

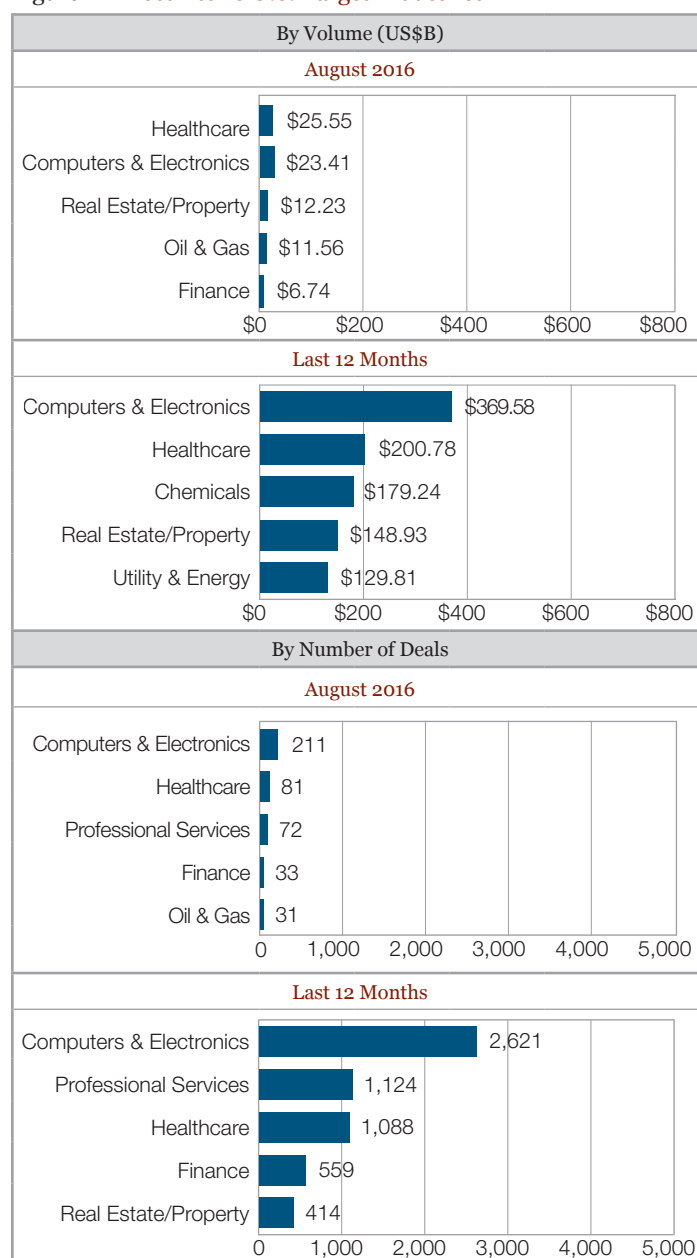
September 2016, Issue 54

M&A Activity

Figure 1

August 2016	Global	+/- From Prior Month	U.S.	+/- From Prior Month
Total				
Volume (US\$B)	220.49	(113.55)	104.85	(21.98)
No. of deals	2,797	(121)	697	56
Avg. value of deals (US\$mil)	140.9	(72.0)	360.3	(157.4)
Avg. deal multiple ¹	11.0x	(0.9)	10.9x	(1.4)
Strategic Transactions				
Volume (US\$B)	171.46	(96.53)	68.39	(20.75)
No. of deals	2,519	(84)	563	39
Avg. value of deals (US\$mil)	117.8	(66.4)	275.8	(129.4)
Avg. deal multiple ²	10.7x	(1.4)	10.5x	(2.1)
Sponsor-Related Transactions				
Volume (US\$B)	49.03	(17.02)	36.46	(1.23)
No. of deals	278	(37)	134	17
Avg. value of deals (US\$mil)	449.8	(129.6)	847.9	(659.7)
Avg. deal multiple ¹	12.0x	1.3	11.3x	(0.7)
Crossborder Transactions²				
Volume (US\$B)	61.31	(59.79)	Inbound 25.92 Outbound 10.12	Inbound (3.25) Outbound 0.60
No. of deals	678	(14)	Inbound 112 Outbound 130	Inbound 1 Outbound 21
Avg. value of deals (US\$mil)	177.7	(173.3)	Inbound 431.9 Outbound 210.8	Inbound (38.4) Outbound (0.8)
Avg. deal multiple ¹	9.3x	(4.0)	Inbound 9.9x Outbound 10.7x	Inbound (1.9) Outbound (1.5)

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and valued at \$100 million or higher regardless of whether a definitive merger agreement was reached and filed or withdrawn.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

