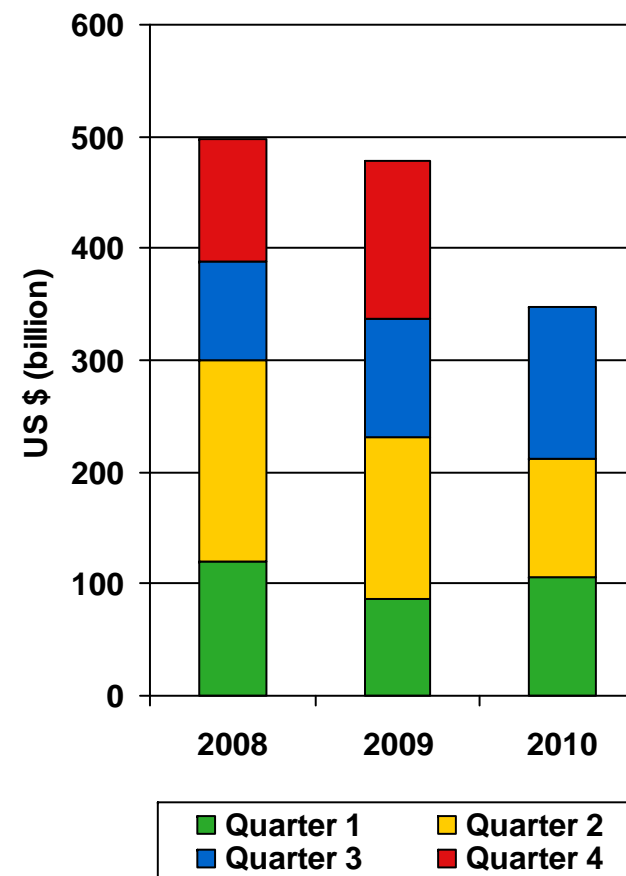


* Deal location determined by location of target; company nationality determined by location of headquarters

Top 10 Asian* Deals Announced in Last 12 Months

Acquirer*	Target*	Target Industry	Value of Deal (US\$mil)	Date Announced
Chimei Innolux Corp <i>Taiwan</i>	Chi Mei Optoelectronics Corp <i>Taiwan</i>	Electronic and Electrical Equipment	11,660	14 Nov 2009
Chuo Mitsui Trust Holdings Inc  <i>Japan</i>	Sumitomo Trust & Bkg Co Ltd  <i>Japan</i>	Commercial Banks, Bank Holding Companies	9,149	6 Nov 2009
Newcrest Mining Ltd  <i>Australia</i>	Lihir Gold Ltd  <i>Papua New Guinea</i>	Mining	8,578	1 Apr 2010
Telstra Corp Ltd – Wholesale  <i>Australia</i>	Australia  <i>Australia</i>	Telecom	7,933	20 June 2010
Japan  <i>Japan</i>	Japan Airlines Corp  <i>Japan</i>	Air Transportati on and Shipping	7,002	19 Jan 2010
Volcan Investments Ltd  <i>United Kingdom</i>	Cairn India Ltd  <i>India</i>	Oil and Gas; Petroleum Refining	6,596	12 Aug 2010
China Mobile  <i>China</i>	Shanghai Pudong Dvlp Bk  <i>China</i>	Commercial Banks, Bank Holding Companies	5,831	5 Mar 2010
Resona Holdings Inc  <i>Japan</i>	Resona Holdings Inc  <i>Japan</i>	Commercial Banks, Bank Holding Companies	5,040	26 Aug 2010
Panasonic Corp  <i>Japan</i>	Sanyo Electric Co Ltd  <i>Japan</i>	Electronic and Electrical Equipment	4,860	29 Sep 2010
Prudential Financial Inc  <i>United States</i>	AIG Star Life Insurance Co Ltd  <i>Japan</i>	Insurance	4,800	30 Sep 2010

