

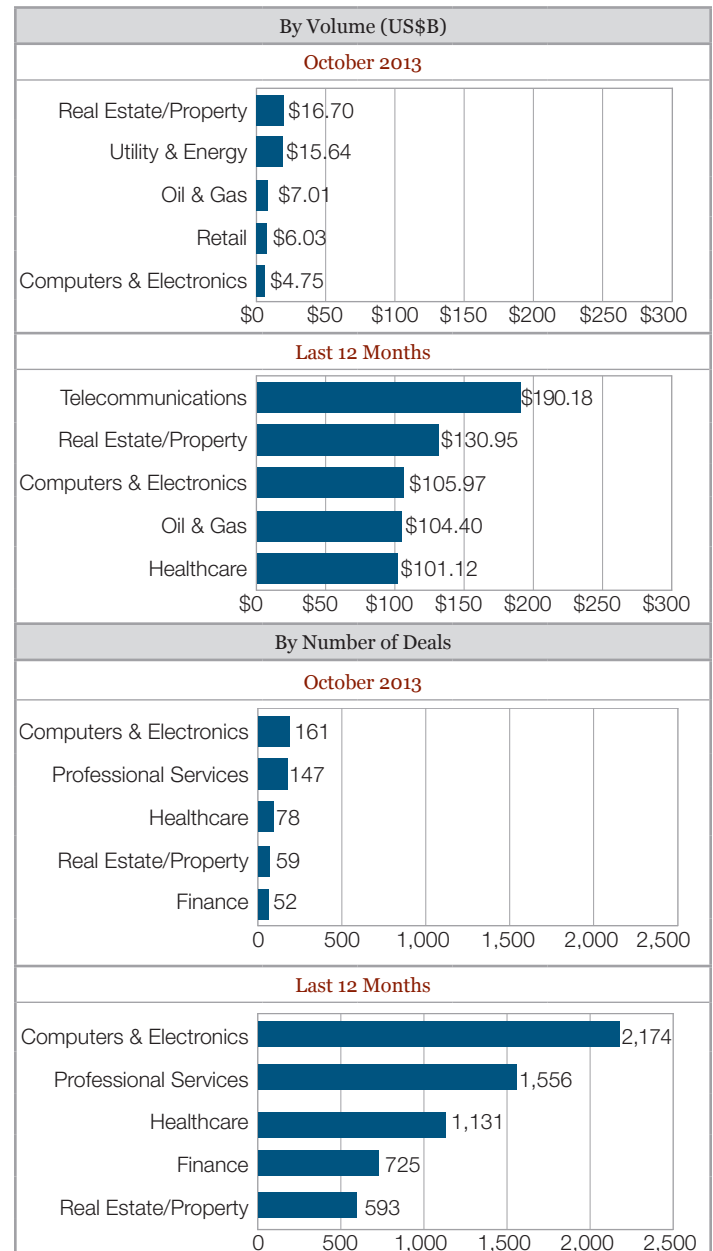
# November 2013, Issue 20

## M&A Activity

Figure 1

October 2013	Global	+/- From Prior Month	U.S.	+/- From Prior Month
<b>Total</b>				
Volume (US\$B)	247.80	(107.83)	81.84	(120.66)
No. of deals	3,050	214	868	174
Avg. value of deals (US\$mil)	161.2	(102.0)	222.4	(584.4)
Avg. deal multiple <sup>1</sup>	12.7x	1.6	15.0x	2.9
<b>Strategic Transactions</b>				
Volume (US\$B)	217.73	(99.92)	66.47	(118.45)
No. of deals	2,729	218	718	140
Avg. value of deals (US\$mil)	154.6	(106.0)	207.1	(633.5)
Avg. deal multiple <sup>1</sup>	12.6x	1.6	14.9x	2.5
<b>Sponsor-Related Transactions</b>				
Volume (US\$B)	30.07	(7.91)	15.37	(2.21)
No. of deals	321	(4)	150	34
Avg. value of deals (US\$mil)	233.1	(54.6)	327.0	(239.9)
Avg. deal multiple <sup>1</sup>	13.8x	2.4	16.5x	5.7
<b>Crossborder Transactions<sup>2</sup></b>				
Volume (US\$B)	82.52	1.14	Inbound 15.10 Outbound 24.69	Inbound 2.54 Outbound (4.38)
No. of deals	706	8	Inbound 108 Outbound 144	Inbound 23 Outbound (3)
Avg. value of deals (US\$mil)	225.5	(24.2)	Inbound 256 Outbound 457.2	Inbound (36.2) Outbound (27.2)
Avg. deal multiple <sup>1</sup>	12.4x	2.2	Inbound 15.8x Outbound 10.7x	Inbound 1.0 Outbound 0.4

Figure 2 - Most Active U.S. Target Industries<sup>3 4</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and valued at \$100 million or higher regardless of whether a definitive merger agreement was reached and filed or withdrawn.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 November 11, 2013 unless otherwise specified. "Last 12 Months" data is for the period from November 2012 to October 2013 inclusive. 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.

