

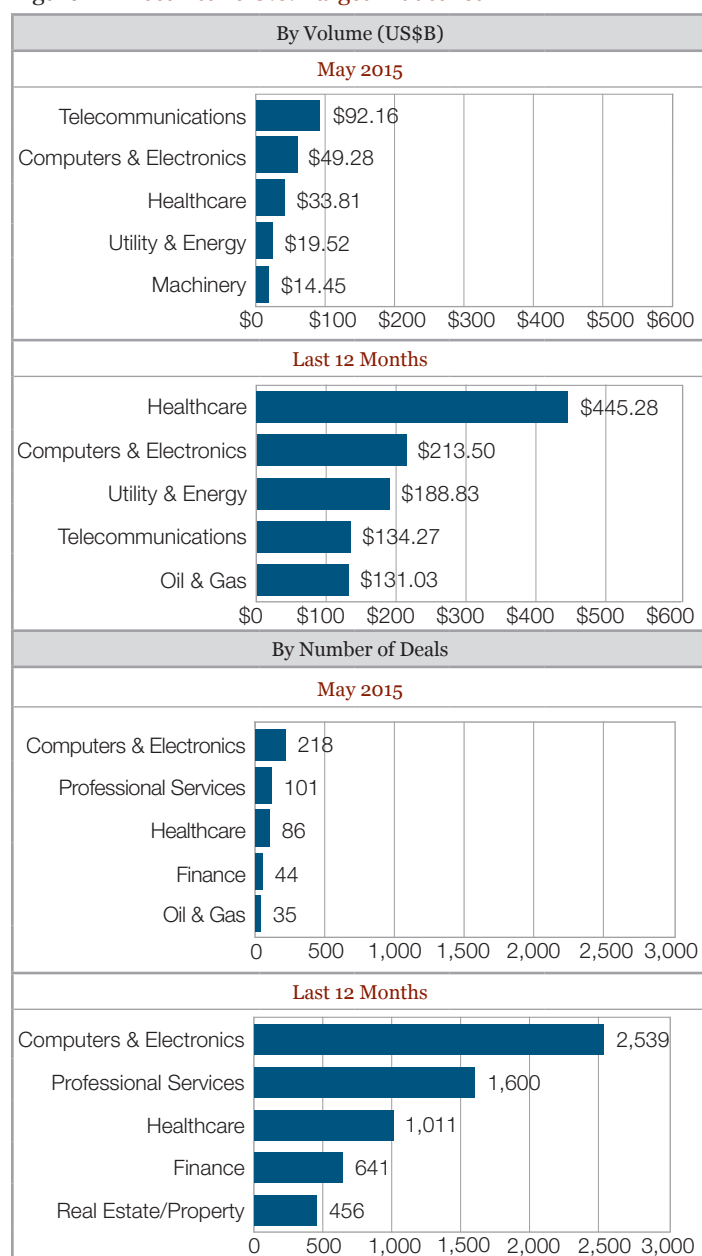
## June 2015, Issue 39

### M&A Activity

Figure 1

May 2015	Global	+/- From Prior Month	U.S.	+/- From Prior Month
<b>Total</b>				
Volume (US\$B)	439.43	15.66	245.07	85.97
No. of deals	2,698	(303)	776	(15)
Avg. value of deals (US\$mil)	327.4	38.2	822.4	341.7
Avg. deal multiple <sup>1</sup>	11.2x	(1.7)	12.6x	(3.3)
<b>Strategic Transactions</b>				
Volume (US\$B)	349.92	(21.28)	176.84	47.65
No. of deals	2,311	(365)	604	(50)
Avg. value of deals (US\$mil)	294.3	19.3	739.9	299.0
Avg. deal multiple <sup>1</sup>	11.4x	(1.2)	14.6x	1.4
<b>Sponsor-Related Transactions</b>				
Volume (US\$B)	89.51	36.94	68.22	38.32
No. of deals	387	62	172	35
Avg. value of deals (US\$mil)	585.0	127.9	1,156.3	369.4
Avg. deal multiple <sup>1</sup>	10.2x	(4.4)	9.5x	(10.3)
<b>Crossborder Transactions<sup>2</sup></b>				
Volume (US\$B)	123.21	(94.60)	Inbound 14.87 Outbound 67.60	Inbound (48.53) Outbound 49.82
No. of deals	667	(57)	Inbound 99 Outbound 146	Inbound (10) Outbound (8)
Avg. value of deals (US\$mil)	408.0	(281.3)	Inbound 354.1 Outbound 1,469.6	Inbound (914.0) Outbound 1,127.7
Avg. deal multiple <sup>1</sup>	10.6x	(4.3)	Inbound 21.9x Outbound 11.4x	Inbound 1.0 Outbound (3.1)