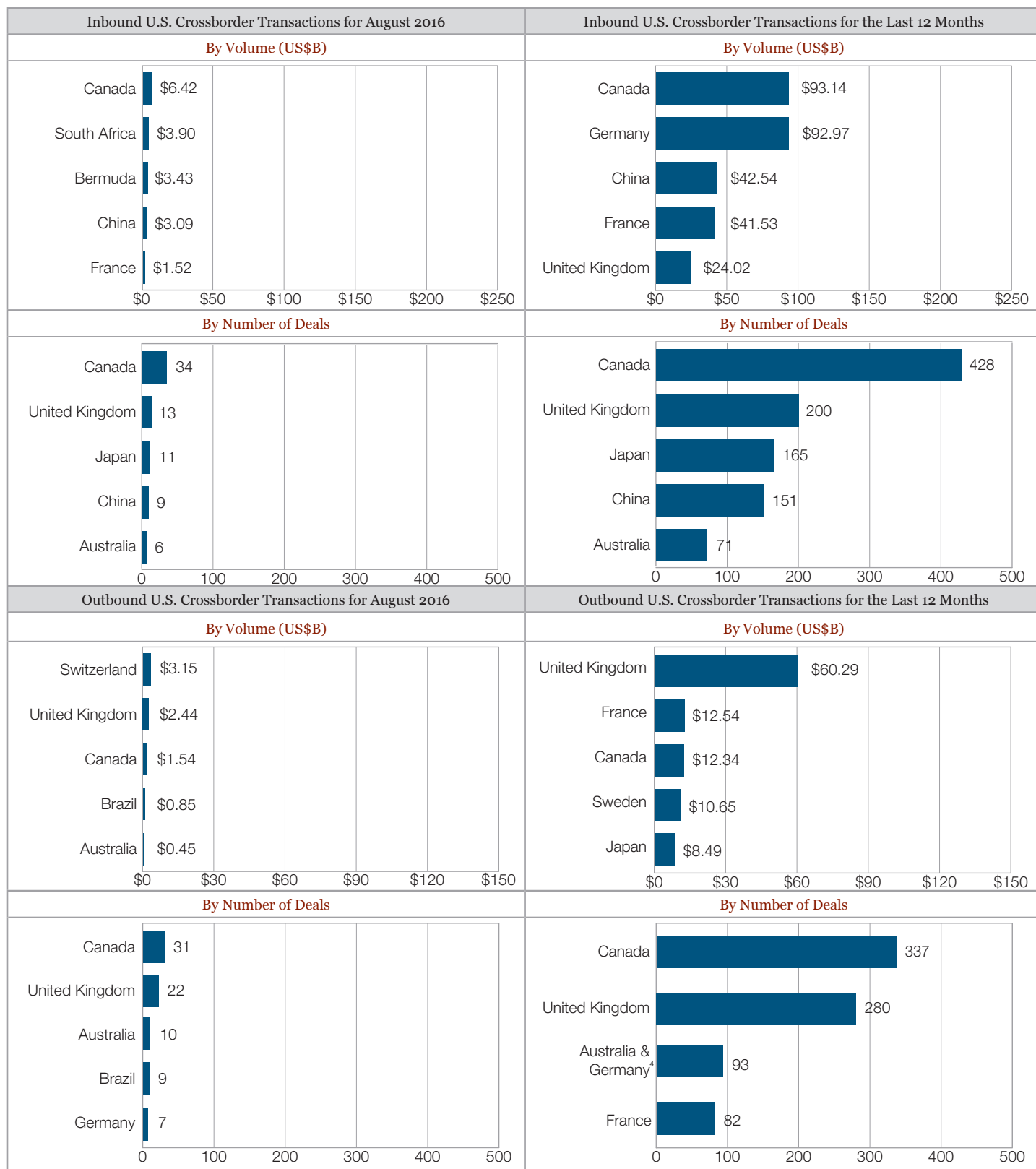
¹ Ratio of enterprise value to EBITDA, trailing 12 months. This statistic is calculated using a smaller subset of deals for which this data is available.

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.

M&A Activity (Continued)

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

⁴ Each of Australia and Germany was the country of destination for 93 transactions in the Last 12 Months.

M&A Activity (Continued)

