

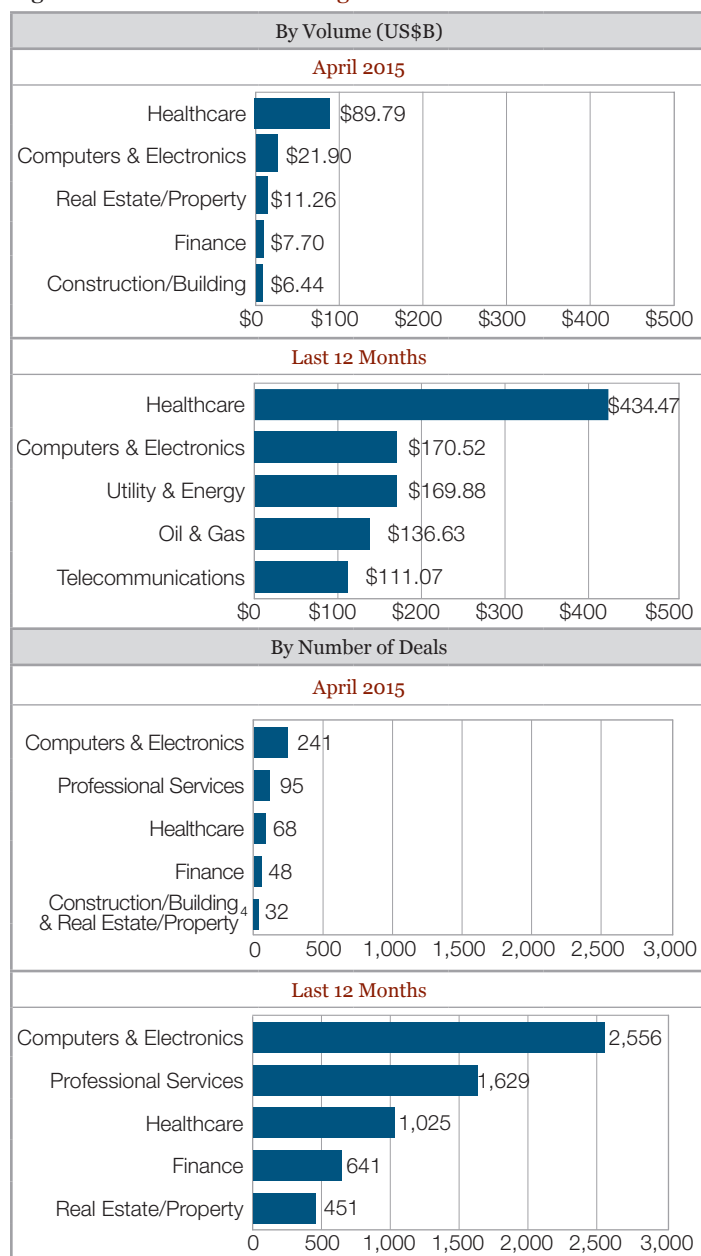
## May 2015, Issue 38

### M&A Activity

Figure 1

April 2015	Global	+/- From Prior Month	U.S.	+/- From Prior Month
<b>Total</b>				
Volume (US\$B)	415.29	56.99	153.98	(36.87)
No. of deals	2,875	(509)	744	(140)
Avg. value of deals (US\$mil)	294.1	69.1	501.6	(136.7)
Avg. deal multiple <sup>1</sup>	12.7x	(0.3)	16.2x	(1.4)
<b>Strategic Transactions</b>				
Volume (US\$B)	363.77	135.64	125.34	31.65
No. of deals	2,561	(446)	612	(85)
Avg. value of deals (US\$mil)	279.2	120.3	462.5	65.5
Avg. deal multiple <sup>1</sup>	12.5x	(0.1)	13.3x	(4.9)
<b>Sponsor-Related Transactions</b>				
Volume (US\$B)	51.52	(78.65)	28.64	(68.52)
No. of deals	314	(63)	132	(55)
Avg. value of deals (US\$mil)	472.6	(361.8)	795.6	(746.6)
Avg. deal multiple <sup>1</sup>	14.9x	(1.5)	21.9x	5.0
<b>Crossborder Transactions<sup>2</sup></b>				
Volume (US\$B)	216.44	92.90	Inbound 63.48 Outbound 15.55	Inbound 29.88 Outbound (6.45)
No. of deals	690	(101)	Inbound 104 Outbound 146	Inbound (23) Outbound (12)
Avg. value of deals (US\$mil)	714.3	361.4	Inbound 1,380.1 Outbound 324.0	Inbound 800.8 Outbound (36.7)
Avg. deal multiple <sup>1</sup>	14.8x	2.4	Inbound 20.7x Outbound 13.4x	Inbound (2.7) Outbound 1.0

