

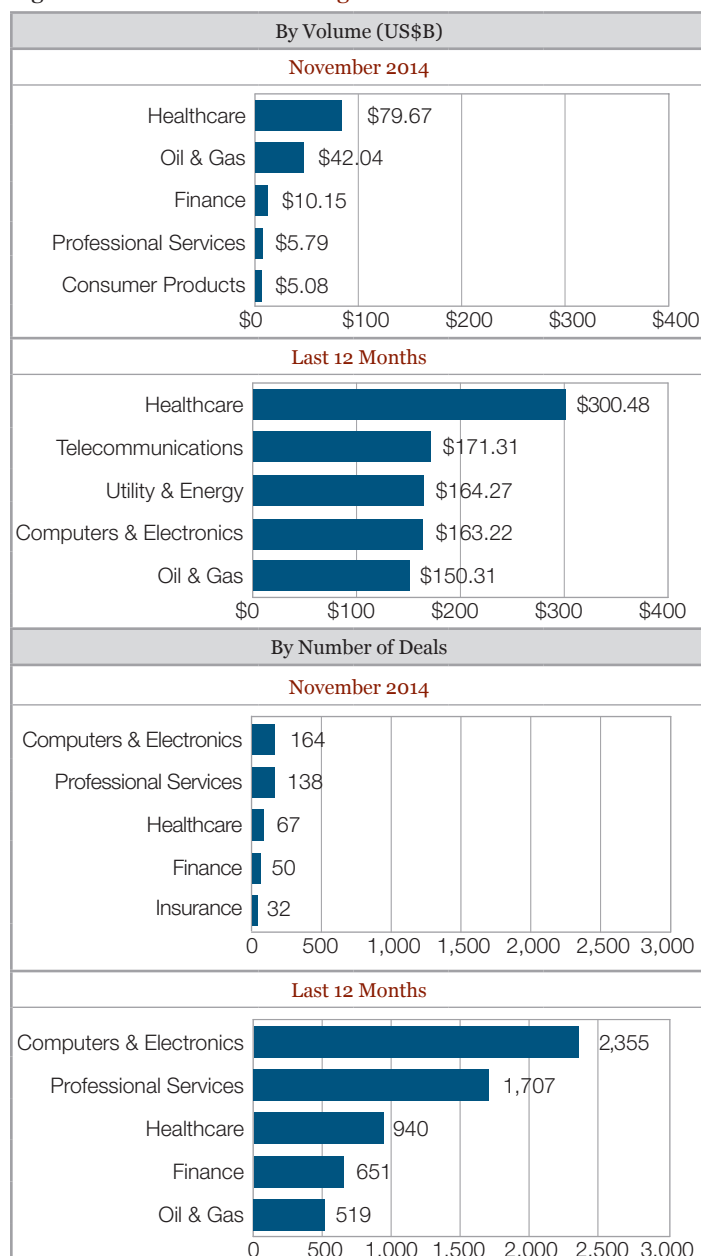
## December 2014, Issue 33

### M&A Activity

Figure 1

November 2014	Global	+/- From Prior Month	U.S.	+/- From Prior Month
<b>Total</b>				
Volume (US\$B)	374.20	147.64	162.40	70.00
No. of deals	2,840	(684)	764	(247)
Avg. value of deals (US\$mil)	274.1	127.9	671.1	385.0
Avg. deal multiple <sup>1</sup>	12.4x	(0.7)	15.5x	(0.7)
<b>Strategic Transactions</b>				
Volume (US\$B)	295.82	121.19	150.67	85.33
No. of deals	2,420	(636)	576	(209)
Avg. value of deals (US\$mil)	243.9	118.0	760.9	517.1
Avg. deal multiple <sup>1</sup>	12.5x	0.1	16.6x	3.3
<b>Sponsor-Related Transactions</b>				
Volume (US\$B)	78.38	26.46	11.74	(15.33)
No. of deals	420	(48)	188	(38)
Avg. value of deals (US\$mil)	515.6	195.2	266.7	(225.3)
Avg. deal multiple <sup>1</sup>	12.3x	(5.8)	13.1x	(13.2)
<b>Crossborder Transactions<sup>2</sup></b>				
Volume (US\$B)	94.57	24.05	Inbound 8.24 Outbound 23.80	Inbound (7.23) Outbound 10.45
No. of deals	647	(116)	Inbound 98 Outbound 125	Inbound (23) Outbound (10)
Avg. value of deals (US\$mil)	309.1	103.5	Inbound 201.0 Outbound 475.9	Inbound (56.8) Outbound 228.9
Avg. deal multiple <sup>1</sup>	13.1x	0.7	Inbound 22.7x Outbound 11.7x	Inbound 12.5 Outbound (2.0)