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

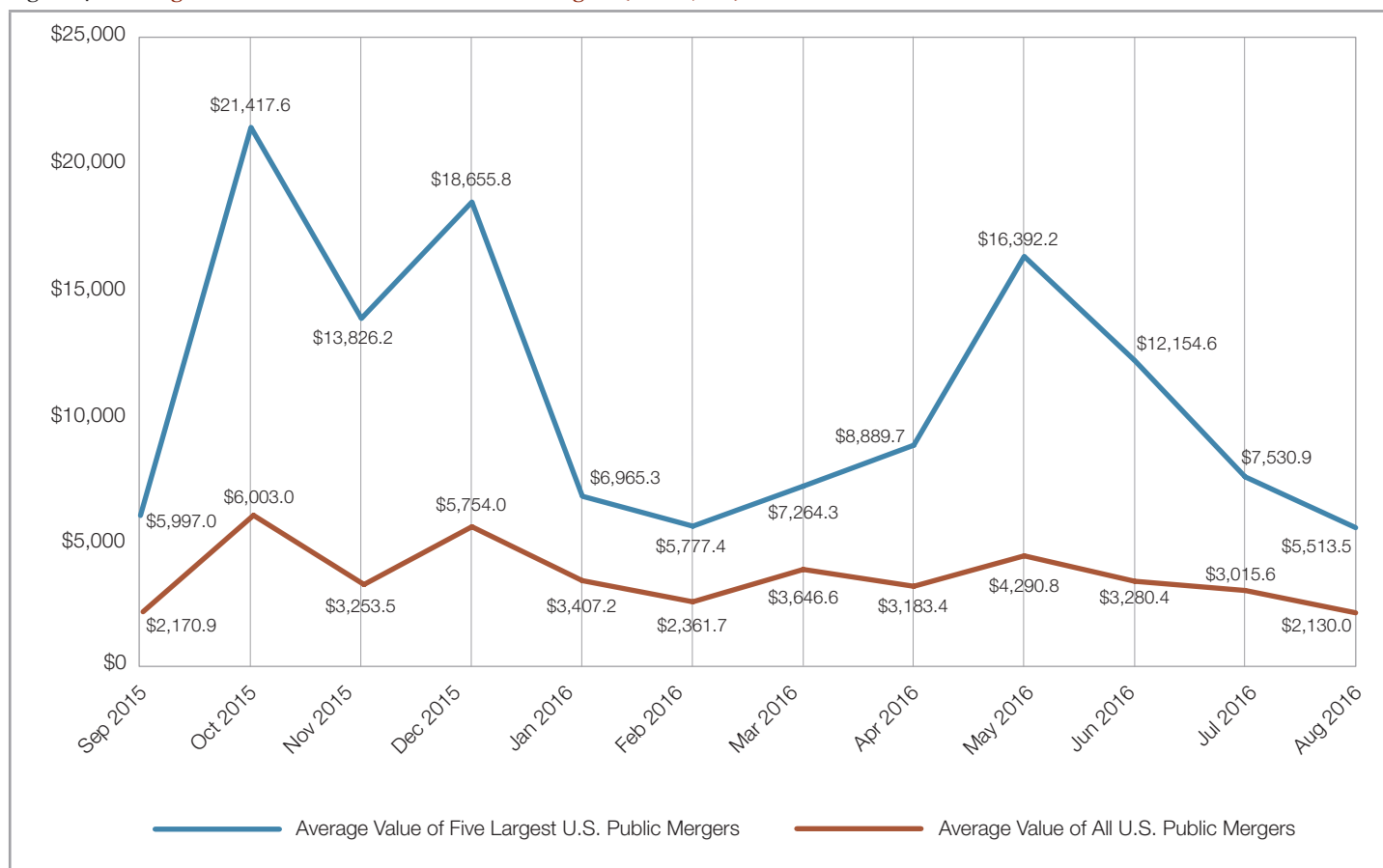
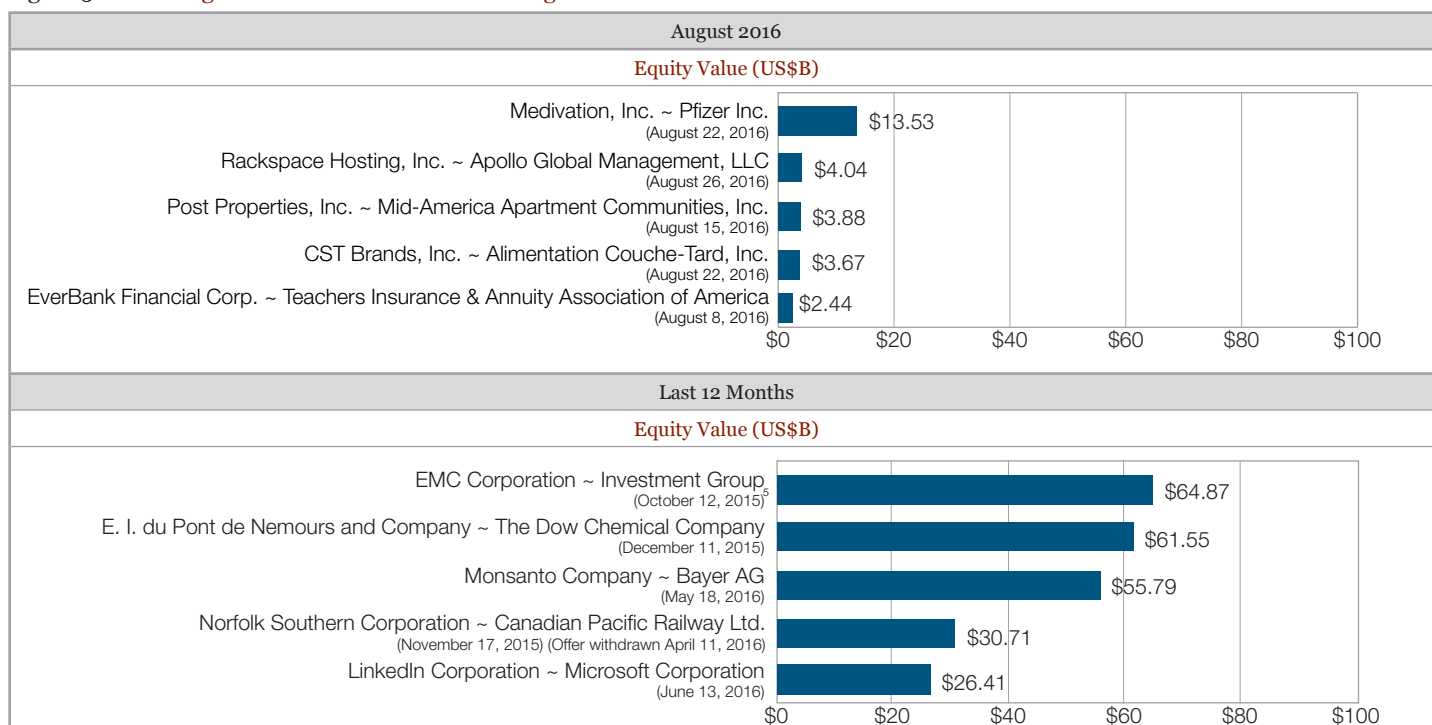


