

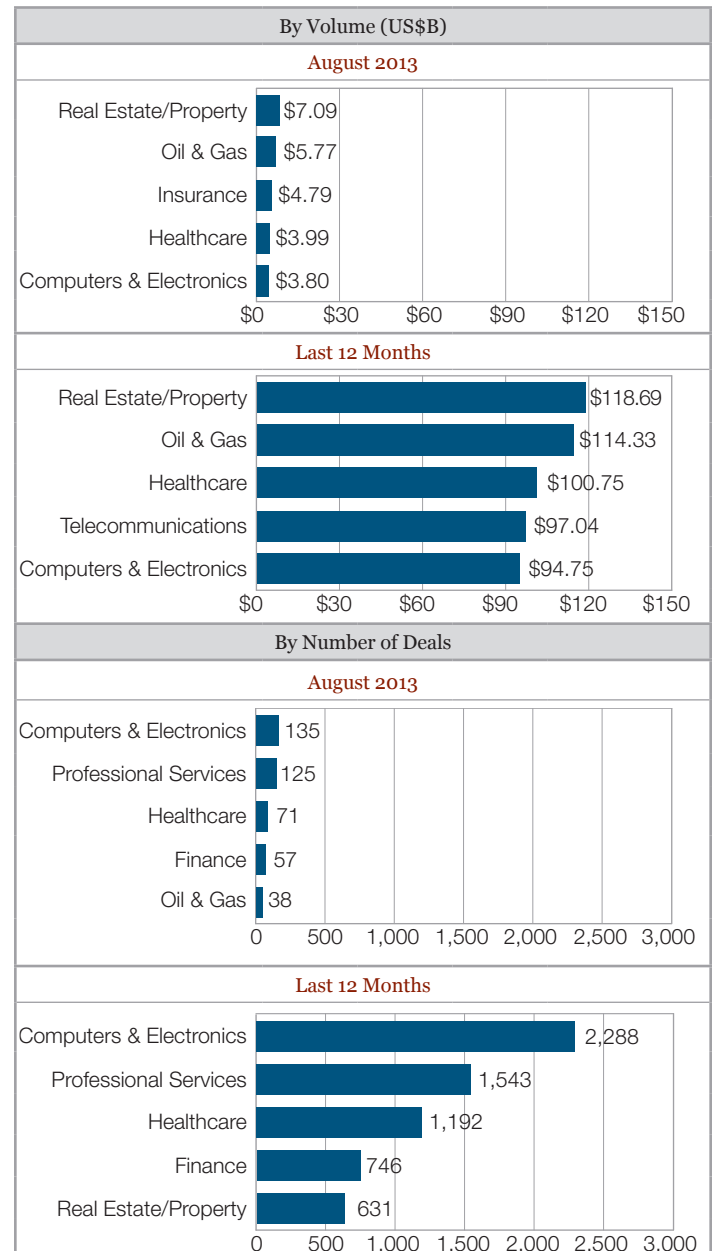
# September 2013, Issue 18

## M&A Activity

Figure 1

August 2013	Global	+/- From Prior Month	U.S.	+/- From Prior Month
<b>Total</b>				
Volume (US\$B)	171.88	(113.68)	49.29	(34.44)
No. of deals	2,695	(745)	756	(145)
Avg. value of deals (US\$mil)	128.5	(54.2)	168.2	(84.7)
Avg. deal multiple <sup>1</sup>	11.3x	(0.3)	12.6x	(0.3)
<b>Strategic Transactions</b>				
Volume (US\$B)	141.79	(114.68)	35.98	(29.18)
No. of deals	2,417	(652)	642	(123)
Avg. value of deals (US\$mil)	115.5	(65.1)	139.5	(88.4)
Avg. deal multiple <sup>1</sup>	11.4x	(0.4)	12.6x	(0.3)
<b>Sponsor-Related Transactions</b>				
Volume (US\$B)	30.08	1.00	13.32	(5.26)
No. of deals	278	(93)	114	(22)
Avg. value of deals (US\$mil)	273.5	70.1	380.5	(32.4)
Avg. deal multiple <sup>1</sup>	11.1x	0.8	12.8x	(0.3)
<b>Crossborder Transactions<sup>2</sup></b>				
Volume (US\$B)	68.46	(39.21)	Inbound 4.98 Outbound 9.87	Inbound (7.04) Outbound (24.80)
No. of deals	584	(199)	Inbound 83 Outbound 116	Inbound (19) Outbound (25)
Avg. value of deals (US\$mil)	238.6	(47.8)	Inbound 127.8 Outbound 210.1	Inbound (103.5) Outbound (483.4)
Avg. deal multiple <sup>1</sup>	11.4x	0.8	Inbound 22.6x Outbound 14.2x	Inbound 12.4 Outbound 5.1

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and valued at \$100 million or higher regardless of whether a definitive merger agreement was reached and filed or withdrawn.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 September 10, 2013 unless otherwise specified. "Last 12 Months" data is for the period from September 2012 to August 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.

