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# *Forging ahead*
# First-quarter 2012 global metals industry mergers and acquisitions analysis

pwc

**Robert McCutcheon**

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Welcome to the latest edition of *Forging ahead*, PwC's analysis of mergers and acquisitions in the global metals industry. In this report, you'll find an overview of M&A in the sector during the first quarter of 2012, plus expectations for deal activity in the near future.

PwC analysts are looking to several trends expected to affect the values and locations of deals in the metals sector:

- Deal value increased substantially during the first quarter of 2012 in the wake of increased activity for mega-deals, valued at $1 billion or more. Mega-deals comprised more than 68% of the total for all deals valued at $50 million or more. The increase occurred despite the general decline in commodity prices. Deal volume was consistent with the latter half of 2011.

- Divestitures represented more than 58% of activity, and internal reorganizations increased. These trends indicate the importance of trimming nonperforming assets to boost earnings, as metals companies right-size and increase shareholder returns.

- Six mega-deals (totaling $7.36 billion) were announced. Two of them, Sterlite and Baoshan, indicated that more companies are utilizing M&A activity for listed subsidiaries to shift underperforming assets (and sometimes debt) to their unlisted parents.

- Asia and Oceania drove overall regional deal value, a trend expected to continue throughout 2012. Europe drove outbound deals, a resurgence pointing to increased backward integration as metals producers seek affordable access to raw materials amid volatile commodity prices.

Metals prices could remain volatile, given changing global demand and high energy prices. M&A totals could grow in the rest of 2012 despite these trends, driven by strategic cash levels and the desire to restructure metal industries in several emerging markets.

We're pleased to present the first-quarter 2012 edition of *Forging ahead* as a part of our ongoing commitment to providing a better understanding of M&A trends and prospects in the industry.

Robert McCutcheon
US Metals Leader

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# *Perspective:*
# Thoughts on deal activity in the first quarter of 2012

For the first quarter of 2012, the number of deals remained fairly consistent with the latter half of 2011. Deal value, on the other hand, increased substantially in the wake of greater mega-deal activity. This increase in deal value occurred despite the general decline in commodity prices that has occurred over the past several months.

During the past year, balance sheets have remained strong. We have seen an increase in cash balances, while debt-to-equity levels have declined 90 basis points from a year ago to 10%. This indicates that potential acquirers are becoming better capitalized over the long term, which bodes well for future deals.

The first quarter also saw a significant increase in the number of deals identified as divestitures, which were responsible for more than 58% of activity. Internal reorganizations increased as well. Both trends indicate the importance of trimming nonperforming assets to boost earnings. And we'll likely see more of these types of deals as metals companies attempt to right-size and increase shareholder returns.

Six mega-deals (deals valued at $1 billion or more) were announced in the first quarter. Worth $7.36 billion, these six deals were a key driver of deal value this quarter, comprising more than 68% of the total for all deals valued at $50 million or more.

Two of these deals, Sterlite and Baoshan, were examples of a growing trend for companies to use merger and acquisition activity as a means for listed subsidiaries to shift underperforming assets (and sometimes debt) to their unlisted parents. Our expectation is that more producers will use this type of activity to improve profitability and/or their capital structure, particularly in emerging economies.

Two other first-quarter mega-deals were examples of backward integration, as producers sought secure supplies of raw materials in the wake of volatile commodity prices. This trend will likely continue as well, as producers seek to minimize—to the extent possible—input costs so they can compete successfully in a volatile market.

On a regional basis, Asia and Oceania are driving local deal value and volume this year, with 22 deals valued at $9.9 billion in the first quarter. The majority of these deals were based in China (12 deals). We expect that this region will continue to drive local deal activity in 2012, as China makes progress in consolidating its domestic metals industry.

Europe, on the other hand, was the primary driver for outbound deals in the first quarter, with three deals valued at $2.3 billion. The resurgence of activity in this region is indicative of the recent trend toward backward integration as metals producers seek affordable access to raw materials amid volatile commodity prices.

Despite the gains in the deal environment this quarter, the outlook for the near term remains uncertain. According to the World Steel Association, global steel production is expected to grow by only 6% in 2012, down from 7.5% in 2011. The majority of demand growth is expected to occur in developing economies, such as China and India.

In the near term, production is expected to continue to decelerate to match supply with the slower growth in demand. This could hinder further deal activity, as companies look to eliminate underperforming assets and take high-cost facilities offline in an effort to improve margins in the face of declining demand. For example, ArcellorMittal has shuttered five of its 25 European steel plants in an effort to align production with demand. Also, overcapacity remains a concern, as capacity continues to come online from developing and emerging economies.

Prices for base metals also are generally expected to decline in 2012. Metals prices have been volatile and are expected to remain so, at least in the near term, given changing global demand and high energy prices. These issues may cause investors to postpone deals as they wait for conditions to improve.

Still, M&A totals may grow over the rest of 2012, driven by strategic cash levels and the desire to restructure metals industries in several emerging markets. However, there are risks looming in this outlook. Risks include weaker commodity prices, China's deceleration, and sluggish growth in many developed economies.

# Commentary

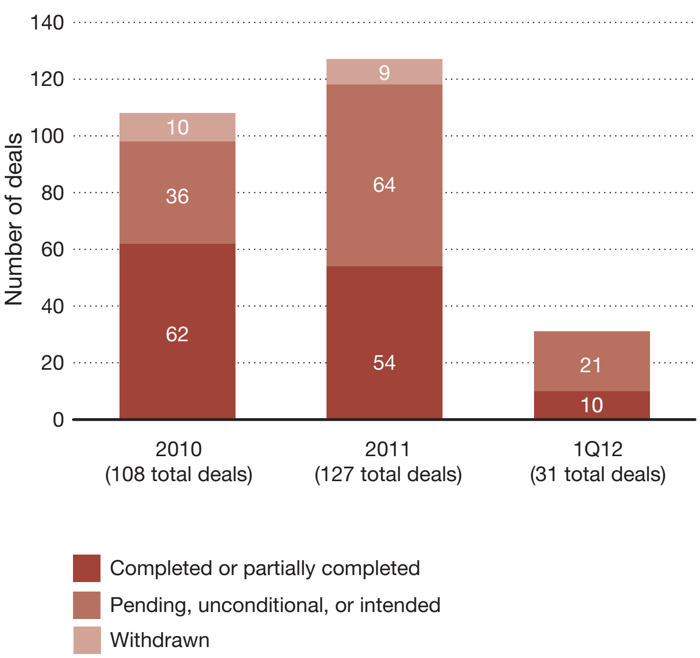
**Quarterly metals deal activity**

Measured by number and value of deals worth $50 million or more (2Q09—1Q12)

