

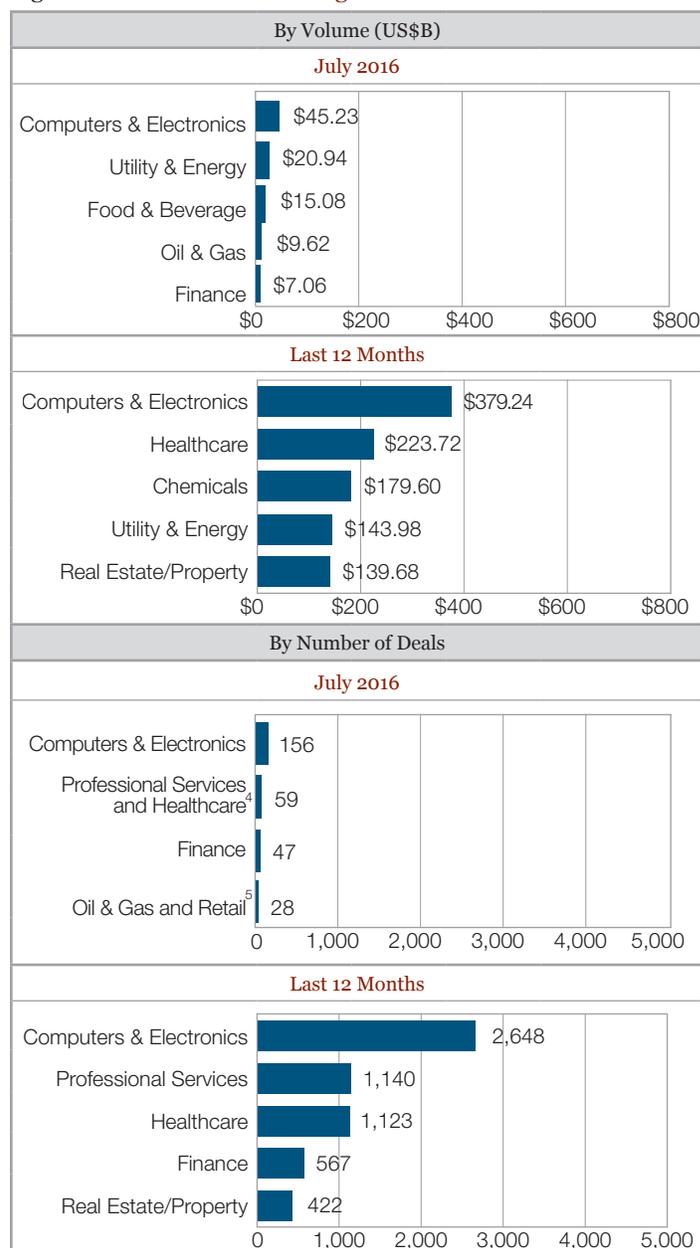
August 2016, Issue 53

M&A Activity

Figure 1

July 2016	Global	+/- From Prior Month	U.S.	+/- From Prior Month
Total				
Volume (US\$B)	326.23	(7.85)	126.52	(44.05)
No. of deals	2,725	(379)	614	(160)
Avg. value of deals (US\$mil)	219.1	22.9	529.4	(26.2)
Avg. deal multiple ¹	11.8x	1.0	12.5x	0.2
Strategic Transactions				
Volume (US\$B)	260.82	3.45	88.98	(33.88)
No. of deals	2,421	(317)	502	(94)
Avg. value of deals (US\$mil)	188.9	25.9	412.0	(62.4)
Avg. deal multiple ²	12.1x	1.4	13.1x	1.8
Sponsor-Related Transactions				
Volume (US\$B)	65.41	(11.30)	37.54	(10.17)
No. of deals	304	(62)	112	(66)
Avg. value of deals (US\$mil)	605.7	(13.0)	1,632.1	638.3
Avg. deal multiple ¹	10.6x	(0.8)	11.7x	(3.6)
Crossborder Transactions²				
Volume (US\$B)	120.18	40.83	Inbound 29.01 Outbound 9.43	Inbound 7.51 Outbound 2.08
No. of deals	652	(120)	Inbound 109 Outbound 99	Inbound (34) Outbound (23)
Avg. value of deals (US\$mil)	367.5	165.1	Inbound 483.5 Outbound 235.7	Inbound 176.3 Outbound 82.7
Avg. deal multiple ¹	13.3x	2.8	Inbound 11.8x Outbound 12.2x	Inbound 0.8 Outbound (3.1)

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and valued at \$100 million or higher regardless of whether a definitive merger agreement was reached and filed or withdrawn.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 August 8, 2016 unless otherwise specified. "Last 12 Months" data is for the period from August 2015 to July 2016 inclusive. 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.

