

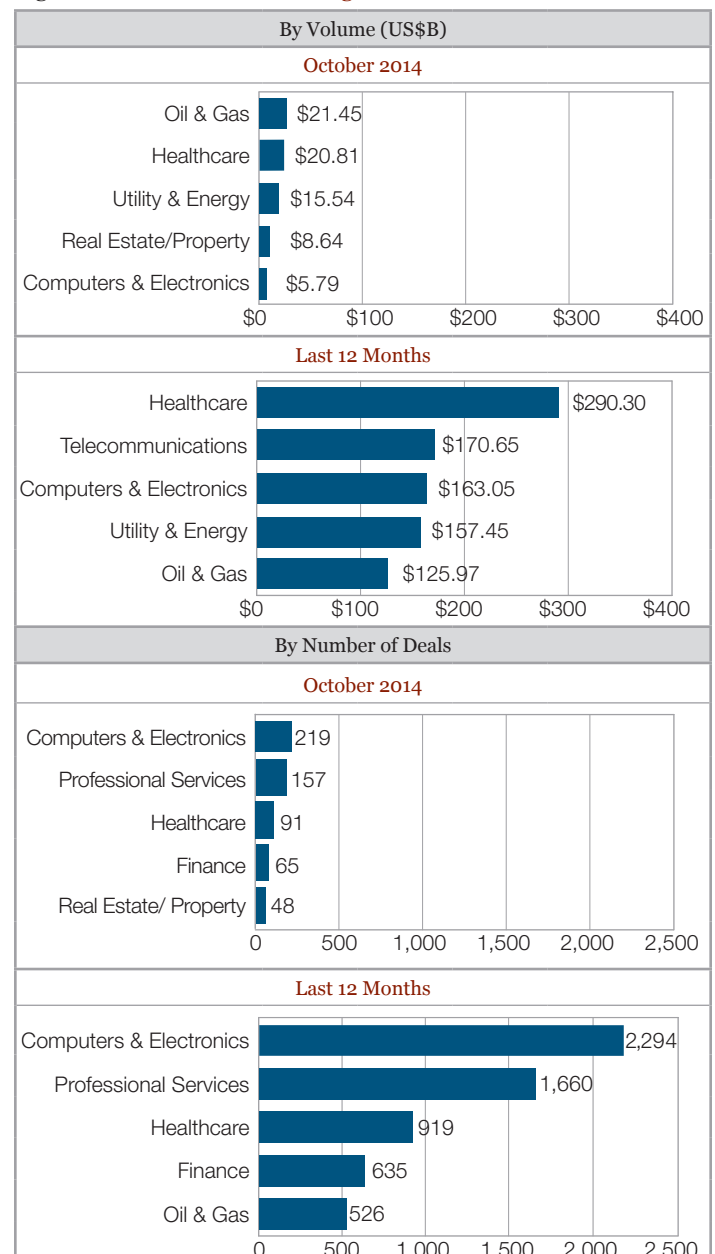
November 2014, Issue 32

M&A Activity

Figure 1

October 2014	Global	+/- From Prior Month	U.S.	+/- From Prior Month
Total				
Volume (US\$B)	221.14	(70.48)	90.52	(39.52)
No. of deals	3,372	(91)	976	39
Avg. value of deals (US\$mil)	148.5	(49.9)	291.1	(162.1)
Avg. deal multiple ¹	13.2x	(0.6)	16.7x	0.7
Strategic Transactions				
Volume (US\$B)	171.04	(67.34)	64.90	(31.77)
No. of deals	2,909	(91)	753	18
Avg. value of deals (US\$mil)	128.7	(54.0)	251.5	(180.0)
Avg. deal multiple ¹	12.4x	(1.2)	13.5x	(1.7)
Sponsor-Related Transactions				
Volume (US\$B)	50.10	(3.14)	25.63	(7.76)
No. of deals	463	0	223	21
Avg. value of deals (US\$mil)	313.1	(9.5)	483.6	(46.4)
Avg. deal multiple ¹	18.1x	2.7	26.3x	7.5
Crossborder Transactions²				
Volume (US\$B)	71.53	(55.54)	Inbound 15.31 Outbound 13.38	Inbound (55.71) Outbound (6.78)
No. of deals	731	(61)	Inbound 116 Outbound 131	Inbound (5) Outbound (17)
Avg. value of deals (US\$mil)	212.3	(174.0)	Inbound 273.5 Outbound 239.0	Inbound (802.6) Outbound (156.3)
Avg. deal multiple ¹	12.7x	(2.4)	Inbound 11.4x Outbound 13.6x	Inbound (6.8) Outbound (2.7)

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and valued at \$100 million or higher regardless of whether a definitive merger agreement was reached and filed or withdrawn.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 November 10, 2014 unless otherwise specified. "Last 12 Months" data is for the period from November 2013 to October 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.