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and valued at \$100 million or higher regardless of whether a definitive merger agreement was reached and filed or withdrawn.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

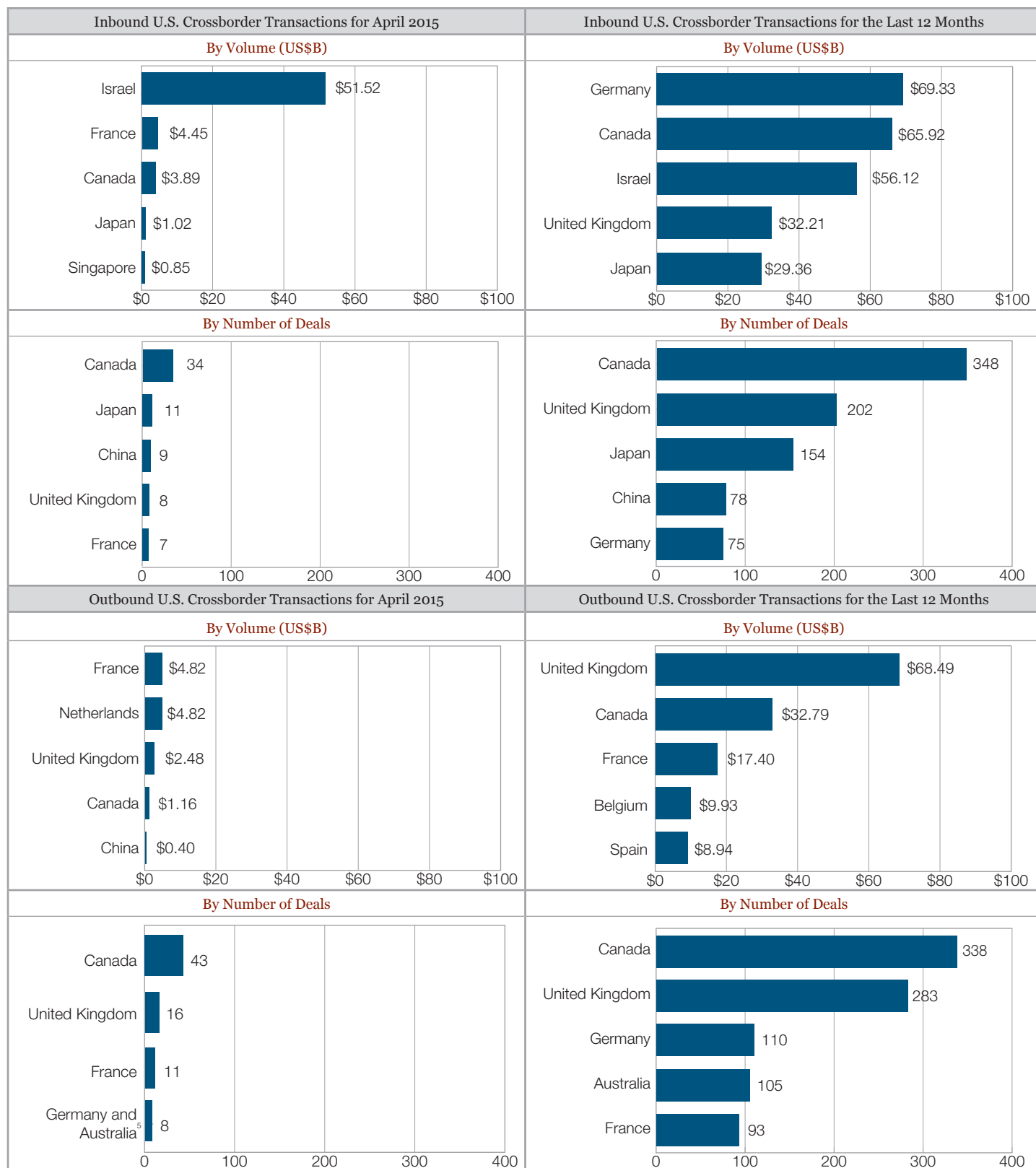
U.S. crossborder transactions are those transactions where the acquirer and the target have different nationalities and either the acquirer ("Outbound") or the target ("Inbound") has a U.S. nationality.