Figure 2 - Most Active U.S. Target Industries<sup>3</sup>



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and valued at \$100 million or higher regardless of whether a definitive merger agreement was reached and filed or withdrawn.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

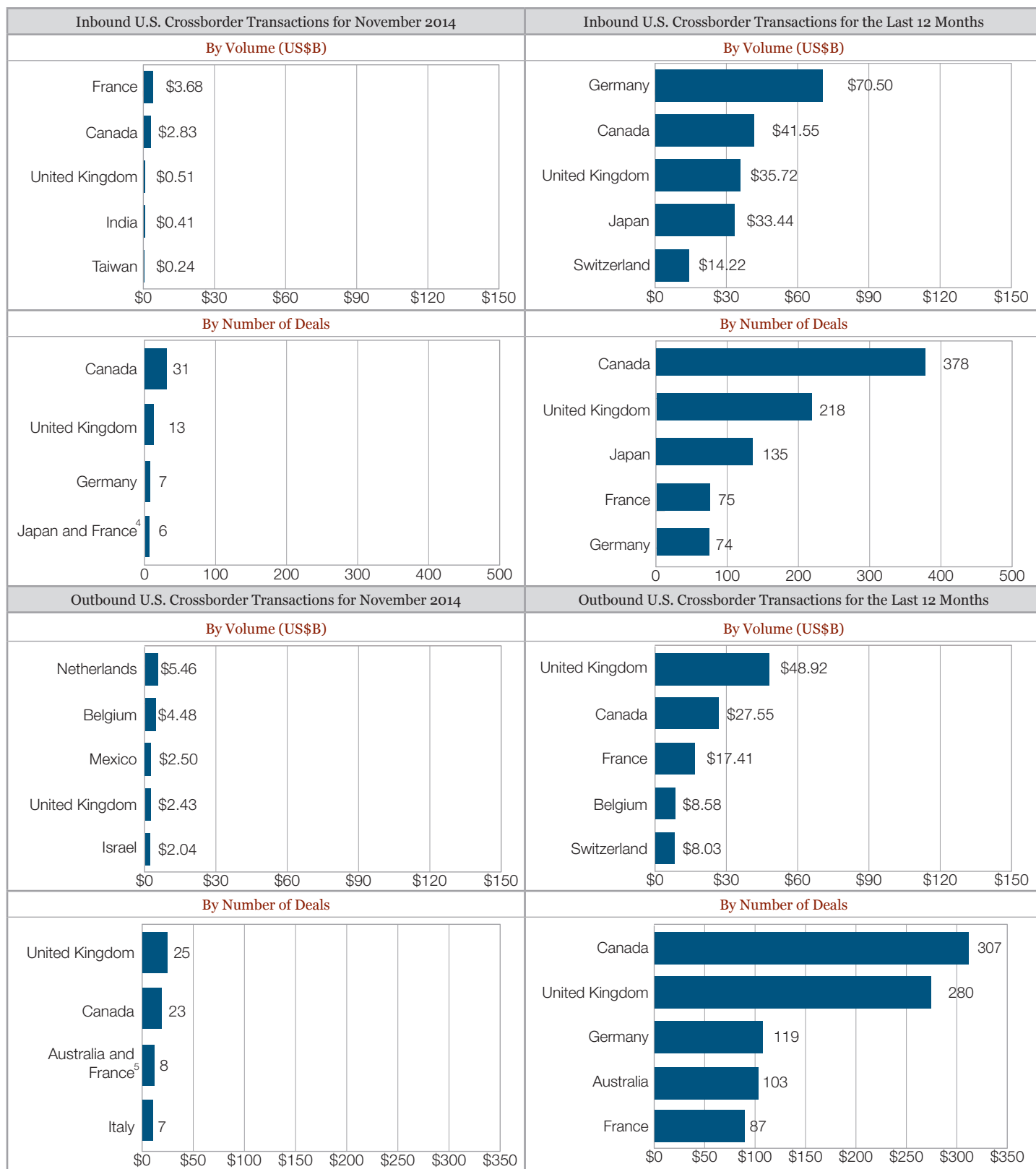
<sup>1</sup> Ratio of enterprise value to EBITDA, trailing 12 months. This statistic is calculated using a smaller subset of deals for which this data is available.

