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CONNECT 4 - 2008 – Mid Year M&A Legal Survey

There were 40 deals announced in the first half of 2008 which was a fall of approximately 20% from the corresponding period last year. This number, however, was consistent with the level of activity seen in the previous six months and indicates a steady M&A market despite the difficult economic landscape.

The first half of 2008 was characterised by a number of large deals. The total implied market value for deals announced in the first six months was \$207.23 billion. Dominating this total was the stagnant BHP bid for Rio Tinto which has been valued at \$165 billion. Westpac's takeover of the St George Bank was the second largest deal for the period and was valued at \$18.6 billion.

Australia's mining boom had an impact on activity levels in the first half with 35% of deals announced contributed to this sector. Half of the top 10 takeovers during this period involved the mining industry.

The tight economic conditions experienced in the first 6 months of the year was reflected in the composition of the deals put to the market with a significant increase in the use of cash / scrip to get deals over the line. Nearly half of the deals - 45% - took advantage of scrip as a consideration.

The following page summarises M&A activity for the first six months of 2008.

Allens Arthur Robinson – 1st Half Leaders

Allens Arthur Robinson and Blake Dawson benefited from their involvement with the BHP / Rio Tinto takeover with both organisations showing strong results in the first half. Allens acted in 8 deals totaling \$193.25 billion and Blake Dawson followed with 5 deals worth a total of \$167 billion.

Gilbert + Tobin, Mallesons Stephen Jaques, and Clayton Utz rounded out the top 5 advisers for this first six month period.

Legal Advisers – Mergers & Acquisitions – First Half 2008

The following tables summarise the M&A activity up to the 30th of June.

Rank	Legal Adviser	No. of Deals	Value of Deals \$AUD(M)
1	Allens Arthur Robinson	8	193,249
2	Blake Dawson	5	166,999*
3	Gilbert + Tobin	1	18,600
4	Mallesons Stephen Jaques	6	16,773*
5	Clayton Utz	4	7,223

* The number of deals attributed to Blake Dawson and Mallesons Stephen Jaques both contain one scheme of arrangement for which documents for these schemes have not been released and subsequently Connect 4 has not been able to include of values of these schemes.

Top 10 Deals – 1st Half 2008

The following transactions represent the top 10 M&A deals which were announced during the period 1st of January to the 30th of June 2008

Rank	Target	Bidder	Industry	Value AUD\$(m)
1	Rio Tinto Ltd	BHP Billiton Ltd	Metals & Mining	165,000,000
2	St George Bank Ltd	Westpac Banking Corporation	Banks	19,038,000
3	Origin Energy Ltd	BG International (AUS) Investments 1 Pty Ltd	Energy	13,652,737
4	Zinifex Ltd	Oxiana Ltd	Metals/Mining	6,063,550
5	Dyno Nobel Ltd	Incitec Pivot US Holdings Pty Ltd	Chemicals	2,077,257
6	Midwest Corporation Ltd	Sinosteel Ocean Capital Pty Ltd	Metals & Mining	1,359,200
7	Challenger Infrastructure Fund	Arkmile Ltd	Utilities	1,200,000
8	Equigold NL	Lihir Gold Ltd	Metals & Mining	1,009,459
9	Macquarie Capital Alliance Group	Macquarie Advanced Investment Company P/L	Diversified Financials	836,261
10	Herald Resources Ltd	Tango Mining Pte Ltd	Metals & Mining	553,565

Survey Criteria and Definitional Terms

The figures provided in this survey include all Mergers & Acquisitions announced from the 1st of January 2008 to the 30th of June 2008.

The deals which have been included are “On-Market” and “Off-Market” where the Target is a company which is listed on the Australian Stock Exchange. Private treaty acquisitions are not included.

This survey does not include:

- Partial Acquisitions as per the Australian Corporations Law.
- Withdrawn Offers where no documentation has been sent to Shareholders.

This survey has been compiled using original documentation lodged with the Australian Stock Exchange.

The values of the deals put forward have been calculated using an “Implied Market Value” methodology.