

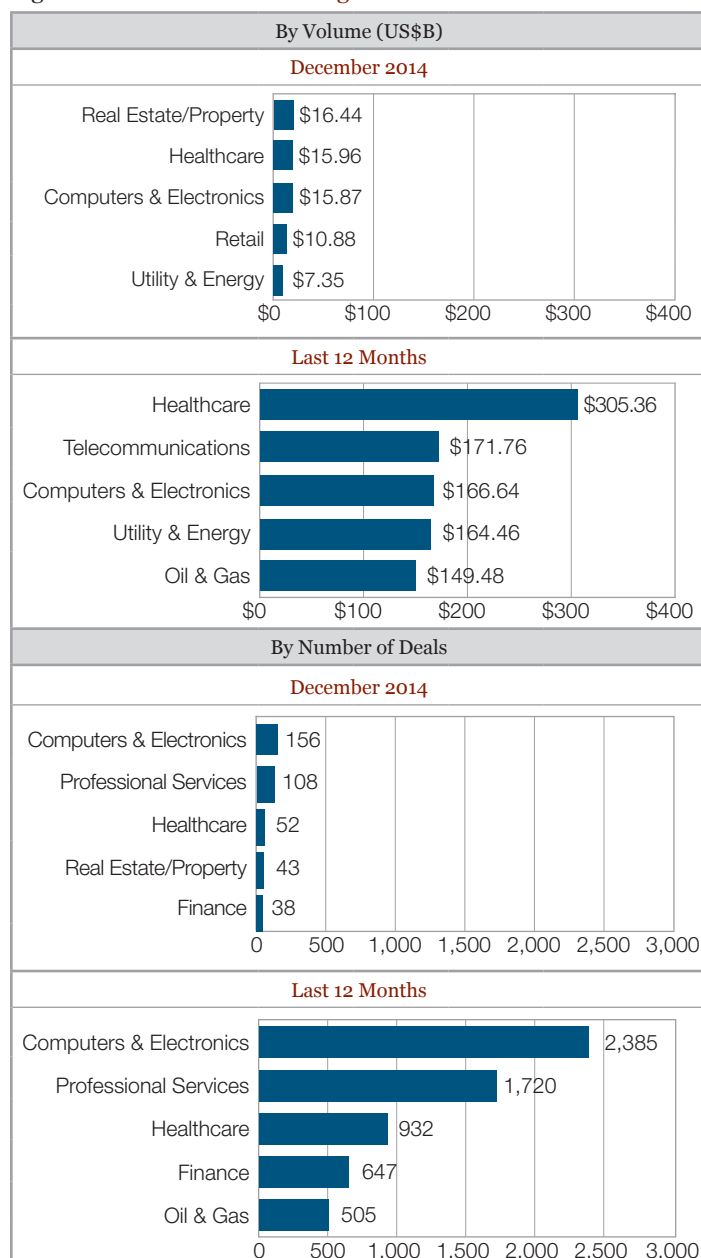
January 2015, Issue 34

M&A Activity

Figure 1

December 2014	Global	+/- From Prior Month	U.S.	+/- From Prior Month
Total				
Volume (US\$B)	287.37	(73.05)	92.48	(70.18)
No. of deals	3,120	138	683	(106)
Avg. value of deals (US\$mil)	176.5	(79.8)	345.1	(321.6)
Avg. deal multiple ¹	12.6x	0.3	12.8x	(3.1)
Strategic Transactions				
Volume (US\$B)	210.33	(81.48)	53.22	(99.22)
No. of deals	2,698	137	525	(77)
Avg. value of deals (US\$mil)	145.0	(87.7)	244.1	(514.3)
Avg. deal multiple ¹	12.8x	0.3	13.3x	(3.6)
Sponsor-Related Transactions				
Volume (US\$B)	77.04	8.43	39.26	29.05
No. of deals	422	1	158	(29)
Avg. value of deals (US\$mil)	435.2	(16.1)	785.2	547.7
Avg. deal multiple ¹	11.1x	(0.5)	9.9x	(3.2)
Crossborder Transactions²				
Volume (US\$B)	85.17	(9.95)	Inbound 25.35 Outbound 11.89	Inbound 17.31 Outbound (11.95)
No. of deals	755	86	Inbound 110 Outbound 127	Inbound 13 Outbound (3)
Avg. value of deals (US\$mil)	224.7	(86.1)	Inbound 460.9 Outbound 233.1	Inbound 249.4 Outbound (243.7)
Avg. deal multiple ¹	13.9x	1.0	Inbound 9.6x Outbound 11.7x	Inbound (13.1) Outbound (0.1)

