

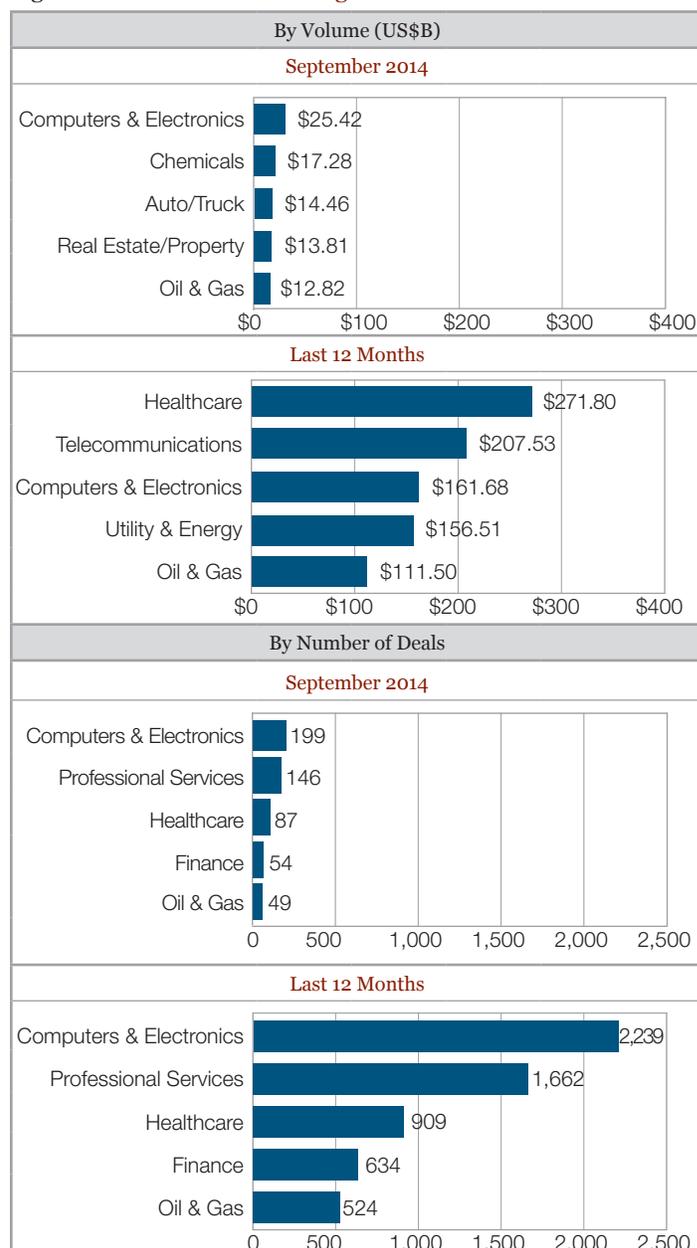
October 2014, Issue 31

M&A Activity

Figure 1

September 2014	Global	+/- From Prior Month	U.S.	+/- From Prior Month
Total				
Volume (US\$B)	285.46	(20.70)	128.35	(31.78)
No. of deals	3,300	319	921	104
Avg. value of deals (US\$mil)	207.3	(12.8)	461.7	(208.3)
Avg. deal multiple ¹	14.0x	1.2	16.0x	(0.1)
Strategic Transactions				
Volume (US\$B)	234.03	6.53	95.60	(42.26)
No. of deals	2,851	241	722	84
Avg. value of deals (US\$mil)	192.0	11.6	438.6	(287.1)
Avg. deal multiple ¹	13.8x	1.5	15.3x	(0.9)
Sponsor-Related Transactions				
Volume (US\$B)	51.43	(27.23)	32.75	10.48
No. of deals	449	78	199	20
Avg. value of deals (US\$mil)	325.5	(279.5)	545.8	91.4
Avg. deal multiple ¹	15.4x	0.1	18.8x	2.5
Crossborder Transactions²				
Volume (US\$B)	126.02	27.24	Inbound 70.81 Outbound 19.93	Inbound 46.27 Outbound (24.78)
No. of deals	761	88	Inbound 117 Outbound 145	Inbound (1) Outbound (7)
Avg. value of deals (US\$mil)	402.6	67.8	Inbound 1,160.8 Outbound 406.8	Inbound 459.6 Outbound (326.1)
Avg. deal multiple ¹	15.4x	0.6	Inbound 18.2x Outbound 16.3x	Inbound (0.6) Outbound 1.6

