

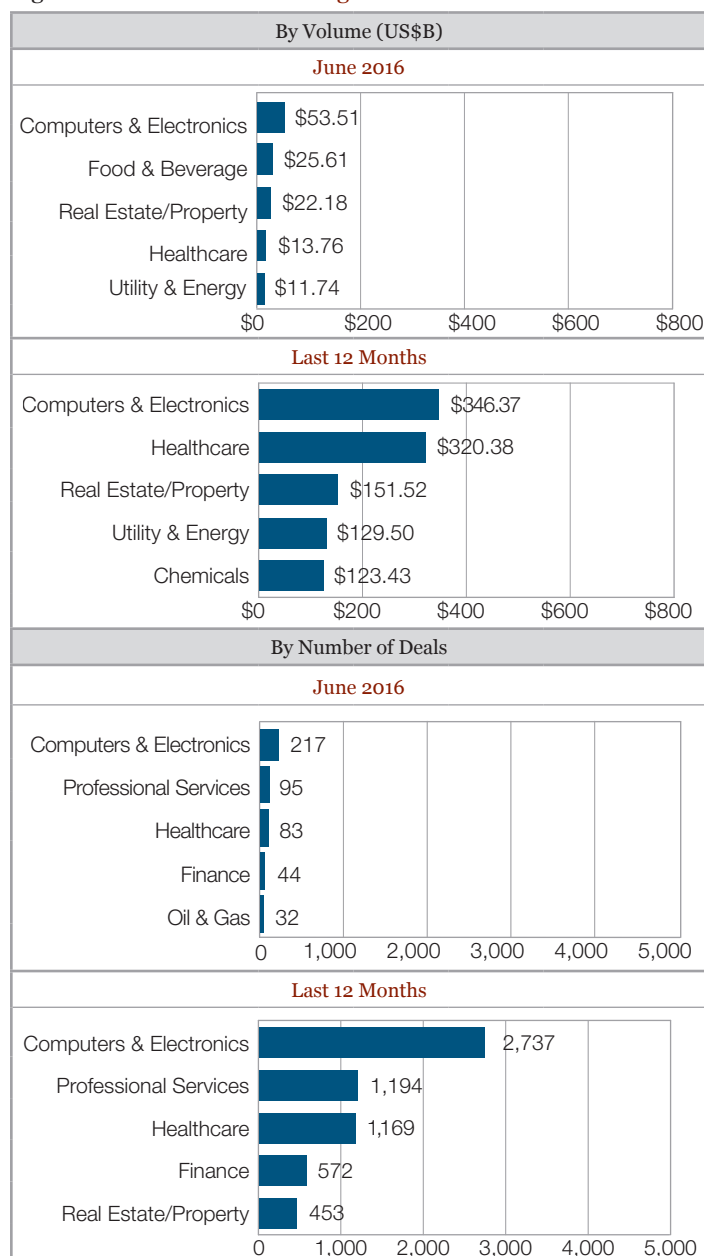
July 2016, Issue 52

M&A Activity

Figure 1¹

June 2016	Global	+/- From Prior Month	U.S.	+/- From Prior Month
Total				
Volume (US\$B)	331.29	(12.37)	164.47	(19.78)
No. of deals	2,936	(49)	752	1
Avg. value of deals (US\$mil)	204.9	(9.0)	551.9	(25.7)
Avg. deal multiple ²	10.9x	(0.4)	12.2x	(0.4)
Strategic Transactions				
Volume (US\$B)	255.62	(16.96)	122.42	(15.39)
No. of deals	2,576	(63)	579	(18)
Avg. value of deals (US\$mil)	170.9	(16.6)	482.0	(30.3)
Avg. deal multiple ²	10.8x	(0.4)	11.1x	(1.5)
Sponsor-Related Transactions				
Volume (US\$B)	75.67	4.59	42.04	(4.39)
No. of deals	360	14	173	19
Avg. value of deals (US\$mil)	625.4	160.8	955.5	26.8
Avg. deal multiple ²	11.6x	(0.1)	16.0x	3.2
Crossborder Transactions³				
Volume (US\$B)	73.19	(59.99)	Inbound 17.17 Outbound 7.27	Inbound (62.18) Outbound (8.74)
No. of deals	727	30	Inbound 138 Outbound 114	Inbound 7 Outbound (11)
Avg. value of deals (US\$mil)	198.9	(188.3)	Inbound 260.1 Outbound 165.2	Inbound (826.9) Outbound (168.4)
Avg. deal multiple ²	10.5x	(0.2)	Inbound 11.2x Outbound 15.3x	Inbound (0.8) Outbound 7.4

Figure 2 - Most Active U.S. Target Industries⁴



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and valued at \$100 million or higher regardless of whether a definitive merger agreement was reached and filed or withdrawn.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 July 11, 2016 unless otherwise specified. "Last 12 Months" data is for the period from July 2015 to June 2016 inclusive. Data obtained from Dealogic and FactSet MergerMetrics has not been reviewed for accuracy by Paul, Weiss.

¹ For more deal trends, see Annex A.

² 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.