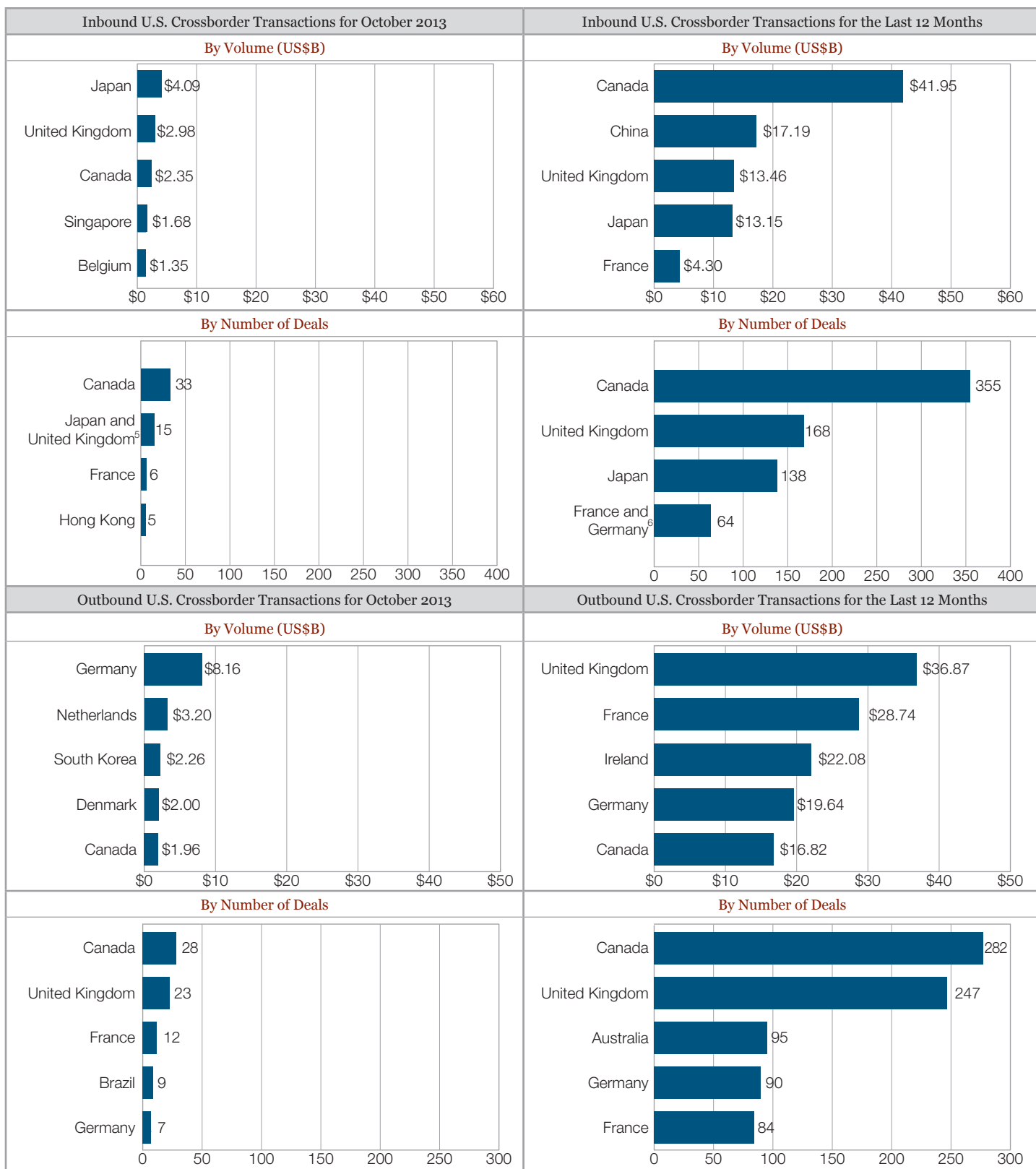
<sup>2</sup> Global crossborder transactions are those where the acquirer and the target have different nationalities. Nationality is based on where a company has either its headquarters or a majority of its operations. U.S. crossborder transactions are those transactions where the acquirer and the target 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> See box on p. 5 for treatment of Dell Inc. offers.