Figure 2 - Most Active U.S. Target Industries³



Figures 1-3 were compiled using data from Dealogic, and are for the broader M&A market, including mergers of any value involving public and/or private entities. Figures 4 and 5 were compiled using data from FactSet MergerMetrics, and are limited to mergers involving public U.S. targets announced during the period indicated and valued at \$100 million or higher regardless of whether a definitive merger agreement was reached and filed or withdrawn. All data is as of October 10, 2014 unless otherwise specified. "Last 12 Months" data is for the period from October 2013 to September 2014 inclusive. Data from Dealogic and FactSet MergerMetrics may include multiple offers, as applicable, for the same target company. Data obtained from Dealogic and FactSet MergerMetrics has not been reviewed for accuracy by Paul, Weiss.

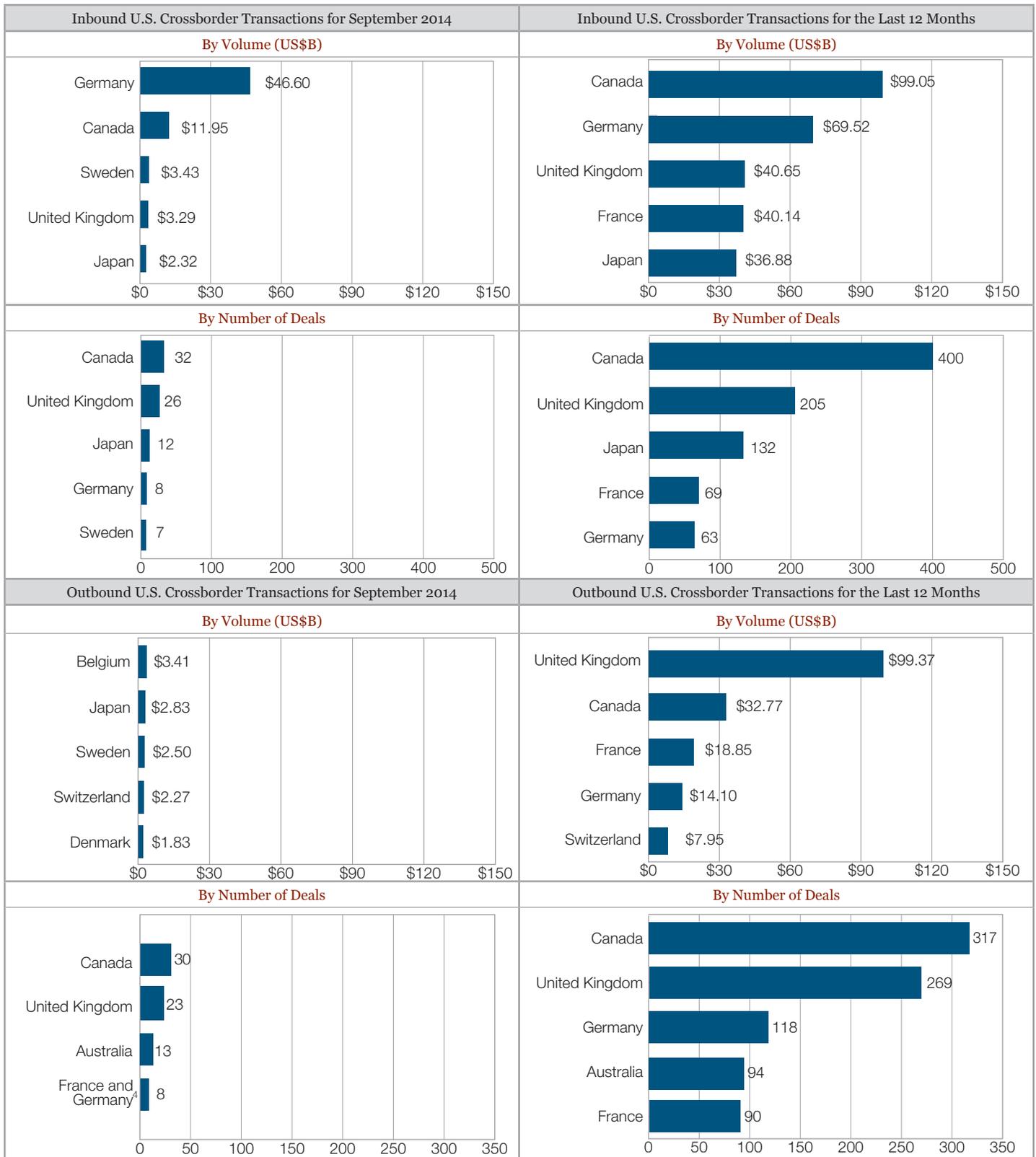
¹ Ratio of enterprise value to EBITDA, trailing 12 months. This statistic is calculated using a smaller subset of deals for which this data is available.