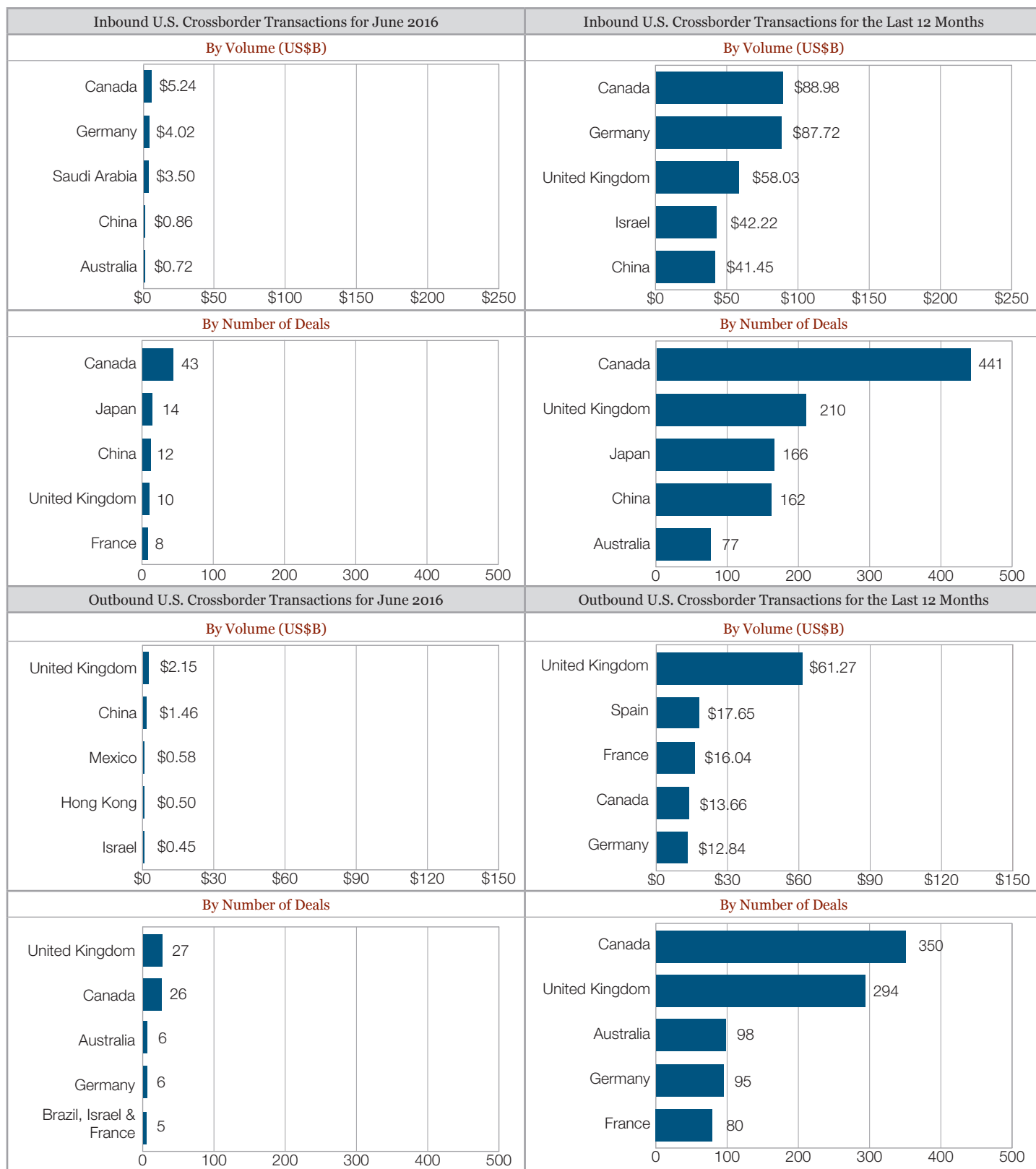
³ Global crossborder transactions are those where the acquirer and the target have different nationalities. Nationality is based on where a company has either its headquarters or a majority of its operations.

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.

⁴ 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



M&A Activity (Continued)