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

<sup>4</sup> Each of Construction/Building and Real Estate/Property had 32 deals in April 2015.

M&A Activity (Continued)

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



<sup>5</sup> Each of Germany and Australia was the country of destination for eight transactions in April 2015.

M&A Activity (Continued)

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

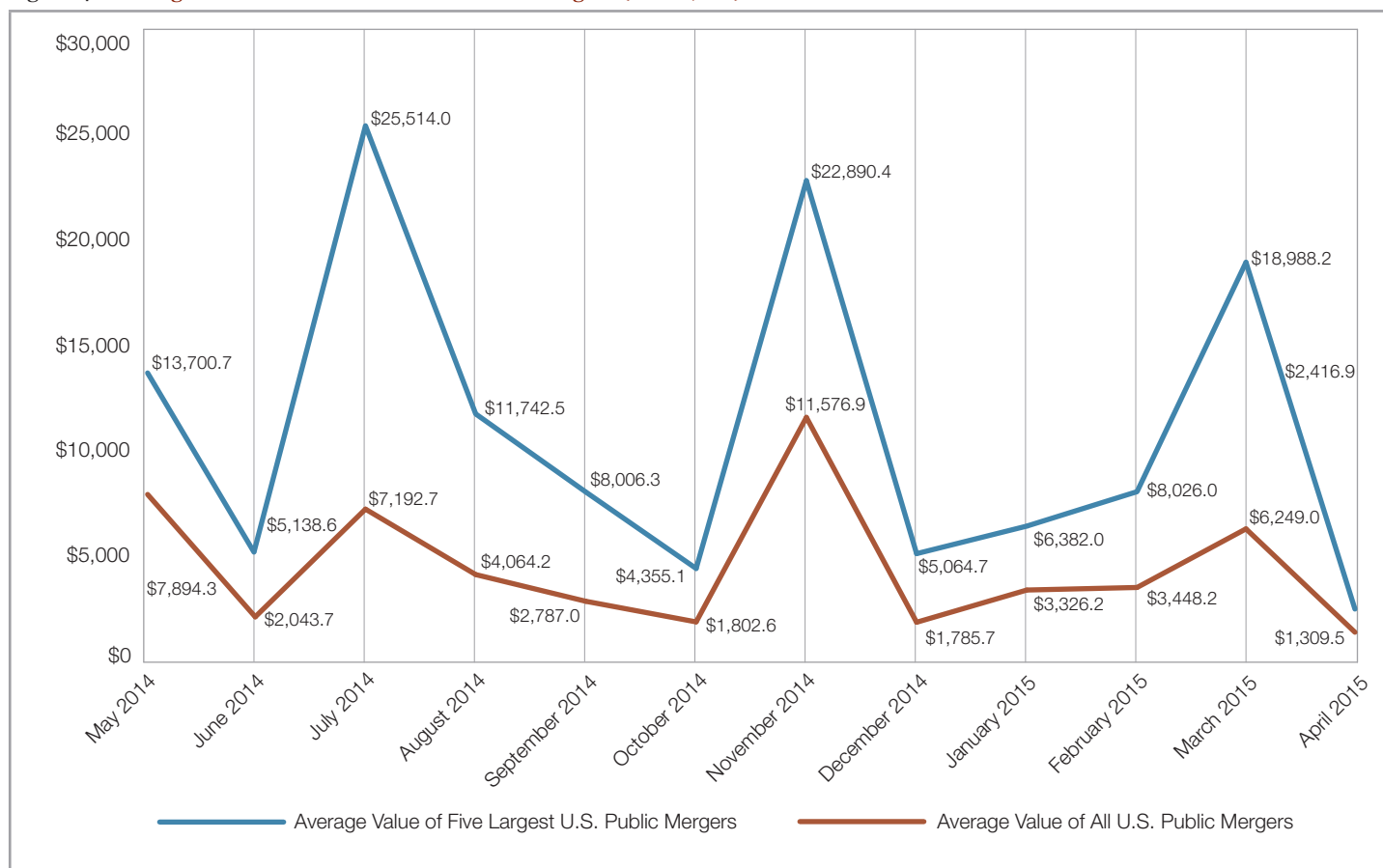
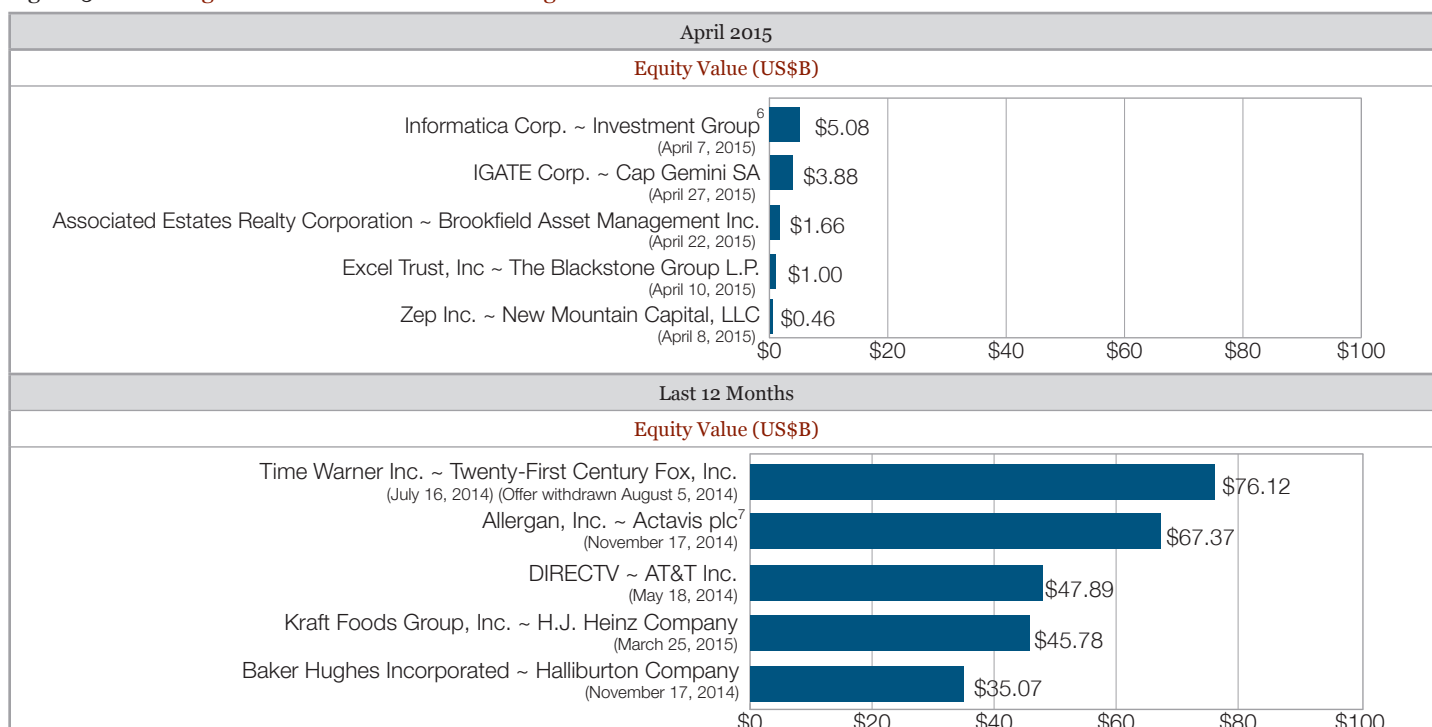


Figure 5 - Five Largest Announced U.S. Public Mergers



<sup>6</sup> Members of Investment Group reported by FactSet MergerMetrics are Permira Advisers LLP and Canada Pension Plan Investment Board.

