

The following report details mergers and acquisitions activity globally during the week commencing 2nd January 2017 using data from the Zephyr database.

It focuses on deal activity by target company.

Aside from M&A Rumours and Opportunities all deals were announced or completed during the week.

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M&A

Top Deal by Value

Abbott Laboratories acquires St Jude Medical

Target: St Jude Medical Inc.
Value: USD 30,700 million
Completed date: 4th January 2017
Target region: US
Target business: Neuro-stimulation and cardiovascular medical devices manufacturer

Abbott Laboratories has completed its previously announced acquisition of US neurostimulation and cardiovascular medical device manufacturer St Jude Medical for USD 30,700 million. Under the terms of the deal, announced in April 2016, Abbott agreed to pay USD 85 per share, over a 37 per cent premium to St Jude's close of USD 61.95 on 27th April, the last trading day prior to the announcement. The deal, made through Abbott's Vault Merger Sub vehicle, was approved by the European Commission in November and received final approvals from the Federal Trade Commission on 27th December. The transaction was among the top 10 global deals to have been announced in 2016.

Number Two Deal by Value

Qatar and Glencore take stake in Rosneft

Target: Neftyanaya Kompaniya Rosneft PAO
Value: USD 10,673 million
Completed date: 3rd January 2017
Target region: Russia
Target business: Oil and gas production services; oil and gas exploration services; oil and gas refining services; oil and gas wholesaler

Qatar Investment Authority and Glencore have closed the previously announced a purchase of a minority stake in Rosneft, a Russian oil and gas production company, for USD 10,673 million. In early December the companies announced plans to take a 20 per cent stake in Rosneft, with Glencore issuing EUR 300 million worth of shares and EUR 9,900 million provided by Qatar through a non-recourse banking financing.

M&A

Rumours and Opportunities

Newfield could make an attractive target: analyst

Target: Newfield Exploration Company
Estimated value: USD 8,055 million
Rumour date: 3rd January 2017
Target region: US
Target business: Oil and gas exploration services; oil and gas production services

Newfield Exploration Company was named as a potential takeover target in a report by Forbes of the five potential oil and gas companies expected to be acquired this year. Analysts told the magazine Energen, Laredo Petroleum, PDC Energy and SM Energy could also be put on the block in 2017 as larger companies may look to boost development prospects and free cash flows by acquiring mid-sized publicly traded businesses. Newfield, which owns properties in the Anadarko and Arkoma basins of Oklahoma, had a market capitalisation of USD 8,055 million as of 30th December 2016, the last trading day prior to the report.

M&A

Carlyle exploring sale of the Nature's Bounty: Bloomberg

Target: The Nature's Bounty Company
Estimated value: USD 6,000 million
Rumour date: 6th January 2017
Target region: US
Target business: Nutritional supplements manufacturer; nutritional food products manufacturer; packaging services

Private equity firm Carlyle Group is exploring a disposal of US nutritional supplements business the Nature's Bounty in a deal that could be worth up to USD 6,000 million, Bloomberg reported, citing people with knowledge of the matter. While both businesses declined to comment on the potential deal when contacted by the news provider, the sources said Carlyle is already in talks with potential advisors about selling the Nature's Bounty and while it would prefer to sell the business as a whole there is a chance the international business, commonly known as Holland & Barrett, may be offloaded separately.

Capital Increase

Korean Air Lines is holding a rights issue

Target: Korean Air Lines Co., Ltd
Value: USD 377 million
Announced date: 5th January 2017
Target region: South Korea
Target business: Airline operator; limousine bus operator

Korean Air Lines has agreed to sell 22 million new ordinary shares, or about 23 per cent of its enlarged share capital, at a price of KRW 20,450 apiece in a rights issue offered to existing investors before any unsubscribed equity is put up for public purchase. The offer represents a discount of 25 per cent to Korean Air Lines' close of KRW 27,400 on 4th January, the last trading day prior to the announcement. In addition to the shares being sold to existing and new investors, 20 per cent of the total stock offering will be added to Korean Air Lines' Employee Stock Ownership Association. The deal is expected to complete around 14th March 2017.

Private Equity

McDonald's to sell controlling stake in stores in China and Hong Kong

Target: McDonald's Corporation's stores in China; McDonald's Corporation's stores in Hong Kong
Value: USD 2,100 million
Completed date: 9th January 2017
Target region: China; Hong Kong
Target business: Fast food restaurant operator

McDonald's has reached an agreement to sell a majority interest in stores in China and Hong Kong to CITIC Group and Carlyle Group for USD 2,100 million. Under the terms of the proposal CITIC Group and its investment management unit CITIC Capital Holdings will acquire 52 per cent, while Carlyle is buying 28 per cent and McDonald's is expected to retain a 20 per cent stake in the stores. In total 80 per cent of the operations in each country will be sold in the deal, which remains subject to regulatory approvals and is expected to complete in mid-2017.

-Ends-

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