Aggregate Value of Asian Deals

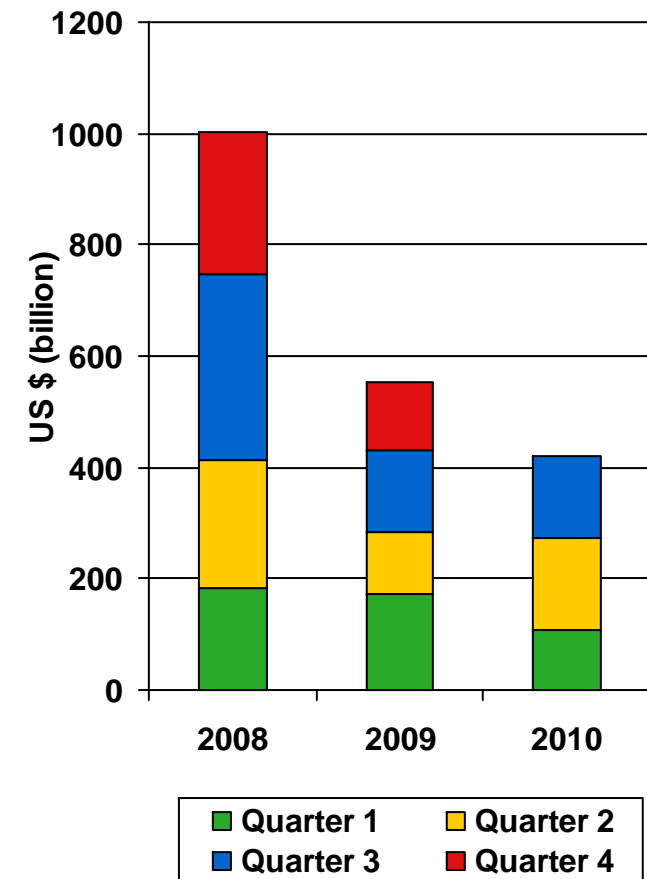


* Deal location determined by location of target; company nationality determined by location of headquarters

Top 10 European* Deals Announced in Last 12 Months

Acquirer*	Target*	Target Industry	Value of Deal (US\$mil)	Date Announced
News Corp  United States	British Sky Broadcasting Group PLC  United Kingdom	Radio and Television Broadcasting Stations	13,730	15 June 2010
Novartis AG  Switzerland	Alcon Inc  Switzerland	Measuring, Medical, Photo Equipment;	11,120	4 Jan 2010
Polyus Zoloto  Russian Fed	Polyus Zoloto  Russian Fed	Mining	10,261	30 Jun 2010
Investor Group  Hong Kong	EDF Energy-UK Power Distn Bus  United Kingdom	Electric, Gas and Water Distribution	9,056	30 Jul 2010
Caja Madrid  Spain	Bancaja SA  Spain	Commercial Banks, Bank Holding Companies	8,140	14 June 2010
RSA Insurance Group PLC  United Kingdom	Aviva PLC-Insurance Business  United Kingdom	Insurance	7,788	16 Aug 2010
Investor Group  France	Areva T&D SAS  France	Electric, Gas and Water Distribution	5,769	20 Jan 2010
Vimpelkom  Russian Fed	ZAO Kyivstar GSM  Ukraine	Telecom	5,589	5 Oct 2009
NK LUKOIL  Russian Fed	NK LUKOIL  Russian Fed	Oil and Gas; Petroleum Refining	5,525	28 Jul 2010
Kingdom of Spain  Spain	Caja Madrid  Spain	Commercial Banks, Bank Holding Companies	5,478	22 June 2010

Aggregate Value of European Deals

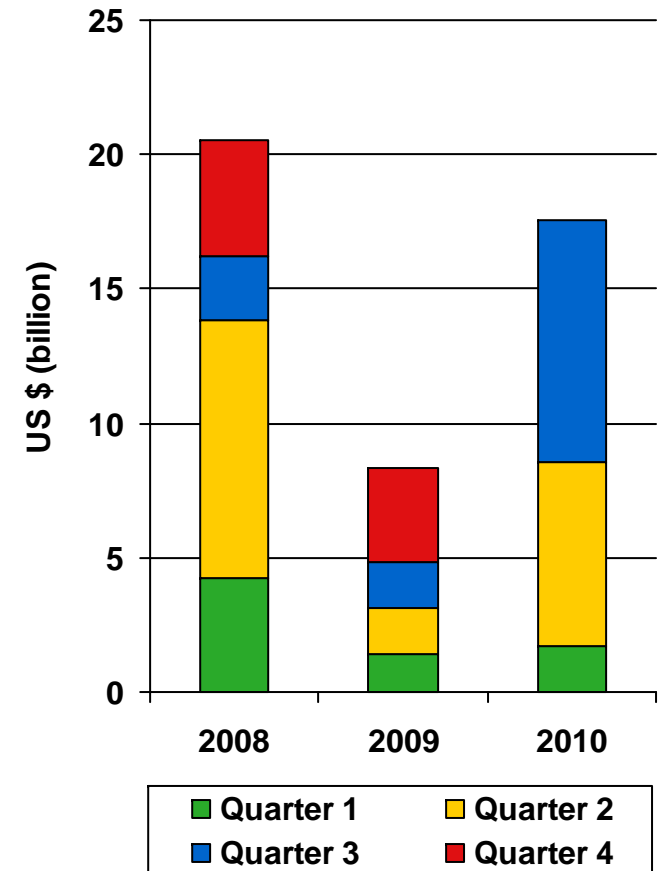


* Deal location determined by location of target; company nationality determined by location of headquarters

