News release

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| *Date* | **Embargoed until 00.01am GMT Monday 11 March 2013** |
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 Mega metal deals grind down in 2013 as bite size deals take off, says PwC

* *Surge in smaller metals deals as CEOs remain cautious about investing*
* *PwC model forecasts an increase of 32.1% in (announced) deal numbers/ 40.2% in value for 2013*
* *Some optimism as 2012 deal value is 203% higher than 2009 with Asia dominating as Americas and European markets shrank*

All eyes in the metal industry will be on the lookout for a silver lining in the uncertain economic horizon this year as a PwC report out today predicts. Mega deals will dwindle against a surge in smaller announcements according to [Forging Ahead](http://pwcprd-wip.pwcinternal.com/en_GX/gx/metals/mergers-acquisitions/forging-ahead-global-metals-deals-2013-outlook-and-2012-review.jhtml), with CEOs holding onto their purse strings.

In PwC’s annual in-depth metals M&A review and forecast, the headline trend is for a continuing recovery from a post credit-crunch low with Asia being the ‘star’ region dominating the 2012 deals market. It accounted for 68% of totals deals value, more than three times the 19% share it held in 2011.

[Jim Forbes](https://secure.ca.pwc.com/Extweb/webpeopleprof.nsf/00/545673AF2DA7C414852575660073659C?OpenDocument&E), global metals leader, PwC, said:

“There is no doubt that the industry is facing some of its toughest challenges yet as companies battle the headwinds of ongoing economic uncertainty and unpredictable costs around raw materials and energy. On the surface, we are still seeing some mega-deals but they are fewer and if we created a top 10 of the deals announced and completed in 2012 just half would have been valued above US$1 bn.

“We also found through our analysis that the metals sector has experienced a ‘double dip’ downturn in M&A activity with deal numbers outside the Asia Pacific region falling back down to the post-credit crunch low of 2009.”

**Deal values and breakdowns**

In 2012 there were 507 deals against 2011’s 531, still significantly above the highest pre-credit crunch volume of 411 in 2007. Deal value for 2012 is also 203.5% higher than the US$15.1bn deal value total of 2009. Completed deal value in the sector was up 20% year on year, rising from US$38.2bn in 2011 to US$45.8bn in 2012.

However, the totals for 2012, mask a vast geographic imbalance, said [Jim Forbes](https://secure.ca.pwc.com/Extweb/webpeopleprof.nsf/00/545673AF2DA7C414852575660073659C?OpenDocument&E), PwC’s global metals leader as the Asia Pacific region accounts for US$31.1bn of the US$45.8bn total, and US$9.4bn of that was derived from the completion of the Sumitomo-Nippon Steel merger left pending from the previous year.

In **North America**, deals declined by 18% from 118 (valued at US$12.2bn) in 2011 to 97 in 2012 (valued at US$4.3bn). Share of world deal value went from 32% in 2011 to 9% in 2012.

**Asia Pacific** was the deals rider of 2012 dominating 50% of all world deals with 254 acquisitions valued at US$31.1bn against 206 in 2011. It also took 68% of total deal value in 2012 up from 19% in 2011.

In **Western Europe** there were 91 deals, down from 103 in 2011 and world market value halved also from 26% in 2011 to 13% last year. Central & Eastern Europe deal numbers fell by 32% and world market share was 1%.

In **Central and South America** there were 16 deals in 2012 valued at US$4bn, a drop of 50% on 2011.

**ENDS**

**Note to Editors**

1. For further information/interviews please contact the Press Office on +44 207 2121231 / + 44 (0)7425141510 or email: rita.s.congera@uk.pwc.com.
2. Details of deal activities and PwC’s modelling can be found in the report.
3. PwC’s global Metals practice is a network of industry professionals serving metals clients in over 30 countries around the world. PwC serves global clients involved in ferrous and non-ferrous primary and secondary metals production around the world, bringing experience, international industry best practices and a wealth of specialised resources to help solve business issues.

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