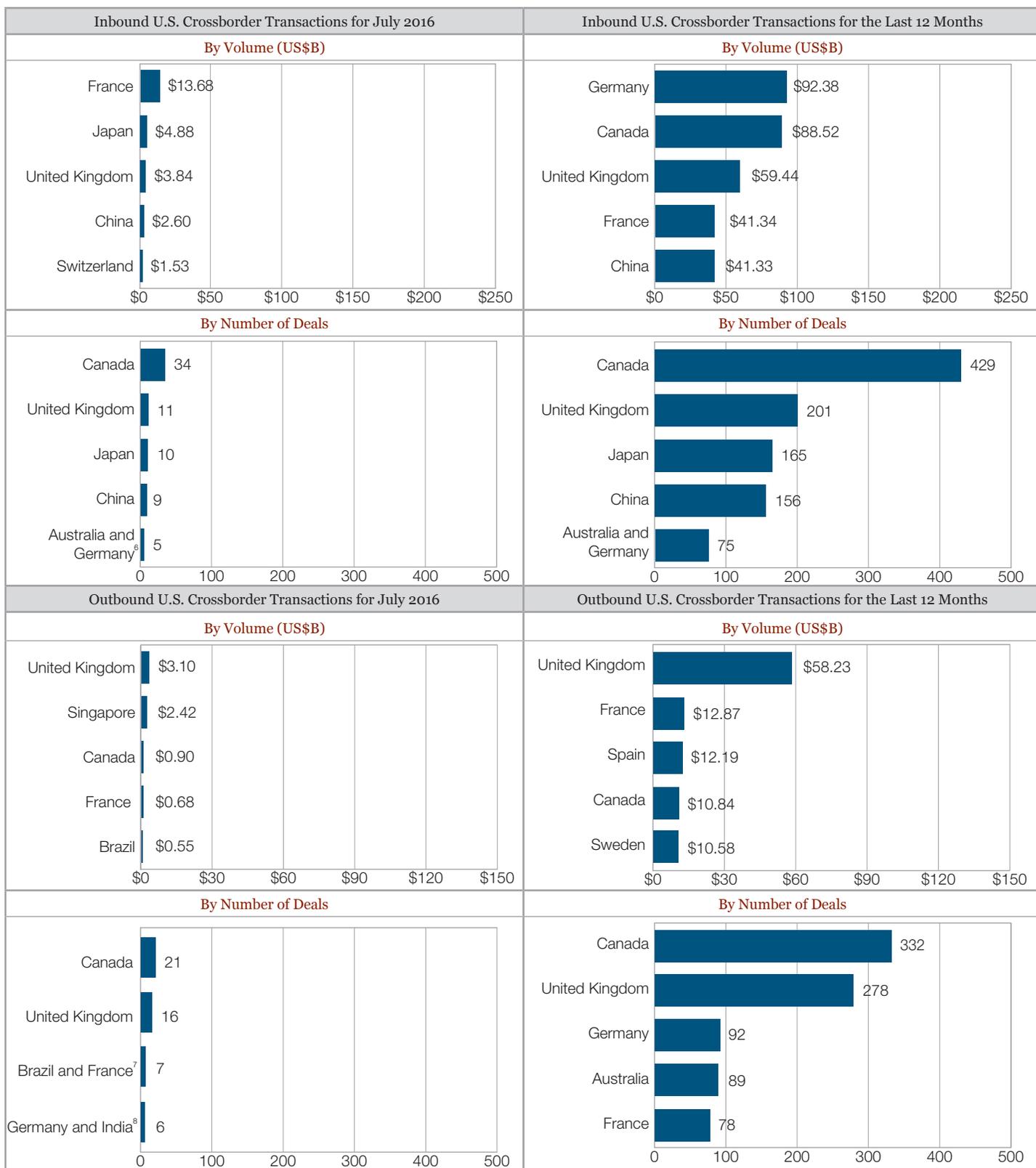
³ Industries categories are determined and named by Dealogic.

⁴ Each of Professional Services and Healthcare was the target industry for 59 transactions in July 2016.

⁵ Each of Oil & Gas and Retail was the target industry for 28 transactions in July 2016.

M&A Activity (Continued)

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



⁶ Each of Australia and Germany was the country of origin for five transactions in July 2016.

⁷ Each of Brazil and France was the country of destination for seven transactions in July 2016.

⁸ Each of Germany and India was the country of destination for six transactions in July 2016.