| | 2009 | | | 2010 | | | | 2011 | | | | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q |
| Number of deals | 17 | 24 | 38 | 25 | 24 | 34 | 25 | 28 | 41 | 25 | 33 | 31 |
| Total deal value ($ billions) | 63.1 | 7.5 | 10.6 | 7.5 | 18.0 | 56.9 | 13.8 | 23.9 | 8.9 | 9.7 | 15.0 | 18.0 |
| Average deal value ($ billions) | 3.7 | 0.3 | 0.3 | 0.3 | 0.7 | 1.7 | 0.6 | 0.9 | 0.2 | 0.4 | 0.5 | 0.6 |

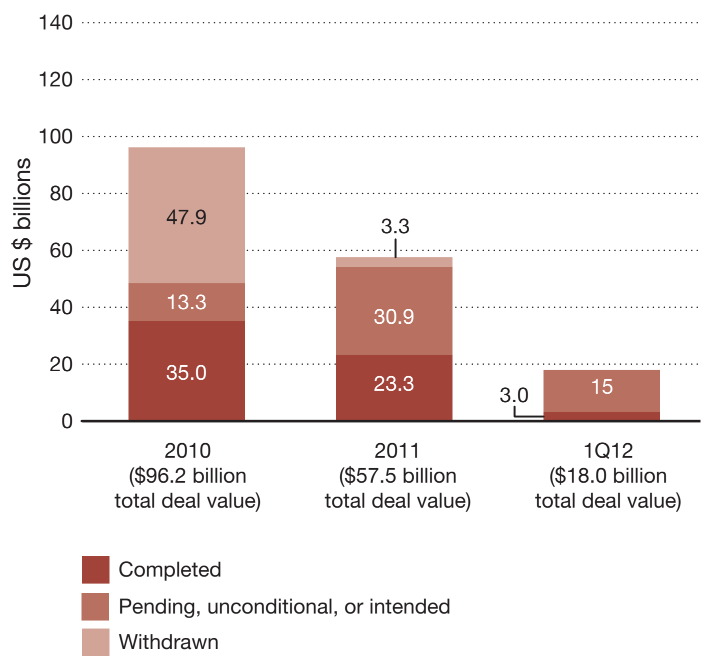
**Deal activity by number of deals**

Measured by announced deals worth $50 million or more

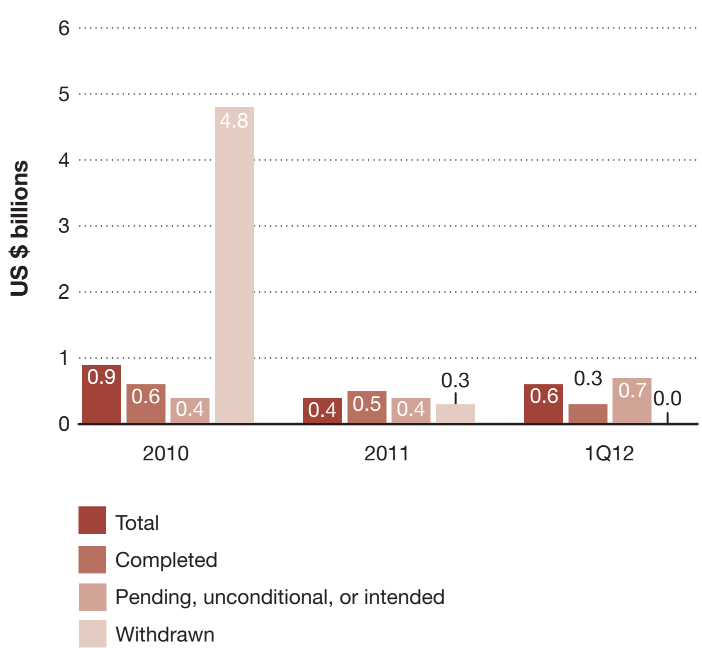



**Deal activity by total deal value**

Measured by value of announced deals worth $50 million or more



**Deal activity by average deal value**
Measured by value of announced deals worth $50 million or more



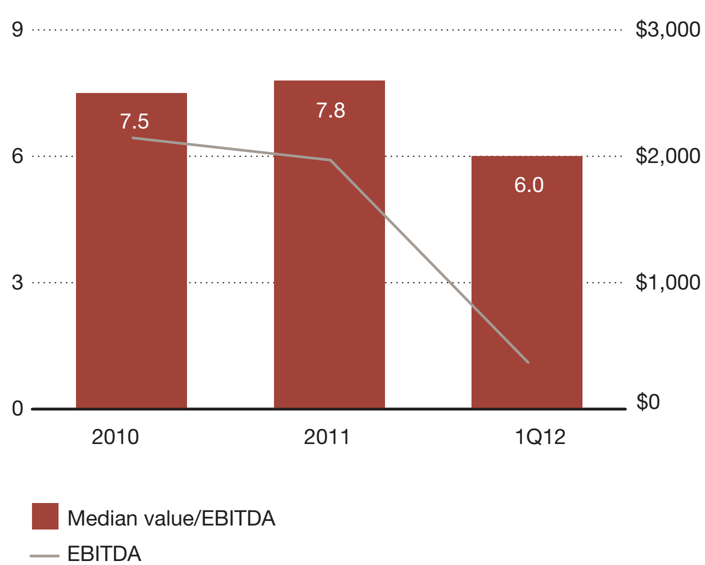

## *Average deal value increases 27.8% in first quarter*

For the first quarter, the volume of deals remained fairly constant, similar to what we saw in 2011. However, deal value increased substantially over the fourth quarter because of a flurry of mega-deals. This resulted in an increase in average deal size for the quarter.

