

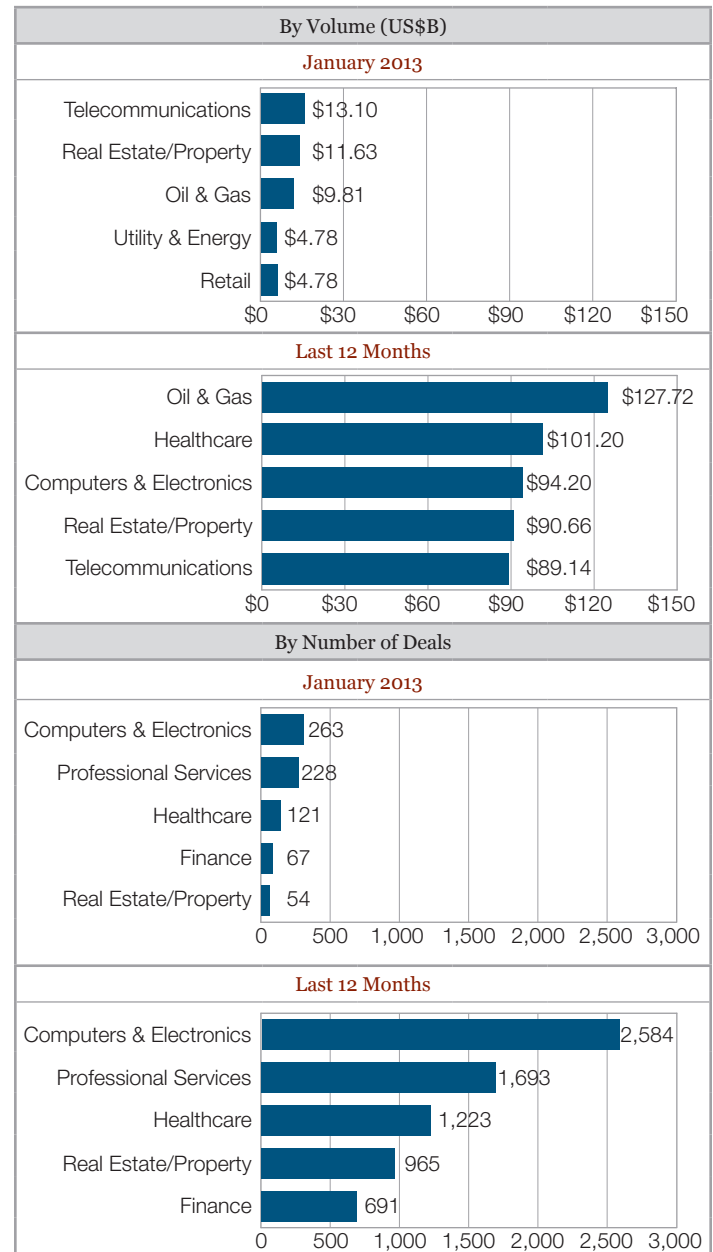
## February 2013, Issue 11

### M&A Activity

Figure 1

January 2013	Global	+/- From Prior Month	U.S.	+/- From Prior Month
<b>Total</b>				
Volume (US\$B)	150.80	(157.19)	63.69	(41.03)
No. of deals	3,234	(396)	1,262	48
Avg. value of deals (US\$mil)	113.2	(55.1)	184.1	(70.7)
Avg. deal multiple <sup>1</sup>	12.1x	1.2	12.4x	1.6
<b>Strategic Transactions</b>				
Volume (US\$B)	130.33	(138.49)	52.31	(37.33)
No. of deals	2,877	(397)	1,039	29
Avg. value of deals (US\$mil)	106.0	(51.6)	174.4	(71.9)
Avg. deal multiple <sup>1</sup>	11.7x	1.0	11.4x	(0.4)
<b>Sponsor-Related Transactions</b>				
Volume (US\$B)	20.47	(18.71)	11.38	(3.70)
No. of deals	357	1	223	19
Avg. value of deals (US\$mil)	200.7	(115.3)	247.4	(73.5)
Avg. deal multiple <sup>1</sup>	15.9x	4.1	16.0x	6.8
<b>Crossborder Transactions<sup>2</sup></b>				
Volume (US\$B)	40.09	(63.78)	Inbound 7.89 Outbound 9.89	Inbound (8.06) Outbound (12.84)
No. of deals	679	(199)	Inbound 119 Outbound 120	Inbound (49) Outbound (36)
Avg. value of deals (US\$mil)	134.6	(89.8)	Inbound 207.6 Outbound 219.8	Inbound 15.4 Outbound (135.4)
Avg. deal multiple <sup>1</sup>	11.8x	1.5	Inbound N/A <sup>4</sup> Outbound 14.0x	Inbound N/A <sup>4</sup> Outbound 4.8

Figure 2 - Most Active U.S. Target Industries<sup>3</sup>



Figures 1 and 2 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 3 and 4 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and valued at \$100 million or higher regardless of whether a definitive merger agreement was reached and filed or withdrawn.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 February 11, 2013 unless otherwise specified. "Last 12 Months" data is for the period from February 2012 to January 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> No inbound crossborder transaction in January 2013 reported its deal multiple.