M&A Activity (Continued)

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

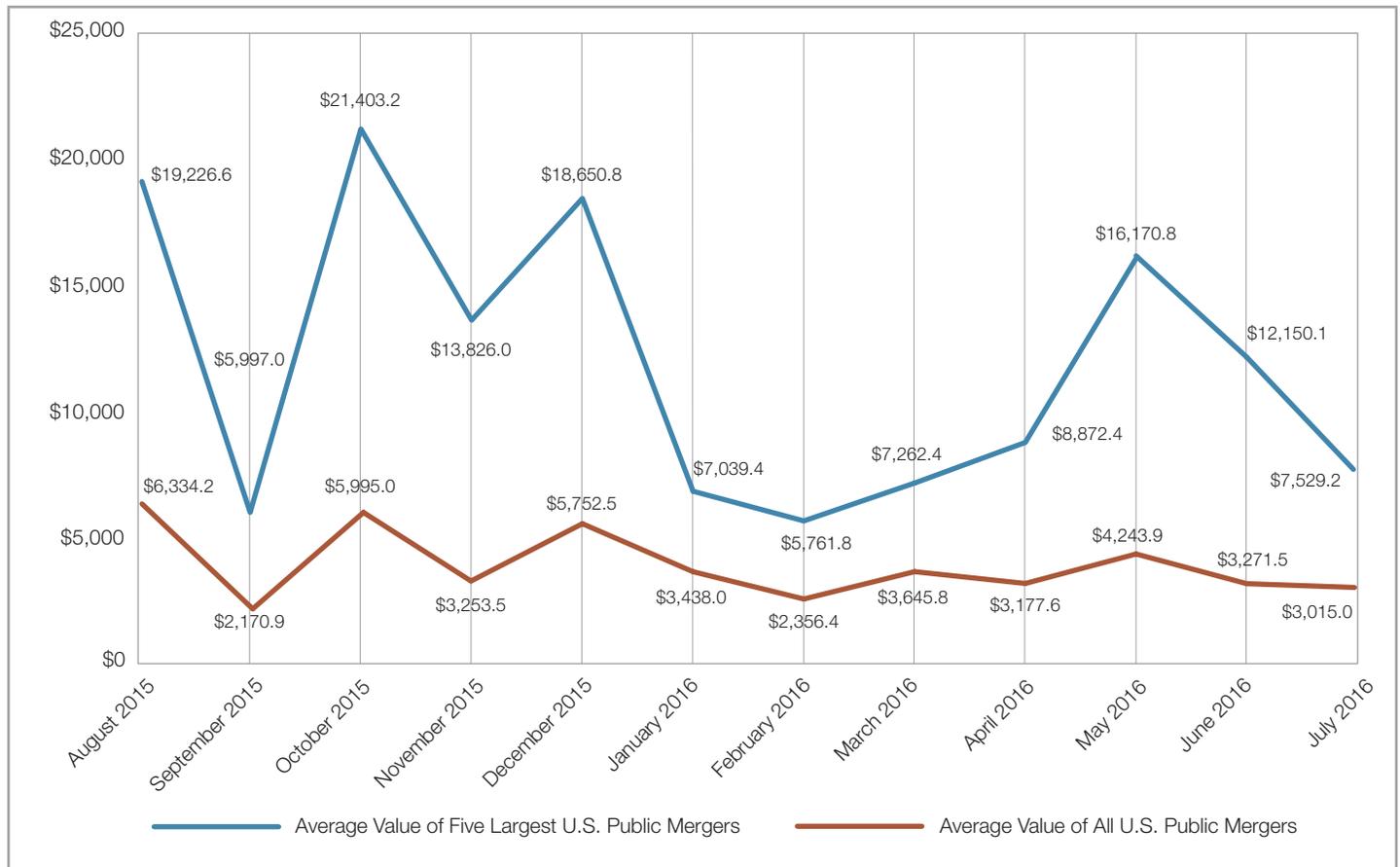
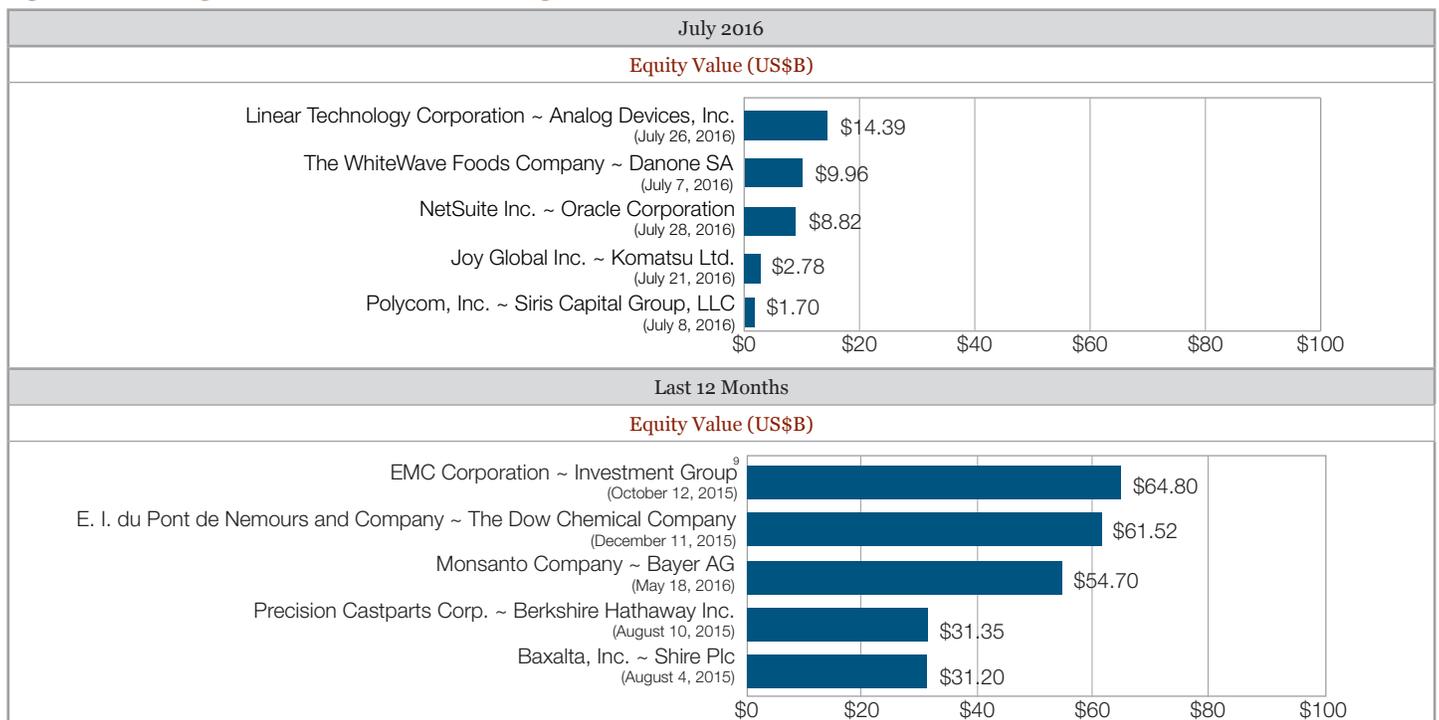