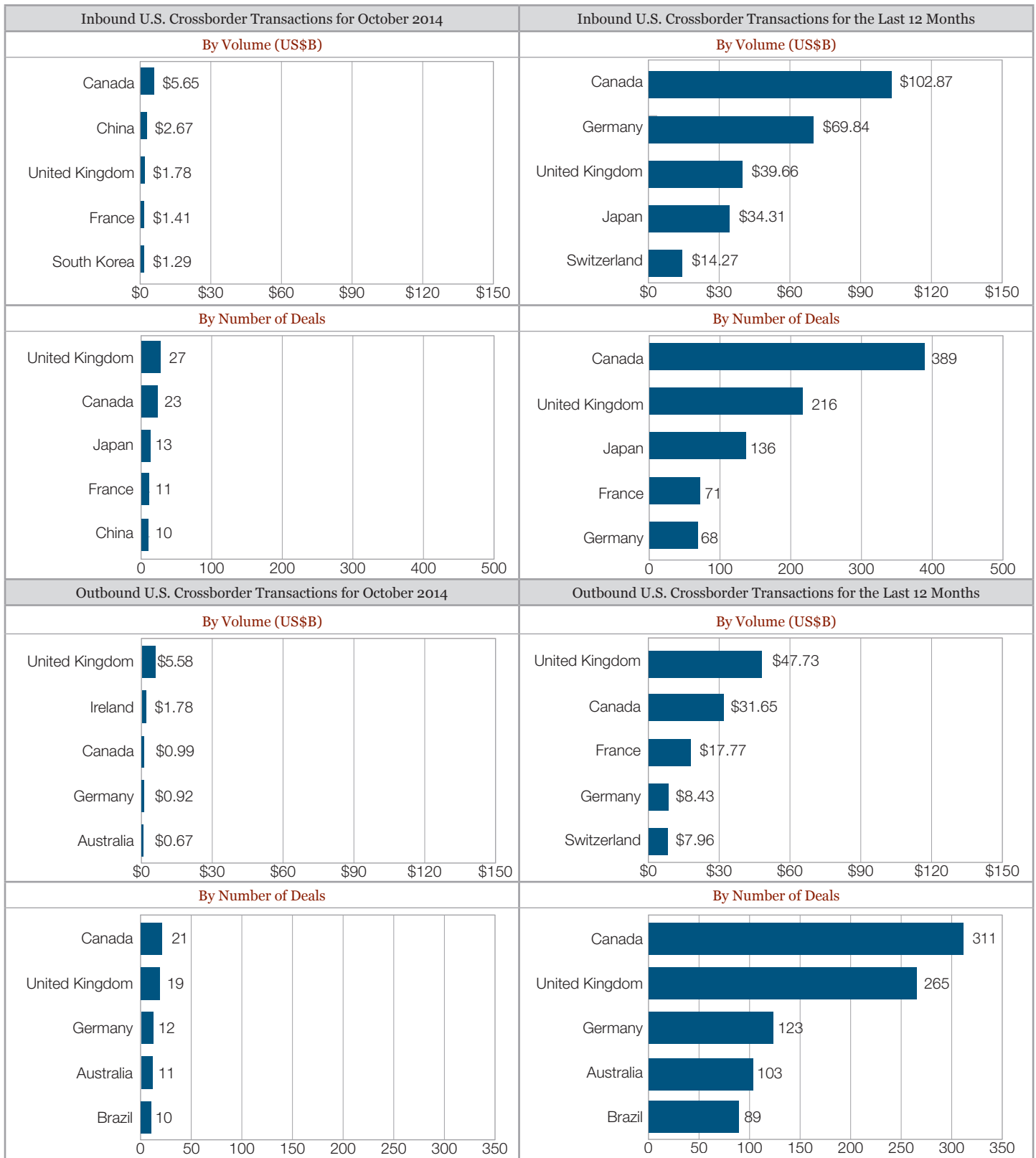
¹ Ratio of enterprise value to EBITDA, trailing 12 months. This statistic is calculated using a smaller subset of deals for which this data is available.