M&A Activity (Continued)

Figure 3 - Average Value of Announced U.S. Public Mergers (in US\$mil)

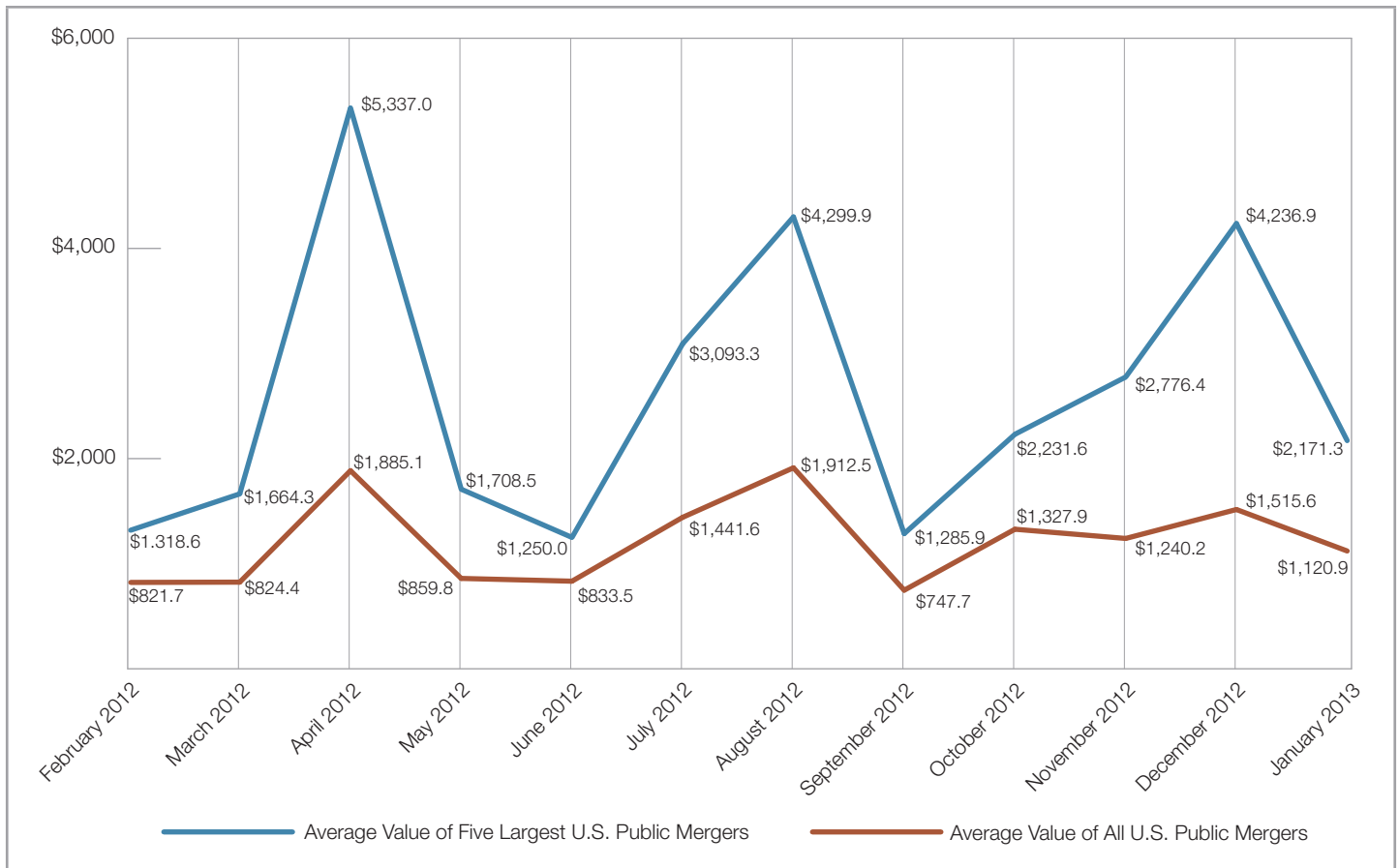
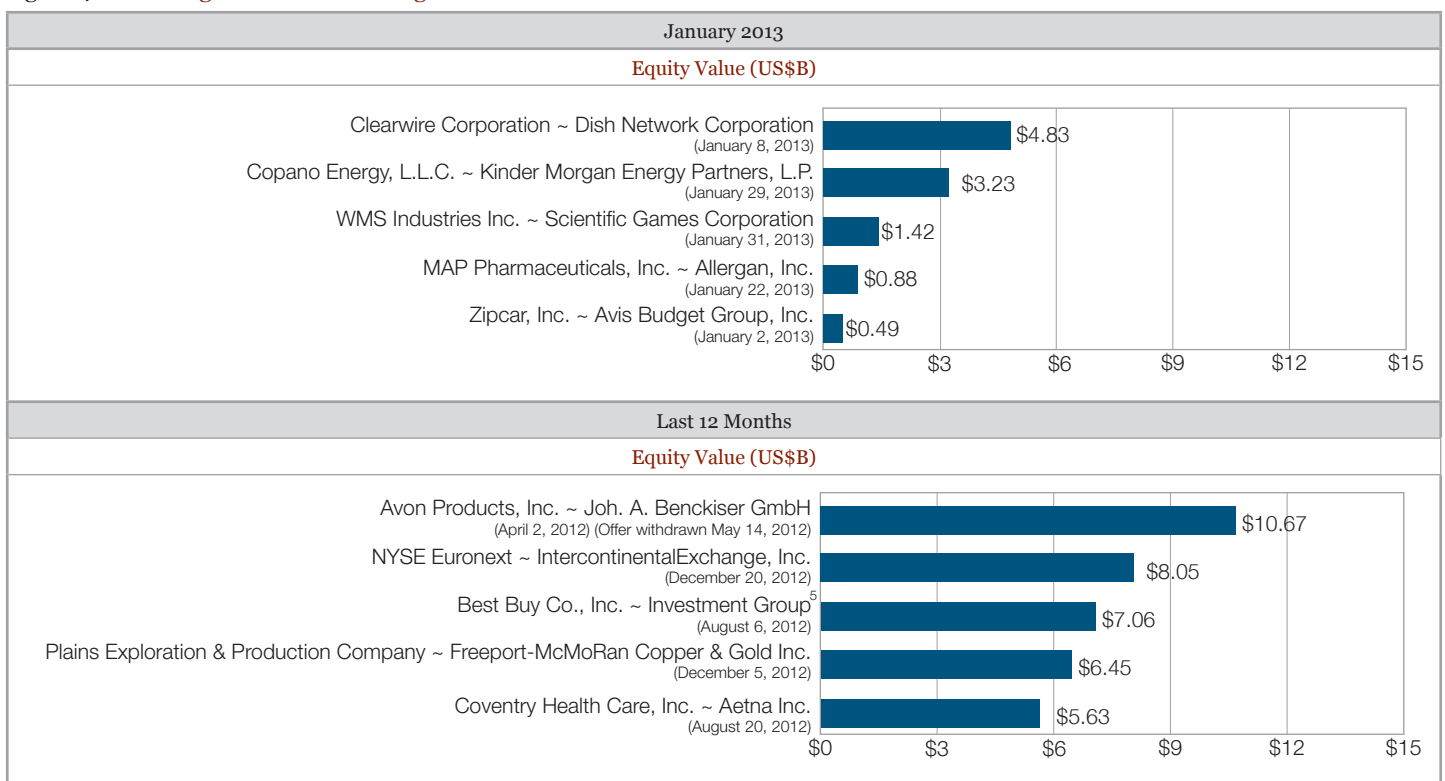


Figure 4 - Five Largest U.S. Public Mergers



<sup>5</sup> Members of Investment Group have not been reported by Factset MergerMetrics.

M&A Terms

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



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

	January 2013	Last 12 Months
Target Break Fee	3.9	3.5
Reverse Break Fee	6.4	5.8

Figures 5-11 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 7 - U.S. Public Merger Go-Shop Provisions

	January 2013	Last 12 Months
% of Mergers with Go-Shops <sup>7</sup>	10.0	12.9
% of Mergers Involving Financial Buyers with Go-Shops <sup>8</sup>	50.0	33.3
% of Mergers Involving Strategic Buyers with Go-Shops <sup>9</sup>	0.0	7.3
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops <sup>7</sup>	30.0	37.0
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops <sup>8</sup>	30.0	38.1
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops <sup>9</sup>	N/A	35.6

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

<sup>7</sup> Only one transaction in January 2013 had a go-shop provision.