Figure 5 - Five Largest Announced U.S. Public Mergers



⁹ Members of the investment group reported by FactSet MergerMetrics are Dell Inc., Silver Lake Partners and MSD Partners LP.

M&A Terms

Figure 6 - Average Break Fees as % of Equity Value¹⁰

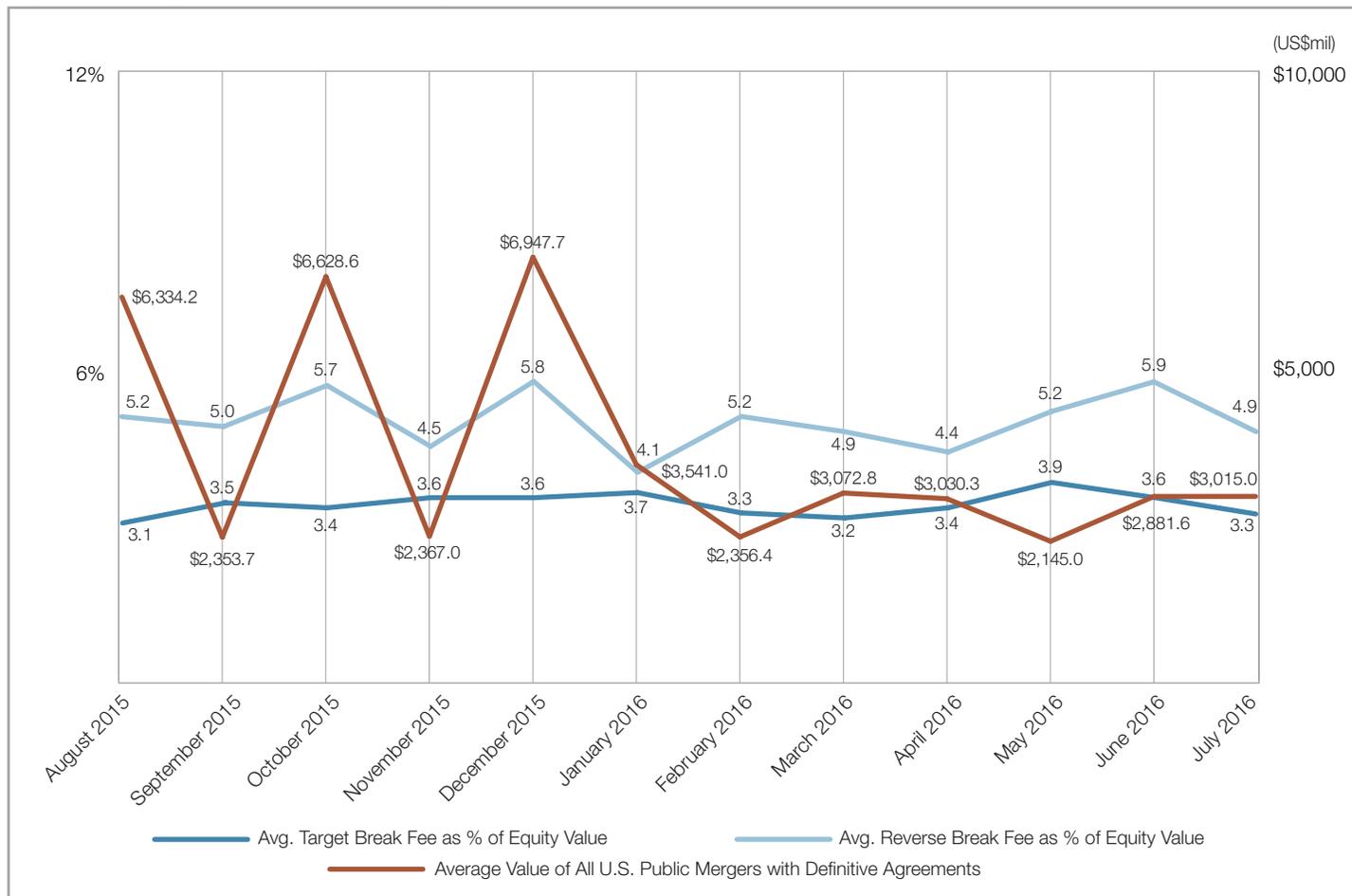


Figure 7 - Average Break Fees as % of Equity Value

	July 2016	Last 12 Months
Target Break Fee for All Mergers	3.3	3.5
Reverse Break Fee for All Mergers	4.9	5.1
Reverse Break Fee for Mergers Involving Financial Buyers ¹¹	7.4	6.5
Reverse Break Fee for Mergers Involving Strategic Buyers	3.9	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 obtained from FactSet MergerMetrics has not been reviewed for accuracy by Paul, Weiss.

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

	July 2016	Last 12 Months
% of Mergers with Go-Shops	0.0	8.0
% of Mergers Involving Financial Buyers with Go-Shops ¹²	0.0	30.0
% of Mergers Involving Strategic Buyers with Go-Shops	0.0	4.1
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops ¹³	N/A	37.0
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops ¹⁴	N/A	36.7