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



M&A Activity (Continued)

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

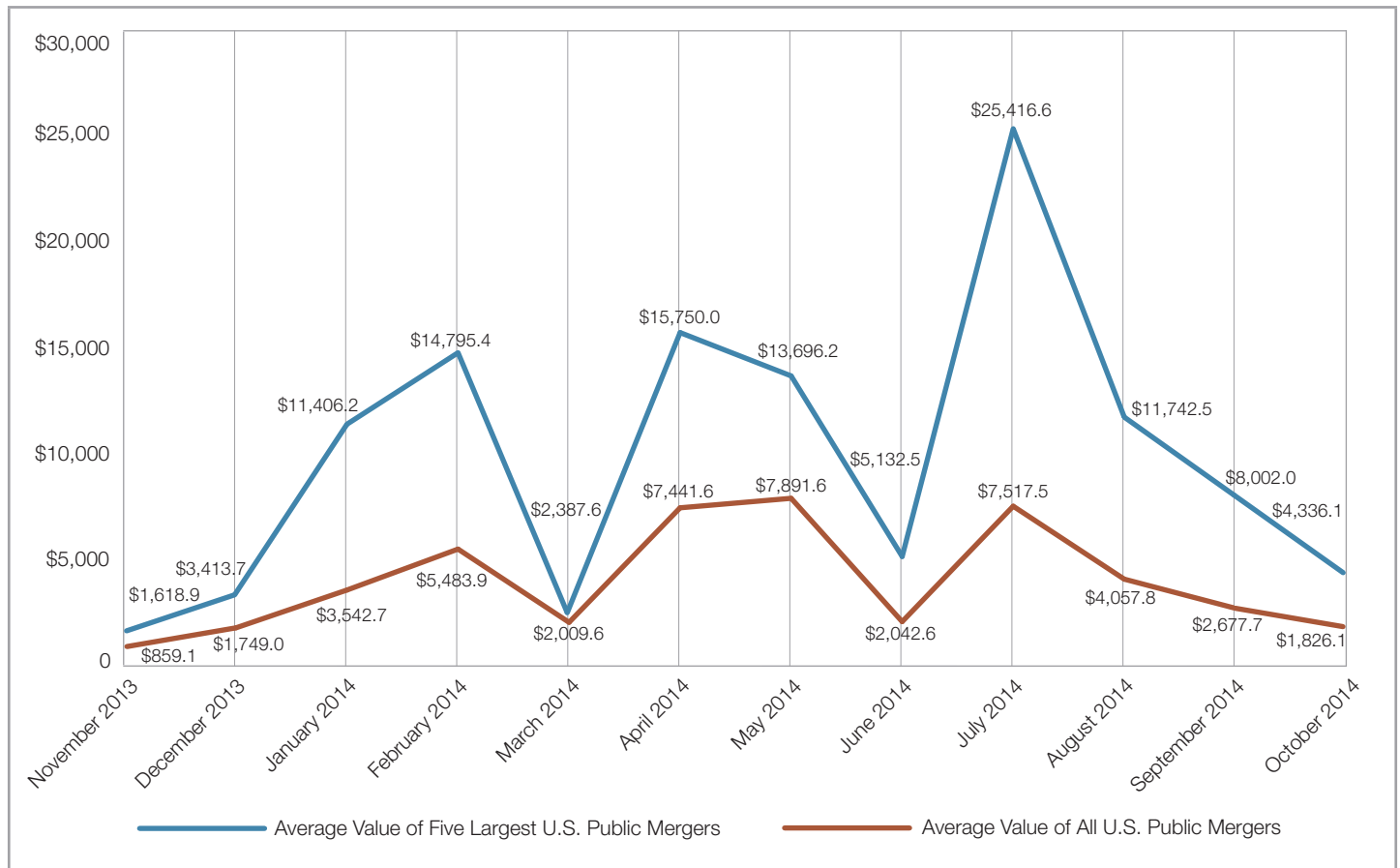
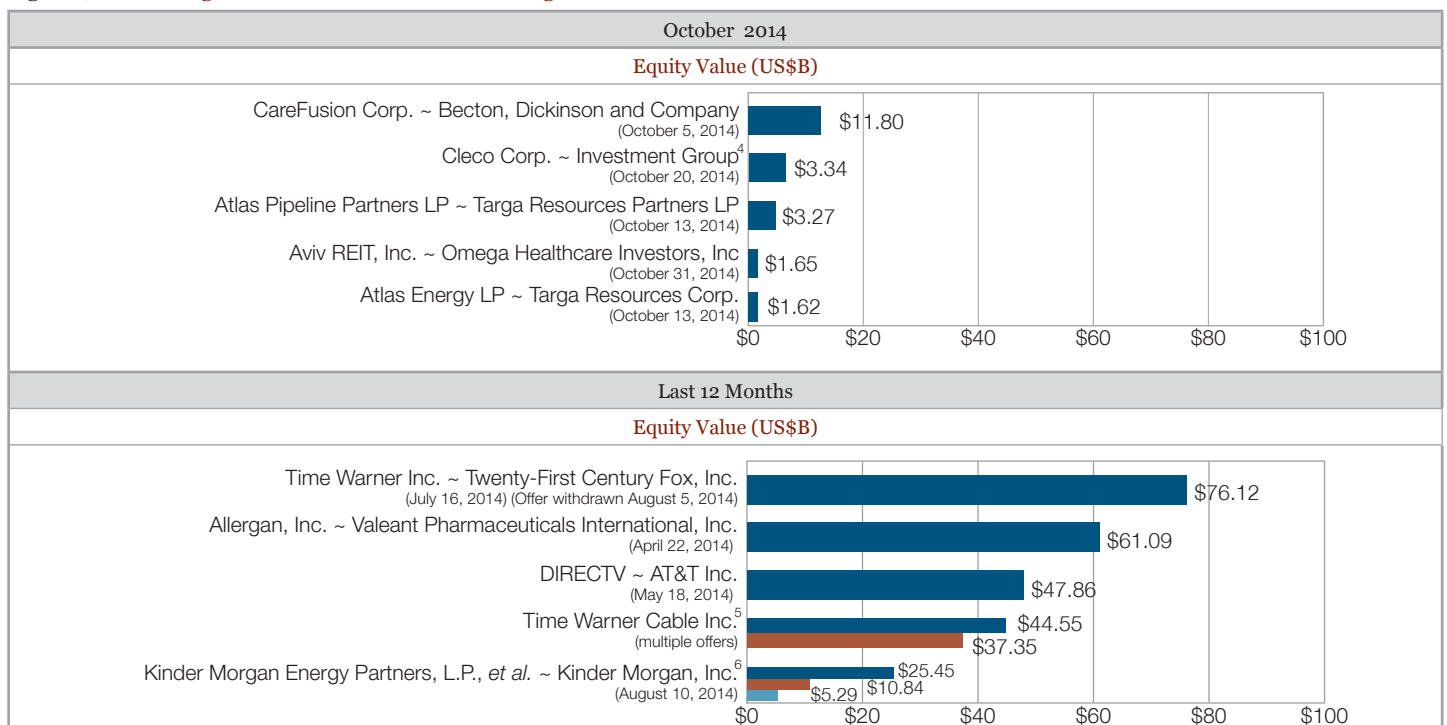


