



Australia – Corporate Finance Activities Remain Strong

Australian financial market activity remained strong in 2011 on the back of continued growth in the country's A\$1.4 trillion economy. This reflects the resilience of Australia's robust financial markets in the face of continued world capital market volatility. In 2011, Australia's corporate finance activities – mergers and acquisitions (M&A), equity, syndicated loans, project finance and debt finance – remained among the most active and significant in the world.

- ▶ In 2011, M&A activity in Australia eased to US\$119 billion after doubling from US\$55 billion in 2009 to US\$120 billion in 2010. Globally, Australia's M&A activity ranked fourth with a market share of 4.6 per cent.
- ▶ Australia has seen US\$521 billion worth of M&A deals announced over the past five years; this represents the second largest M&A activity in the Asia-Pacific region after China. Australian deals over the past five years represent around 3.7 per cent of the world's M&A activity and about one fifth of activity in the region.
- ▶ The US remains the global leader in M&A activities. In 2011, announced deals totalling US\$1 trillion accounted for 39 per cent of the worldwide market. China overtook the UK as the second largest M&A market (US\$141 billion), with total announced transactions representing 5.5 per cent of the world's M&A activity. The UK market was placed third with total rank value of US\$132 billion and market share of 5.2 per cent. Japan also remained significant with total activity valued at US\$105 billion and a global market share of 4.1 per cent.

Worldwide Announced Mergers & Acquisitions (Rank Value) – Financial Advisors

	2011		2010		2009		2008		2007		2007-2011	
	US\$Bn	Share %	US\$Bn	Share %	US\$Bn	Share %	US\$Bn	Share %	US\$Bn	Share %	US\$Bn	Share %
Worldwide Total	2,564	100.0	2,397	100.0	1,980	100.0	2,887	100.0	4,169	100.0	13,997	100.0
Americas	1,255	48.9	1,097	45.8	922	46.5	1,156	40.1	1,890	45.3	6,321	45.2
USA	1,001	39.0	776	32.4	719	36.3	924	32.0	1,571	37.7	4,992	35.7
Canada	96	3.7	110	4.6	96	4.8	86	3.0	198	4.7	584	4.2
Brazil	72	2.8	106	4.4	65	3.3	93	3.2	46	1.1	382	2.7
Europe	711	27.7	643	26.8	581	29.3	1,169	40.5	1,593	38.2	4,696	33.6
UK	132	5.2	145	6.0	160	8.1	269	9.3	387	9.3	1,093	7.8
Asia-Pacific	550	21.5	575	24.0	428	21.6	512	17.7	597	14.3	2,662	19.0
China	141	5.5	153	6.4	109	5.5	114	3.9	75	1.8	592	4.2
Australia	119	4.6	120	5.0	55	2.8	90	3.1	136	3.3	521	3.7
Japan	105	4.1	95	4.0	105	5.3	77	2.7	136	3.3	518	3.7
Africa/Middle East	48	1.9	81	3.4	49	2.5	50	1.7	90	2.1	318	2.3

Sources: Thomson Reuters Mergers & Acquisitions Financial Advisors, Full Year 2011, 2010, Fourth Quarter 2009, Fourth Quarter 2008 and Fourth Quarter 2007; Austrade

- ▶ Worldwide, proceeds from equity and equity-related offerings for 2011 were US\$617 billion, down from a five year high of US\$873 billion in 2009. The US dominated the market accounting for almost 30 per cent of the global market share. Europe, the Middle East and Africa accounted for 25 per cent of global offerings.
- ▶ Australia's proceeds totalled around US\$25 billion representing approximately 4 per cent of global offerings. Issuance from firms in the Materials, Energy & Power and Industrials sectors captured 66 per cent of Australian market share.

Worldwide Equity Capital Markets – Equity and Equity-Related¹

	2011		2010		2009		2008		2007		2007-2011	
	US\$Bn	Share %	US\$Bn	Share %	US\$Bn	Share %	US\$Bn	Share %	US\$Bn	Share %	US\$Bn	Share %
Worldwide Total²	617	100.0	861	100.0	873	100.0	631	100.0	815	100.0	3,798	100.0
USA	182	29.5	203	23.6	249	28.5	238	37.7	227	27.8	1,100	29.0
Europe, Middle East & Africa ²	156	25.2	176	20.4	269	30.8	215	34.0	345	42.3	1,160	30.5
Asia-Pacific (ex Japan & Australia)	180	29.1	312	36.2	166	19.0	79	12.5	160	19.6	895	23.6
Australia	25	4.0	29	3.4	59	6.8	40	6.4	37	4.5	189	5.0
Latin America	28	4.5	55	6.3	31	3.5	24	3.8	49	6.1	187	4.9
Japan	23	3.7	58	6.8	64	7.4	15	2.4	25	3.1	186	4.9

1. Including Initial Public Offerings, Secondary Offerings and Convertible Offerings.

2. The regional total for Europe, Middle East & Africa in 2007 include Rights Offers that are not included in other regional sub-totals or the Worldwide total.