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

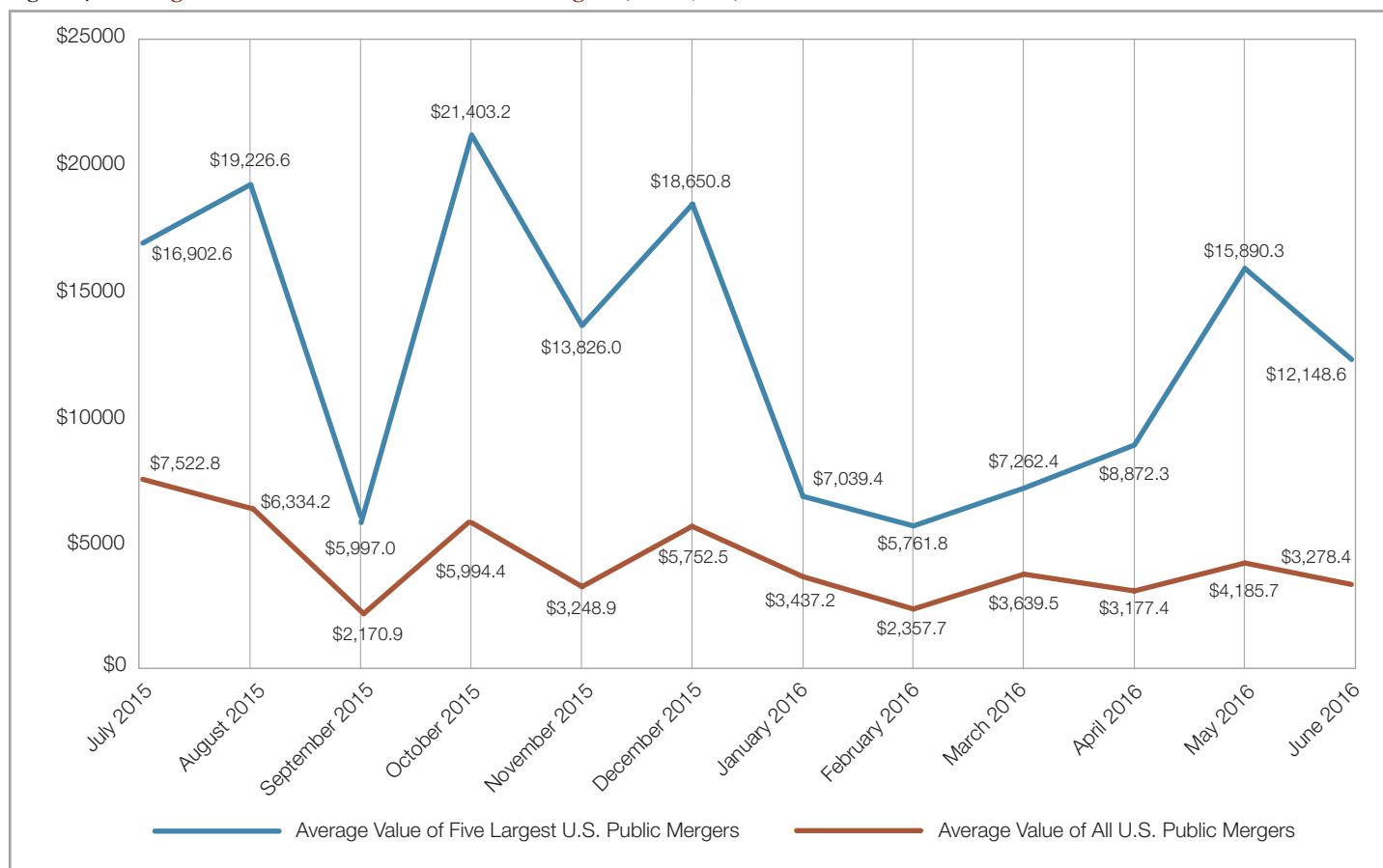
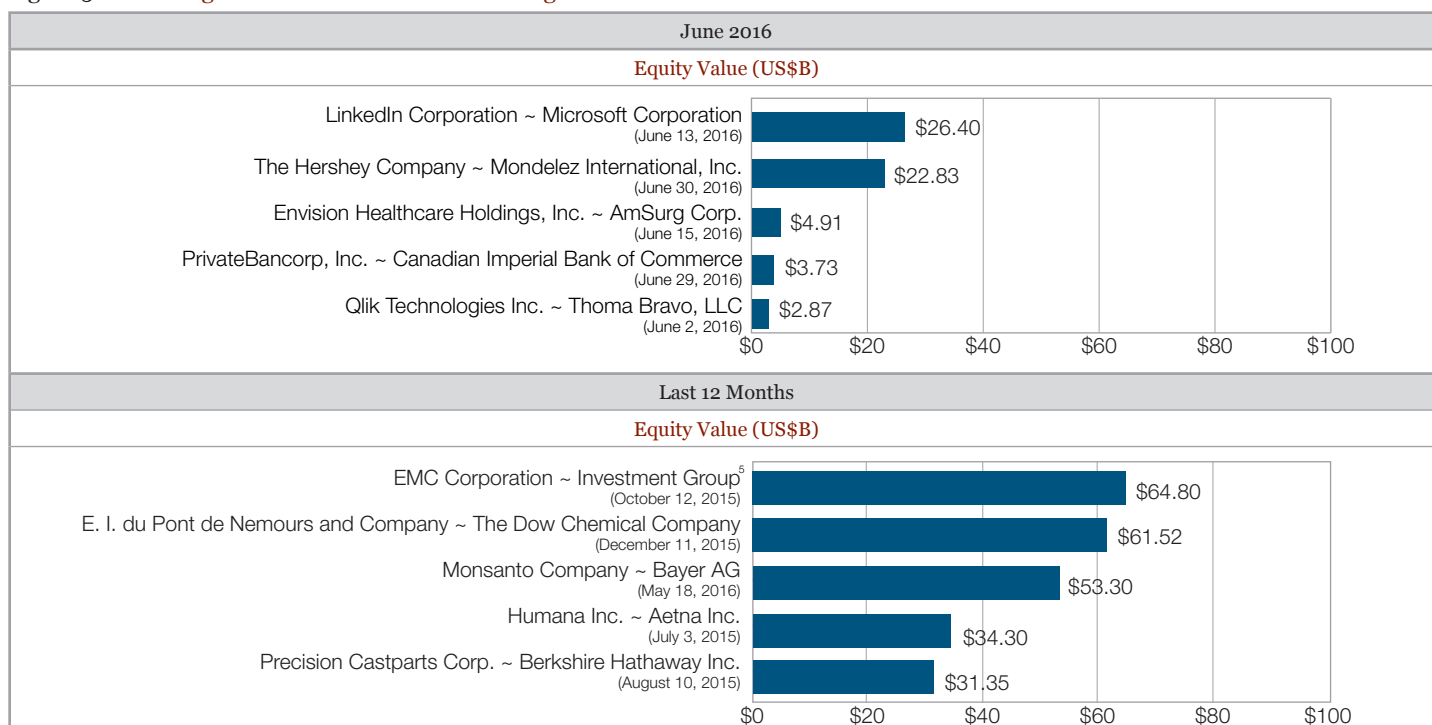


Figure 5 - Five Largest Announced U.S. Public Mergers



⁵ The investment group included Dell Inc., Silver Lake Partners and MSD Partners LP.