Figure 5 - Five Largest Announced U.S. Public Mergers



⁴ Members of Investment Group reported by FactSet MergerMetrics are Manulife Financial Corp., Macquarie Group Ltd. and British Columbia Investment Management Corporation.
⁵ Data reported by FactSet MergerMetrics includes the February 13, 2014 offer by Comcast Corporation, reported at \$44.55 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

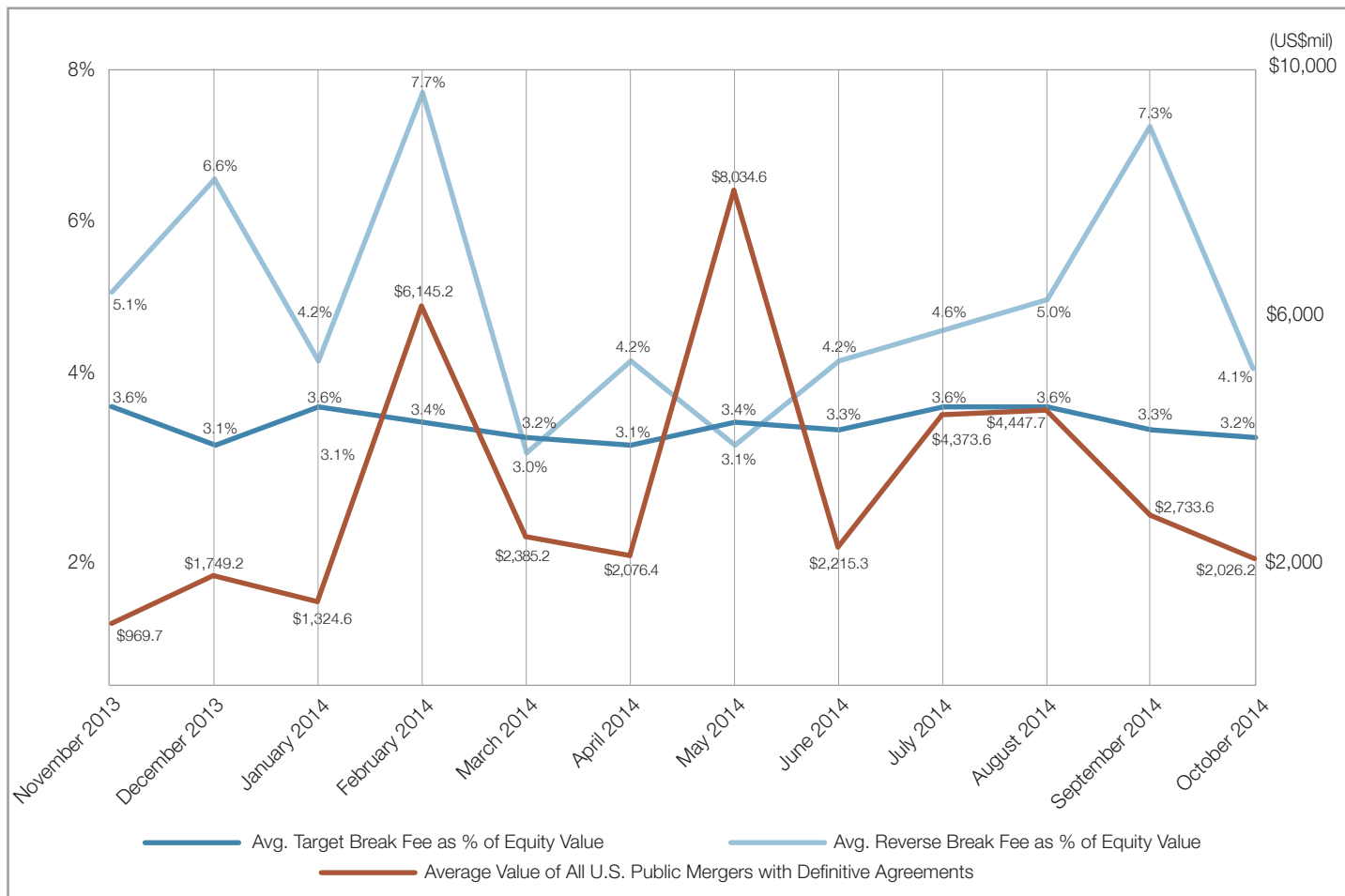


Figure 7 - Average Break Fees as % of Equity Value⁷

	October 2014	Last 12 Months
Target Break Fee for All Mergers	3.2	3.4

	October 2014	Last 12 Months
Reverse Break Fee for All Mergers	4.1	4.9
Reverse Break Fee for Mergers Involving Financial Buyers ⁸	4.6	6.6
Reverse Break Fee for Mergers Involving Strategic Buyers	4.0	4.5

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 two transactions in October 2014 involving a financial buyer had a reverse break fee.

⁹ Only two transactions in October 2014 involved financial buyers.

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

¹¹ Only one transaction in October 2014 involving a financial buyer had a go-shop provision.

¹² No transactions in October 2014 involving a strategic buyer had a go-shop provision.