² Global crossborder transactions are those where the acquirer and the target have different nationalities. Nationality is based on where a company has either its headquarters or a majority of its operations. U.S. crossborder transactions are those transactions where the acquirer and the target have different nationalities and either the acquirer ("Outbound") or the target ("Inbound") has a U.S. nationality.

³ Industries categories are determined and named by Dealogic.

M&A Activity (Continued)

Figure 3 - Top 5 Countries of Origin or Destination for U.S. Crossborder Transactions



⁴ Each of France and Germany was the country of destination for eight transactions in September 2014.

M&A Activity (Continued)

Figure 4 - Average Value of Announced U.S. Public Mergers (in US\$mil)

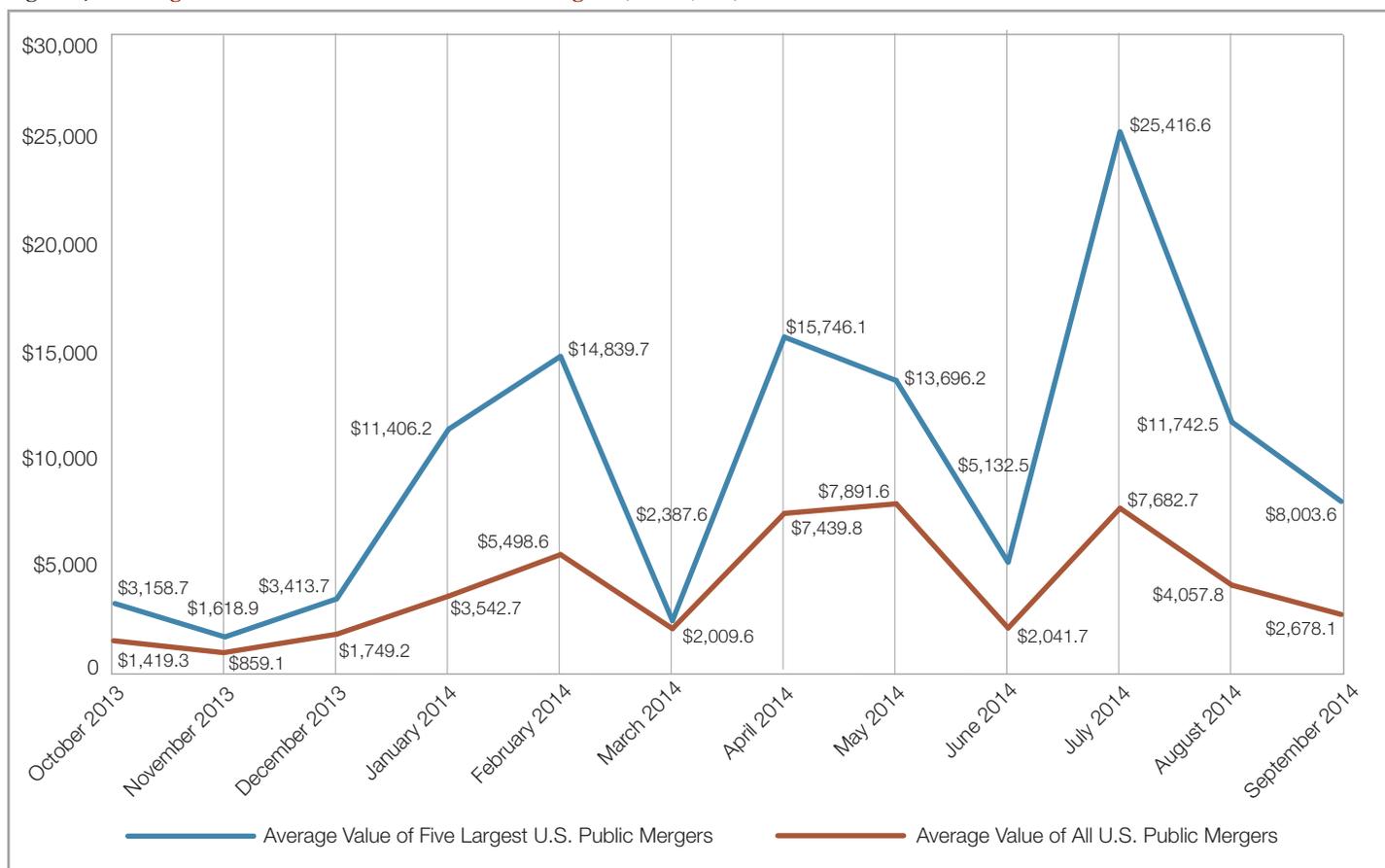
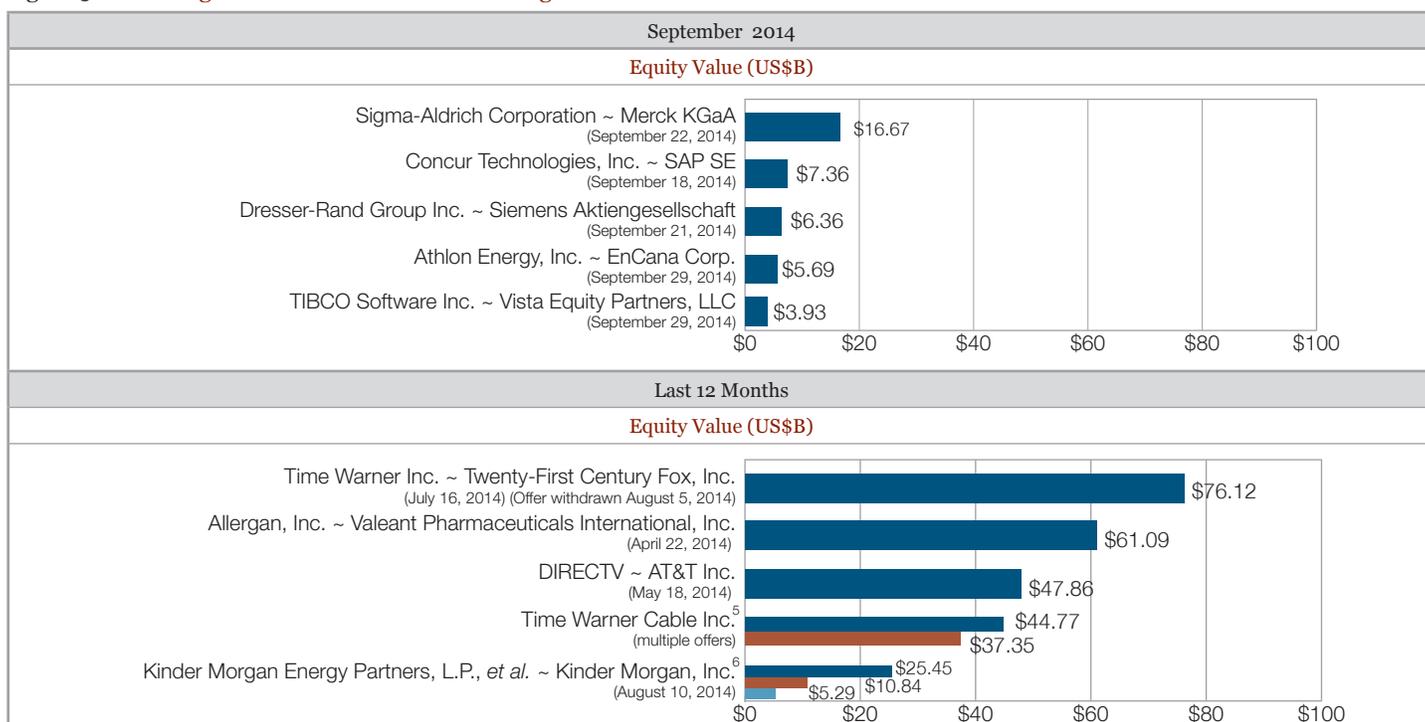


Figure 5 - Five Largest Announced U.S. Public Mergers



⁵ Data reported by FactSet MergerMetrics includes the February 13, 2014 offer by Comcast Corporation, reported at \$44.77 billion, and the January 13, 2014 offer by Charter Communications, Inc., reported at \$37.35 billion.

⁶ On August 10, 2014, Kinder Morgan, Inc. acquired three independently traded subsidiaries it had partial stakes in: Kinder Morgan Energy Partners, L.P. (\$25.45 billion), Kinder Morgan Management, LLC (\$10.84 billion) and El Paso Pipeline Partners, L.P. (\$5.29 billion); MergerMetrics reported the transactions separately but we have consolidated the data as shown above.