M&A Terms

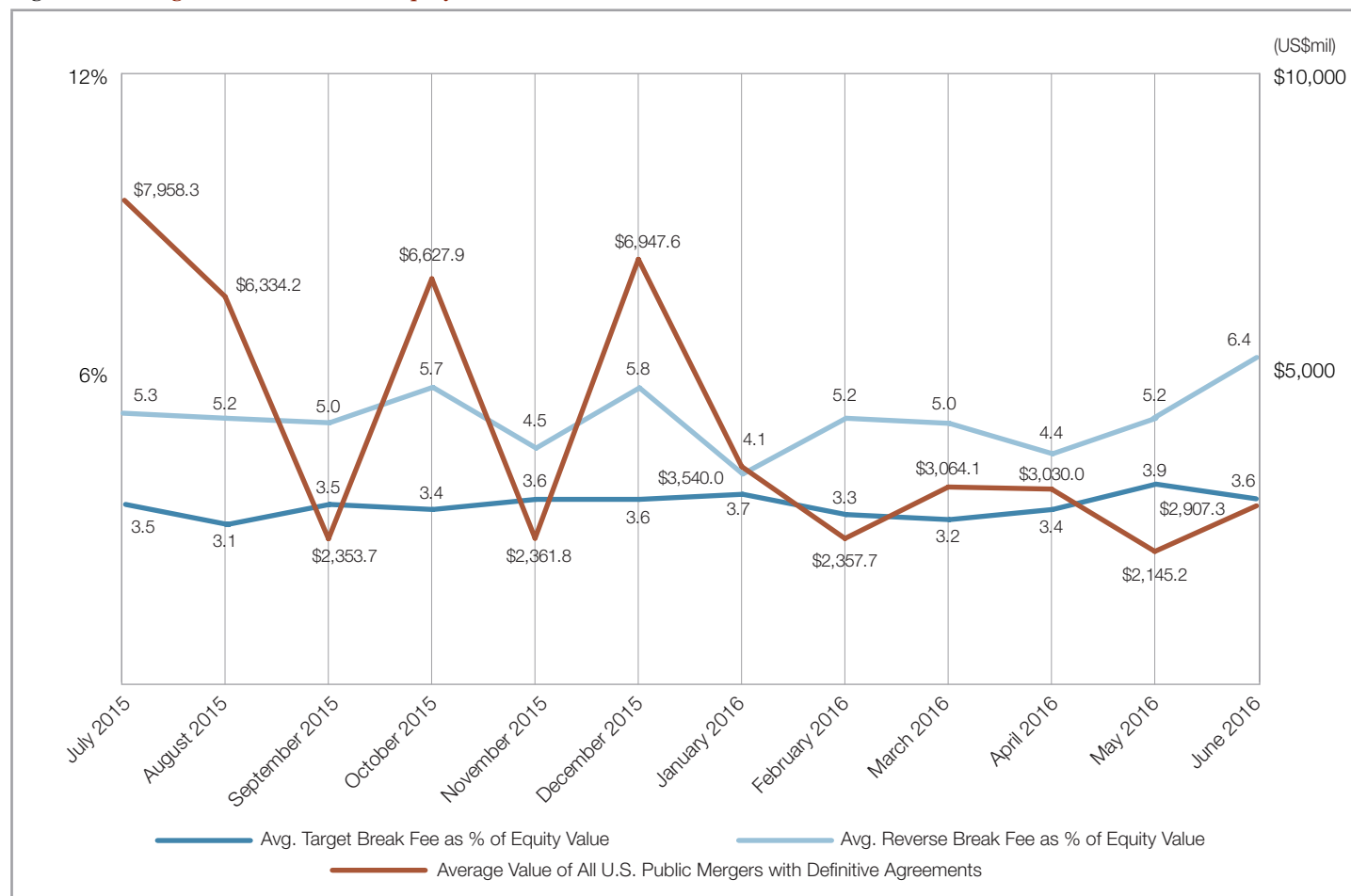
Figure 6 - Average Break Fees as % of Equity Value⁶

Figure 7 - Average Break Fees as % of Equity Value

	June 2016	Last 12 Months
Target Break Fee for All Mergers	3.6	3.5

	June 2016	Last 12 Months
Reverse Break Fee for All Mergers	6.4	5.2
Reverse Break Fee for Mergers Involving Financial Buyers ⁷	6.9	6.4
Reverse Break Fee for Mergers Involving Strategic Buyers ⁸	5.8	4.8

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

	June 2016	Last 12 Months
% of Mergers with Go-Shops	11.8	9.1
% of Mergers Involving Financial Buyers with Go-Shops ⁹	33.3	33.3
% of Mergers Involving Strategic Buyers with Go-Shops	7.1	5.3
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops ¹⁰	35.0	35.4
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops ¹¹	40.0	36.7
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops ¹²	30.0	34.0

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 obtained from FactSet MergerMetrics has not been reviewed for accuracy by Paul, Weiss.