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

	October 2014	Last 12 Months
% of Mergers with Go-Shops	7.7	6.7
% of Mergers Involving Financial Buyers with Go-Shops ⁹	50.0	29.4
% of Mergers Involving Strategic Buyers with Go-Shops	0.0	3.8
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops ¹⁰	45.0	29.5
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops ¹¹	45.0	29.0
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops ¹²	N/A	30.0

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

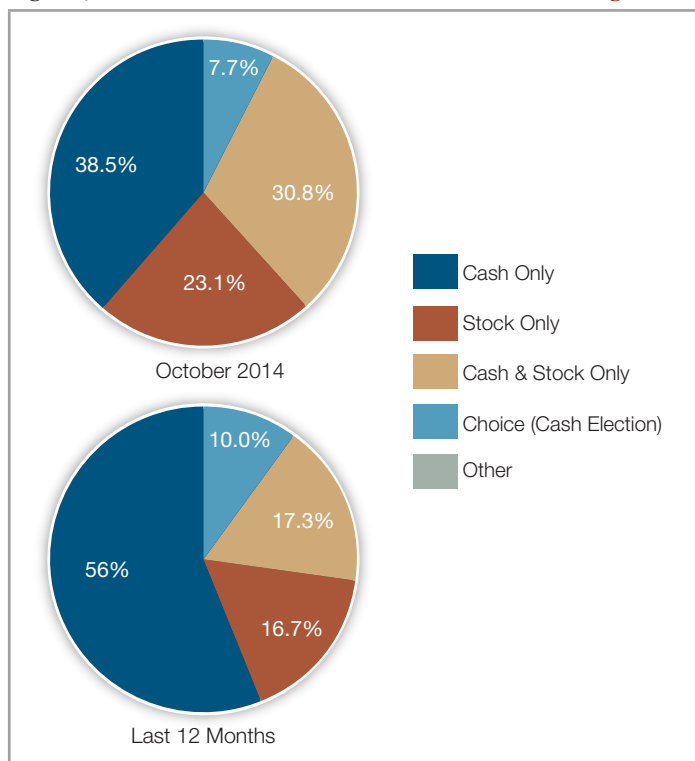


Figure 10 - % of Partial and All Stock Deals that Have a Fixed Exchange Ratio

October 2014	100.0
Last 12 Months	86.3

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

October 2014	7.7
Last 12 Months	25.3

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

October 2014	13.3
Last 12 Months	17.3

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).

Paul, Weiss is a leading law firm serving the largest publicly and privately held corporations and financial institutions in the United States and throughout the world. Our firm is widely recognized for achieving an unparalleled record of success for our clients, both in their bet-the-company litigations and their most critical strategic transactions. We are keenly aware of the extraordinary challenges and opportunities facing national and global economies and are committed to serving our clients' short- and long-term goals.

Our Mergers & Acquisitions Practice

The Mergers & Acquisitions Group at Paul, Weiss is among the most experienced and active in the world. We represent publicly traded and privately held companies, leading private equity firms, hedge funds, financial advisors, and other financial institutions and investors in their most important mergers and acquisitions, joint ventures and other strategic transactions.

Our expertise advising corporations and private investors in a broad range of sophisticated transactions enables us to identify new opportunities for our clients to realize value. We have particular experience in guiding clients as they engage in proxy battles, company-altering and market consolidating transactions or capital markets transactions.

A sampling of recent engagements includes: advising Time Warner Cable in its pending \$45 billion merger with Comcast; representing SAP in its pending \$8.3 billion acquisition of Concur Technologies; representing Automatic Data Processing in its \$5 billion spin-off of ADP Dealer Services, now called CDK Global; advising Encana in its pending \$7.1 billion acquisition of Athlon Energy; representing NorthStar Realty Finance in its pending \$4 billion acquisition of Griffin-American Healthcare REIT II; advising Oak Hill Capital Partners in its \$1.43 billion acquisition of Berlin Packaging; advising Wesley Edens and Marc Lasry in their purchase of the Milwaukee Bucks of the National Basketball Association; and representing IMAX Corporation in its sale of a 20 percent stake in its Greater China business.

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.

© 2014 Paul, Weiss, Rifkind, Wharton & Garrison LLP.

In some jurisdictions, this publication may be considered attorney advertising. Past representations are no guarantee of future outcomes.