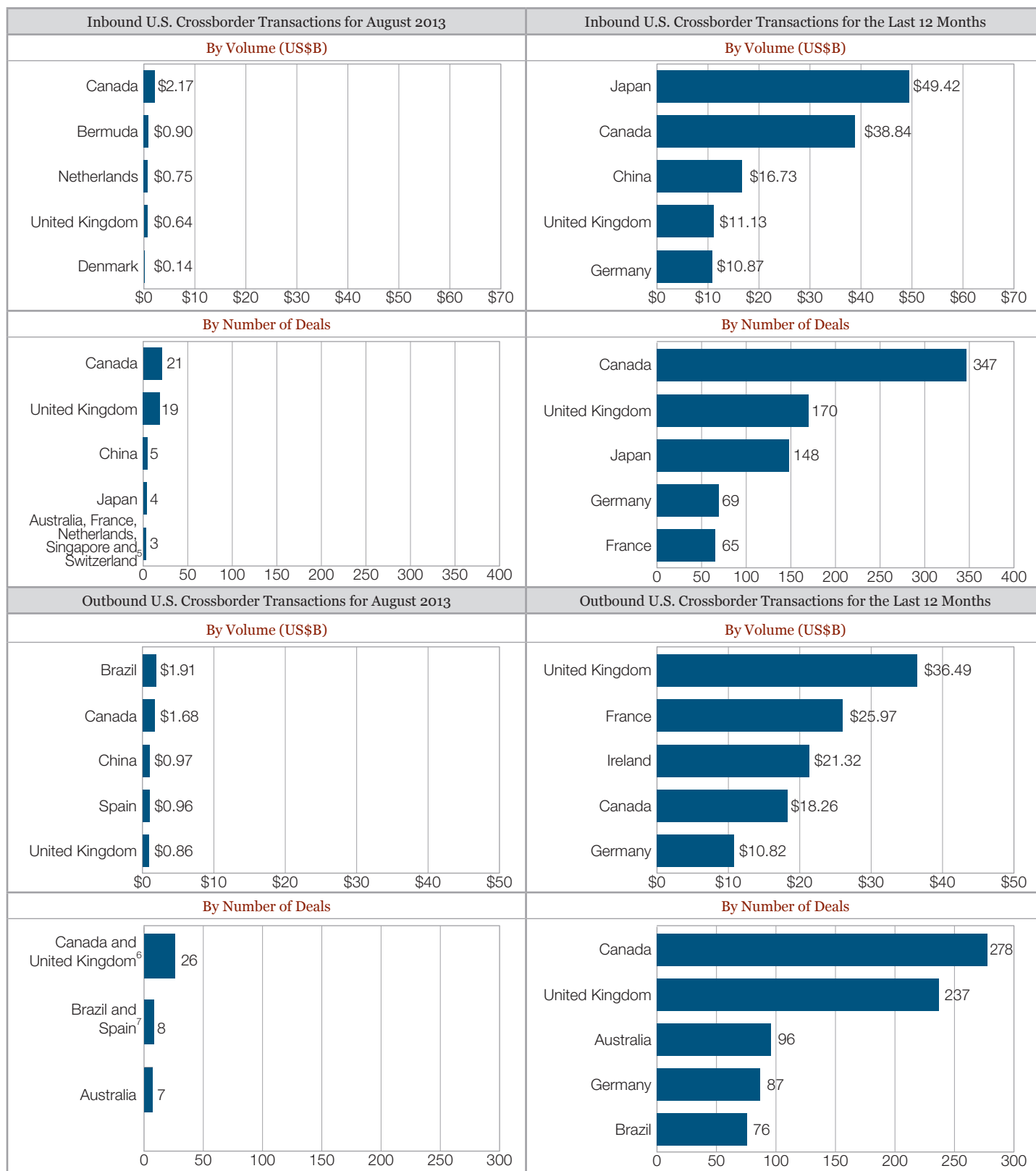
<sup>3</sup> U.S. crossborder transactions are those transactions where the acquirer and the target have different nationalities and either the acquirer ("Outbound") or the target ("Inbound") has a U.S. nationality.