Figure 5 - Five Largest Announced U.S. Public Mergers



⁵ 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 Value⁶

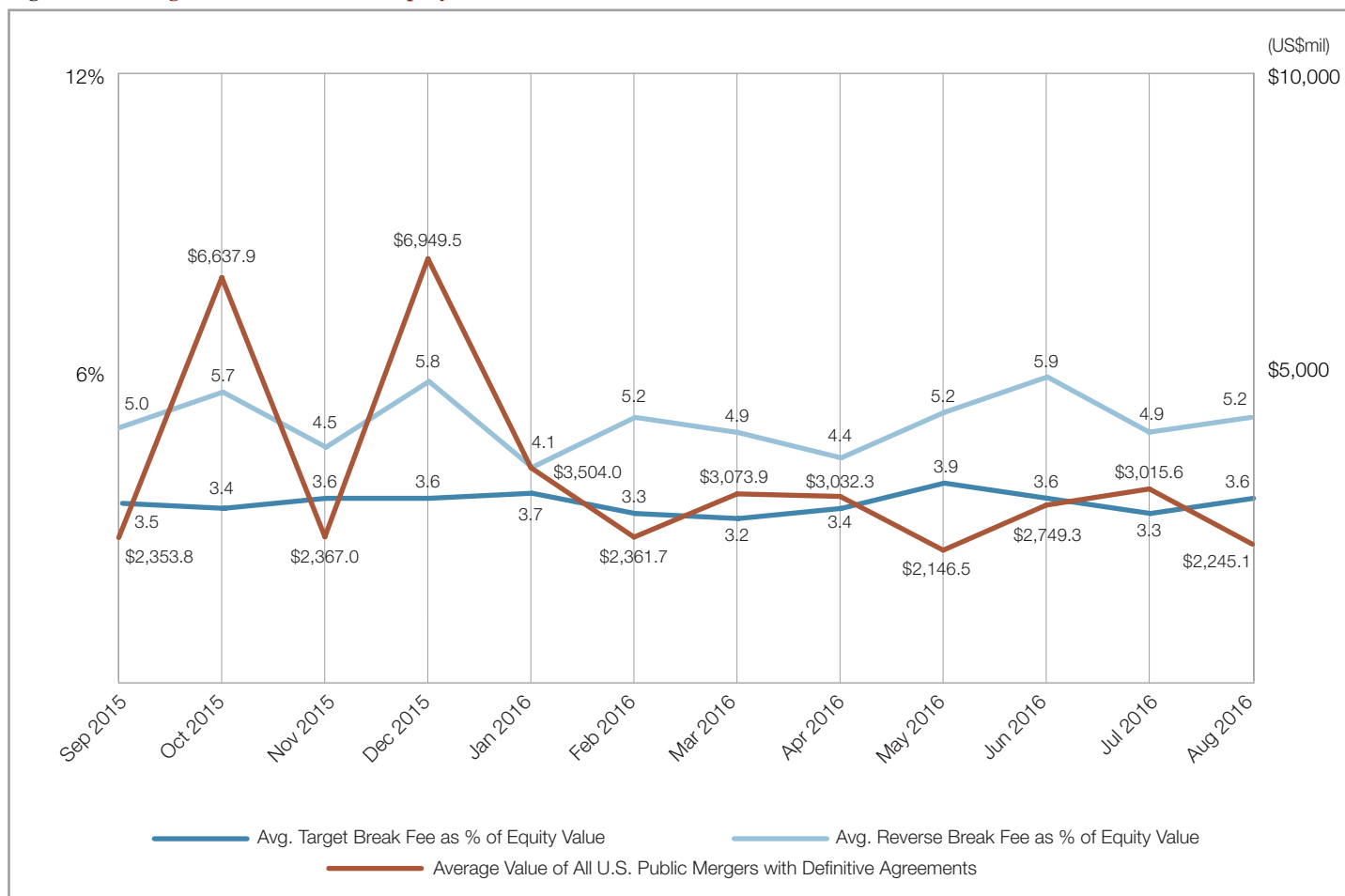


Figure 7 - Average Break Fees as % of Equity Value

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

	August 2016	Last 12 Months
Reverse Break Fee for All Mergers	5.2	5.1
Reverse Break Fee for Mergers Involving Financial Buyers ⁷	6.0	6.5
Reverse Break Fee for Mergers Involving Strategic Buyers	4.9	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

	August 2016	Last 12 Months
% of Mergers with Go-Shops	11.8	9.0
% of Mergers Involving Financial Buyers with Go-Shops ⁸	66.7	33.3
% of Mergers Involving Strategic Buyers with Go-Shops	0.0	4.2
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops ⁹	35.0	36.8
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops ¹⁰	35.0	36.4
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops ¹¹	N/A	37.4

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

⁷ Two transactions in August 2016 involving a financial buyer had a reverse break fee.

⁸ Three transactions in August 2016 involved a financial buyer.

⁹ Two transactions in August 2016 had a go-shop provision.

¹⁰ Two transactions in August 2016 involving a financial buyer had a go-shop provision.

¹¹ No transactions in August 2016 involving a strategic buyer had a go-shop provision.