M&A Activity (Continued)

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



<sup>5</sup> Each of Japan and the United Kingdom was the country of origin for 15 transactions in October 2013.

<sup>6</sup> Each of France and Germany was the country of origin for 64 transactions in the Last 12 Months.

M&A Activity (Continued)

Figure 4 - Average Value of Announced U.S. Public Mergers (in US\$mil)<sup>7</sup>

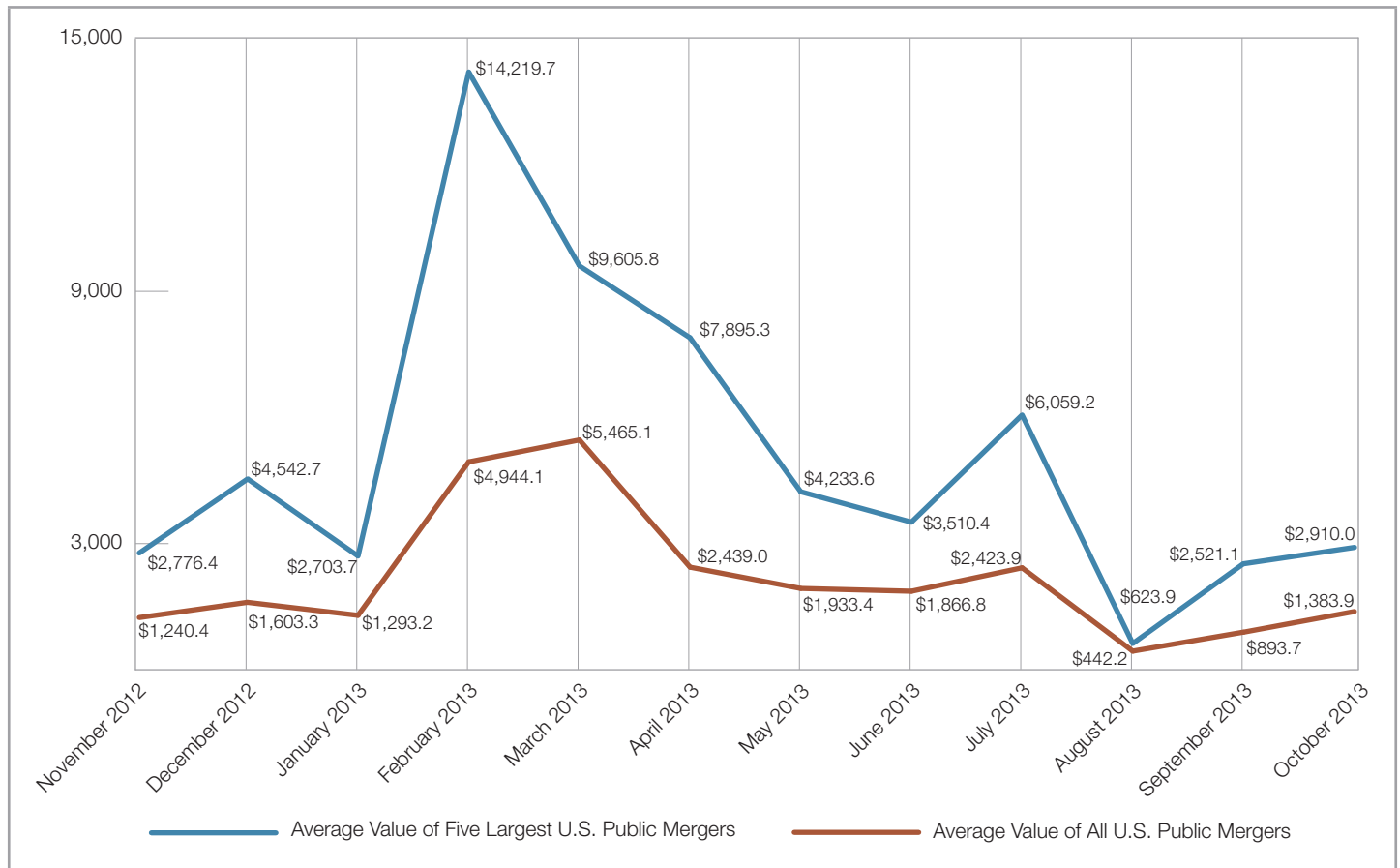
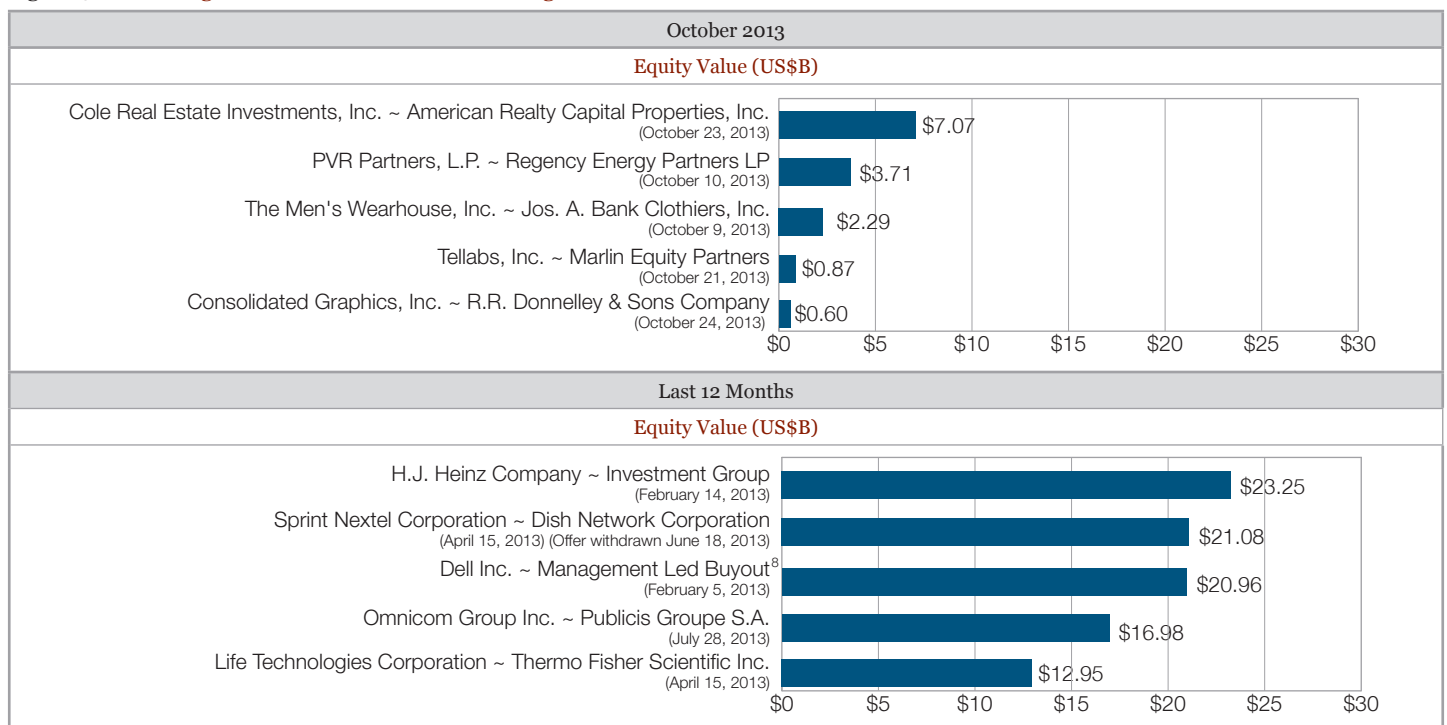


Figure 5 - Five Largest Announced U.S. Public Mergers



<sup>7</sup> See box on p. 5 for treatment of Dell Inc. offers.

<sup>8</sup> According to the 8-K filed by Dell Inc. on February 5, 2013, Silver Lake Partners and Michael Dell, Dell's Founder, Chairman and Chief Executive Officer, are partners in the Management Led Buyout reported by FactSet MergerMetrics.