And this value increase came despite a general decline in commodity prices in most of the second half of 2011.

It is likely that increasing cash balances and a need to put this money to work are motivating factors for acquirers. As highlighted in the annual report, we forecast moderate improvement in the metals deal environment, provided that the economic recovery continues.

**Deal valuation by median value/EBITDA**
Measured by value/EBITDA for deals worth $50 million or more in which target EBITDA was available




## *Median value/EBITDA declines substantially*

Similar to the increase in total deal value in the first quarter over the fourth quarter of 2011, the improvement in average deal value reflects the announcement of the six mega-deals. One point that should be noted is the high average value for withdrawn deals in 2010. This outlier is the result of the $39.8 billion BHP-Billiton hostile takeover of Potash Corporation. Absent this deal, which was withdrawn after opposition from the Canadian government under the Investment Canada Act, we would see an average value for 2010 more in line with what we have seen in 2011 and the first quarter of 2012.

Despite an increase in average deal values, EBITDA multiples, as measured by median value to EBITDA, declined this quarter. One reason for this decline is likely related to the increase in internal restructurings, many involving listed subsidiaries trying to sell underperforming businesses to their unlisted parents. The goal of these sales is to improve the financial performance of the sellers.

Multiples were low because of the distressed/unprofitable nature of some of these businesses.

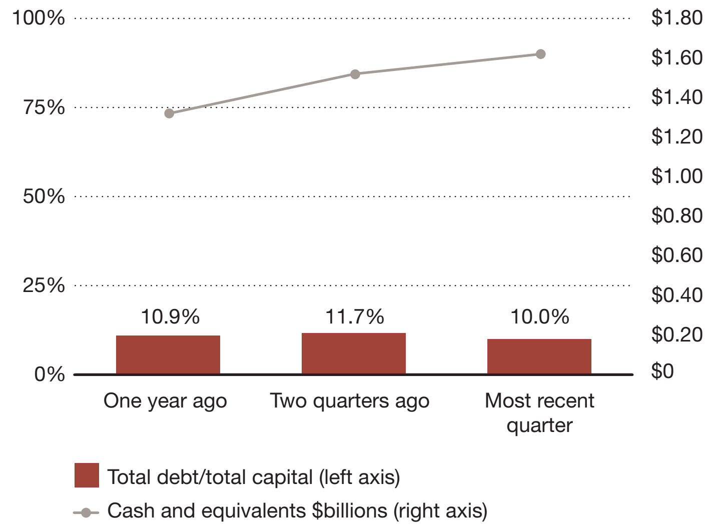
## *Divestitures and restructurings increase dramatically as companies right-size*

An analysis of the top 50 publicly traded global competitors reveals that these companies have increased their cash balances over the past year. During the same period, debt to capital has declined 90 basis points, indicating that potential metals acquirers are becoming financially stronger over the long term.

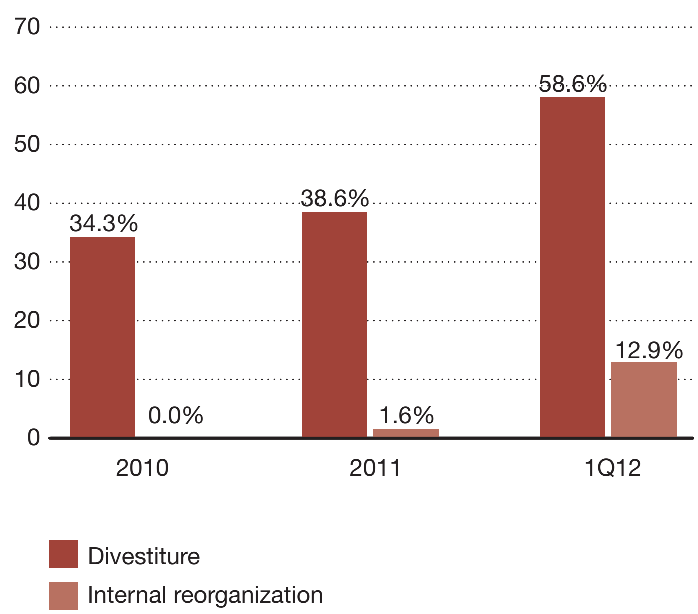
This quarter saw a substantial increase in divestitures. Companies divest for a number of reasons, such as to eliminate underperforming units, to raise capital for further expansion or growth, or to eliminate noncore assets in an effort to focus on more profitable operations. In addition to the increase in divestitures, the environment also saw an increase in internal reorganizations over the past two years. Many of these are the result of subsidiaries selling unprofitable businesses as they try to improve margins.

These types of activities are increasingly common, particularly in China, where state-owned businesses may have resources unavailable to their privately owned subsidiaries and less profit motive than listed companies. This quarter's Baoshan Iron and Steel and Sterlite Industries deals are examples of reorganizations. In effect, these companies are utilizing mergers and acquisitions activity in an attempt to revitalize their subsidiaries.

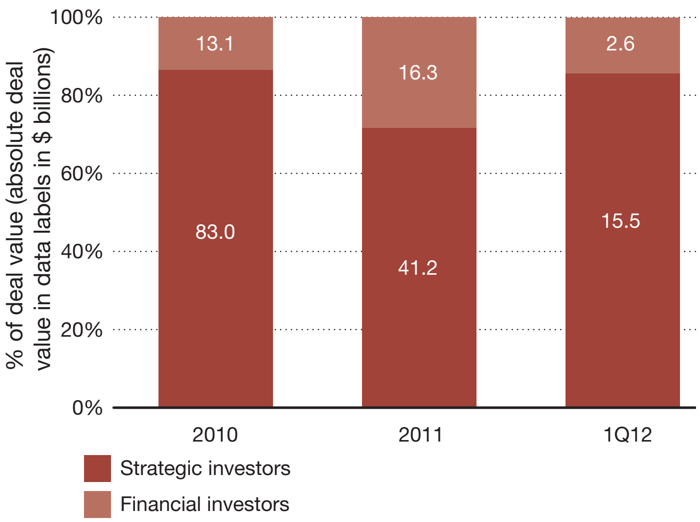
**Financial leverage**
Measured by average of top 50 global public competitors




**Aquisition characteristics**
Measured by percentage of deals worth $50 million or more (2010, 2011, 1Q12)



**Deals by investor group**
Measured by percentage of deals worth $50 million or more (2010, 2011, 1Q12)




## *Strategic investors make greater percentage of acquisitions*

In the first quarter, while financial investments decreased, strategic investments appeared to be strong. And current trends indicate that we may see an increase in the size and/or volume of these deals as metals companies look for additional synergies and cost savings opportunities. Strategic investors generally have longer investment horizons, so this also supports their relatively high involvement compared with financial investors.