M&A Terms (Continued)

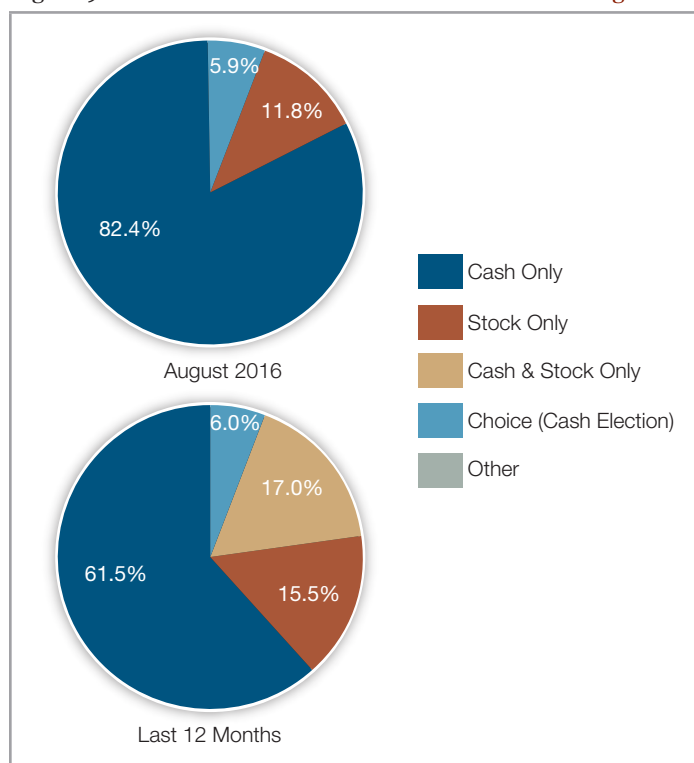
Figure 9 - Form of Consideration as % of U.S. Public Mergers¹²

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

August 2016 ¹³	100.0
Last 12 Months	93.8

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

August 2016	23.5
Last 12 Months	22.5

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

August 2016	5.6
Last 12 Months	16.2

¹² Due to rounding, percentages may not add up to 100%.

¹³ There were only two partial or all stock transactions in August 2016.

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:



Matthew W. Abbott
Partner
New York
212-373-3402
mabbott@paulweiss.com



Scott A. Barshay
Partner
New York Office
212-373-3040
sbarshay@paulweiss.com



Angelo Bonvino
Partner
New York
212-373-3570
abonvino@paulweiss.com



Ariel J. Deckelbaum
Partner
New York
212-373-3546
ajdeckelbaum@paulweiss.com



Jeffrey D. Marell
Partner
New York
212-373-3105
jmarell@paulweiss.com

Counsel Frances F. Mi and associates Joseph S. Friedman, Yashreeka Z. Huq, Samuel J. Welt, Ryan D. Blicher, David S. Lightstone, Edy Glozman and N. Arie Abramov contributed to this publication.

Our M&A Partners

[Matthew W. Abbott](#)
[Edward T. Ackerman](#)
[Scott A. Barshay](#)
[Angelo Bonvino](#)
[Jeanette K. Chan](#)
[Ellen N. Ching](#)
[Ariel J. Deckelbaum](#)
[Ross A. Fieldston](#)

[Brian P. Finnegan](#)
[Adam M. Givertz](#)
[Robert D. Goldbaum](#)
[Neil Goldman](#)
[Bruce A. Gutenplan](#)
[Justin G. Hamill](#)
[David K. Lakhdhir](#)
[Stephen P. Lamb](#)

[John E. Lange](#)
[Xiaoyu Greg Liu](#)
[Jeffrey D. Marell](#)
[Toby S. Myerson](#)
[Kelley D. Parker](#)
[Carl L. Reisner](#)
[Kenneth M. Schneider](#)
[Robert B. Schumer](#)

[John M. Scott](#)
[Judie Ng Shortell](#)
[Tarun M. Stewart](#)
[Steven J. Williams](#)
[Betty Yap](#)
[Kaye N. Yoshino](#)
[Tong Yu](#)
[Taurie M. Zeitzer](#)