<sup>8</sup> Only one transaction in January 2013 involving a financial buyer had a go-shop provision.

<sup>9</sup> No transactions in January 2013 involving a strategic buyer had a go-shop provision.

M&A Terms (Continued)

Figure 8 - Form of Consideration as % of U.S. Public Mergers<sup>10</sup>

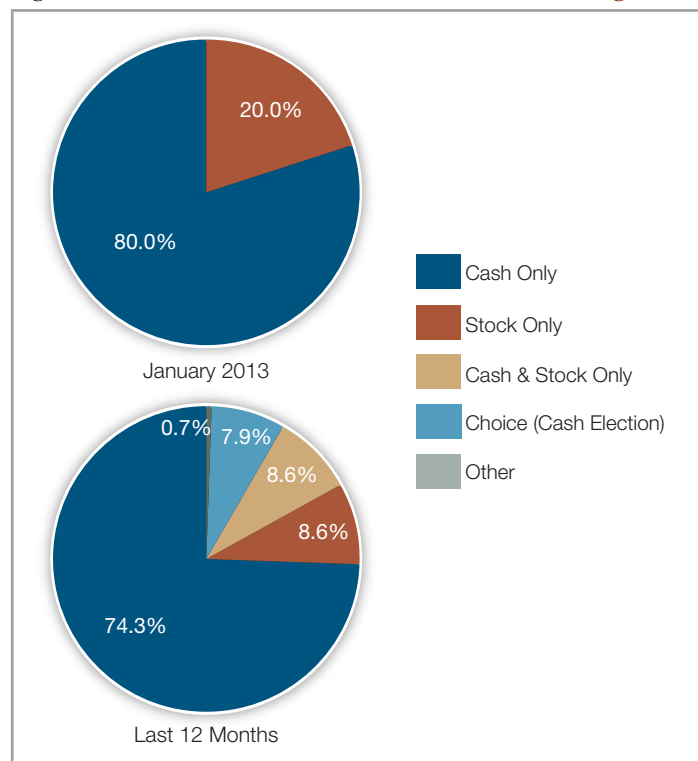


Figure 9 - % of Partial and All Stock Deals that Have a Fixed Exchange Ratio

January 2013 <sup>11</sup>	100.0
Last 12 Months	91.7

Figure 10 - Tender Offers as % of U.S. Public Mergers

January 2013	30.0
Last 12 Months	27.1

Figure 11 - Hostile/Unsolicited Offers as % of U.S. Public Mergers<sup>12</sup>

January 2013	9.1
Last 12 Months	14.0

<sup>10</sup> Due to rounding, percentages may not add up to 100%.

<sup>11</sup> There were only two partial or all stock transactions in January 2013.

<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.

## Our Mergers & Acquisitions Practice

The Mergers & Acquisitions Group at Paul, Weiss is among the most experienced and effective in the world. We represent publicly traded and privately-held companies, leading private equity firms, hedge funds, financial advisors and other financial institutions and investors in their most important mergers and acquisitions, joint ventures, and other strategic transactions.

Our expertise and historical experience in advising corporations and private investors in a variety of transactions enable us to identify new opportunities for our clients to realize value. In particular, we have experience in assisting clients as they engage in proxy battles, company-altering and market-consolidating transactions or capital market transactions.

In the past year, we have helped clients across industries and continents, in transactions ranging from the largest deal for a domestic healthcare REIT to one of the largest international investment projects in China. A sampling of recent engagements includes advising Rockstar Bidco in its acquisition of Nortel's \$4.5 billion patent portfolio; assisting consumer products giant Reckitt Benckiser in its \$1.4 billion acquisition of Schiff Nutrition International; counseling KPS Capital Partners in the sale of its portfolio company North American Breweries to Cerveceria Costa Rica; representing investment funds affiliated with Apollo Global Management, LLC in an agreement to acquire McGraw-Hill Education for \$2.5 billion; and advising Time Warner Cable in its \$3 billion acquisition of Insight Communications.

## Contacts

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

**Frances Mi**  
Counsel  
New York  
212-373-3185  
fmi@paulweiss.com

Associates Elana D. Bensoul and Jonathon A. Zytneck contributed to this publication.

© 2013 Paul, Weiss, Rifkind, Wharton & Garrison LLP.

In some jurisdictions, this publication may be considered attorney advertising. Past representations are no guarantee of future outcomes.