Upstream assets will continue to appeal to strategic acquirers for a number of reasons. For example, strategic acquirers see upstream acquisitions as a way to gain control over input costs and to ensure a stable, adequate supply of raw materials.

| Mega-deals in 2010 (value of $1 billion or more) | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Month announced** | **Target name** | **Target nation** | **Acquirer name** | **Acquirer nation** | **Status** | **Value of transaction in US$ bil.** | **Category** |
| May | Vale SA-Aluminum Operations | Brazil | Norsk Hydro ASA | Norway | Completed | 4.95 | Other |
| Sep | Malagasy Chromium Resources Co Ltd | Madagascar | Max Dynasty Ltd | Hong Kong | Withdrawn | 3.52 | Other |
| Jul | Arcelor Mittal NV—Stainless Division | Luxembourg | Shareholders | Luxembourg | Completed | 3.18 | Other |
| Oct | CommScope Inc | United States | The Carlyle Group LLC | United States | Completed | 3.02 | Other |
| Apr | BSG Resources Guinea Ltd | Guernsey | Vale SA | Brazil | Completed | 2.50 | Steel |
| Jun | Hangang Hanbao Iron & Steel Co Ltd | China | Hebei Iron & Steel Co Ltd | China | Pending | 2.35 | Steel |
| Jun | Mineracao Usiminas SA | Brazil | Sumitomo Corp | Japan | Completed | 1.93 | Iron ore |
| Dec | Anshan Iron&Steel Group Corp—Assets | China | Pangang Group Steel Vanadium & Titanium Co Ltd | China | Completed | 1.73 | Steel |
| Jun | Gerdau Ameristeel Corp | Canada | Gerdau Steel North America Inc | Canada | Completed | 1.61 | Steel |
| Nov | Draka Holding NV | Netherlands | Tianjin Xinmao Science & Technology Co Ltd | China | Withdrawn | 1.37 | Steel |
| Mar | Rio Tinto PLC-Simandou Iron Ore Project | Guinea | Aluminum Corp of China {Chinalco} | China | Pending | 1.35 | Other |
| Aug | ArcelorMittal South Africa Operations (Pty) Ltd | South Africa | Lexshell 771 Investments (Pty) Ltd | South Africa | Pending | 1.26 | Iron ore |
| Nov | Draka Holding NV | Netherlands | Prysmian SpA | Italy | Completed | 1.26 | Steel |
| Mar | Itaminas Comercio de Minerios SA | Brazil | East China Mineral Exploration & Development Bureau | China | Pending | 1.22 | Other |
| Feb | Lai Wu Steel Corp | China | Jinan Iron & Steel Co Ltd | China | Completed | 1.20 | Other |
| Jul | Paranapanema SA | Brazil | Vale SA | Brazil | Withdrawn | 1.14 | Other |
| Jul | JSW Steel Ltd | India | JFE Steel Corp | Japan | Completed | 1.03 | Steel |
| Oct | Draka Holding NV | Netherlands | Nexans SA | France | Withdrawn | 1.02 | Other |

**Mega-deals in 2011 (value of $1 billion or more)**

| Month announced | Target name | Target nation | Acquirer name | Acquirer nation | Status | Value of transaction in US$ bil. | Category |
|---|---|---|---|---|---|---|---|
| Feb | Sumitomo Metal Industries Ltd | Japan | Nippon Steel Corp | Japan | Pending | 9.43 | Steel |
| Jan | Consolidated Thompson Iron Mines Ltd | Canada | Cliffs Natural Resources Inc | United States | Completed | 4.36 | Iron ore |
| Nov | Hebei Shougang Qian'an Iron & Steel Co Ltd | China | Beijing Shougang Co Ltd | China | Pending | 2.92 | Steel |
| Nov | Usinas Siderurgicas de Minas Gerais SA {Usiminas} | Brazil | Investor Group | Argentina | Completed | 2.82 | Steel |
| Jan | Elkem AS | Norway | China National Bluestar (Group) Co Ltd | China | Completed | 2.18 | Aluminum |
| Mar | Cia Brasileira de Metalurgia e Mineracao{CBMM} | Brazil | Investor Group | Japan | Pending | 1.95 | Other |
| Sep | Cia Brasileira de Metalurgia e Mineracao {CBMM} | Brazil | China Niobium Investment Holding Co | China | Completed | 1.95 | Other |
| Nov | Commercial Metals Co | United States | Icahn Enterprises LP | United States | Withdrawn | 1.56 | Steel |
| Jul | Sundance Resources Ltd | Australia | Hanlong Mining Investment Pty Ltd | Australia | Pending | 1.27 | Iron ore |
| Mar | Severstal North America Warren Wheeling Ops | United States | The Renco Group Inc | United States | Completed | 1.19 | Steel |

**Mega-deals in 1Q12 (value of $1 billion or more)**

| Month announced | Target name | Target nation | Acquirer name | Acquirer nation | Status | Value of transaction in US$ bil. | Category |
|---|---|---|---|---|---|---|---|
| Feb | Sterlite Industries (India) Ltd | India | Sesa Goa Ltd | India | Pending | 3.91 | Other |
| Jan | ThyssenKrupp AG-Inoxum Stainless Business Area | Germany | Outokumpu Oyj | Finland | Pending | 3.53 | Steel |
| Jan | Roy Hill Holdings Pty Ltd | Australia | POSCO Co Ltd | South Korea | Pending | 1.56 | Iron ore |
| Jan | First Quantum Minerals Ltd—Residual Assets & Claims | Dem Rep Congo | Eurasian Natural Resources Corp PLC | United Kingdom | Completed | 1.25 | Iron ore |
| Mar | Eramet SA | France | Fonds Strategique d'Investissement SA | France | Pending | 1.03 | Other |
| Feb | Baoshan Iron&Steel Co Ltd—Stainless Steel Business | China | Shanghai Baoshan Iron&Steel Stainless Steel Co Ltd | China | Pending | 1.02 | Steel |

## *Restructurings help drive first-quarter growth*

Following on the three mega-deals (deals valued at $1 billion or more) announced in the fourth quarter, six mega-deals kicked off this year's activity in the first quarter. With a combined value of almost $12.3 billion, these deals comprised more than 68% of the value for deals of $50 million or more.