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and valued at \$100 million or higher regardless of whether a definitive merger agreement was reached and filed or withdrawn.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

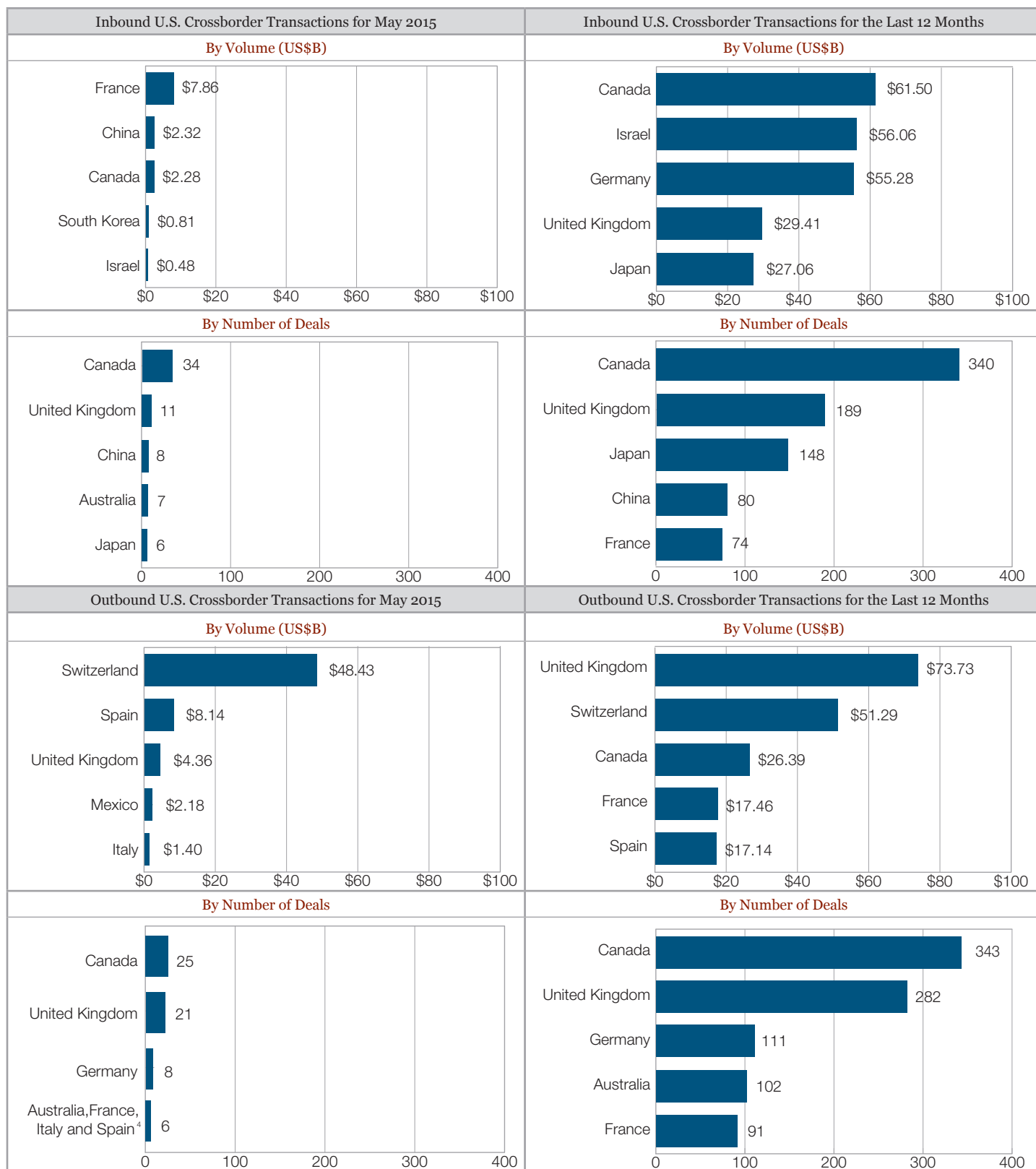
<sup>2</sup> Global crossborder transactions are those where the acquirer and the target have different nationalities. Nationality is based on where a company has either its headquarters or a majority of its operations.