⁶ Based on the highest target break fees and reverse break fees payable in a particular deal.

⁷ Three transactions in June 2016 involving a financial buyer had a reverse break fee.

⁸ Three transactions in June 2016 involving a strategic buyer had a reverse break fee.

⁹ Three transactions in June 2016 involved a financial buyer.

¹⁰ Two transactions in June 2016 had a go-shop provision.

¹¹ One transaction in June 2016 involving a financial buyer had a go shop provision.

¹² One transaction in June 2016 involving a strategic buyer had a go shop provision.

M&A Terms (Continued)

Figure 9 - Form of Consideration as % of U.S. Public Mergers¹³

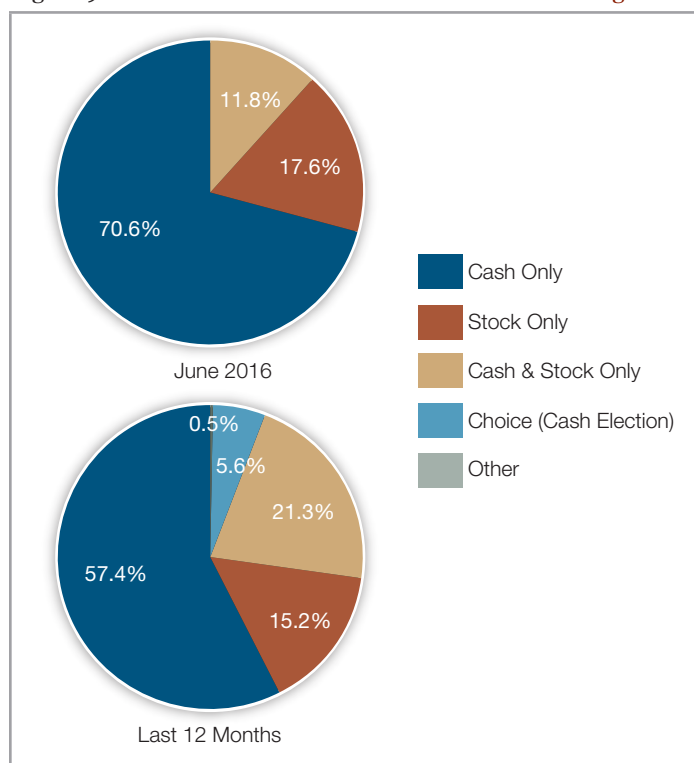


Figure 10 - % of Partial and All Stock Deals that Have a Fixed Exchange Ratio

June 2016	100.0
Last 12 Months	91.7

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

June 2016	47.1
Last 12 Months	19.3

Figure 12 - Hostile/Unsolicited Offers as % of U.S. Public Mergers¹⁴

June 2016	25.0
Last 12 Months	16.7

¹³ Due to rounding, percentages may not add up to 100%.

¹⁴ 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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This publication is not intended to provide legal advice, and no legal or business decisions should be based on its content. Questions concerning issues addressed in this memorandum should be directed to:



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M&A Activity – 12-Month Trends

ANNEX

Figure 1A - U.S. Deal Volume (US\$B)

