

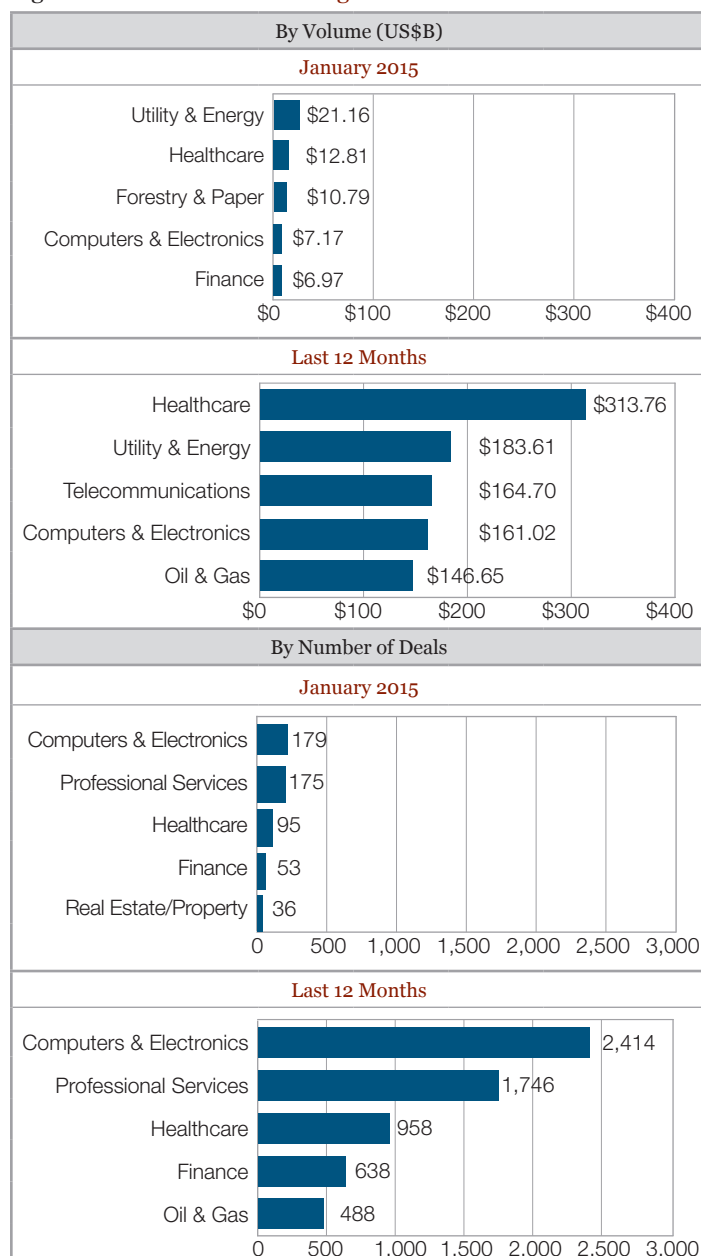
## February 2015, Issue 35

### M&A Activity

Figure 1

January 2015	Global	+/- From Prior Month	U.S.	+/- From Prior Month
<b>Total</b>				
Volume (US\$B)	241.34	(55.26)	76.12	(20.58)
No. of deals	2,982	(324)	854	153
Avg. value of deals (US\$mil)	190.9	20.1	286.2	(65.5)
Avg. deal multiple <sup>1</sup>	11.4x	(1.2)	19.0x	6.2
<b>Strategic Transactions</b>				
Volume (US\$B)	211.97	(6.36)	65.12	8.76
No. of deals	2,562	(309)	676	136
Avg. value of deals (US\$mil)	186.8	46.2	286.9	35.3
Avg. deal multiple <sup>1</sup>	11.5x	(1.3)	19.0x	5.6
<b>Sponsor-Related Transactions</b>				
Volume (US\$B)	29.36	(48.90)	11.00	(29.34)
No. of deals	420	(15)	178	17
Avg. value of deals (US\$mil)	227.6	(200.1)	282.0	(508.9)
Avg. deal multiple <sup>1</sup>	11.4x	0.0	N/A <sup>2</sup>	N/A <sup>2</sup>
<b>Crossborder Transactions<sup>3</sup></b>				
Volume (US\$B)	65.79	(19.29)	Inbound 16.27 Outbound 8.57	Inbound (10.27) Outbound (3.55)
No. of deals	710	(94)	Inbound 106 Outbound 149	Inbound (7) Outbound 12
Avg. value of deals (US\$mil)	232.5	21.9	Inbound 361.7 Outbound 204.0	Inbound (96.0) Outbound (24.6)
Avg. deal multiple <sup>1</sup>	10.4X	(3.7)	Inbound N/A <sup>4</sup> Outbound 11.5x	Inbound N/A <sup>4</sup> Outbound (0.2)