M&A Terms

Figure 6 - Average Break Fees as % of Equity Value⁷

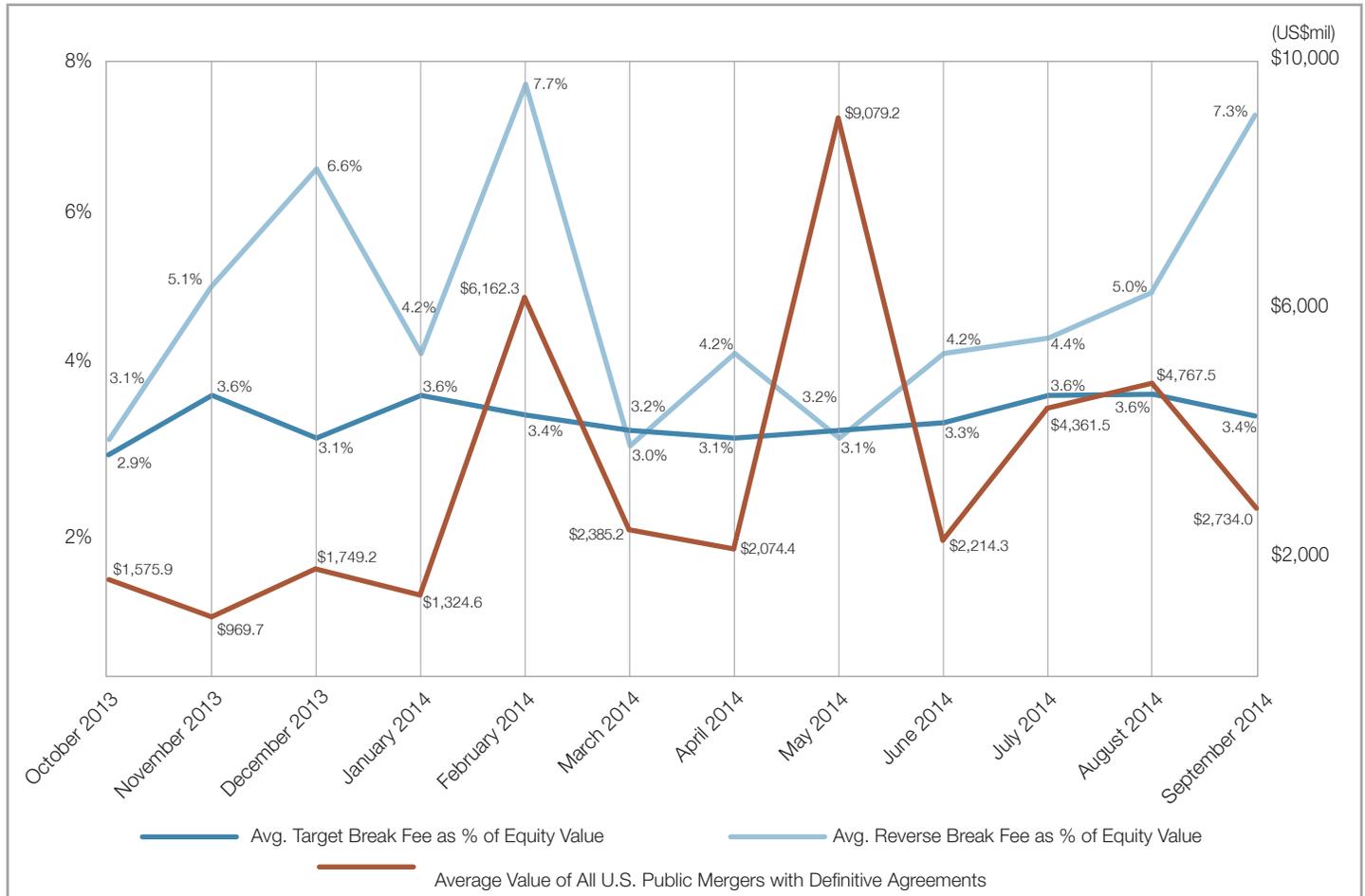


Figure 7 - Average Break Fees as % of Equity Value⁷

	September 2014	Last 12 Months
Target Break Fee for All Mergers	3.4	3.4

	September 2014	Last 12 Months
Reverse Break Fee for All Mergers	7.3	4.9
Reverse Break Fee for Mergers Involving Financial Buyers ⁸	6.7	6.7
Reverse Break Fee for Mergers Involving Strategic Buyers	7.4	4.4

Figures 6-12 were compiled using data from FactSet MergerMetrics, and are limited to select mergers involving public U.S. targets announced during the period indicated, valued at \$100 million or higher and for which a definitive merger agreement was reached and filed (unless otherwise indicated). Data from Dealogic and FactSet MergerMetrics may include multiple offers for the same target company. Data obtained from FactSet MergerMetrics has not been reviewed for accuracy by Paul, Weiss.