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and valued at \$100 million or higher regardless of whether a definitive merger agreement was reached and filed or withdrawn.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 January 12, 2015 unless otherwise specified. "Last 12 Months" data is for the period from January 2014 to December 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.

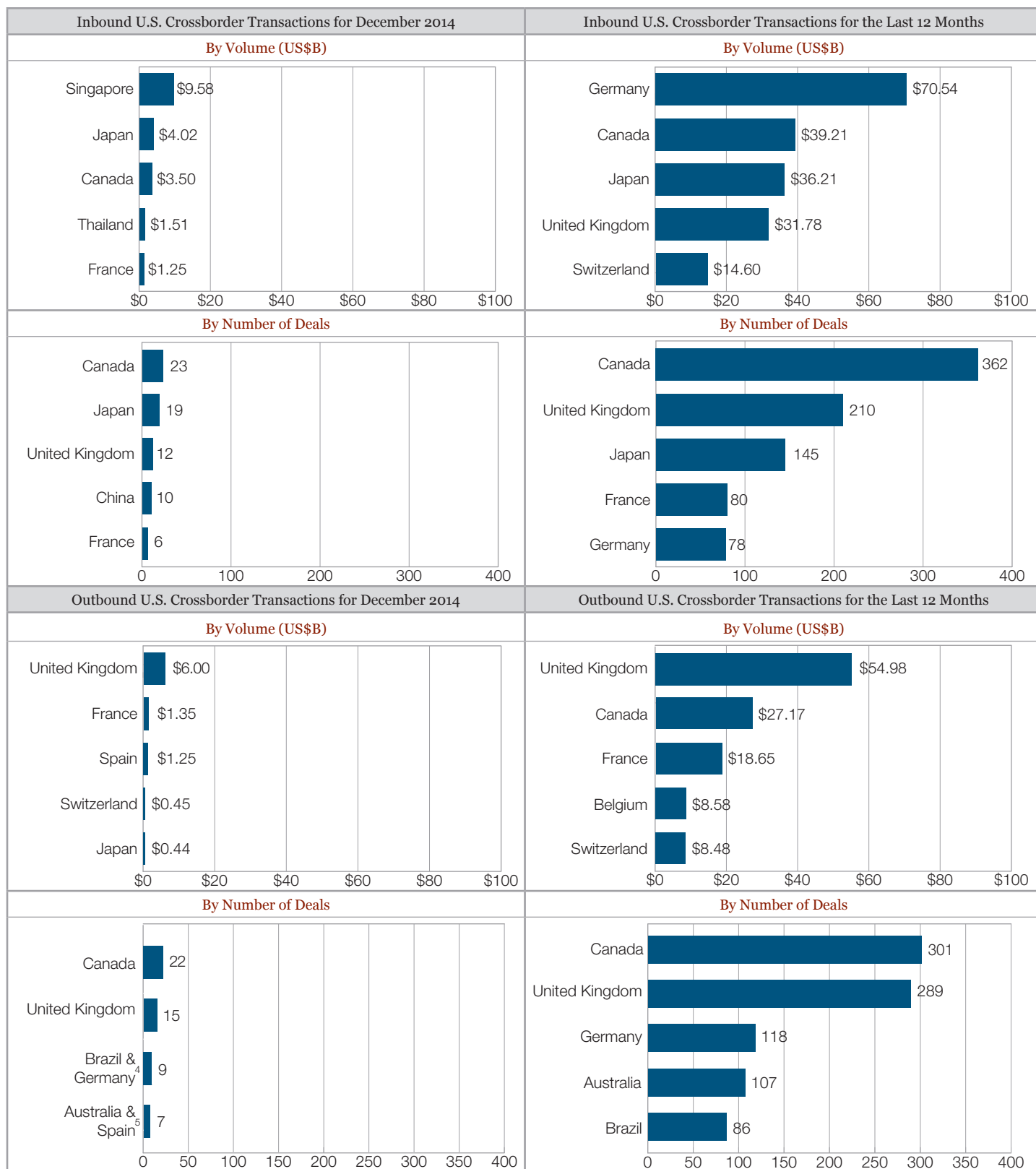
² Global crossborder transactions are those where the acquirer and the target have different nationalities. Nationality is based on where a company has either its headquarters or a majority of its operations.