In the largest deal this quarter, Sesa Goa Ltd., a 55.1%-owned unit of Vendanta Resources, agreed in February to merge with Sterlite Industries Ltd., an India-based manufacturer of nonferrous metal products. The all-stock deal is valued at $3.9 billion. The deal was structured as a means to allow parent Vedanta to improve its debt profile, as the loans taken to buy Cairn, a previous acquisition, will be transferred to Sesa Sterlite. This deal is an example of a recent trend to improve the bottom line of interrelated organizations through the transfer of underperforming units.

In January, stainless steel producer Outokumpu Oyj of Finland agreed to acquire the Inoxum stainless business of ThyssenKrupp AG, a Dusseldorf, Germany-based manufacturer and wholesaler of steel and automotive parts, for $3.5 billion. The takeover is expected to help Outokumpu Oyj better compete with low-cost producers from Asia and boost capacity utilization.

In January, it was announced that a consortium, which includes South Korean steelmaker POSCO, will buy 30% of the Roy Hill iron ore project in Australia from Hancock Prospecting for $1.5 billion. The investment will provide the consortium with 16.5 million tons of iron ore per year from the mine.

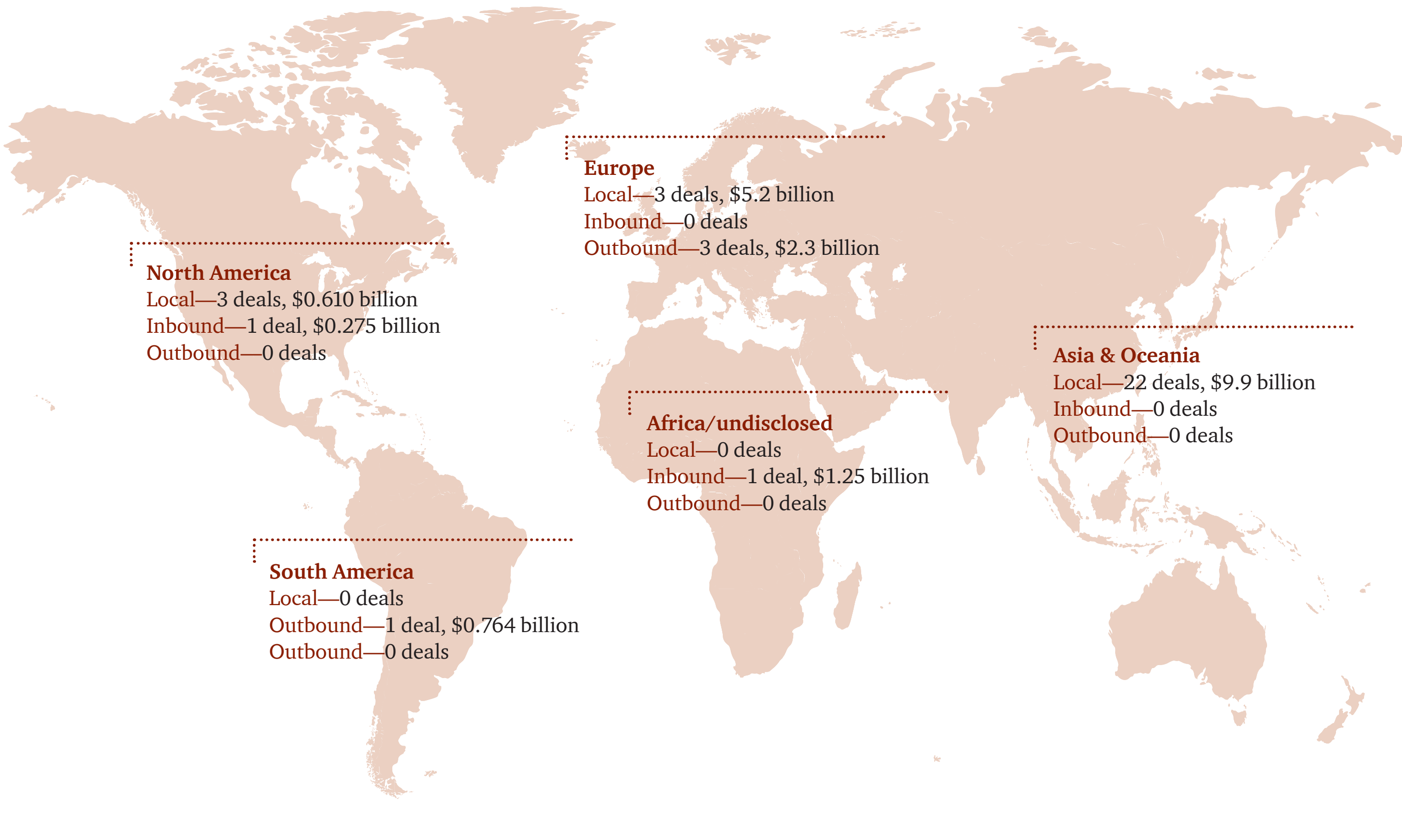
Also in January, Eurasian Natural Resources Corp. of the United Kingdom acquired the assets of the Kolwezi Tailings project, the Frontier and Lonshi mines and related exploration interests, all located in the Katanga Province of the Democratic Republic of Congo, for $1.25 billion. The seller was First Quantum Minerals Ltd., a Perth, Australia-based mineral exploration, development, and mining company.