M&A Activity – 12-Month Trends

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

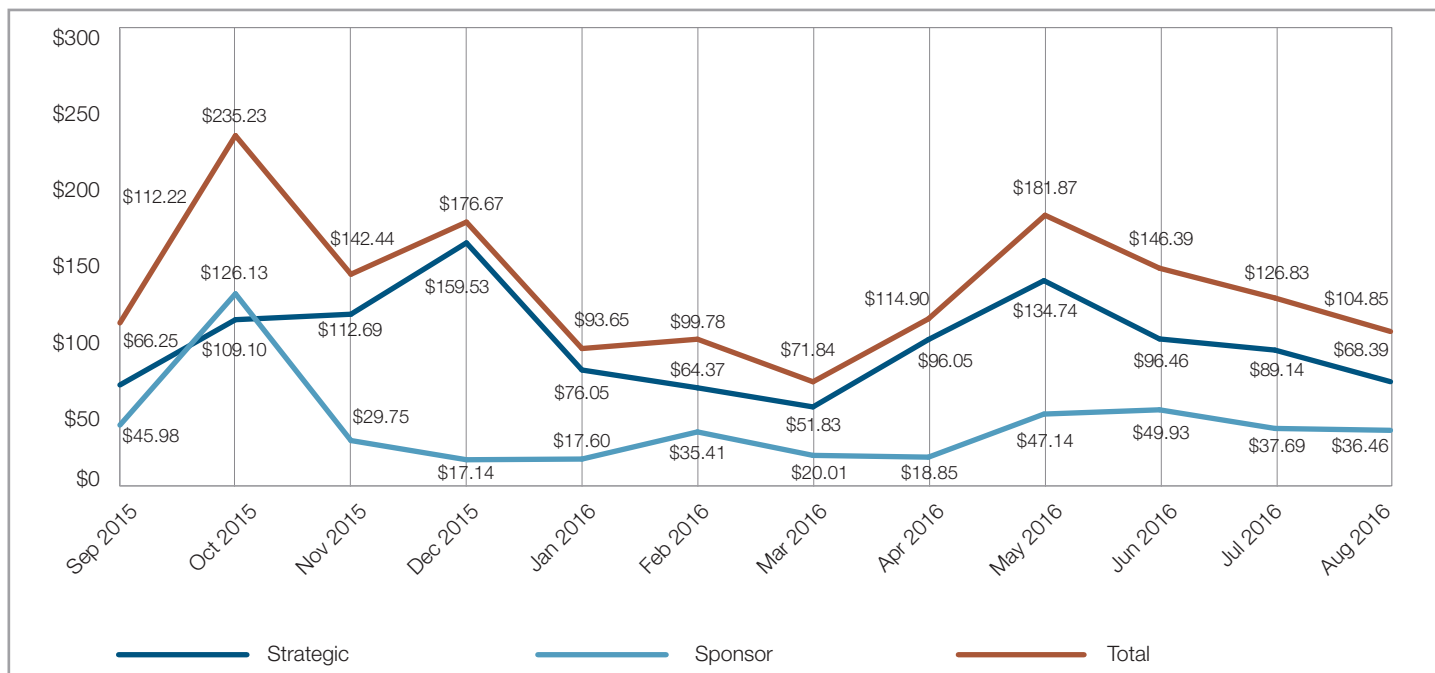


Figure 2A - Global Deal Volume (US\$B)