Sources: Thomson Reuters Global Equity Capital Markets, Full Year 2011, 2010, Fourth Quarter 2009, Fourth Quarter 2008 and Fourth Quarter 2007; Austrade

- Global numbers for syndicated loans were up significantly in 2011 reaching US\$3.9 trillion, up from the five year low in 2009 of US\$1.8 trillion. This increase was most strongly felt in the US, which increased from 31.7 per cent of the global market in 2009 to 48.6 per cent in 2011.
- Australia's syndicated loans, which were ranked the seventh largest globally, rose by 42 per cent to US\$106 billion in 2011. This compared favourably with the total values of North Asia (US\$133 billion) and South Asia (US\$80 billion), both down 1.4 per cent and 11 per cent from 2010 respectively.

Worldwide Syndicated Loans

	2011		2010		2009		2008		2007		2007-2011	
	US\$Bn	Share %	US\$Bn	Share %	US\$Bn	Share %	US\$Bn	Share %	US\$Bn	Share %	US\$Bn	Share %
Worldwide Total	3,934	100.0	2,767	100.0	1,830	100.0	2,624	100.0	4,618	100.0	15,773	100.0
By Country												
USA	1,913	48.6	1,094	39.5	579	31.7	1,036	39.5	2,136	46.3	6,759	42.9
Japan	309	7.8	254	9.2	249	13.6	290	11.0	208	4.5	1,310	8.3
UK	189	4.8	198	7.1	83	4.5	197	7.5	390	8.4	1,055	6.7
France	208	5.3	130	4.7	90	4.9	119	4.5	255	5.5	802	5.1
Germany	119	3.0	101	3.7	104	5.7	85	3.2	232	5.0	641	4.1
Canada	168	4.3	112	4.0	71	3.9	123	4.7	137	3.0	612	3.9
Australia	106	2.7	75	2.7	46	2.5	53	2.0	100	2.2	380	2.4
Taiwan	40	1.0	56	2.0	22	1.2	31	1.2	29	0.6	179	1.1
United Arab Emirates	13	0.3	17	0.6	22	1.2	46	1.7	45	1.0	142	0.9
Hong Kong	49	1.2	41	1.5	18	1.0	11	0.4	21	0.4	140	0.9
By Region												
Americas	2,124	54.0	1,230	44.4	694	37.9	1,205	45.9	2,339	50.7	7,592	48.1
Europe	1,018	25.9	838	30.3	609	33.3	785	29.9	1,634	35.4	4,883	31.0
Asia-Pacific/Central Asia	731	18.6	623	22.5	471	25.7	534	20.3	506	10.9	2,864	18.2
Africa/Middle East	61	1.6	76	2.8	56	3.1	100	3.8	140	3.0	434	2.7

Sources: Thomson Reuters Global Syndicated Loans Review, Full Year 2011, 2010, Syndicated Loans Review, Fourth Quarters of 2009, 2008 and 2007; Austrade

- Global project finance loans for 2011 totalled US\$215 billion. This represents a 3.4 per cent rise over the 2010 total. The Asia-Pacific (including Australia and Japan) accounted for 42.6 per cent of global activity for the year.
- Total proceeds from Australia's project finance loans in 2011 well exceeded 2010's total, yielding US\$23.4 billion. This represented 52 per cent increase over the US\$15.4 billion raised in 2010 and accounts for one quarter of the region's total. The mining industry accounted for the bulk of Australian project finance.

Worldwide Project Finance

	2011		2010		% Change
	US\$Bn	Share %	US\$Bn	Share %	
Worldwide Total	214.5	100.0	207.4	100.0	3.4
By Country					
India	45.9	21.4	53.2	25.6	-13.7
Australia	23.4	10.9	15.4	7.4	51.8
USA	18.5	8.6	13.5	6.5	36.3
Russia	11.3	5.3	2.8	1.3	310.5
France	11.3	5.3	5.4	2.6	107.8
Spain	10.3	4.8	16.8	8.1	-38.6
UK	10.3	4.8	13.8	6.7	-25.4
Brazil	8.3	3.9	3.1	1.5	170.7
Italy	7.1	3.3	5.4	2.6	31.0
Singapore	6.5	3.0	1.3	0.6	395.4
By Region					
Americas	38.3	17.9	25.6	12.3	49.6
Europe, Middle East & Africa	84.9	39.6	83.8	40.4	1.2
Asia-Pacific (Incl Japan)	91.3	42.6	98.0	47.2	-6.8

Sources: Thomson Reuters Global Project Finance Review, Full Year 2011; Austrade

- Australian dollar bond (excluding self-funded) offerings in 2011 reached A\$88 billion. Issuers from the Financials sector led the market to date with total proceeds of A\$46 billion. In 2011, domestic issuance accounted for 74 per cent of the Australian dollar bond market. Australian international debt totalled US\$57 billion. Issuance from firms in the financial sector captured 82 per cent of the market, mainly denominated in G3 currencies – US Dollar, EURO and Japanese Yen.¹

1. Source: Thomson Reuters, Debt Capital Markets Review Managing Underwriters, Full year 2011, Australia Debt, Page 14.