These last two January deals are examples of backward integration, which is becoming more common as metals companies seek access to raw materials at a lower cost.

In March, French state-controlled nuclear engineering firm Areva SA announced the sale of its stake in nickel producer Eramet SA to state-owned strategic investment fund Fonds Strategique d'Investissement (FSI), for $1.03 billion. The closing of this deal will contribute to the funding of Areva's strategic and safety-related investment programs, according to Areva chief executive Luc Oursel. The French government views the Eramet stake as strategic because of the company's strong presence in the French Pacific island group of New Caledonia.

In the last of the mega-deals, in February, China-based Baoshan Iron and Steel Company announced that it will sell its unprofitable stainless steel and specialty steel assets to parent Baosteel Group. Baoshan said the transaction would cut its annual steel production to about 22 million tons from 26 million tons and after this deal, it would focus on building its carbon steel business. Again, this is an example of restructuring publicly listed subsidiaries in an emerging market by selling less profitable assets to the unlisted parent to boost the listed subsidiaries' profitability or to realign capital structure.

**Global metals M&A activity**
Measured by number and value of deals worth $50 million or more (1Q12)




## *Europe leads in outbound volume and value while China claims most deals*

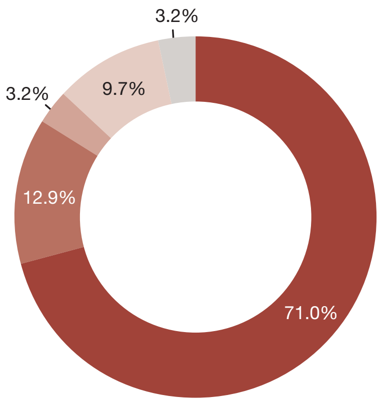
The Asia and Oceania region saw the highest overall deal value in the first quarter, with a total of 22 local deals valued at $9.9 billion. This supports our previous forecast that Asia and Oceania would continue to drive local deal value. It is not surprising that China-based deals were the primary driver of activity in Asia and Oceania (12 of the 22 deals) given the emphasis that the Chinese government has put on steel company consolidation in its most recent Five Year Plan.

Australia and India also saw high levels of activity this quarter, with three deals each. Australia's metals sector is especially important to the global industry, while India is rapidly becoming a major contributor to the global steel industry. It should also be noted that Asian emerging markets are relatively fragmented, which can contribute to consolidation within this region.

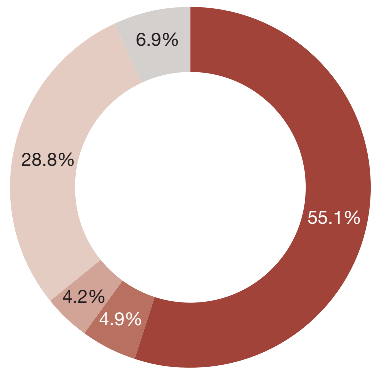
Europe, on the other hand, was the primary driver for outbound deals in the first quarter, with three deals valued at $2.3 billion. These included the recent mega-deal acquisition of Democratic Republic of Congo-based assets of First Quantum Minerals by Eurasian Natural Resources Corp. of the United Kingdom for $1.25 billion. One driver of this activity may be a desire by European metals companies to gain access to both inputs and lower-cost production facilities in developing regions of the world such as Africa and South America.

Of note in Europe, US Steel sold its unprofitable operations in Serbia in January. The sale to the Serbian government was for the nominal price of $1. The divestiture allowed US Steel to cut its exposure to a tough European steel market. US Steel was facing stiff competition from low-cost exports for the lower-grade steel produced by the Serbian mill, which it had purchased in 2003 for $33 million. At the same time, the sale allows the Serbian government to retain 5,500 jobs in the face of elections and a 24% unemployment rate.

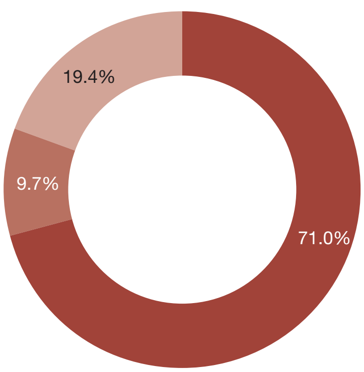
**Regional distribution of deals by target region**
Measured by number of deals worth $50 million or more (1Q12)



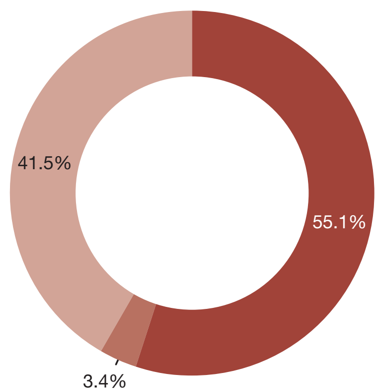

**Regional distribution of deals by target region***
Measured by value of deals worth $50 million or more (1Q12)




**Regional distribution of deals by acquirer region***
Measured by number of deals worth $50 million or more (1Q12)



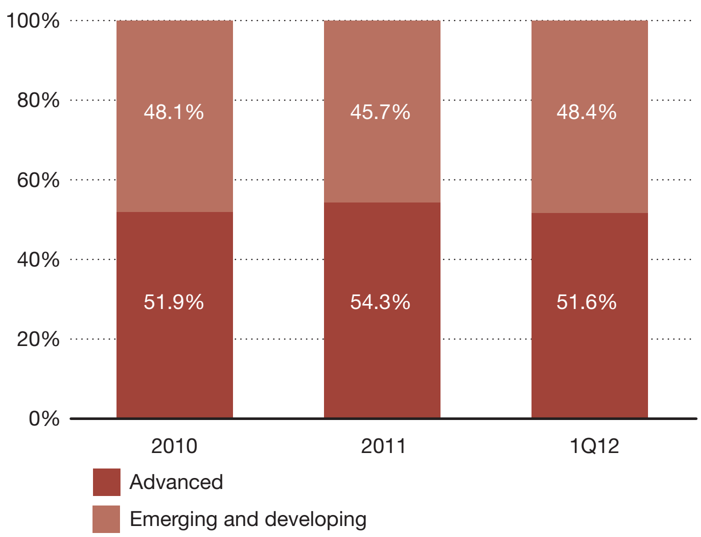

**Regional distribution of deals by acquirer region**
Measured by value of deals worth $50 million or more (1Q12)




North America | Asia & Oceania | UK & Eurozone | Europe ex-UK & Eurozone | South America | Africa/undisclosed

*Sum of quarterly percentages may not equal 100 because of rounding.