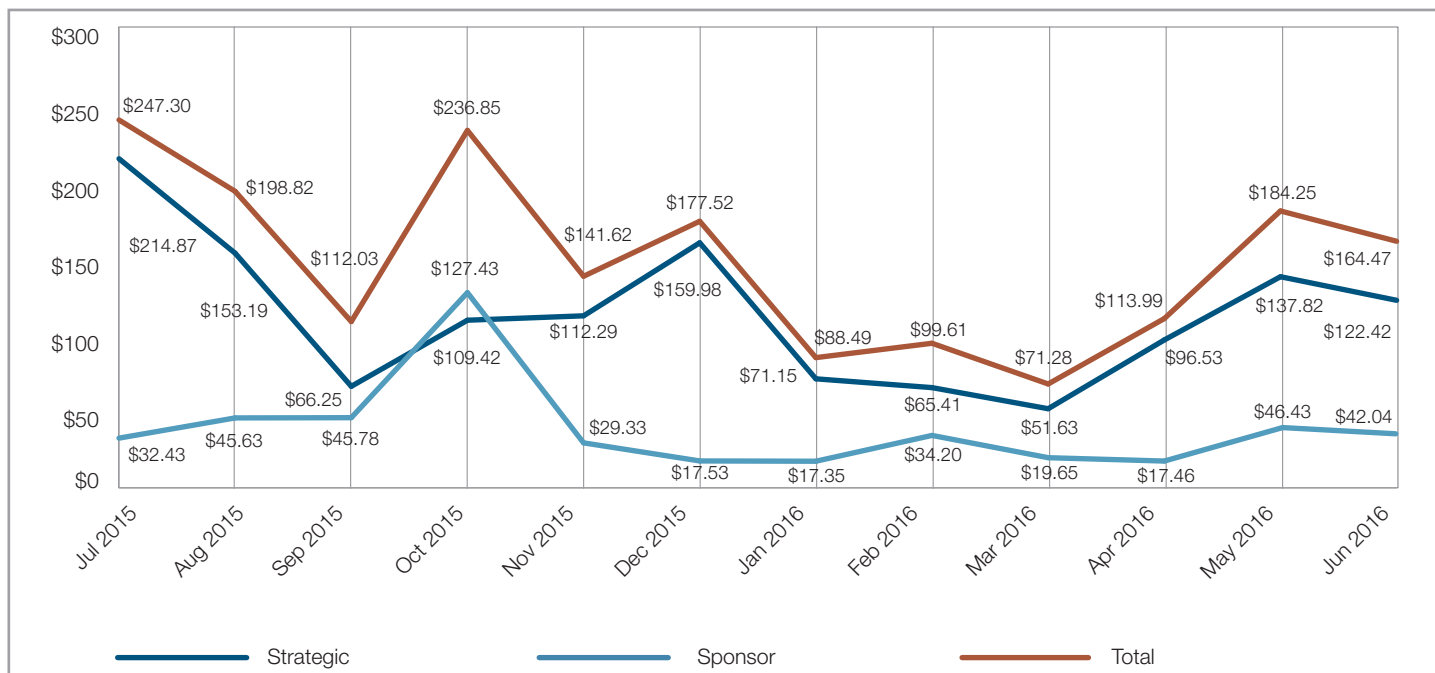


Figure 2A - Global Deal Volume (US\$B)