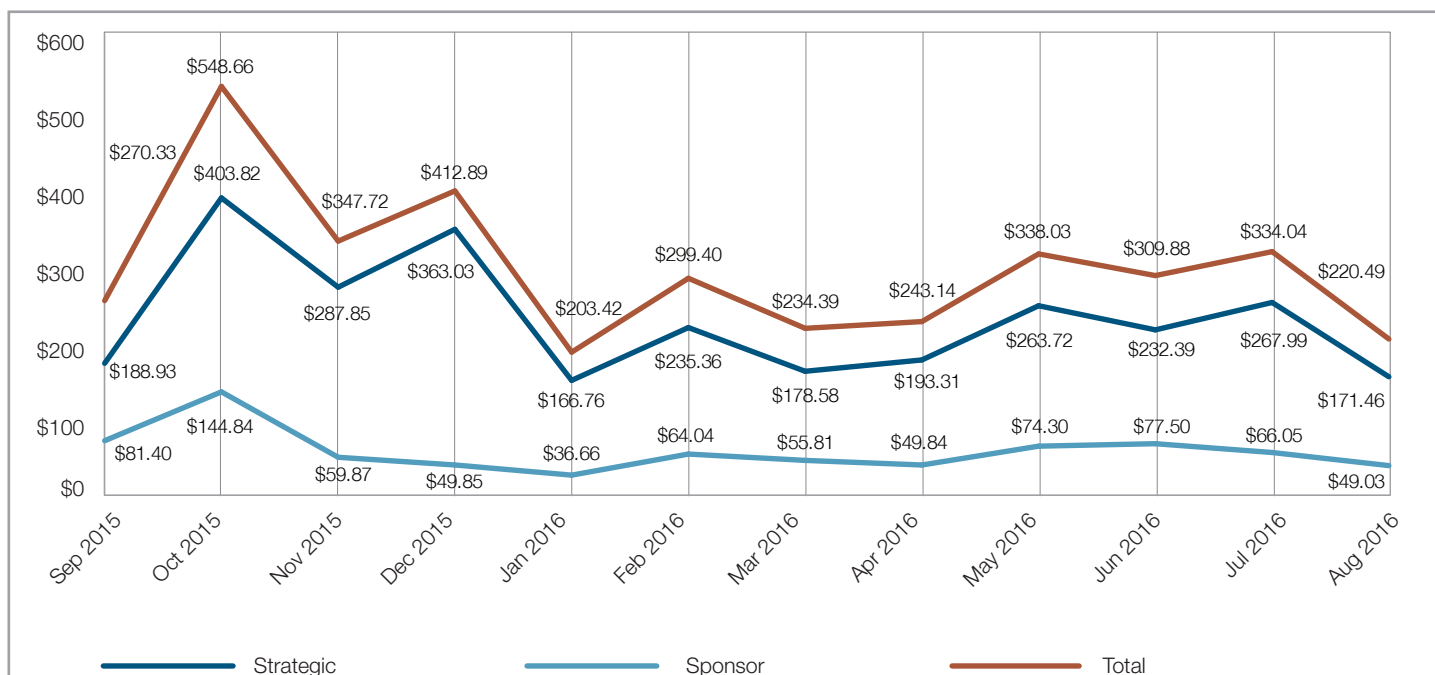


Figure 3A - U.S. Number of Deals

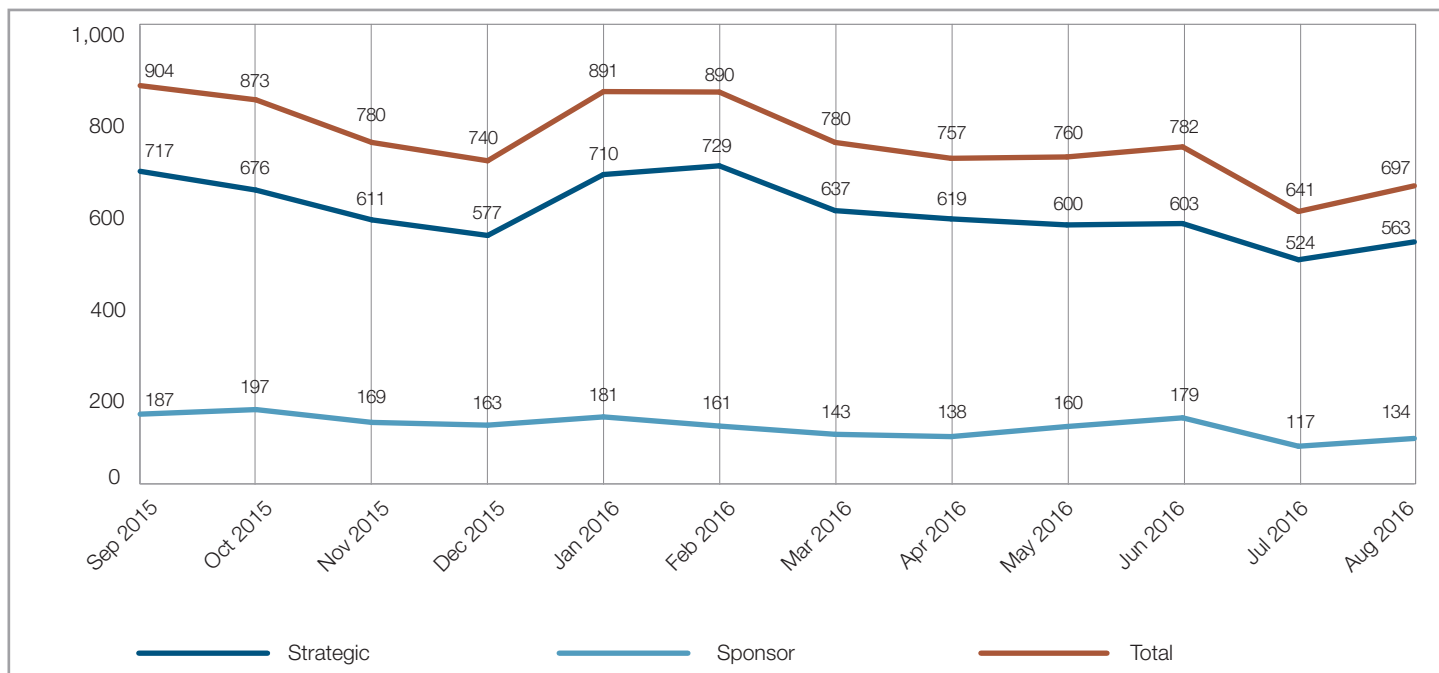


Figure 4A - Global Number of Deals

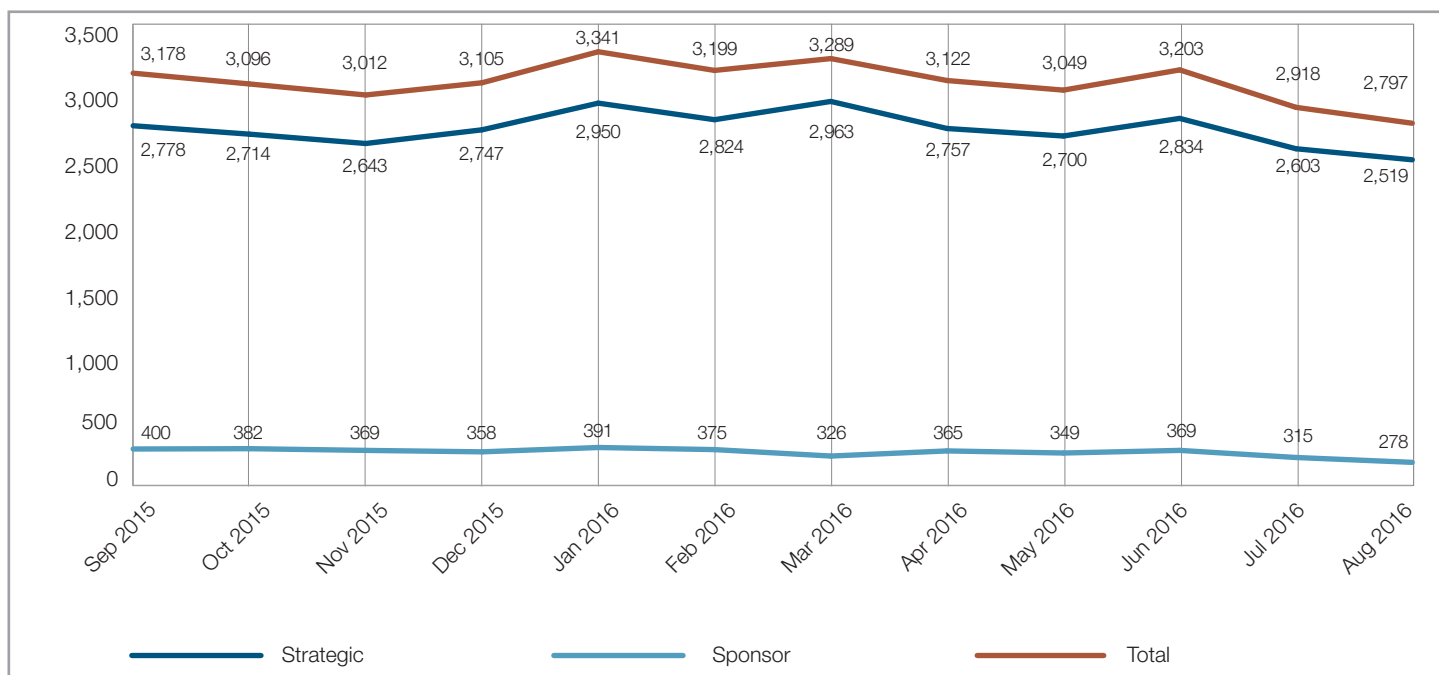