Figure 2 - Most Active U.S. Target Industries<sup>5</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and valued at \$100 million or higher regardless of whether a definitive merger agreement was reached and filed or withdrawn.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 February 2015 unless otherwise specified. "Last 12 Months" data is for the period from February 2014 to January 2015 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> No data is available for ratio of enterprise value to EBITDA, trailing 12 months, for U.S. Sponsor-Related transactions in January 2015.

<sup>3</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.

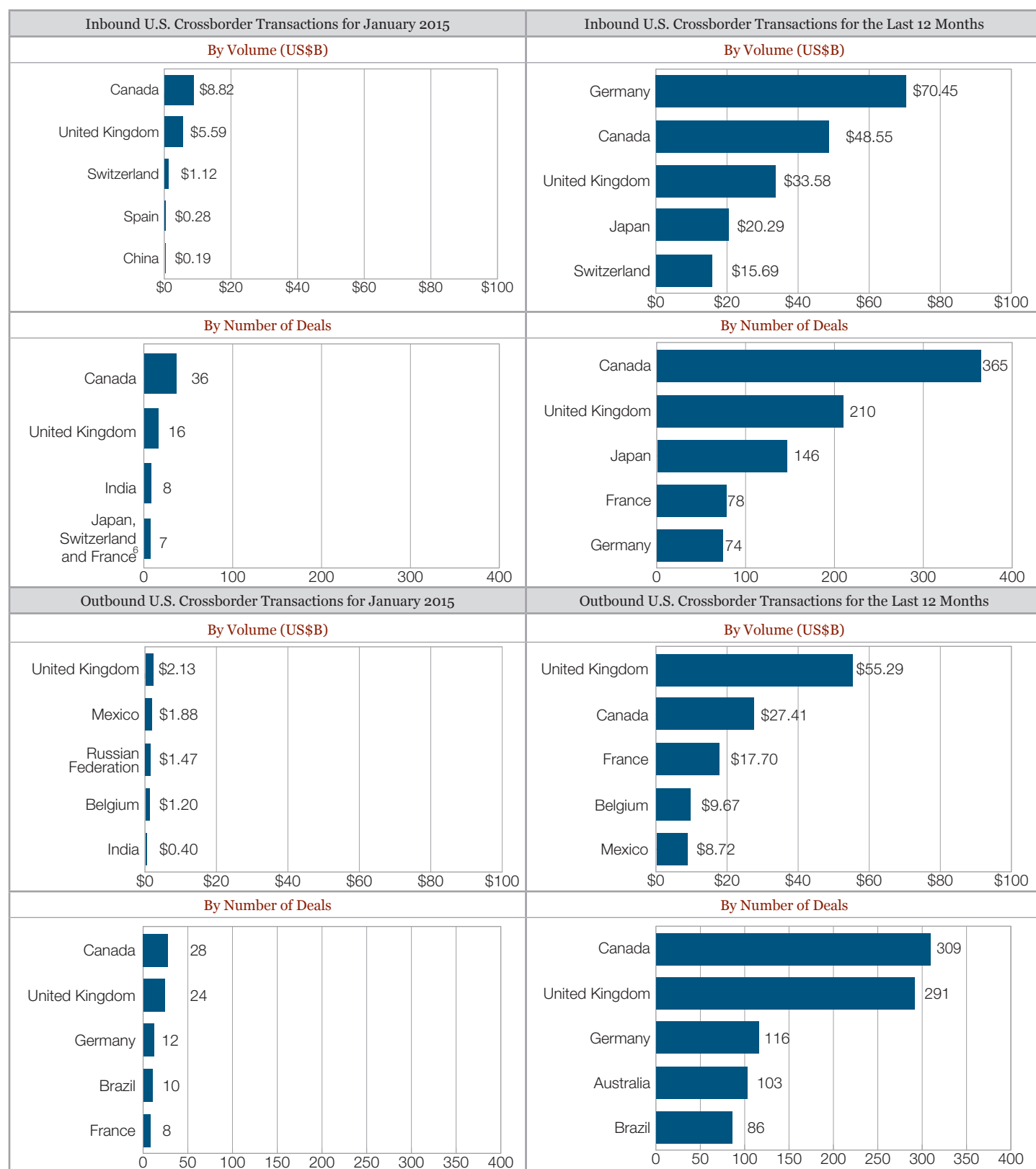
U.S. crossborder transactions are those transactions where the acquirer and the target have different nationalities and either the acquirer ("Outbound") or the target ("Inbound") has a U.S. nationality.