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops ¹⁵	N/A	37.4

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

¹¹ Two transactions in July 2016 involving a financial buyer had a reverse break fee.

¹² Three transactions in July 2016 involved a financial buyer.

¹³ No transactions in July 2016 had a go-shop provision.

¹⁴ No transactions in July 2016 involving a financial buyer had a go-shop provision.

¹⁵ No transactions in July 2016 involving a strategic buyer had a go-shop provision.

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

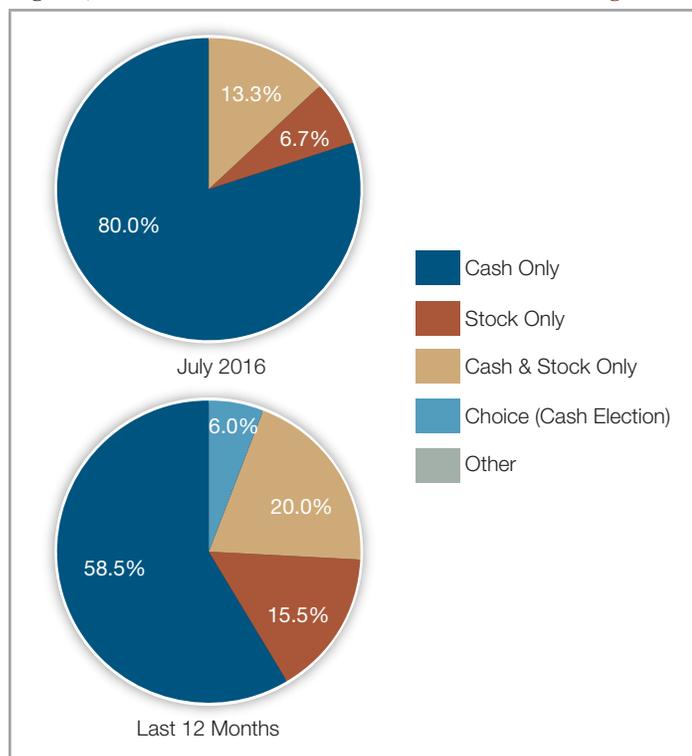


Figure 10 - % of Partial and All Stock Deals that Have a Fixed Exchange Ratio

July 2016 ¹⁷	100.0
Last 12 Months	93.0

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

July 2016	40.0
Last 12 Months	21.0

Figure 12 - Hostile/Unsolicited Offers as % of U.S. Public Mergers¹⁸

July 2016	0.0
Last 12 Months	16.2

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

¹⁷ There were only three partial or all stock transactions in July 2016.