<sup>7</sup> Allergan was also the target of an April 22, 2014 offer by Valeant Pharmaceuticals International, Inc., reported at \$61.09 billion. The Valeant offer was withdrawn on November 19, 2014.

## M&A Terms

Figure 6 - Average Break Fees as % of Equity Value<sup>8</sup>

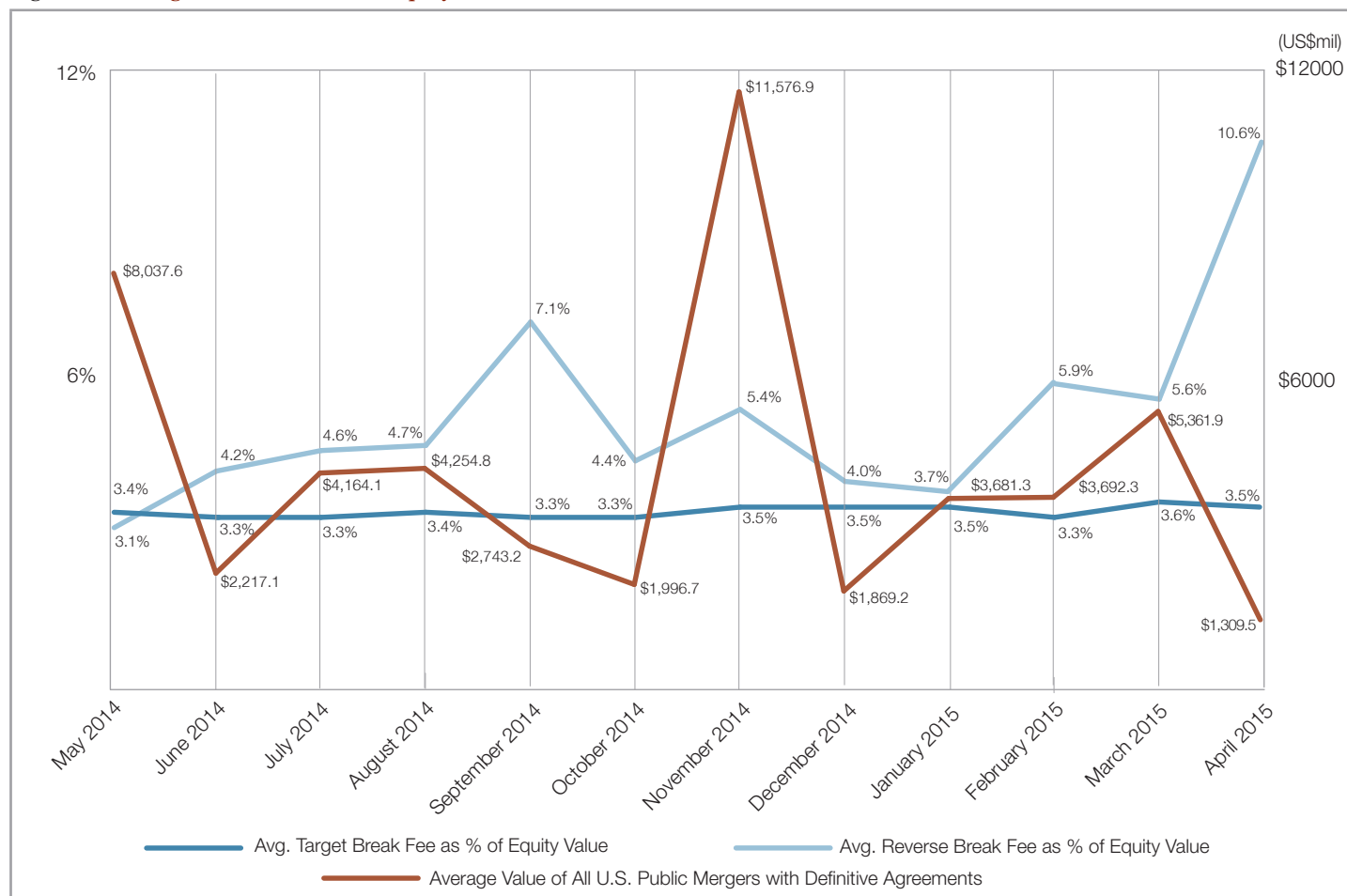


Figure 7 - Average Break Fees as % of Equity Value<sup>8</sup>

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

	April 2015	Last 12 Months
Reverse Break Fee for All Mergers	10.6	5.2
Reverse Break Fee for Mergers Involving Financial Buyers <sup>9</sup>	12.9	7.5
Reverse Break Fee for Mergers Involving Strategic Buyers <sup>10</sup>	4.0	4.6

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

	April 2015	Last 12 Months
% of Mergers with Go-Shops	20.0	6.8
% of Mergers Involving Financial Buyers with Go-Shops	50.0	26.3
% of Mergers Involving Strategic Buyers with Go-Shops	0.0	4.2
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops <sup>11</sup>	30.0	33.7
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops <sup>12</sup>	30.0	37.0
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops <sup>13</sup>	N/A	31.0