<sup>4</sup> No data is available for ratio of enterprise value to EBITDA, trailing 12 months, for Crossborder Transactions in January 2015.

<sup>5</sup> 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



<sup>6</sup> Each of Japan, Switzerland and France was the country of origin for seven transactions in January 2015.

## M&amp;A Activity (Continued)

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

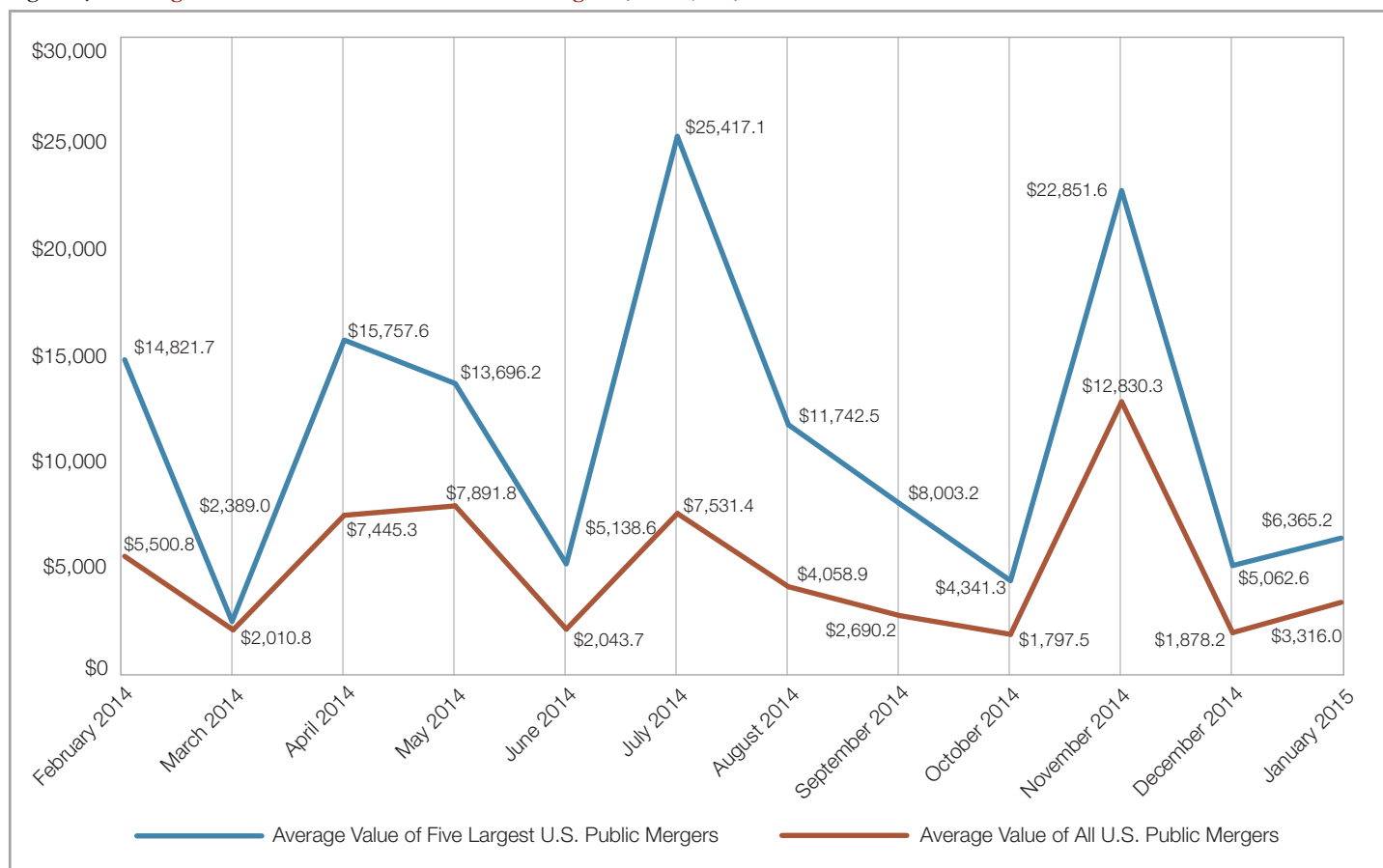
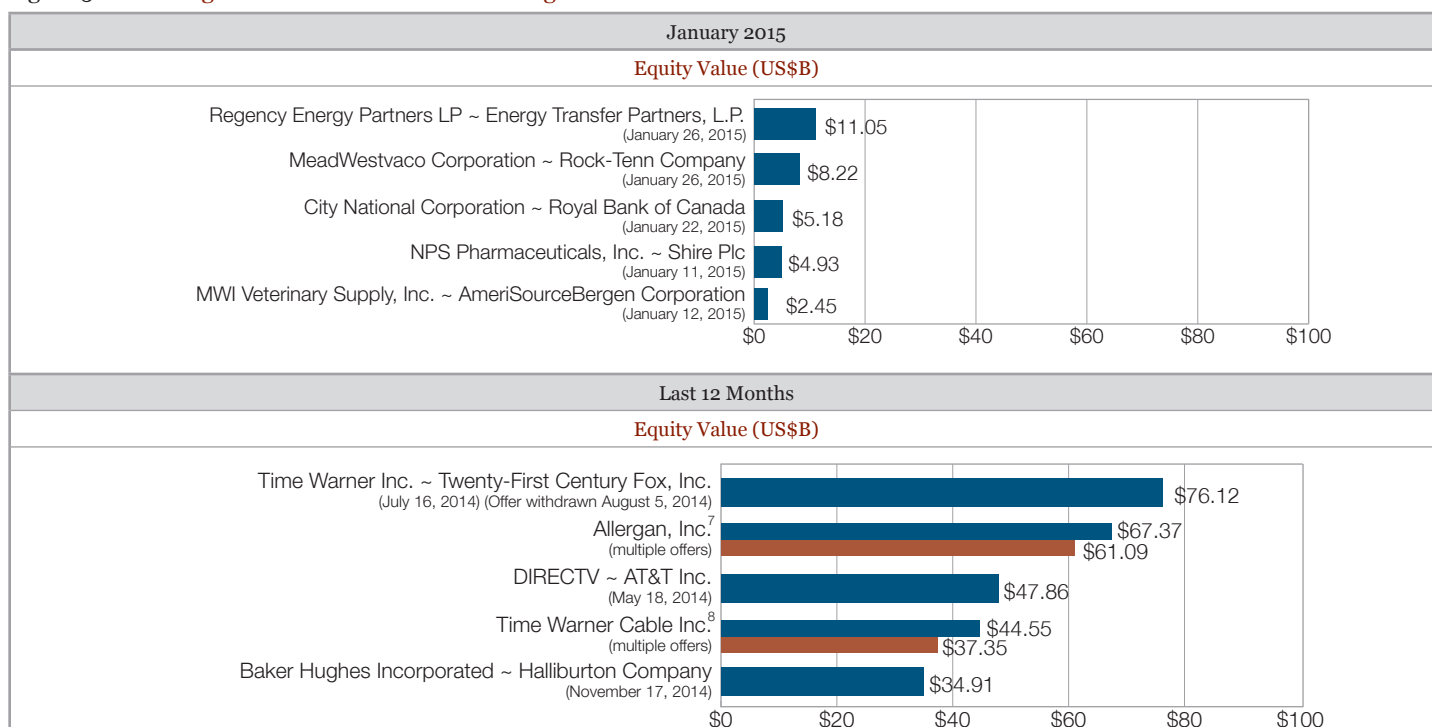