**Acquirers from advanced versus emerging and developing economies**
Measured by number of deals worth $50 million or more




## *Acquirers from advanced economies claim most M&A in first quarter*

In the first quarter, acquirers from advanced economies once again drove the majority of deals valued at $50 million or more, with 51.6%. But their percentage of deals declined from 2011, when these nations were responsible for 54.3% of deals.

The largest contributors to deal activity of the advanced economies were the United States and South Korea, with three deals each. China was a driver of deals from emerging nations, with 12 deals.

## *Steel continues to drive deal value*

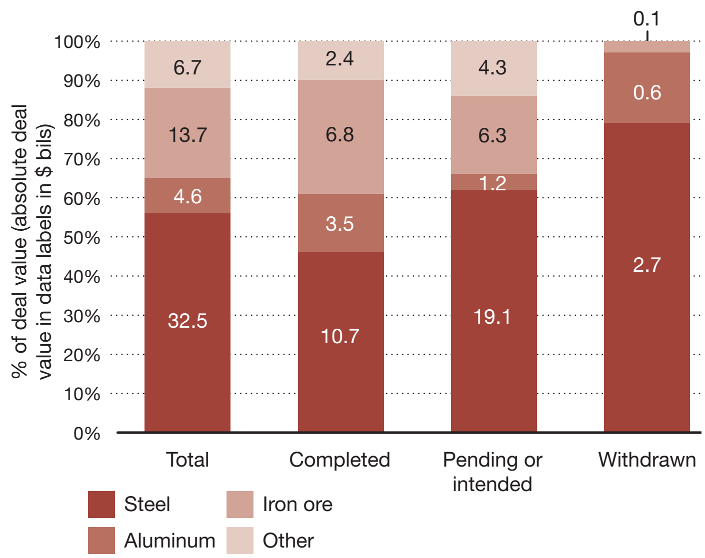
PwC segments the metals sector into four categories by comparing standard industrial classification (SIC) codes to our internal classification system. Based on this process, we group deals (measured by number) into four product segments:

- Steel
- Aluminum
- Iron ore
- Other

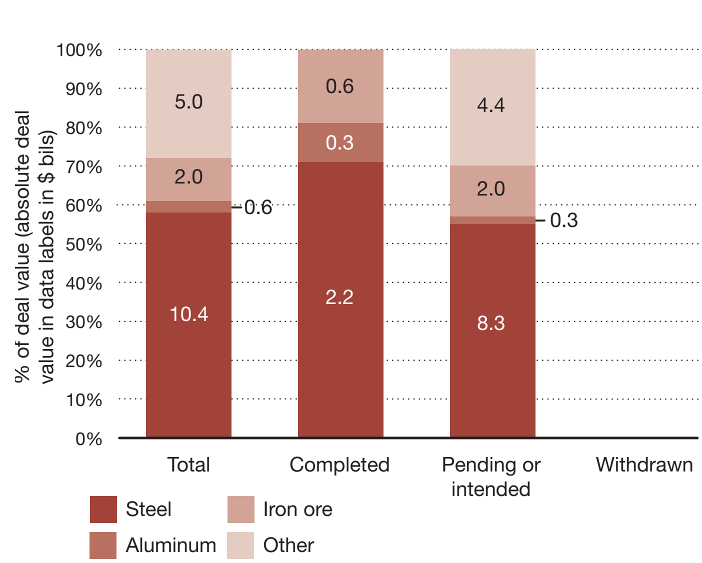
During the first quarter of 2012, targets classified as steel manufacturers continued to drive activity in the metals deal environment. There are a number of reasons for this, including the relative size of the steel industry compared with the other segments; the increasing consolidation efforts of steelmakers, particularly in China and India; and the need for steelmakers to derive economies of scale and other synergies to remain competitive.

This quarter's activity among steelmakers was driven by four mega-deals, valued at more than $6.8 billion. The emphasis on deals involving steel manufacturers makes sense: Steel is a more fragmented part of the metals sector, and therefore it is likely to see more consolidation, and create economies of scale for market expansion and cost cutting.

**Deals by target metal category**
Measured by value of deals worth $50 million or more (2011)




**Deals by target metal category***
Measured by value of deals worth $50 million or more (1Q12)




*Sum of deals completed, pending or intended may not equal the total due to rounding

# PwC's metals experience

## Deep metals experience

PwC continues to have the leading Fortune Global 500 market share in the metals industry. Our Metals practice serves ferrous and nonferrous primary and secondary metals producers through a network of more than 1,000 professionals strategically located around the world. Central to the successful delivery of our services is an in-depth understanding of today's industry issues, in addition to our wealth of specialized resources and "best practices" that help in solving complex business challenges.