<sup>2</sup> 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.

<sup>3</sup> Industries categories are determined and named by Dealogic.

## M&amp;A Activity (Continued)

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

<sup>4</sup> Each of Japan and France was the country of origin for six transactions in November 2014.<sup>5</sup> Each of Australia and France was the country of destination for eight transactions in November 2014.

M&A Activity (Continued)

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

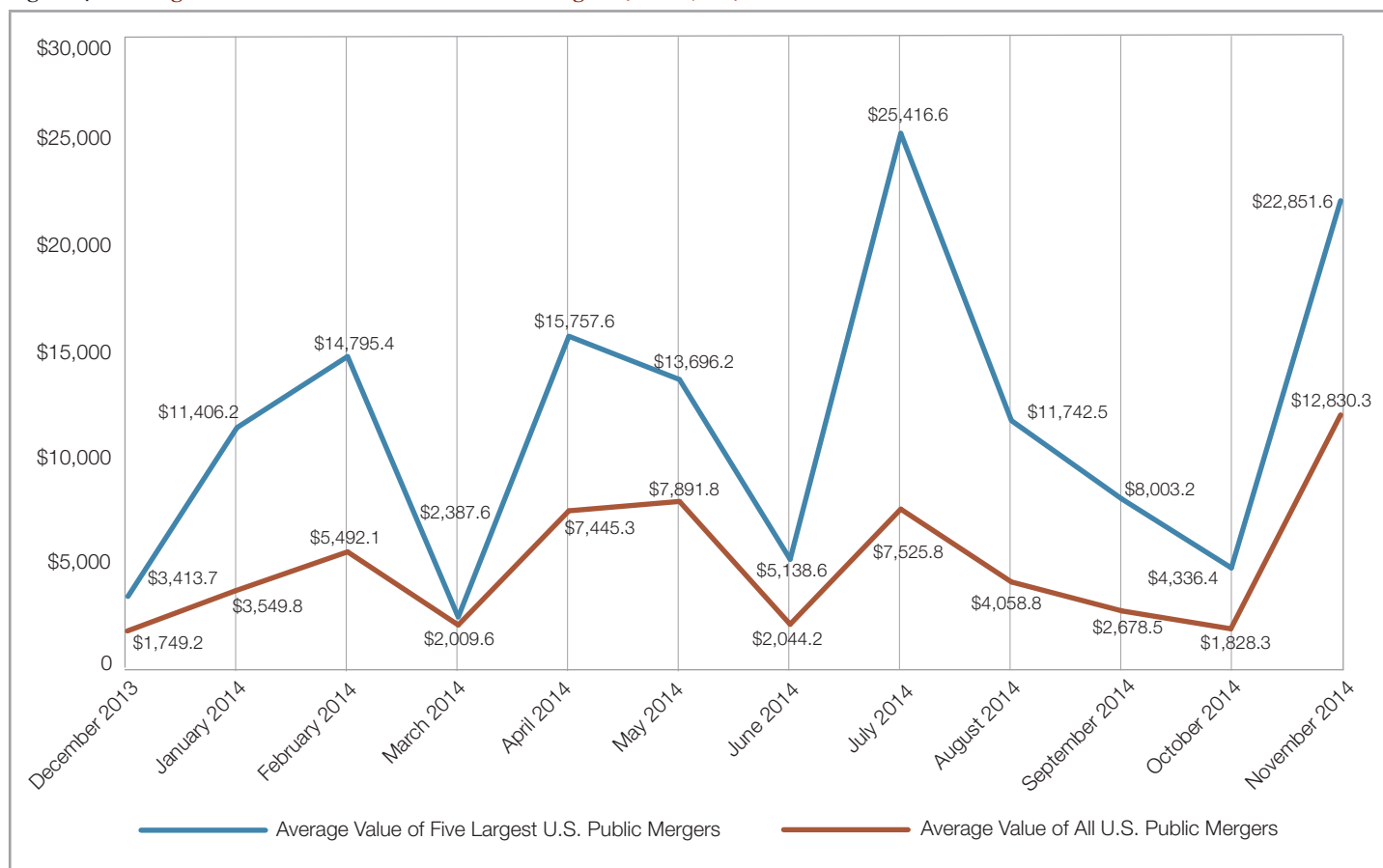
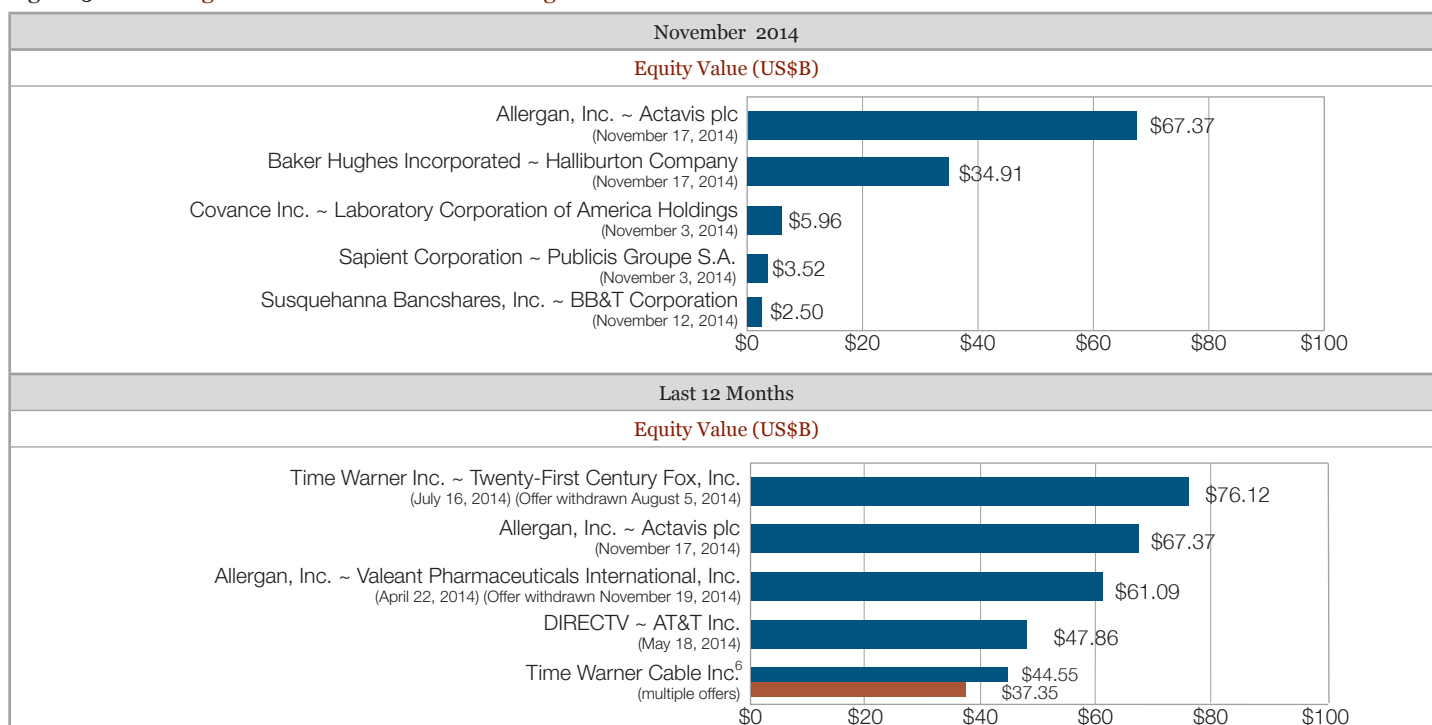
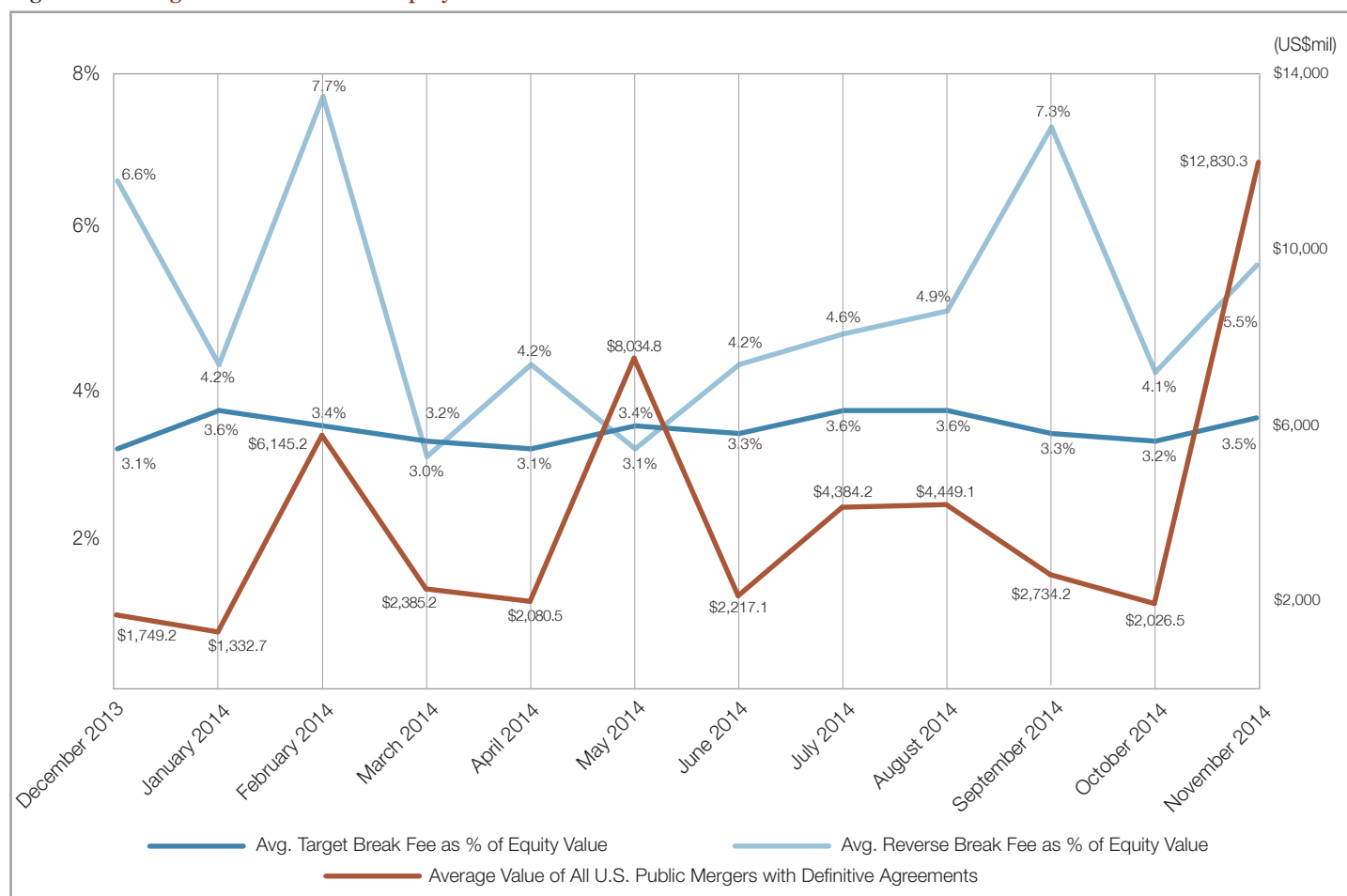