U.S. crossborder transactions are those transactions where the acquirer and the target have different nationalities and either the acquirer ("Inbound") or the target ("Outbound") 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 Australia, France, Italy and Spain was the country of destination for six transactions in May 2015.

M&A Activity (Continued)

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

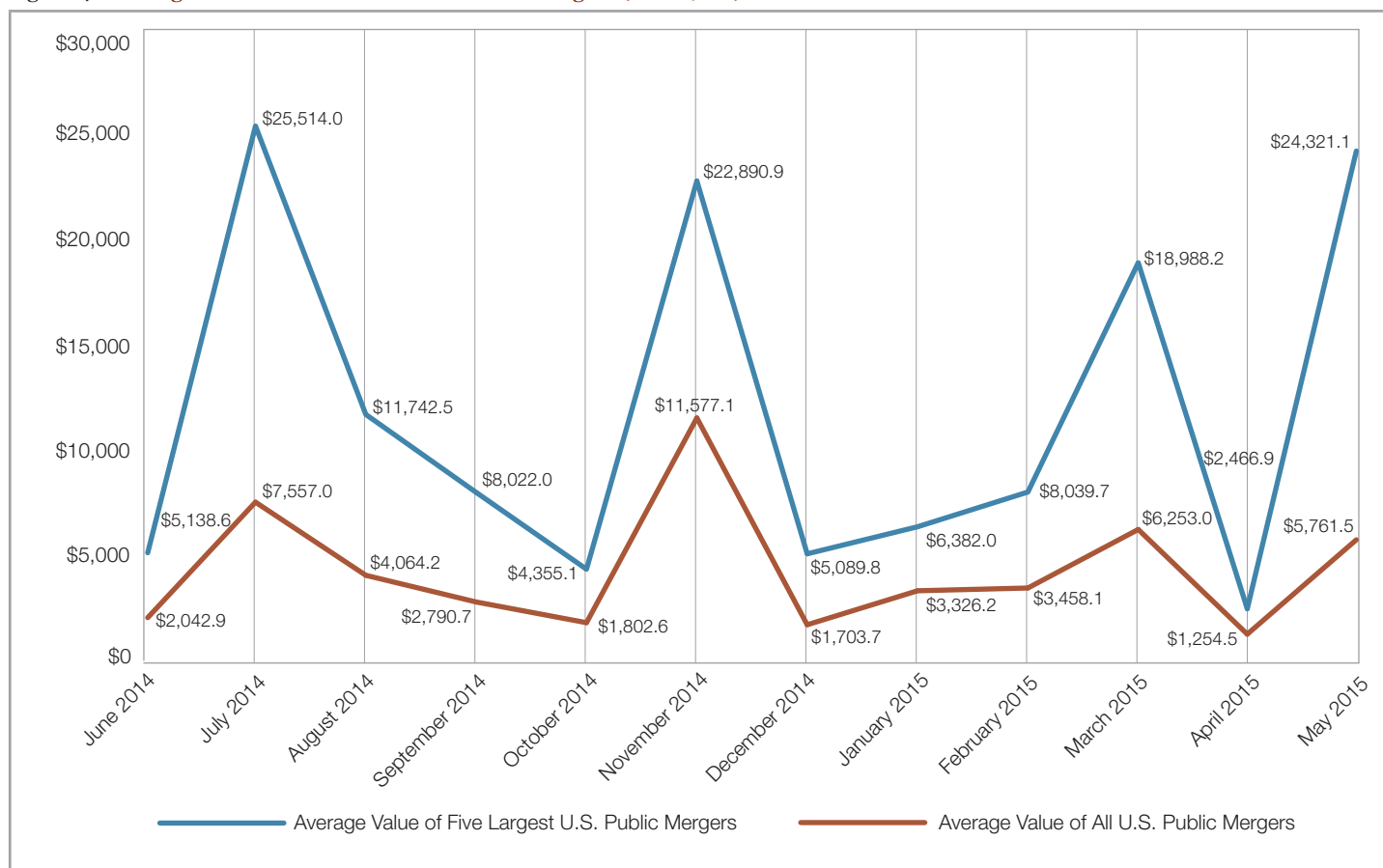
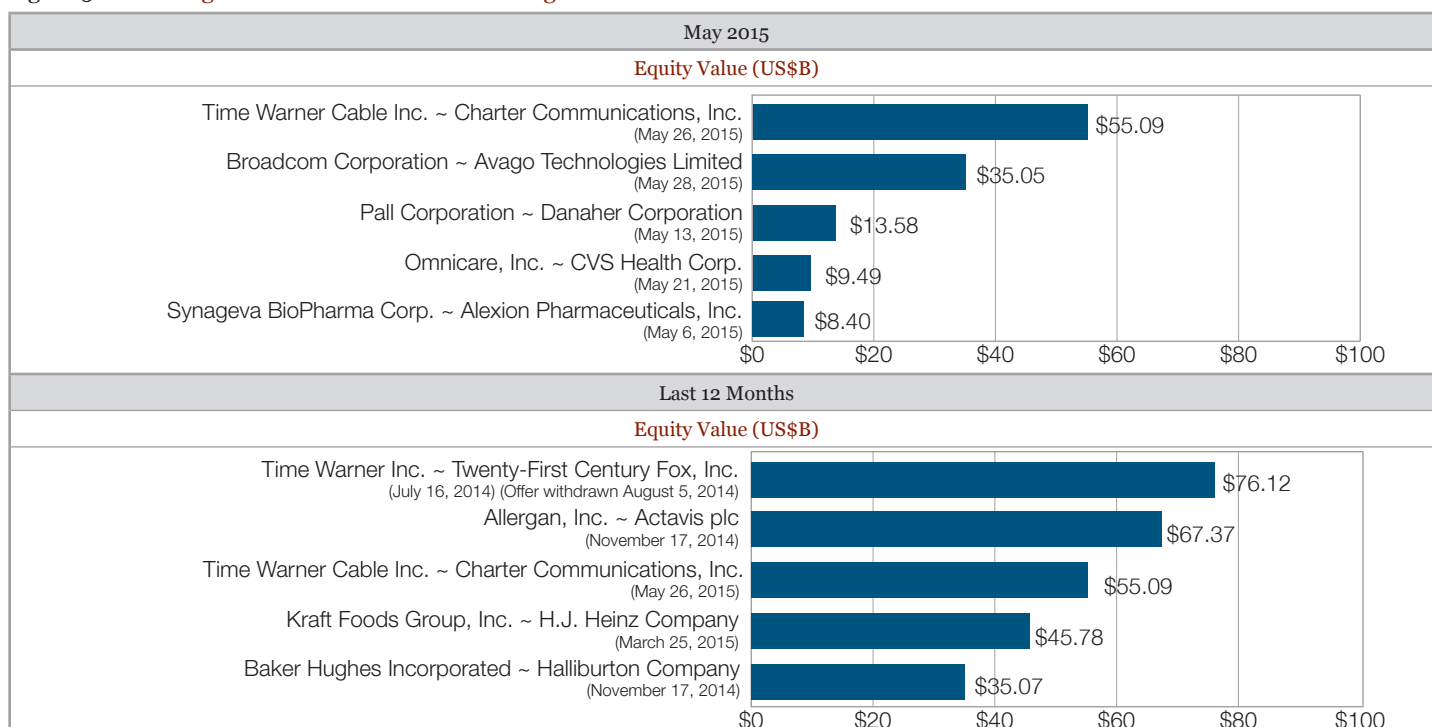


