

## **Scotia Capital Advised CIC on Teck Deal**

On Friday, July 3, 2009, the China Investment Corporation (CIC) announced a significant investment in Teck, Canada's largest diversified mining, mineral processing and metallurgical company. Headquartered in Vancouver, Canada, Teck is a world leader in the production of copper, metallurgical coal and zinc, a significant producer of gold, molybdenum and specialty metals, with interests in several oil sands development assets.

Felix Chee, special advisor to the Head of Investments at China Investment Corporation ("CIC") in Beijing, and John Sherrington, Vice-Chairman and Global Head of Private Equity, at Scotia Capital worked closely on the deal. The two had worked together previously on the Manulife IPO in 1999 when Chee was the Chief Investment Officer at Manulife and Sherrington was Head of the Financial Institutions Group at Scotia Capital, a Global Lead Manager of the \$2.5 billion Manulife IPO. When CIC was looking to make an investment in the Canadian resource sector, Chee called Sherrington.

"As the first major investment by CIC in a Canadian company, this is a landmark transaction in the Canadian capital market", said John Sherrington.

The investment of US\$1.5 billion by CIC, one of the largest Sovereign Wealth Funds in the World, in Teck is a mutually beneficial transaction for both parties. For CIC it represents the opportunity to participate in the inevitable upswing in commodities and for Teck, CIC represents a long term patient investor that can also provide assistance in its largest market.

Scotia Capital advised CIC and was the only investment bank involved in the deal. Scotia Capital worked for several months with CIC developing a number of different options for their investment in Teck. At the end of the day, given the significant recovery in Teck's share price and its improved financial condition, the optimal structure for both parties was straight common shares.

### **Media stories:**

<http://www.canada.com/business/fp/Analysis+Teck+deal/1757638/story.html>

<http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aZyOxfRZ9gPQ>

<http://www.theglobeandmail.com/report-on-business/the-man-behind-the-teck-cic-deal/article1206147/>

### **Teck Press Release:**

<http://www.teck.com/Generic.aspx?PAGE=Media+Pages%2fMedia+Detail&releaseNumber=09-23-TC&portalName=tc>

### **CIC Press Release:**

<http://www.marketwire.com/press-release/China-Investment-Corporation-1012706.html>