⁷ Based on the highest target break fees and reverse break fees payable in a particular deal.

⁸ Only one transaction in September 2014 involving a financial buyer had a reverse break fee.

⁹ Only two transactions in September 2014 involved financial buyers.

¹⁰ Only one transaction in September 2014 had a go-shop provision.

¹¹ No transactions in September 2014 involving a financial buyer had a go-shop provision.

¹² Only one transaction in September 2014 involving a strategic buyer had a go-shop provision.

Figure 8 - U.S. Public Merger Go-Shop Provisions

	September 2014	Last 12 Months
% of Mergers with Go-Shops	5.0	7.6
% of Mergers Involving Financial Buyers with Go-Shops ⁹	0.0	23.5
% of Mergers Involving Strategic Buyers with Go-Shops	5.6	5.5
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops ¹⁰	30.0	27.1
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops ¹¹	N/A	25.0
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops ¹²	30.0	28.3

M&A Terms (Continued)

Figure 9 - Form of Consideration as % of U.S. Public Mergers¹³

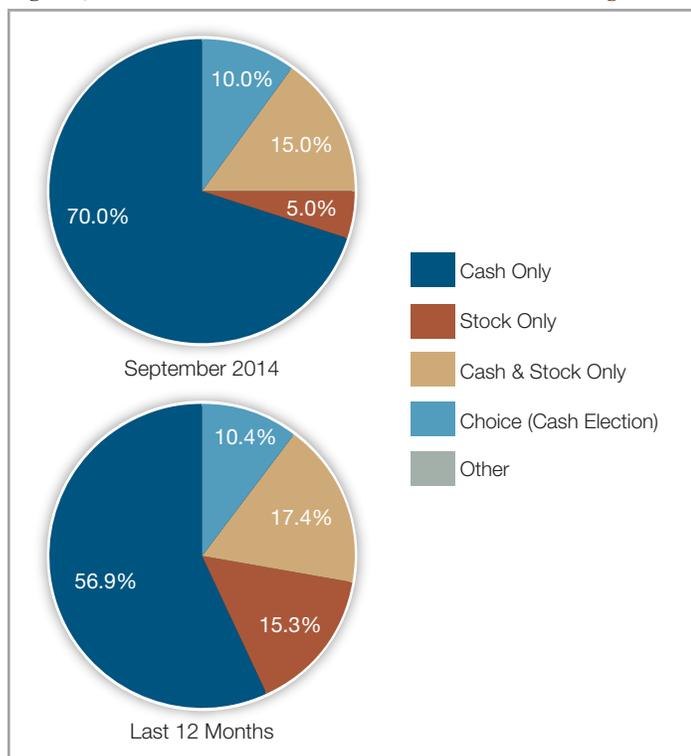


Figure 10 - % of Partial and All Stock Deals that Have a Fixed Exchange Ratio

September 2014	100.0
Last 12 Months	87.2

Figure 11 - Tender Offers as % of U.S. Public Mergers

September 2014	25.0
Last 12 Months	26.4

Figure 12 - Hostile/Unsolicited Offers as % of U.S. Public Mergers¹⁴

September 2014	13.6
Last 12 Months	18.2

¹³ Due to rounding, percentages may not add up to 100%.

¹⁴ This data includes both announced transactions for which a definitive merger agreement was reached and filed and those for which a definitive merger agreement was never reached and filed (including withdrawn transactions).

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Contacts

Ariel J. Deckelbaum

Partner
New York
212-373-3546
ajdeckelbaum@paulweiss.com

Frances Mi

Counsel
New York
212-373-3185
fmi@paulweiss.com

Associates Joseph S. Friedman, Samuel J. Welt and law clerks Yashreeka Z. Huq, Ryan D. Blicher, Alison E. Gurr and David C. Rothman contributed to this publication.

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