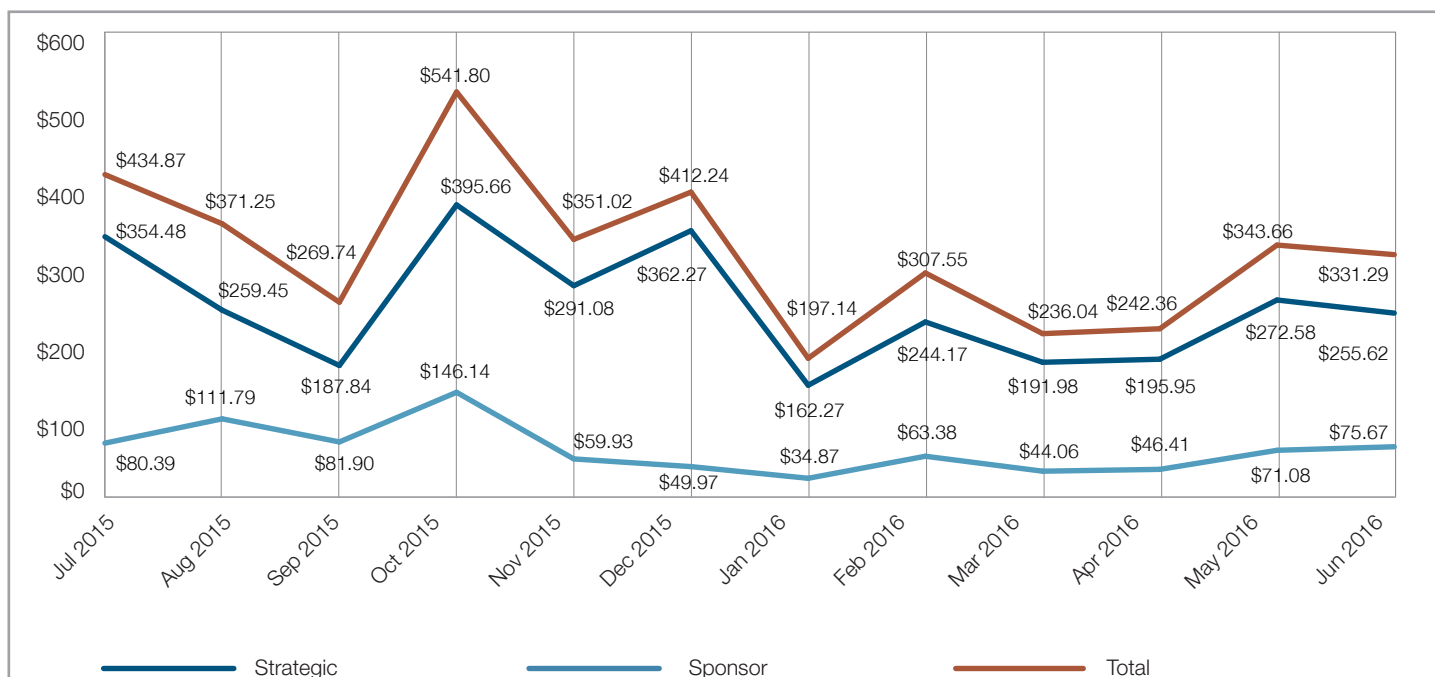


Figure 3A - U.S. Number of Deals

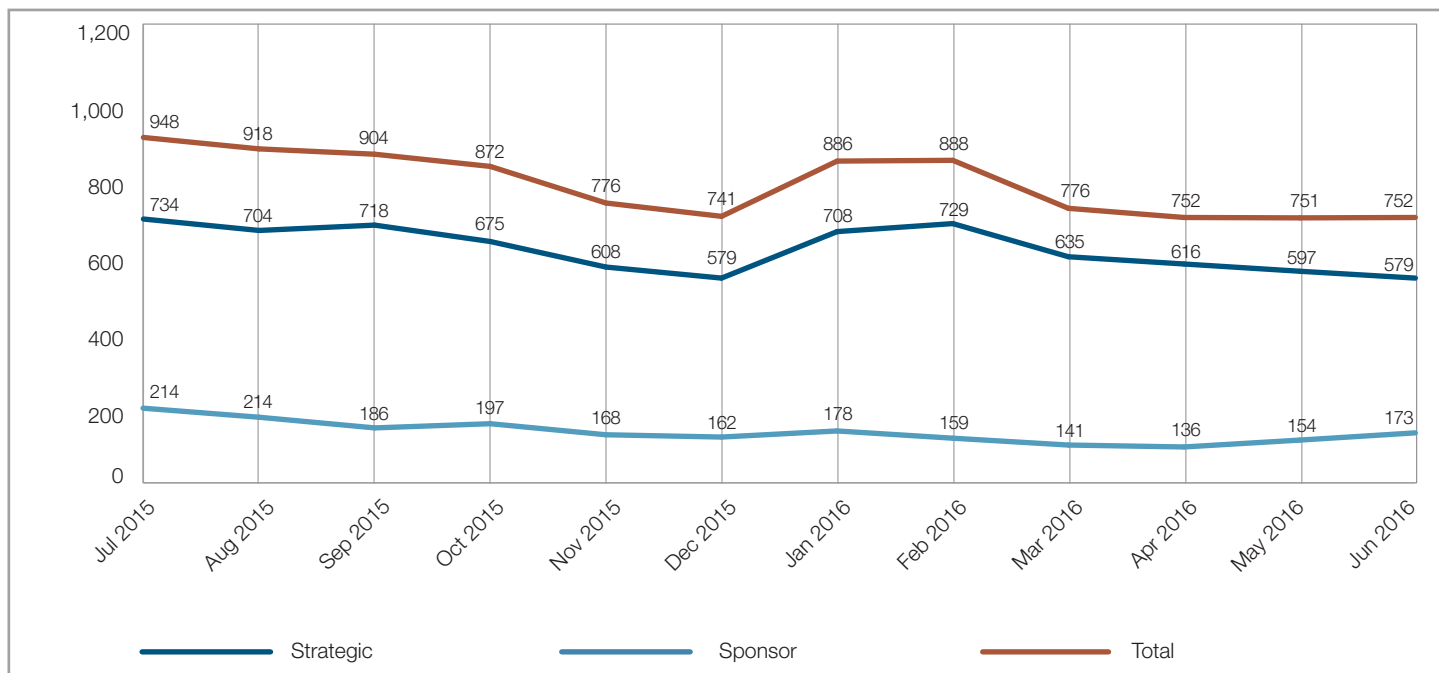


Figure 4A - Global Number of Deals

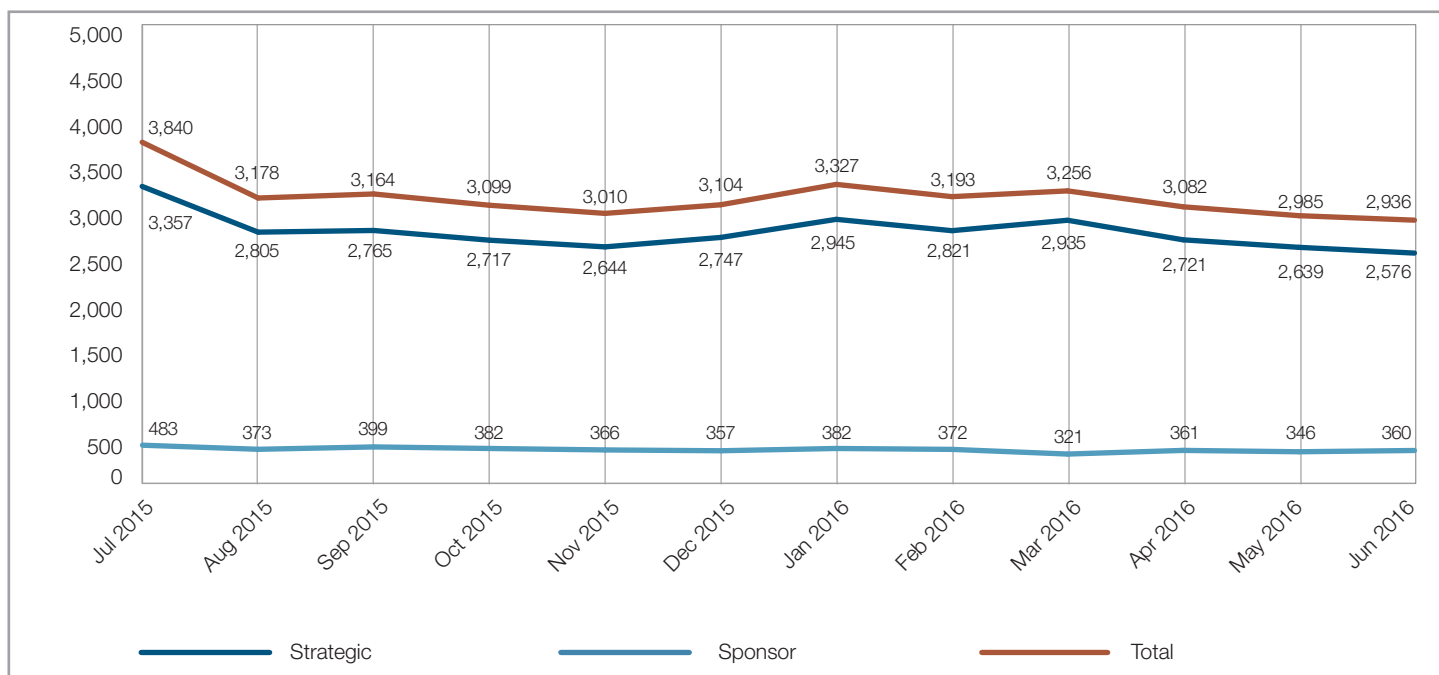