¹⁸ 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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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

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

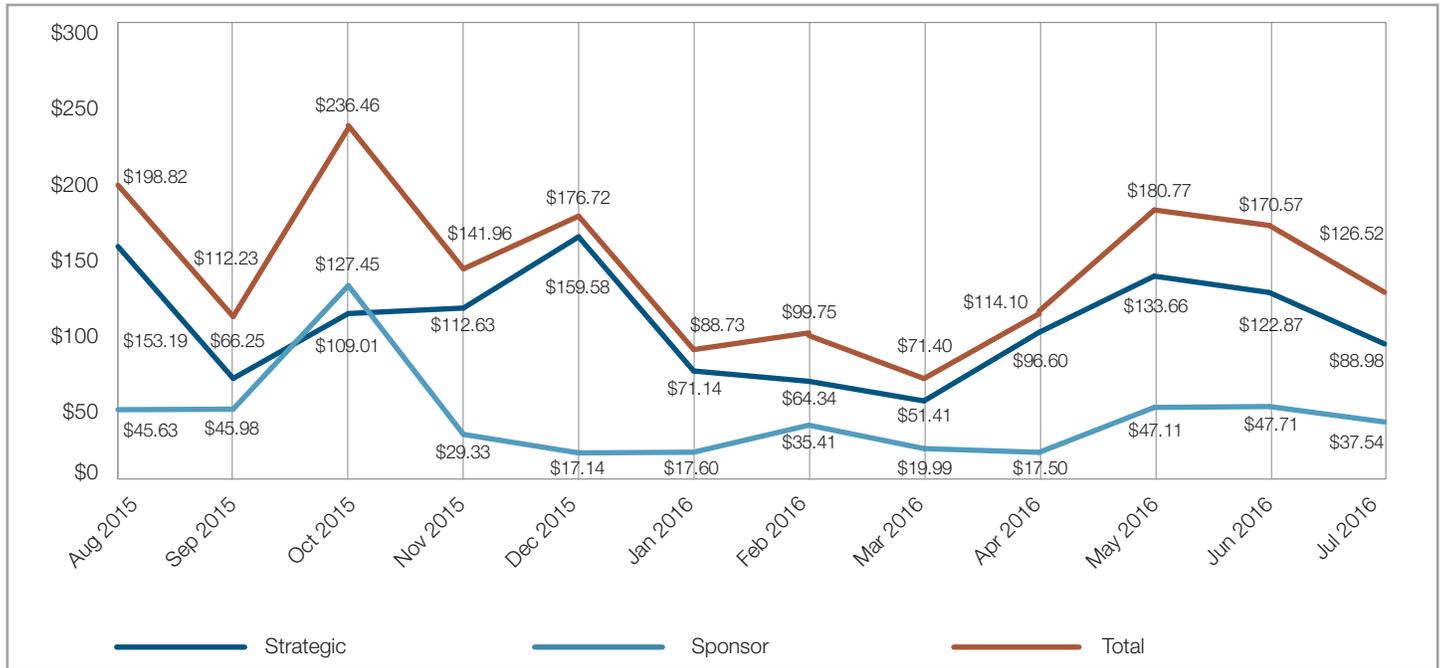


Figure 2A - Global Deal Volume (US\$B)