M&A Terms

Figure 6 - Average Break Fees as % of Equity Value<sup>9</sup>

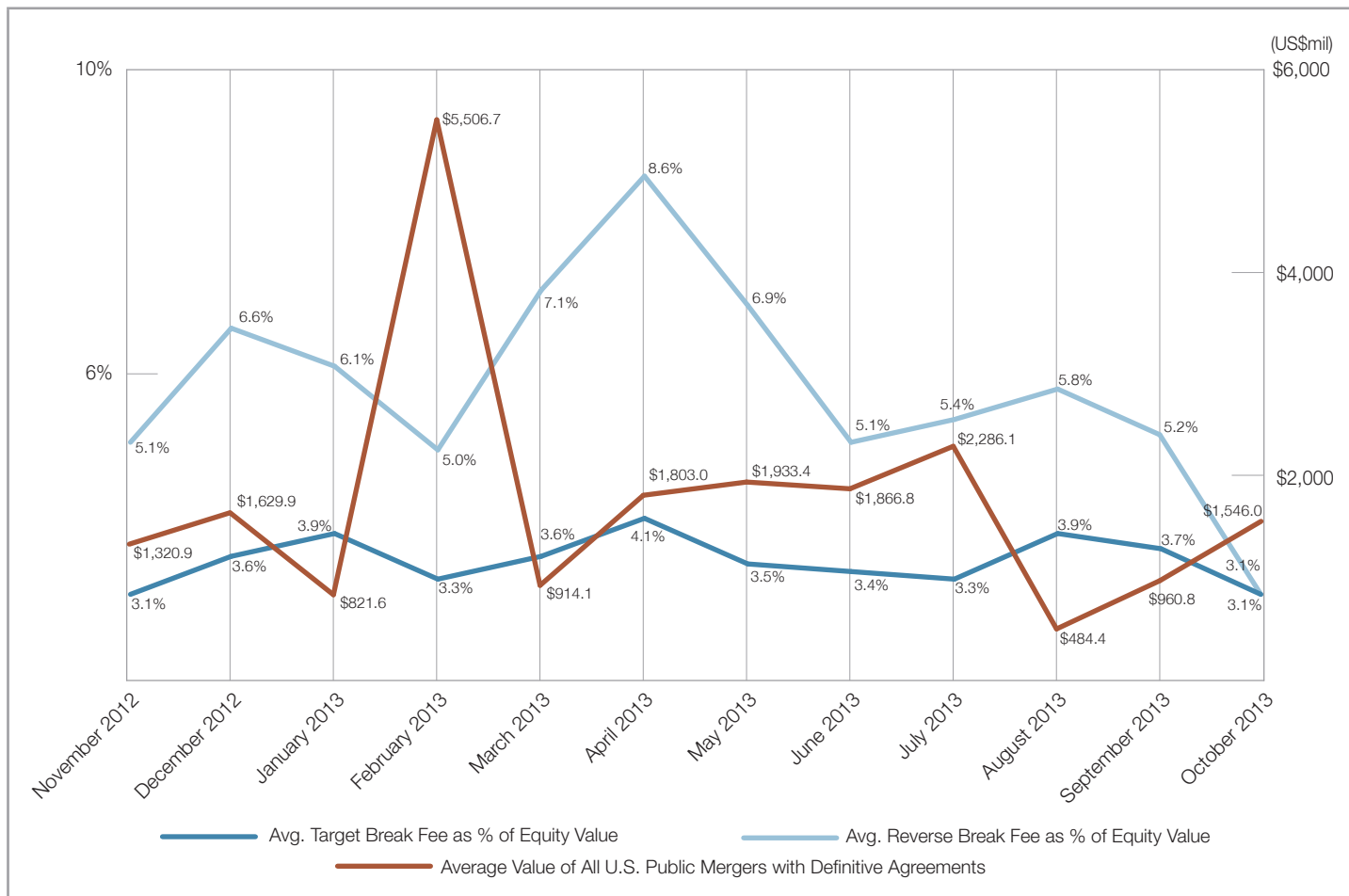


Figure 7 - Average Break Fees as % of Equity Value

	October 2013	Last 12 Months
Target Break Fee for All Mergers	3.1	3.5

	October 2013	Last 12 Months
Reverse Break Fee for All Mergers	3.1	5.8
Reverse Break Fee for Mergers Involving Financial Buyers <sup>10</sup>	4.8	6.6
Reverse Break Fee for Mergers Involving Strategic Buyers <sup>11</sup>	2.5	5.3

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.