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 Brazil and Germany was the country of destination for nine transactions in December 2014.⁵ Each of Australia and Spain was the country of destination for seven transactions in December 2014.

M&A Activity (Continued)

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

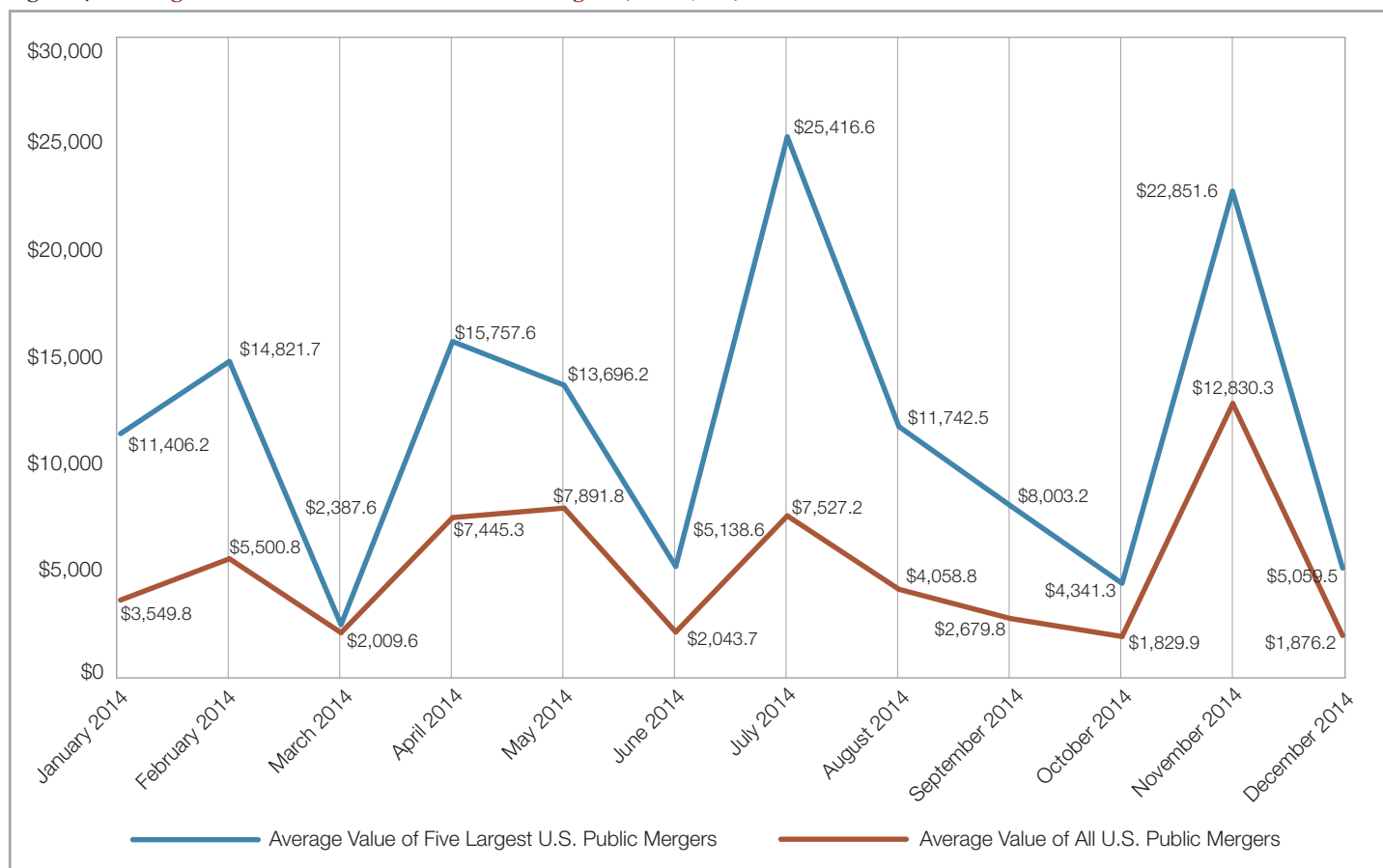
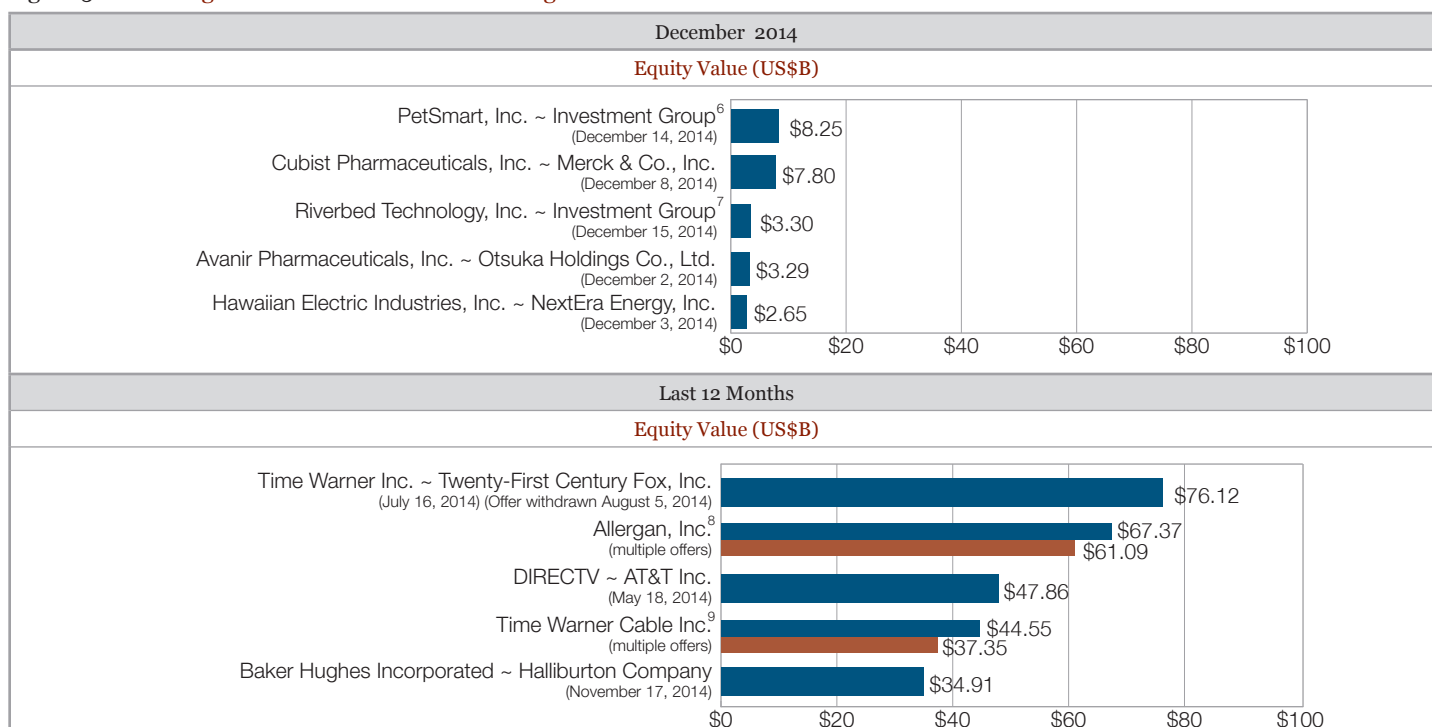
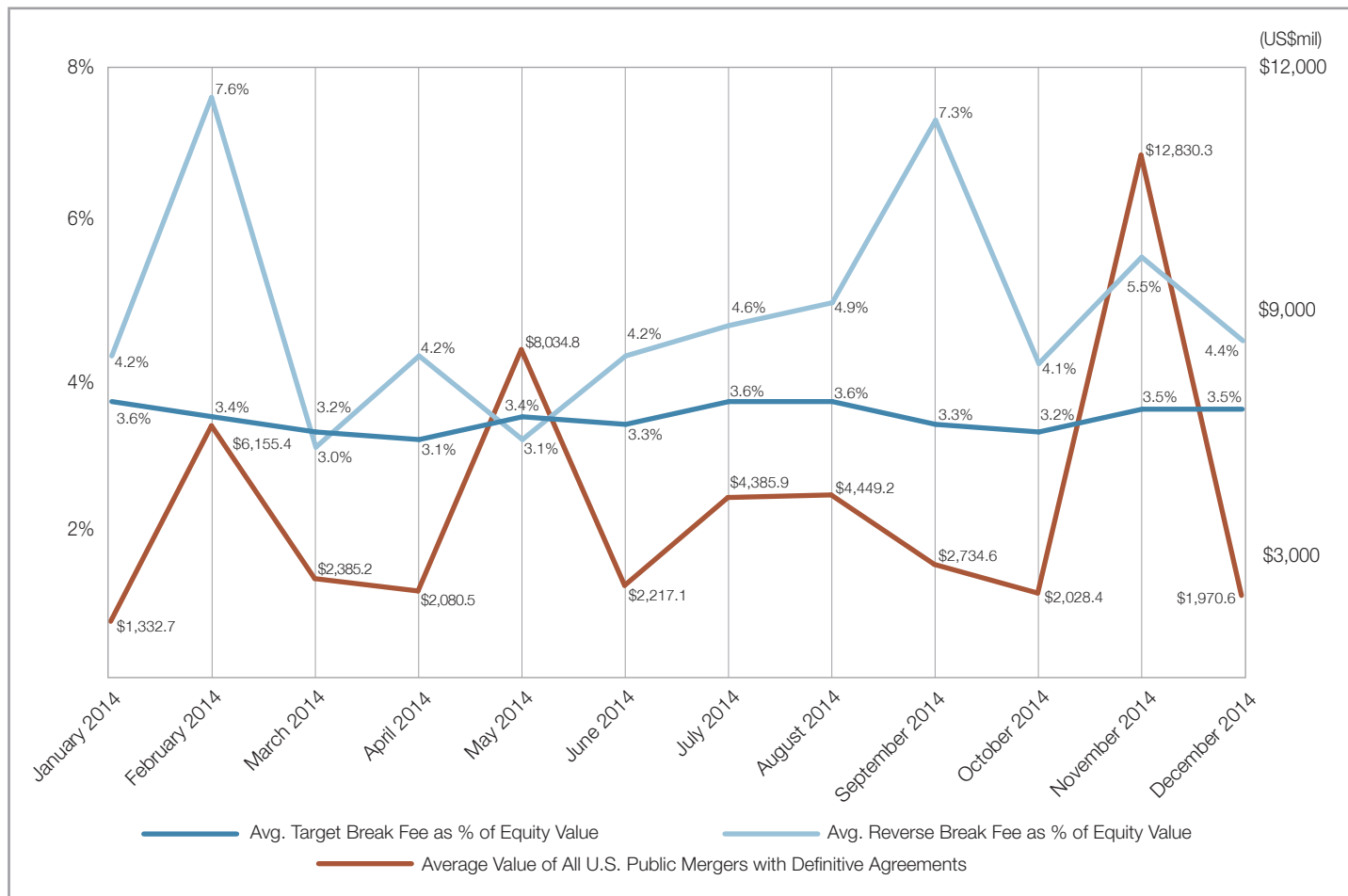