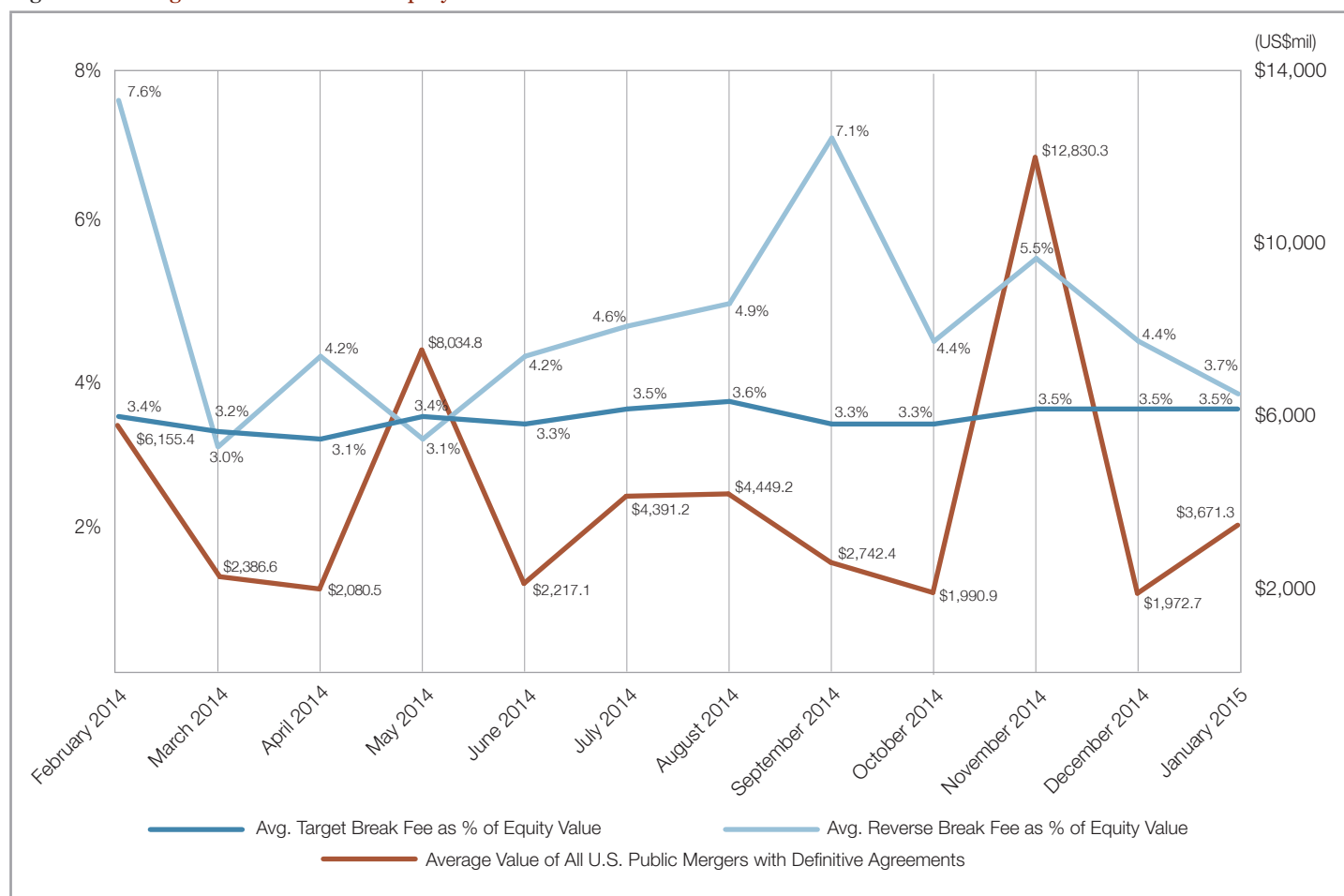
Figure 5 - Five Largest Announced U.S. Public Mergers



<sup>7</sup> 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.