<sup>9</sup> Based on the highest target break fees and reverse break fees payable in a particular deal.  
<sup>10</sup> Only one transaction in October 2013 involving a financial buyer had a reverse break fee.  
<sup>11</sup> Only three transactions in October 2013 involving a strategic buyer had reverse break fees.  
<sup>12</sup> Only two transactions in October 2013 involved financial buyers.  
<sup>13</sup> Only two transactions in October 2013 had go-shop provisions.  
<sup>14</sup> No transactions in October 2013 involving a financial buyer had go-shop provisions.  
<sup>15</sup> Only two transactions in October 2013 involving a strategic buyer had go-shop provisions.

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

	October 2013	Last 12 Months
% of Mergers with Go-Shops	22.2	16.4
% of Mergers Involving Financial Buyers with Go-Shops <sup>12</sup>	0.0	37.5
% of Mergers Involving Strategic Buyers with Go-Shops	28.6	10.8
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops <sup>13</sup>	24.0	34.4
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops <sup>14</sup>	N/A	33.8
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops <sup>15</sup>	24.0	34.9

Figure 9 - Form of Consideration as % of U.S. Public Mergers<sup>16</sup>

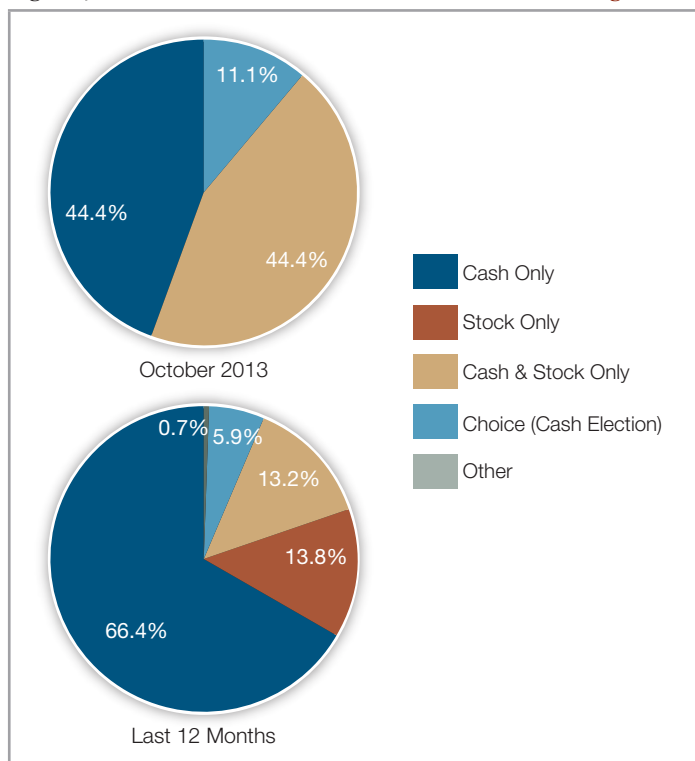


Figure 10 - % of Partial and All Stock Deals that Have a Fixed Exchange Ratio

October 2013	100.0
Last 12 Months	87.8

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

October 2013	22.2
Last 12 Months	20.4

Figure 12 - Hostile/Unsolicited Offers as % of U.S. Public Mergers<sup>17</sup>

October 2013	25.0
Last 12 Months	14.9

<sup>16</sup> Due to rounding, percentages may not add up to 100%.

<sup>17</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).

**Note on the Treatment of the Multiple Dell Inc. Offers:** For Figure 2, with data reported by Dealogic, the "Last 12 Months" category includes the February 2013 management buyout of Dell Inc. by Michael Dell and Silver Lake Management LLC, reported at \$21.07 billion, and two March 2013 offers for Dell Inc., one from The Blackstone Group LP, reported at \$25.68 billion, and one from Icahn Enterprises L.P., reported at \$18.90 billion. For Figures 4, 5 and 12, with data reported by FactSet MergerMetrics, February 2013 includes the management buyout of Dell Inc. by Michael Dell and Silver Lake Management LLC, reported at \$20.96 billion, and March 2013 includes two subsequent offers, one from The Blackstone Group LP, Insight Venture Partners and Francisco Partners at \$24.90 billion (offer withdrawn April 19, 2013), and another from Icahn Enterprises L.P., reported at \$18.24 billion (offer withdrawn September 9, 2013). Excluding the March 2013 offers, the Average Value of all U.S. Public Mergers for March 2013 would be \$863.8 million, and the Average Value of Five Largest U.S. Public Mergers for March 2013 would be \$1,116.2 million.

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