<sup>8</sup> Based on the highest target break fees and reverse break fees payable in a particular deal.

<sup>9</sup> Three transactions in April 2015 involving a financial buyer had a reverse break fee.

<sup>10</sup> One transaction in April 2015 involving a strategic buyer had a reverse break fee.

<sup>11</sup> Two transactions in April 2015 had a go-shop provision.

<sup>12</sup> Two transactions in April 2015 involving a financial buyer had a go-shop provision.

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

## M&amp;A Terms (Continued)

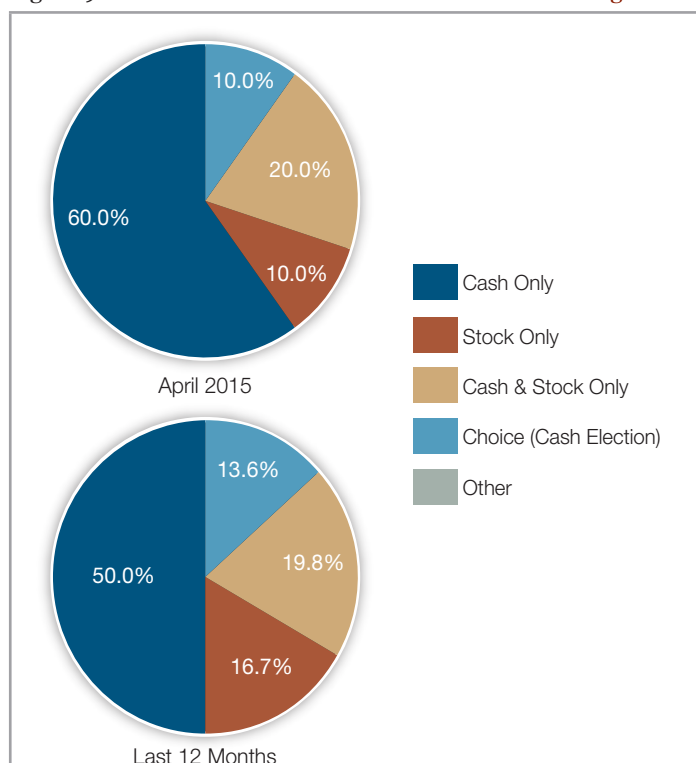
Figure 9 - Form of Consideration as % of U.S. Public Mergers<sup>14</sup>

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

April 2015 <sup>15</sup>	33.3
Last 12 Months	86.4

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

April 2015	20.0
Last 12 Months	25.3

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

April 2015	0.0
Last 12 Months	12.8

<sup>14</sup> Due to rounding, percentages may not add up to 100%.<sup>15</sup> There were only three partial or all stock transactions in April 2015.<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).

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