Figure 5 - Five Largest Announced U.S. Public Mergers



## M&A Terms

Figure 6 - Average Break Fees as % of Equity Value<sup>5</sup>

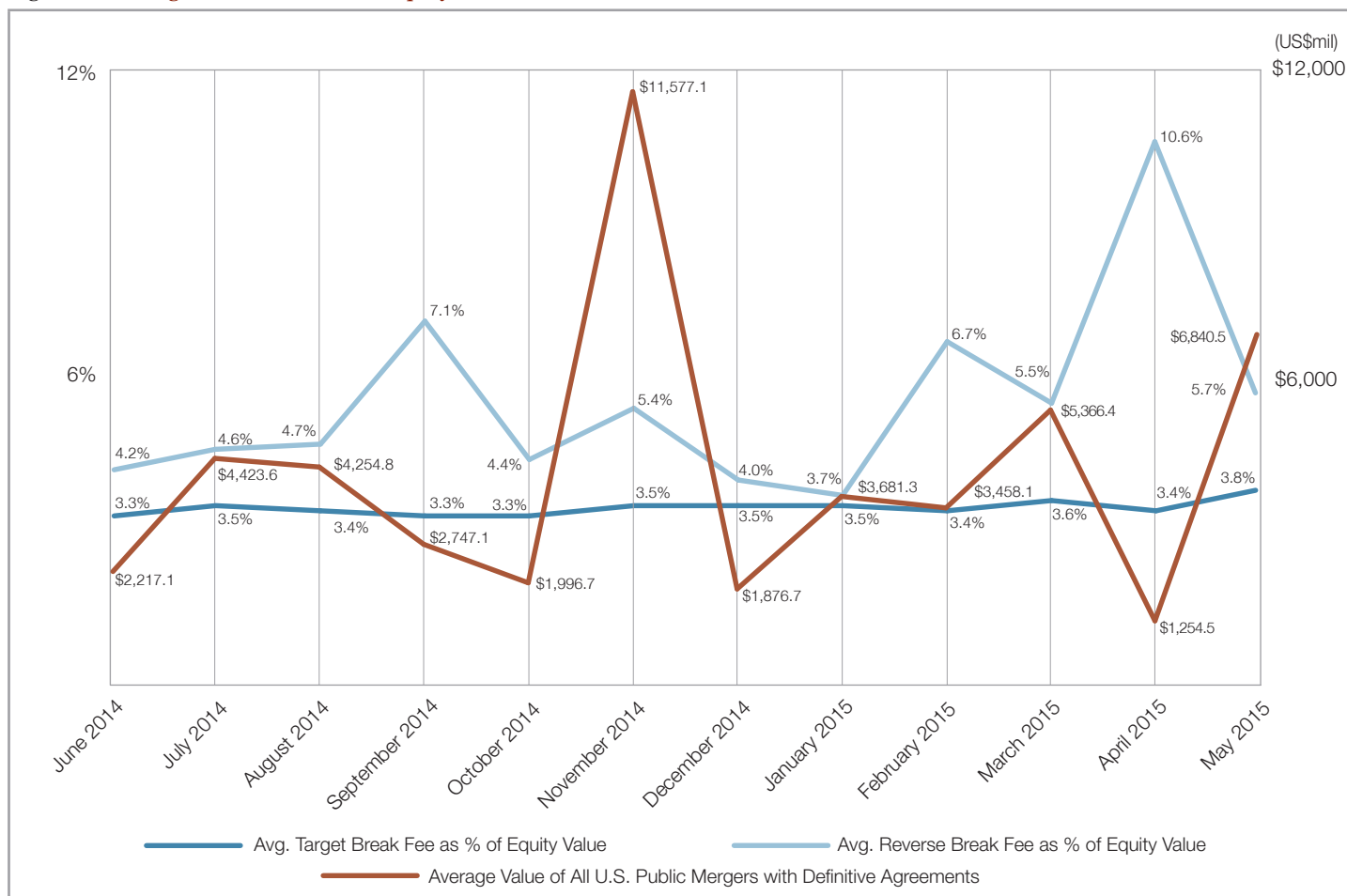


Figure 7 - Average Break Fees as % of Equity Value<sup>5</sup>

	May 2015	Last 12 Months
Target Break Fee for All Mergers	3.8	3.5

	May 2015	Last 12 Months
Reverse Break Fee for All Mergers	5.7	5.4
Reverse Break Fee for Mergers Involving Financial Buyers <sup>6</sup>	7.1	7.6
Reverse Break Fee for Mergers Involving Strategic Buyers	5.4	4.7

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 June 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

	May 2015	Last 12 Months
% of Mergers with Go-Shops	10.0	8.6
% of Mergers Involving Financial Buyers with Go-Shops <sup>7</sup>	50.0	31.8
% of Mergers Involving Strategic Buyers with Go-Shops	5.6	5.2
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops <sup>8</sup>	42.5	35.7
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops <sup>9</sup>	40.0	38.6
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops <sup>10</sup>	45.0	33.3