<sup>8</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>9</sup>Figure 7 - Average Break Fees as % of Equity Value<sup>9</sup>

	January 2015	Last 12 Months
Target Break Fee for All Mergers	3.5	3.4

	January 2015	Last 12 Months
Reverse Break Fee for All Mergers	3.7	4.9
Reverse Break Fee for Mergers Involving Financial Buyers <sup>10</sup>	N/A	6.8
Reverse Break Fee for Mergers Involving Strategic Buyers	3.7	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

	January 2015	Last 12 Months
% of Mergers with Go-Shops	0.0	6.8
% of Mergers Involving Financial Buyers with Go-Shops <sup>11</sup>	N/A	28.6
% of Mergers Involving Strategic Buyers with Go-Shops	0.0	4.5
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops <sup>12</sup>	N/A	34.1
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops <sup>13</sup>	N/A	36.5
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops <sup>14</sup>	N/A	32.5

<sup>9</sup> Based on the highest target break fees and reverse break fees payable in a particular deal.

<sup>10</sup> No transactions in January 2015 involving a financial buyer had a reverse break fee.

<sup>11</sup> No transactions in January 2015 involved a financial buyer.

<sup>12</sup> No transactions in January 2015 had a go-shop provision.

<sup>13</sup> No transactions in January 2015 involving a financial buyer had a go-shop provision.

<sup>14</sup> No transactions in January 2015 involving a strategic buyer had a go-shop provision.

## M&amp;A Terms (Continued)

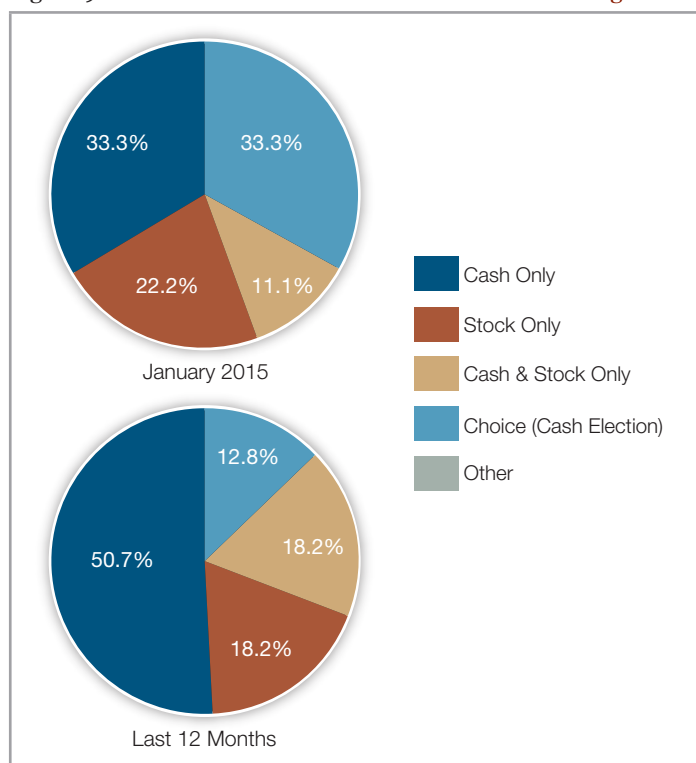
Figure 9 - Form of Consideration as % of U.S. Public Mergers<sup>15</sup>

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

January 2015	100.0
Last 12 Months	90.7

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

January 2015	33.3
Last 12 Months	22.3

Figure 12 - Hostile/Unsolicited Offers as % of U.S. Public Mergers<sup>16</sup>

January 2015	10.0
Last 12 Months	14.8

<sup>15</sup> Due to rounding, percentages may not add up to 100%.

<sup>16</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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