Figure 5 - Five Largest Announced U.S. Public Mergers

⁶ Members of Investment Group reported by FactSet MergerMetrics are Henry Crown & Co., The Caisse de depot et placement du Quebec, StepStone Group Holdings LLC and BC Partners Ltd.⁷ Members of Investment Group reported by FactSet MergerMetrics are Thoma Bravo, LLC and Ontario Teachers' Pension Plan.⁸ Data reported by FactSet MergerMetrics includes the November 17, 2014 offer by Actavis plc, reported at \$67.37 billion, and the April 22, 2014 offer by Valeant Pharmaceuticals International, Inc., reported at \$61.09 billion.⁹ 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&A Terms

Figure 6 - Average Break Fees as % of Equity Value¹⁰Figure 7 - Average Break Fees as % of Equity Value¹⁰

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

	December 2014	Last 12 Months
Reverse Break Fee for All Mergers	4.4	4.8
Reverse Break Fee for Mergers Involving Financial Buyers ¹¹	6.9	6.6
Reverse Break Fee for Mergers Involving Strategic Buyers	3.1	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.

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

	December 2014	Last 12 Months
% of Mergers with Go-Shops	6.3	7.8
% of Mergers Involving Financial Buyers with Go-Shops ¹²	0.0	35.3
% of Mergers Involving Strategic Buyers with Go-Shops	7.7	4.4
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops ¹³	45.0	32.5
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops ¹⁴	N/A	32.5
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops ¹⁵	45.0	32.5

¹⁰ Based on the highest target break fees and reverse break fees payable in a particular deal.

¹¹ Only two transactions in December 2014 involving a financial buyer had a reverse break fee.

¹² Only three transactions in December 2014 involved a financial buyer.

¹³ Only one transaction in December 2014 had a go-shop provision.

¹⁴ No transactions in December 2014 involving a financial buyer had a go-shop provision.

¹⁵ Only one transaction in December 2014 involving a strategic buyer had a go-shop provision.

M&A Terms (Continued)

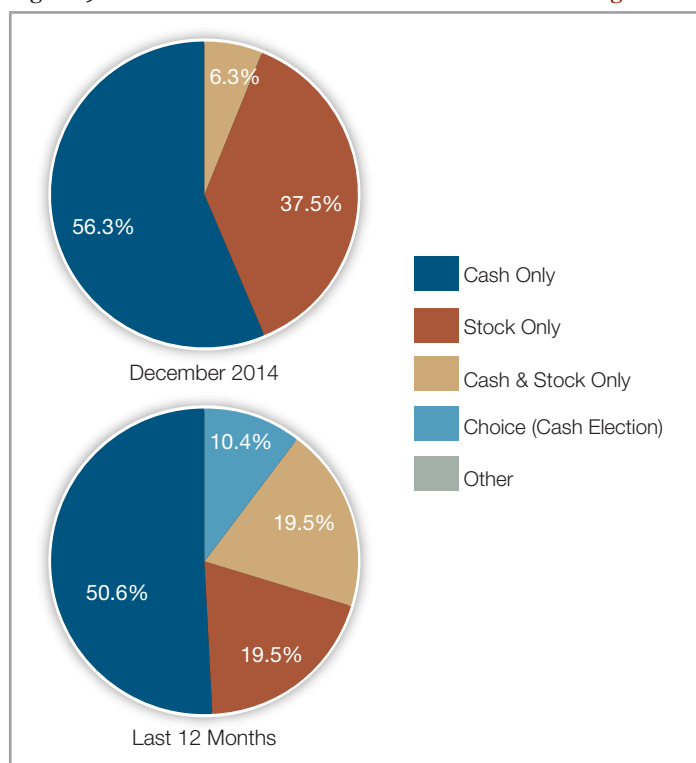
Figure 9 - Form of Consideration as % of U.S. Public Mergers¹⁶

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

December 2014	100.0
Last 12 Months	90.0

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

December 2014	31.3
Last 12 Months	22.1

Figure 12 - Hostile/Unsolicited Offers as % of U.S. Public Mergers¹⁷

December 2014	5.9
Last 12 Months	15.9

¹⁶ Due to rounding, percentages may not add up to 100%.¹⁷ 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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