Figure 5 - Five Largest Announced U.S. Public Mergers



<sup>6</sup> 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.

## M&amp;A Terms

Figure 6 - Average Break Fees as % of Equity Value<sup>7</sup>Figure 7 - Average Break Fees as % of Equity Value<sup>7</sup>

	November 2014	Last 12 Months
Target Break Fee for All Mergers	3.5	3.4

	November 2014	Last 12 Months
Reverse Break Fee for All Mergers	5.5	5.0
Reverse Break Fee for Mergers Involving Financial Buyers <sup>8</sup>	5.6	6.5
Reverse Break Fee for Mergers Involving Strategic Buyers	5.4	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.

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

	November 2014	Last 12 Months
% of Mergers with Go-Shops	11.1	7.3
% of Mergers Involving Financial Buyers with Go-Shops <sup>9</sup>	100.0	37.5
% of Mergers Involving Strategic Buyers with Go-Shops	0.0	3.7
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops <sup>10</sup>	50.0	31.4
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops <sup>11</sup>	50.0	32.5
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops <sup>12</sup>	N/A	30.0

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

<sup>8</sup> Only one transaction in November 2014 involving a financial buyer had a reverse break fee.

<sup>9</sup> Only one transaction in November 2014 involved a financial buyer.

<sup>10</sup> Only one transaction in November 2014 had a go-shop provision.

<sup>11</sup> Only one transaction in November 2014 involving a financial buyer had a go-shop provision.

<sup>12</sup> No transactions in November 2014 involving a strategic buyer had a go-shop provision.

## M&amp;A Terms (Continued)

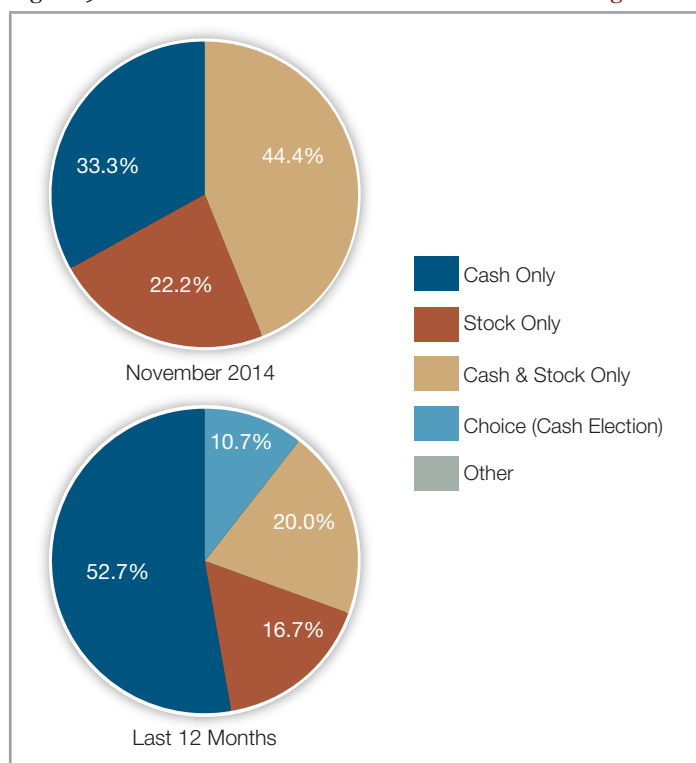
Figure 9 - Form of Consideration as % of U.S. Public Mergers<sup>13</sup>

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

November 2014	100.0
Last 12 Months	89.1

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

November 2014 <sup>14</sup>	22.2
Last 12 Months	23.3

Figure 12 - Hostile/Unsolicited Offers as % of U.S. Public Mergers<sup>15</sup>

November 2014	11.1
Last 12 Months	16.4

<sup>13</sup> Due to rounding, percentages may not add up to 100%.

<sup>14</sup> Only two transactions in November 2014 involved a tender offer.

<sup>15</sup> 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.

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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.

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