Top 10 Inbound Indian Deals Announced in Last 12 Months

Acquirer*	Target*	Target Industry	Value of Deal (US\$mil)	Date Announced
Volcan Investments Ltd  <i>United Kingdom</i>	Cairn India Ltd  <i>India</i>	Oil and Gas; Petroleum Refining	6,596	12 Aug 2010
Abbott Laboratories  <i>United States</i>	Piramal Healthcare Ltd  <i>India</i>	Pharma	3,720	21 May 2010
JFE Holdings Inc.  <i>Japan</i>	JSW Steel Ltd  <i>India</i>	Metal and Metal Products	1,029	27 Jul 2010
ABB Ltd  <i>Switzerland</i>	ABB Ltd  <i>India</i>	Electronic and Electrical Equipment	960	17 May 2010
Singapore  <i>Singapore</i>	Bharti Telecom Infrastructure  <i>India</i>	Communications Equipment	641	30 Oct 2009
Russia  <i>Russian Fed</i>	SSTL  <i>India</i>	Telecommunications	600	16 Nov 2009
American Tower Corp  <i>United States</i>	Essar Telecom Infrastructure  <i>India</i>	Telecommunications	432	24 Feb 2010
Hospira Inc  <i>United States</i>	Orchid Chem-Injectable  <i>India</i>	Drugs	400	15 Dec 2009
Macquarie Group Ltd  <i>Australia</i>	Viom Networks Ltd  <i>India</i>	Telecommunications	306	11 Aug 2010
Alstom Securities Act  <i>France</i>	Areva T&D India Ltd  <i>India</i>	Electronic and Electrical Equipment	305	28 May 2010

Aggregate Value of Inbound Indian Deals

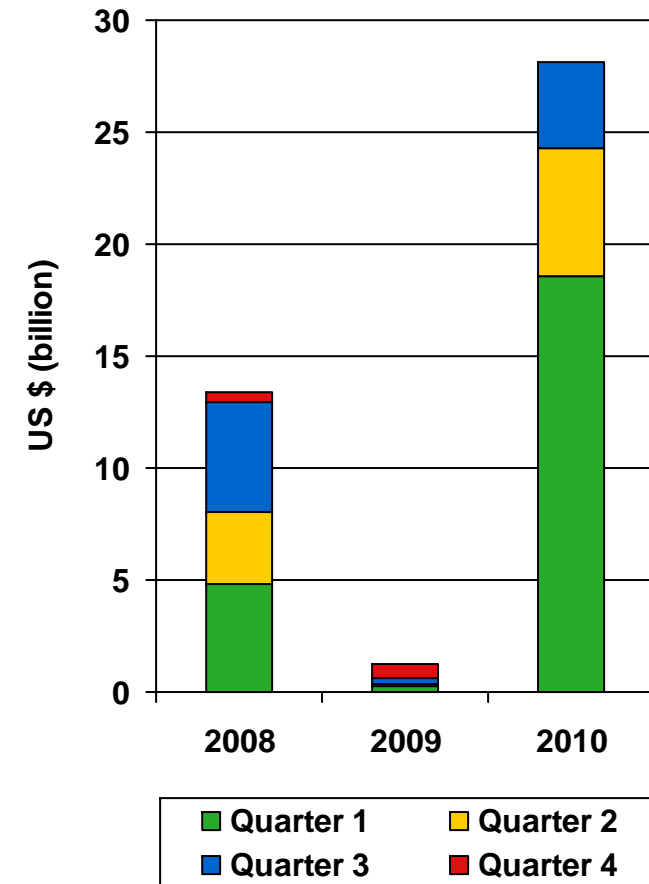


* Company nationality determined by location of headquarters

Top 10 Outbound Indian Deals Announced in Last 12 Months

Acquirer*	Target*	Target Industry	Value of Deal (US\$mil)	Date Announced
Bharti Airtel Ltd  India	Zain Africa BV  Nigeria	Telecom	10,700	14 Feb 2010
Investor Group  India	Republic of Venezuela-Carabobo  Venezuela	Oil and Gas; Petroleum Refining	4,848	10 Feb 2010
Adani Enterprises Ltd  India	Linc Energy-Galilee Basin Coal  Australia	Mining	2,740	3 Aug 2010
Reliance Industries Ltd  India	Atlas Energy Inc-Marcellus  United States	Oil and Gas; Petroleum Refining	1,700	9 Apr 2010
Hinduja Group  India	KBL European Private Bankers  Luxembourg	Commercial Banks, Bank Holding Companies	1,684	21 May 2010
Reliance Industries Ltd  India	Pioneer, Newpek-Eagle Ford  United States	Oil and Gas; Petroleum Refining	1,145	24 Jun 2010
Fortis Healthcare Holdings Ltd  India	Parkway Holdings Ltd  Singapore	Health Services	685	11 Mar 2010
Essar Group  India	Trinity Coal Corp  United States	Mining	600	5 Mar 2010
Jindal Steel & Power Ltd  India	Shadeed Iron & Steel Co LLC  Oman	Metal and Metal Products	464	20 May 2010
Reliance Industries Ltd  India	Marcellus Shale Natural Gas  United States	Oil and Gas; Petroleum Refining	392	5 Aug 2010

Aggregate Value of Outbound Indian Deals



* Company nationality determined by location of headquarters