Figure 3A - U.S. Number of Deals

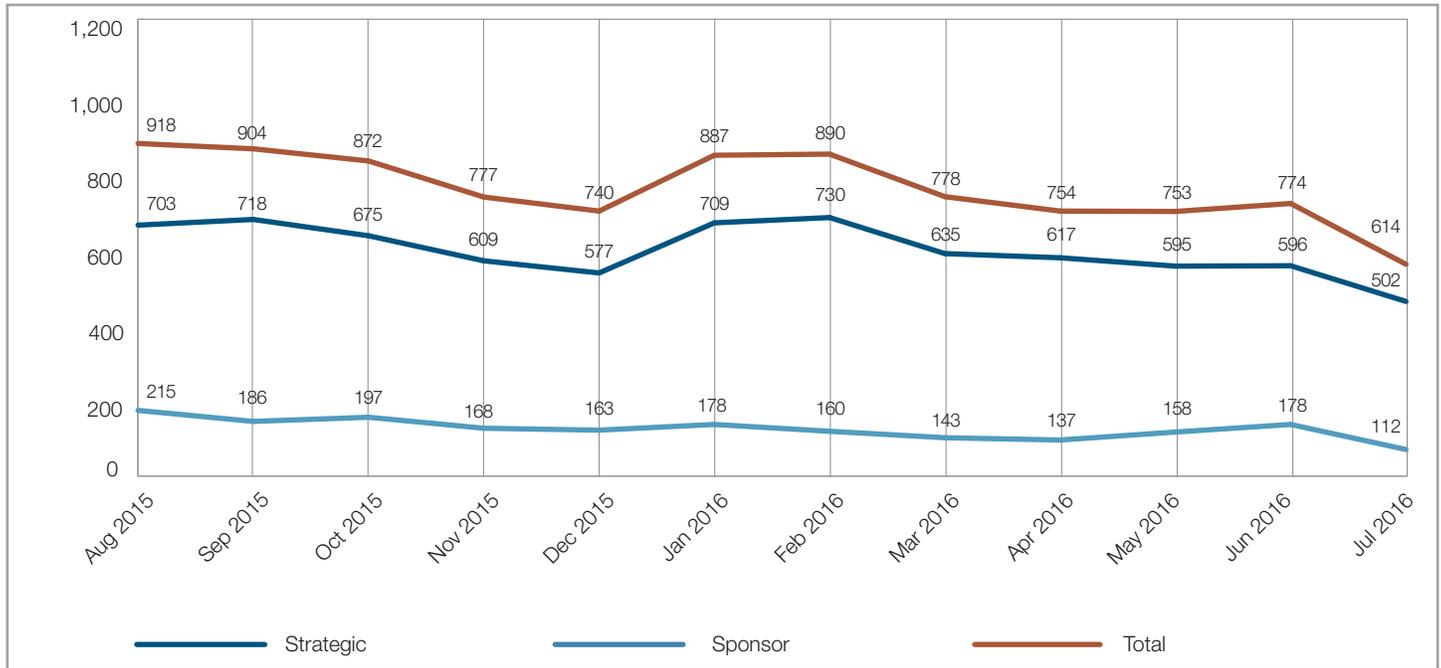


Figure 4A - Global Number of Deals

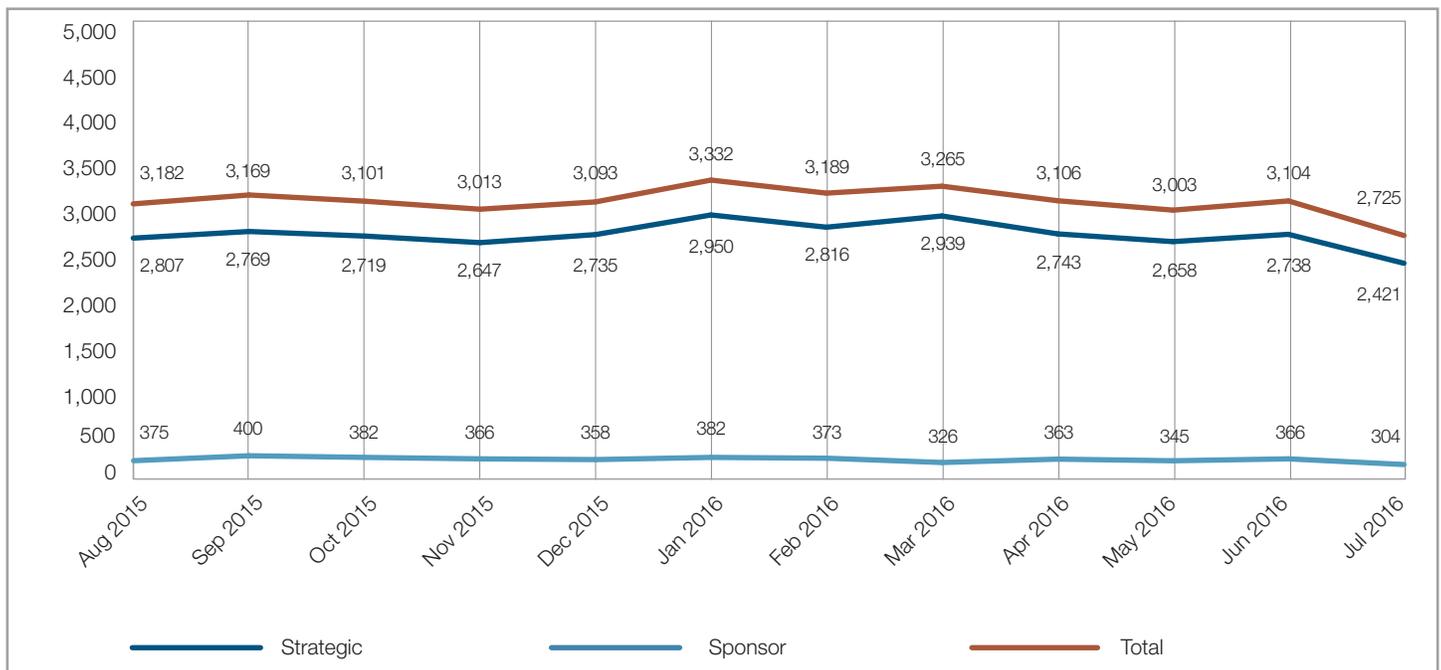


Figure 5A - Inbound U.S. Crossborder Transactions

