

LATHAM & WATKINS LLP

**Capitalizing on Yield Structures in
the U.S. Public Markets:
*An Overview of Structural, Legal &
Governance Considerations***

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Disclosure

- Although this presentation may provide information concerning potential legal issues, it is not a substitute for legal advice from qualified counsel.
- The presentation is not created or designed to address the unique facts or circumstances that may arise in any specific instance, and you should not rely on this presentation as a source of legal advice and this seminar material does not create any attorney-client relationship between you and Latham & Watkins.

About Latham

While MLPs and, more recently, Yieldcos have become common in the US, many outside the US are largely unfamiliar with these structures. However, the flexibility and access to capital available through these structures should result in a meaningful increase in both the number and size of yield-oriented IPOs by international companies that will launch in US capital markets. Latham combines capital markets, M&A, finance, tax, environmental, employee benefits and regulatory expertise to provide premier advisory services to yield-oriented clients.

- Latham attorneys have decades of experience advising clients on MLPs, beginning with the **structuring of the first MLPs** in the early 1980s.
- Latham is a **thought leader in the MLP space**, having created, among other things, the MLP Portal and the MLP Book of Jargon.
- Latham is ranked **#1 for MLP IPOs** by Deal Count for 2014 by Thomson Reuters.
- Latham helped to structure **four of the first five** successful Yieldco IPOs including the **first ever** renewable energy company to go public as a Yieldco.
- Consistently ranked among the **elite IPO legal advisors**, our attorneys have worked on IPOs throughout the world.
- Our team includes **several former SEC officials** and we provide unique insight on the SEC and its review process.

About Latham

Master Limited Partnership IPOs By Deal Count

FIRM	RANK
Latham	1
Vinson Elkins	2
Baker Botts	3
Andrews Kurth	4
Cahill	5
Cravath	6
Crowe & Dunlevy	6
Dechert	6
Fried Frank	6
Seward & Kissel	6

*Source: Bloomberg, Closed MLP IPOs 1/1/2013-5/2/8/2015

IPOs By Deal Count

FIRM	RANK
Latham	1
Cooley	2
Davis Polk	3
Skadden	4
Goodwin Procter	5
Wilson Sonsini Goodrich	6
Simpson Thacher	7
Vinson & Elkins	8
Ropes & Gray	9
Baker Botts	10

*Source: IPO Vital Signs, Closed IPOs (Issuer's & Underwriter's Counsel) 1/1/2013-5/9/2015

Foreign Private Issuer MLP IPOs By Deal Count

FIRM	RANK
Latham	1
Watson Farley & Williams	2
Baker Botts	3
Vinson & Elkins	3
Cravath	4
Fried Frank	4
Seward & Kissel	4
Reeder & Simpson	4
Cozen O'Connor	4

*Source: Bloomberg, Closed MLP IPOs 1/1/2013-5/8/2015

Yieldcos By Deal Count

FIRM	RANK
Latham	1
Vinson & Elkins	2
Kirkland & Ellis	2
Baker Botts	4
Davis Polk	4
Skadden	4
Linklaters	4

*Source: SEC

THE MLP PORTAL

The
BOOK
of
JARGON®
Master Limited Partnerships

MLP Portal

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- Material Agreements
- Governance
- Taxes
- Latham Expertise
- Resources
- Yieldco List
- Foreign Private Issuer List

MASTER LIMITED PARTNERSHIPS (MLPS)


Providing access to a library of foundational MLP documents, thought leadership and Latham expertise, this MLP site is intended to assist members of the business and financial communities in learning more about the MLP structure. For the latest updates on the MLP portal, [join the MLP mailing list](#).

MLP List




A chronological list of MLPs with their industry sectors.
[more >](#)

MLP 101




Details on how MLPs are structured and how they work.
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Raising Capital




Library of IPOs, capital markets deals and bank facilities by MLPs.
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M&A Activity




Repository of acquisitions and divestitures involving MLPs.
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A collection of MLP governance documents, guidelines and charters.
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Taxes



Underpinning all MLPs are special tax considerations. Click to learn more details.
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Latham Expertise



Our lawyers have deep experience in the MLP space. Click to learn more details.
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Presentation Overview

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Part I – Opportunities for Non-US Companies

Opportunities for Non-US Companies

- Although historically dominated by US companies, more and more non-US companies are seeking to access the yield-oriented market to fund their capital needs
 - **International shipping companies** were the first non-US companies to identify the potential of this market
 - Ships or “floating assets” can be great candidates for a yield-oriented structure because these assets typically traverse the globe under long-term contracts with creditworthy counterparties and incur little if any US tax because they either do not have any US ports of call or qualify for an exemption from US taxes
 - In August 2014, **VTTI Energy Partners LP** went public as the first MLP with fixed assets (refined products terminals) substantially outside the US (in Europe, the Middle East and Asia)
 - **Abengoa Yield plc** went public in June as a Yieldco with an asset base consisting of renewable energy, conventional power and electric transmission lines on three different continents (North America, South America and Europe)

Opportunities for Non-US Companies

Non-US MLPs



TEEKAY OFFSHORE PARTNERS



TEEKAY LNG PARTNERS L.P.

Yieldcos



ABENGOA YIELD



NRG YIELDSM

FLEET



Discoverer Clear Leader	
The DISCOVERER CLEAR LEADER is a double hull dynamically positioned Enhanced Enterprise class drillship capable of operating in moderate environments and water depths up to 12,000 feet (3,657m) using 18¾in 15000 psi BOP and 21in OD marine riser.	
Rig Type	6th Generation Deepwater
Design	Transocean Offshore Enhanced Enterprise class, double hull, dual drilling activity.
Builder	Daewoo Shipbuilding & Marine Engineering, Okpo, South Korea
Year Built	2009



Development Driller III
Semisubmersible Drilling Unit

General Description

Design	KFELS MSC Gusto DSS51
Delivered	2009
Quarters capacity	200 persons
Operating water depth	7,500 ft. (2,286 m) upgradeable to 10,000 ft. (3,047 m)
Drilling depth	35,000 ft. upgradeable to 37,500 ft. (11,430 m)
Maximum drilling variable deck load	29,762 kips



Discoverer Inspiration	
The DISCOVERER INSPIRATION is a double hull dynamically positioned Enhanced Enterprise class drillship capable of operating in moderate environments and water depths up to 12,000 feet (3,657m) using a 18¾-inch 15000 psi BOP and a 21 in OD marine riser.	
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"Capitalizing on Yield Structures in the U.S. Public Markets: Master Limited Partnerships and Yieldcos"