Figure 5A - Inbound U.S. Crossborder Transactions

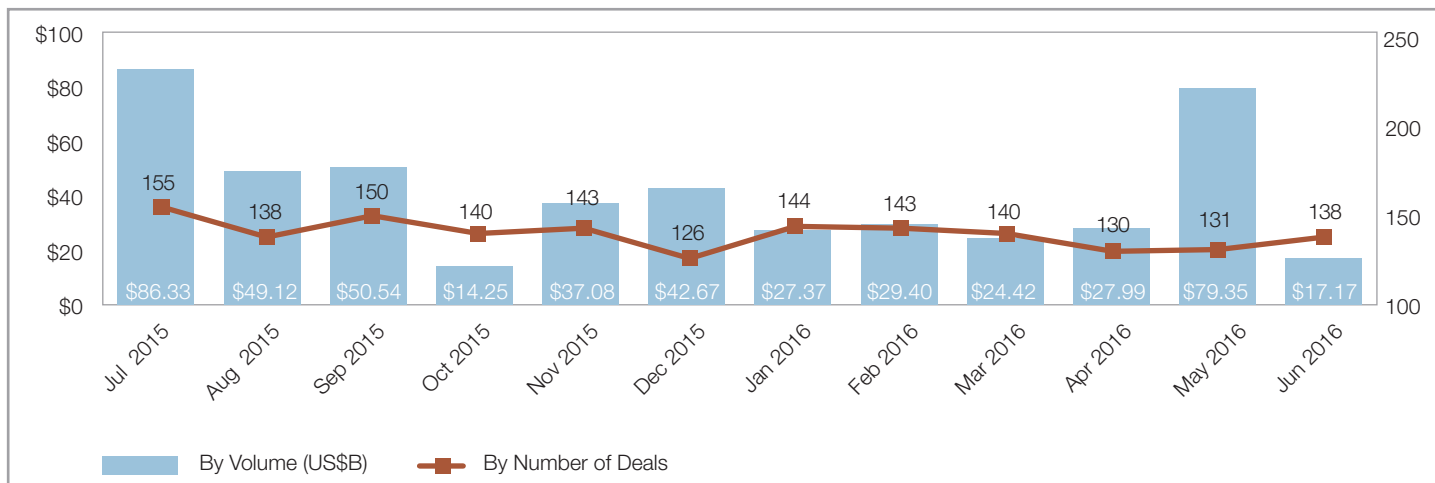


Figure 6A - Outbound U.S. Crossborder Transactions

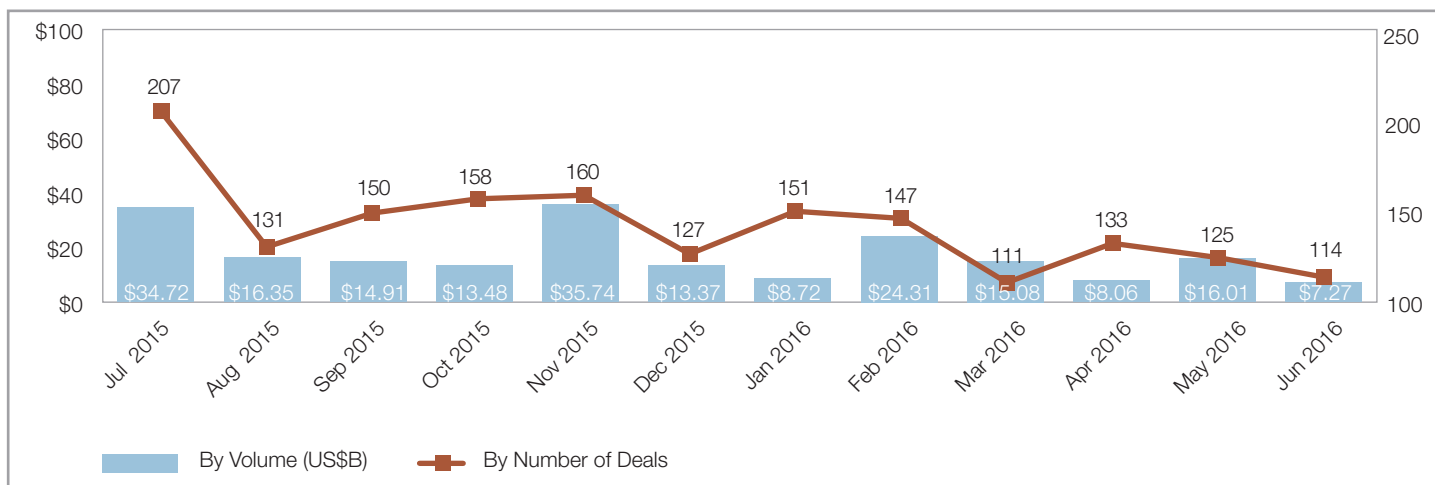


Figure 7A - Global Crossborder Transactions