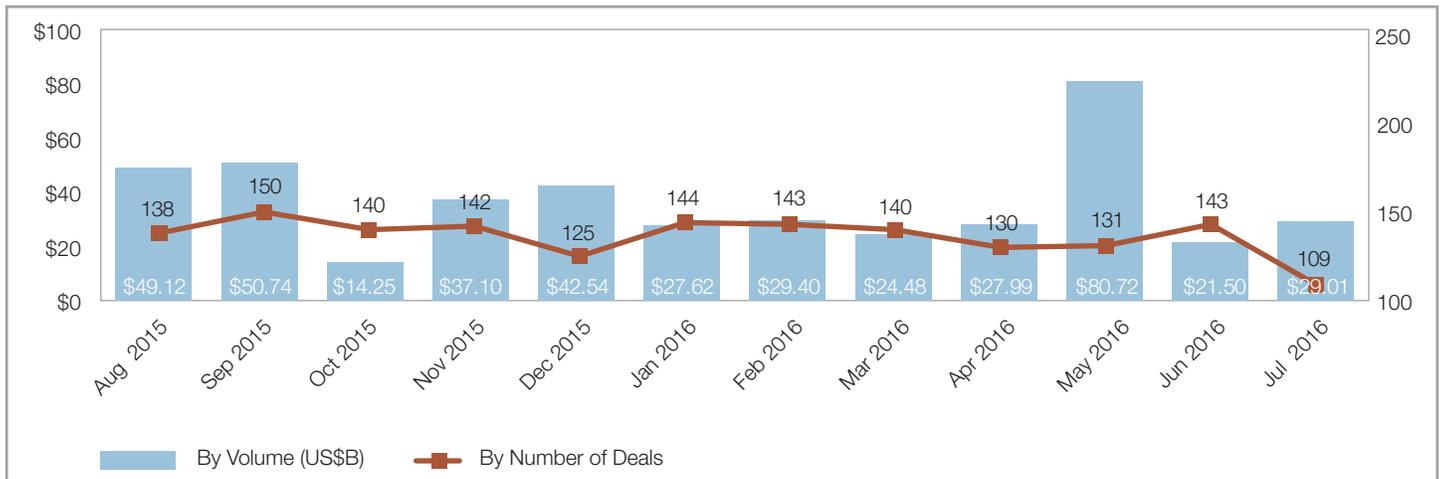


Figure 6A - Outbound U.S. Crossborder Transactions

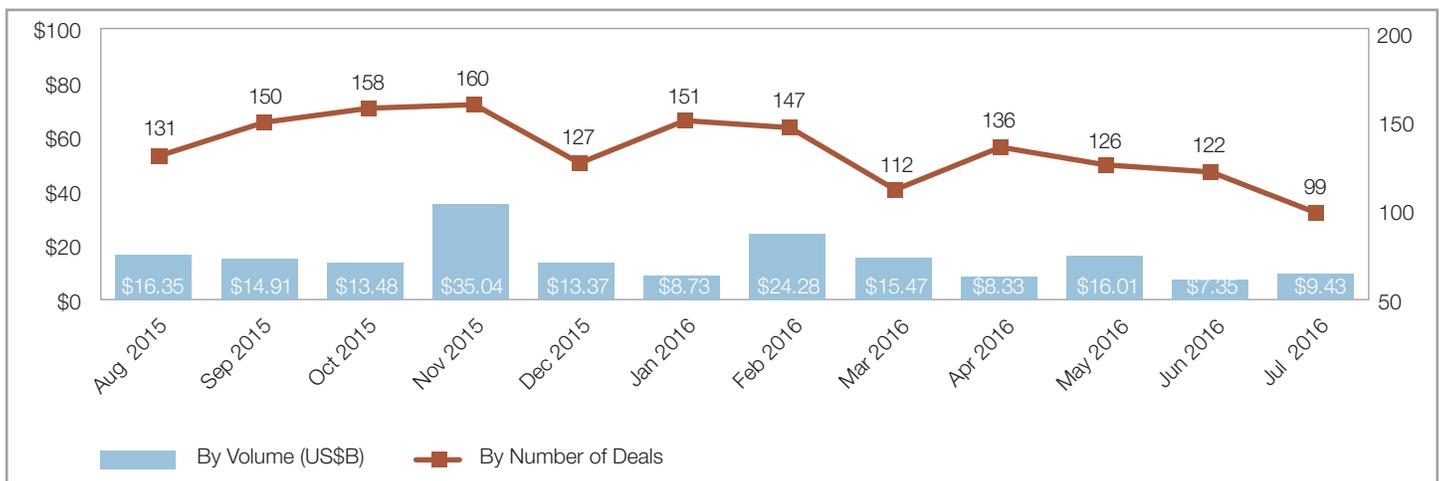


Figure 7A - Global Crossborder Transactions