<sup>5</sup> Based on the highest target break fees and reverse break fees payable in a particular deal.

<sup>6</sup> One transaction in May 2015 involving a financial buyer had a reverse break fee.

<sup>7</sup> Two transactions in May 2015 involved a financial buyer.

<sup>8</sup> Two transactions in May 2015 had a go-shop provision.

<sup>9</sup> One transaction in May 2015 involving a financial buyer had a go-shop provision.

<sup>10</sup> One transaction in May 2015 involving a strategic buyer had a go-shop provision.

## M&amp;A Terms (Continued)

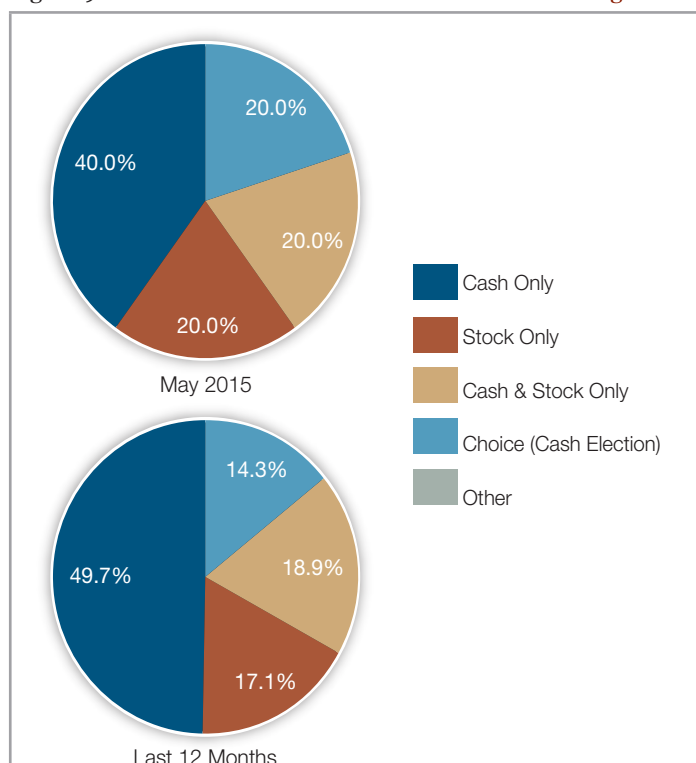
Figure 9 - Form of Consideration as % of U.S. Public Mergers<sup>11</sup>

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

May 2015	100.0
Last 12 Months	88.9

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

May 2015	25.0
Last 12 Months	25.1

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

May 2015	16.7
Last 12 Months	12.8

<sup>11</sup> Due to rounding, percentages may not add up to 100%.<sup>12</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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