Figure 5A - Inbound U.S. Crossborder Transactions

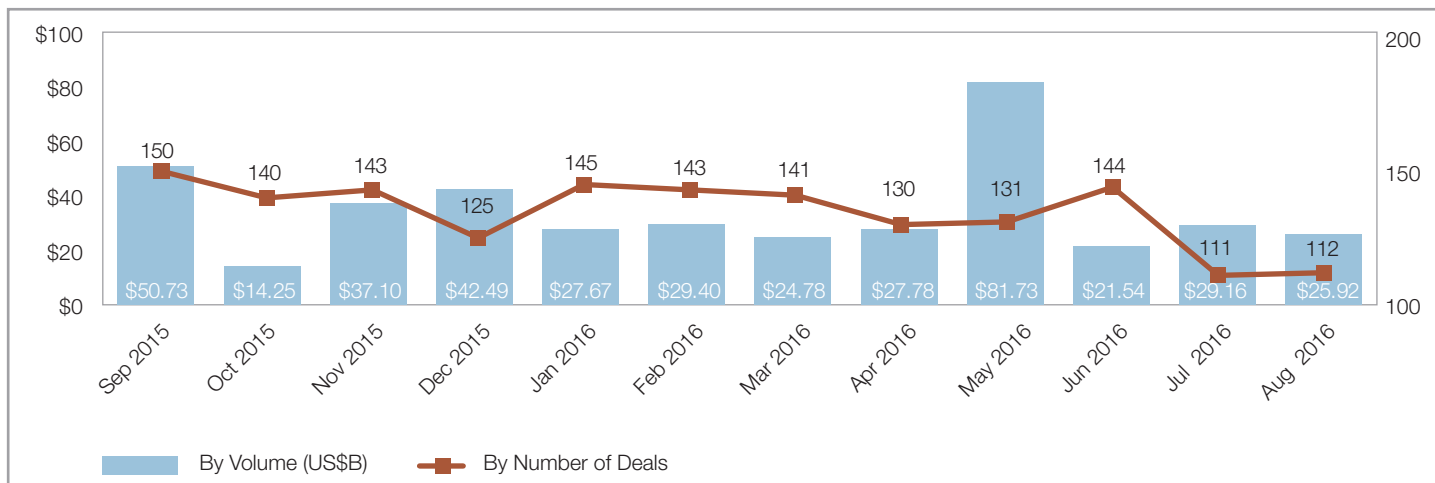


Figure 6A - Outbound U.S. Crossborder Transactions

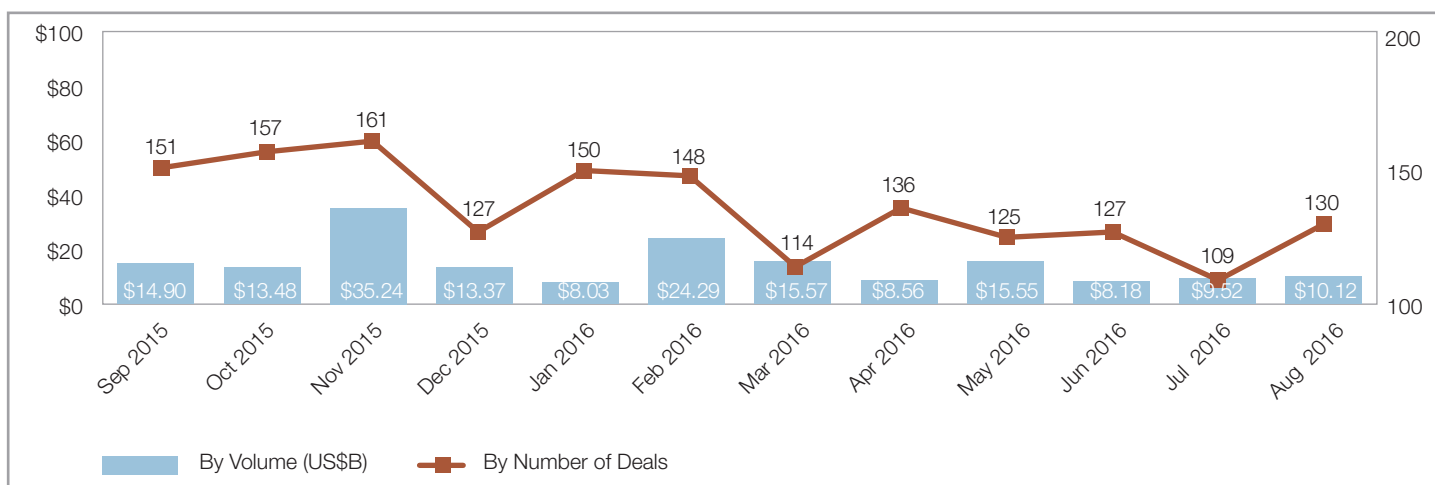


Figure 7A - Global Crossborder Transactions