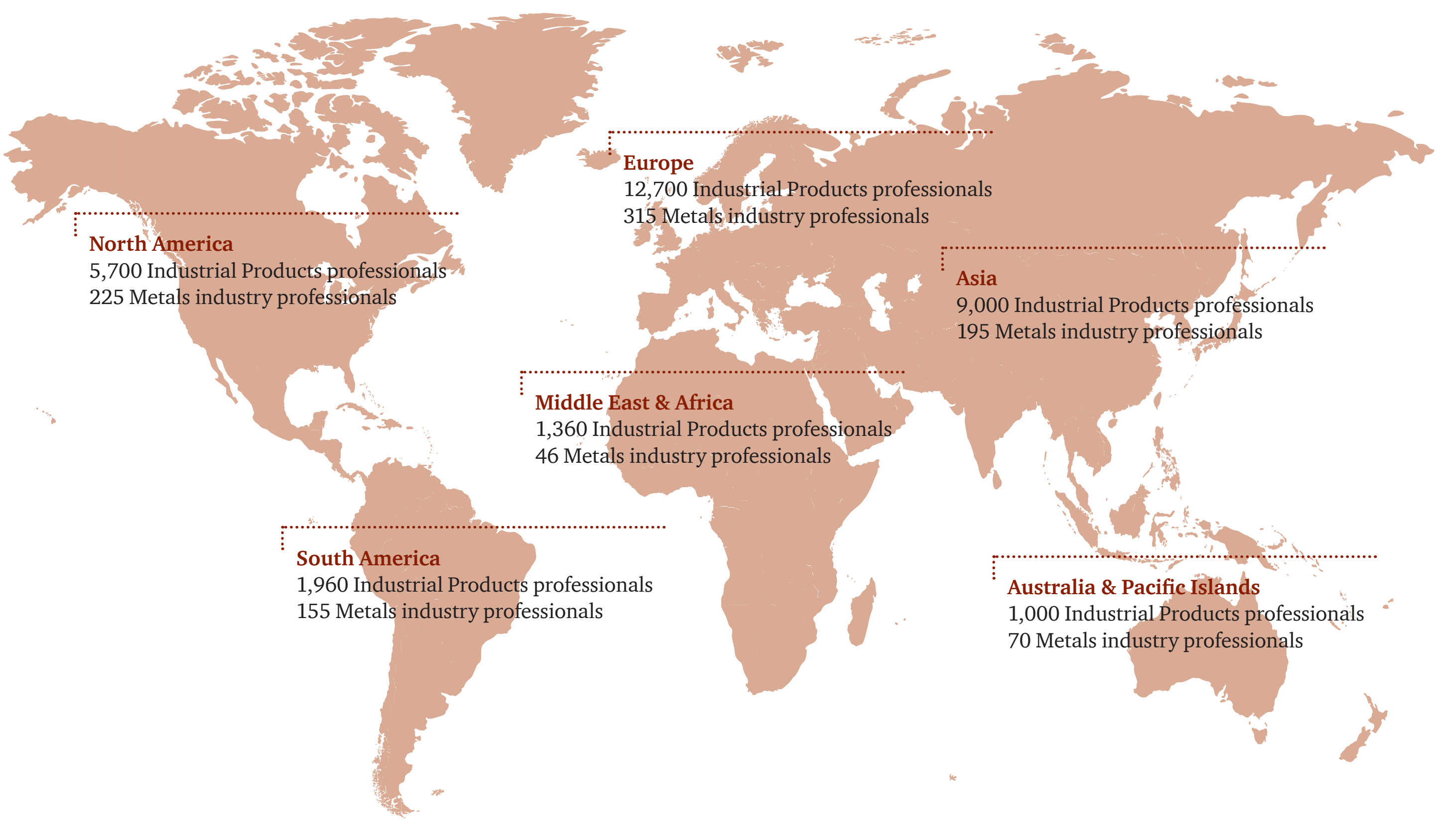
Our highly skilled team encourages dialogue about trends and issues through participation in industry conferences and associations, such as the American Iron and Steel Institute, as well as through industry-focused publications and Web forums. To address your industry needs wherever they arise, our professionals are concentrated in areas where the metals industry operates today and in the emerging markets where it will operate in the future.

## Quality deal professionals

PwC's Transaction Services practice, with more than 6,500 dedicated deal professionals worldwide, has the right industry and functional experience to advise you on various factors that could affect a transaction, including market, financial accounting, tax, human resources, operating, IT, and supply chain considerations. Teamed with our Metals practice, our transaction professionals can bring a unique perspective to your deal, addressing it from a technical aspect as well as from an industry point of view.

## Global connection

In addition to the more than 1,000 professionals who serve the metals industry, our team is part of an expansive Industrial Products group that consists of about 32,000 professionals, including approximately 17,000 providing assurance services, 8,300 providing tax services, and 7,000 providing advisory services. This expands our global footprint and enables us to concentrate efforts in bringing clients a greater depth of talent, resources, and know-how in the most effective and timely way.



# Contacts

## PwC Global Metals practice

PwC's Metals practice provides industry-focused assurance, tax, and advisory services. Through our global network, we can draw upon the in-depth industry experience of specialists in every country in which your company operates. Our people can help you deal with the challenges of today, and they understand the implications for tomorrow.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# Methodology

*Forging ahead* is an analysis of merger and acquisition activity in the global metals industry. Deal information was sourced from Thomson Reuters and includes deals for targets with primary SIC codes that fall into one of the following industry groups: iron ores; ferroalloy ores, except vanadium; steel works, blast furnaces, rolling mills, and finishing mills; iron and steel foundries; primary smelting and refining/nonferrous; secondary smelting and refining/nonferrous; rolling, drawing, and extruding/nonferrous; nonferrous foundries; miscellaneous primary metals products; and metals service centers and offices. Balance sheet data was sourced from public company reports.

This analysis includes all individual mergers and acquisitions for disclosed or undisclosed values, leveraged buyouts, privatizations, minority stake purchases, and acquisitions of remaining interest announced between January 1, 2010, and March 31, 2012, with a status of completed, intended, partially completed, pending, pending regulatory approval, unconditional (i.e. initial conditions set forth by the acquirer have been met but deal has not been completed), or withdrawn. The term *deal*, when referenced herein, refers to a transaction with a disclosed value of at least $50 million unless otherwise noted.

Regional categories used in this report approximate United Nations (UN) regional groups, as determined by the UN Statistics Division, with the exception of the North America region (includes North America, Latin America, and the Caribbean UN groups), the Asia and Oceania region (includes Asia and Oceania UN groups), and Europe (divided into United Kingdom and Eurozone and Europe ex-UK and Eurozone regions). International Monetary Fund classifications were used to label economies as advanced or developing and emerging. Overseas territories were included in the region of the parent country. China, when referenced separately, includes Hong Kong.

Competing deals, not just the ultimate successful deal partner, were included in the data set used throughout the document.

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