<sup>4</sup> Industries categories are determined and named by Dealogic.

<sup>5</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 Australia, France, the Netherlands, Singapore and Switzerland had three Inbound U.S. Crossborder Transactions in August 2013.

<sup>6</sup> Each of Canada and the United Kingdom had 26 Outbound U.S. Crossborder Transactions in August 2013.

<sup>7</sup> Each of Brazil and the Spain had eight Outbound U.S. Crossborder Transactions in August 2013.

M&A Activity (Continued)

Figure 4 - Average Value of Announced U.S. Public Mergers (in US\$mil)<sup>8</sup>

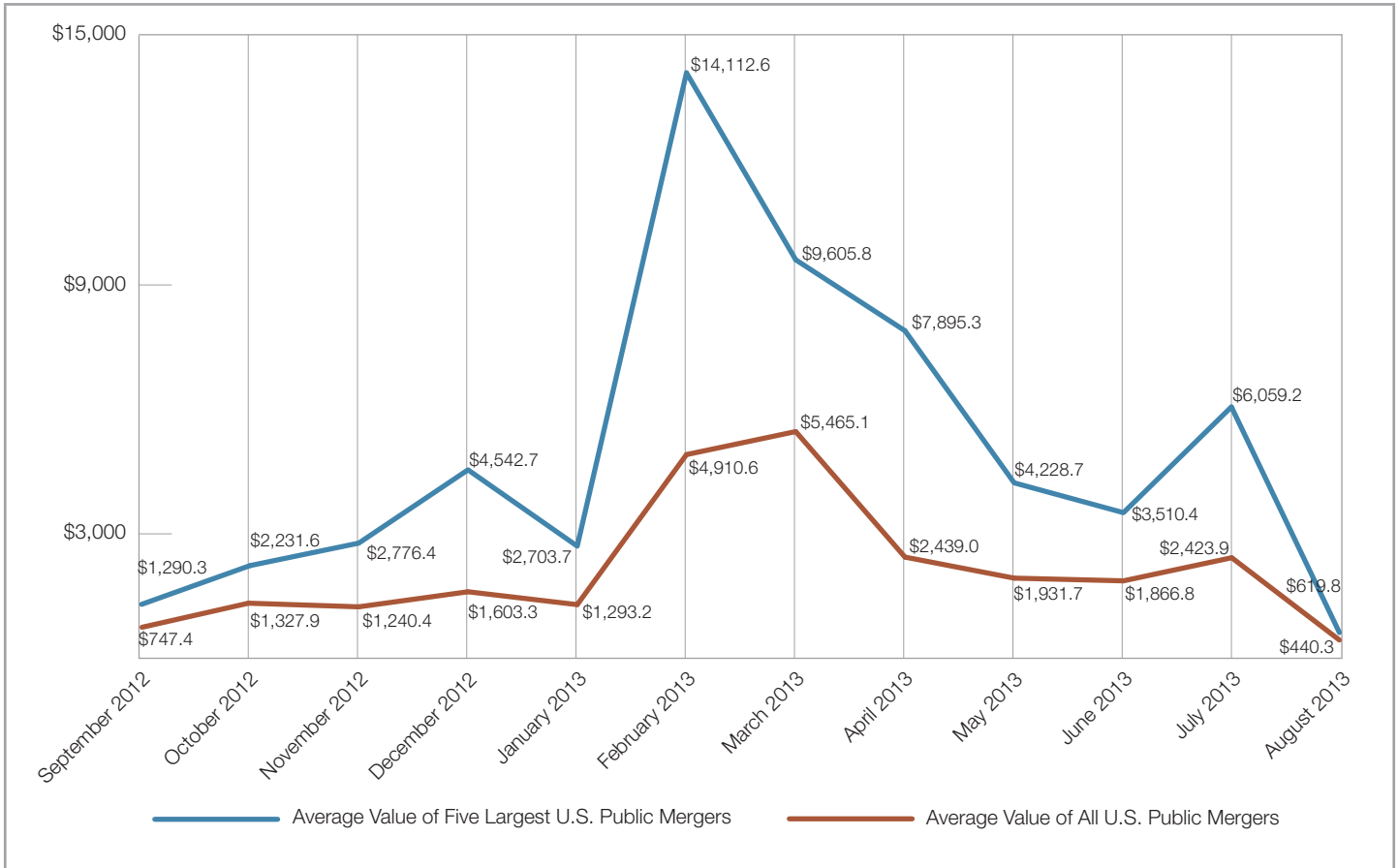
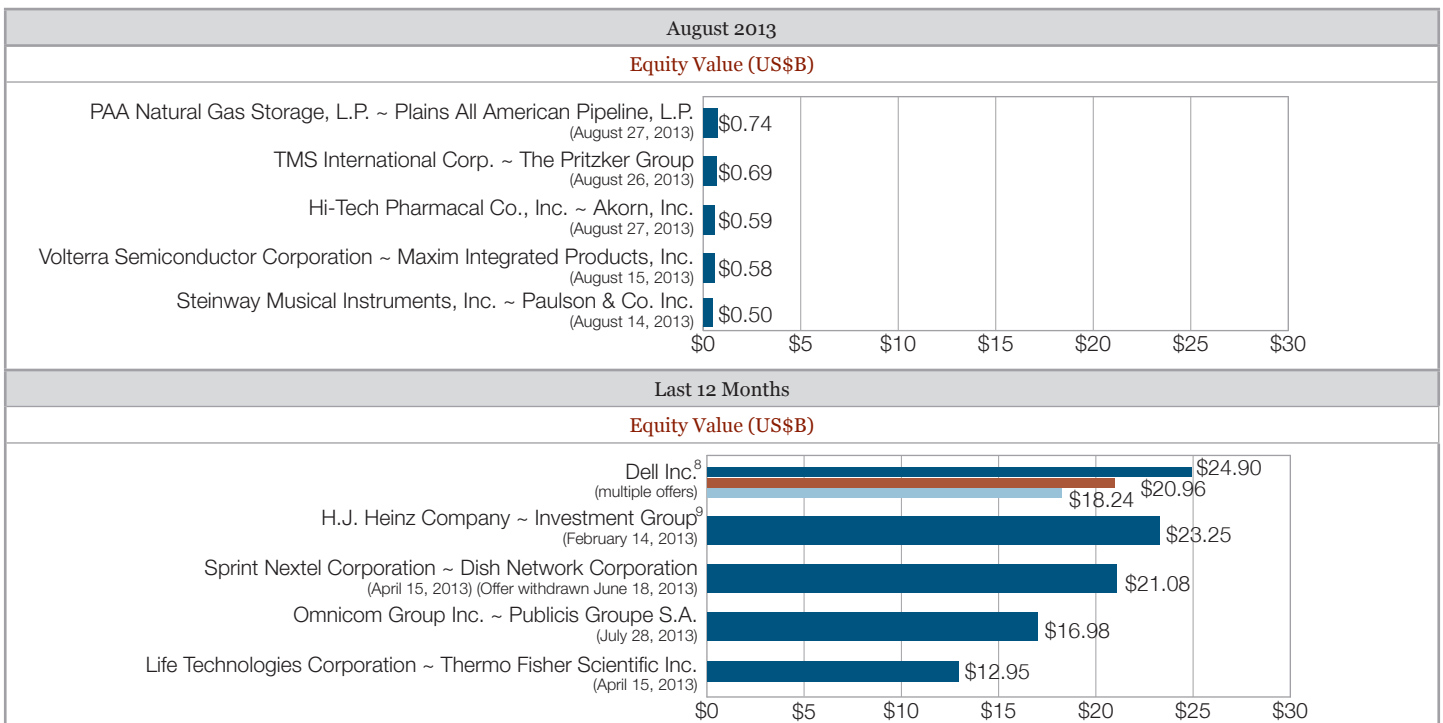


Figure 5 - Five Largest Announced U.S. Public Mergers



<sup>8</sup> See box on p. 5 for treatment of Dell Inc. offers.

<sup>9</sup> Members of Investment Group reported by FactSet MergerMetrics are 3G Capital and Berkshire Hathaway Inc.

## M&A Terms

Figure 6 - Average Break Fees as % of Equity Value<sup>10</sup>

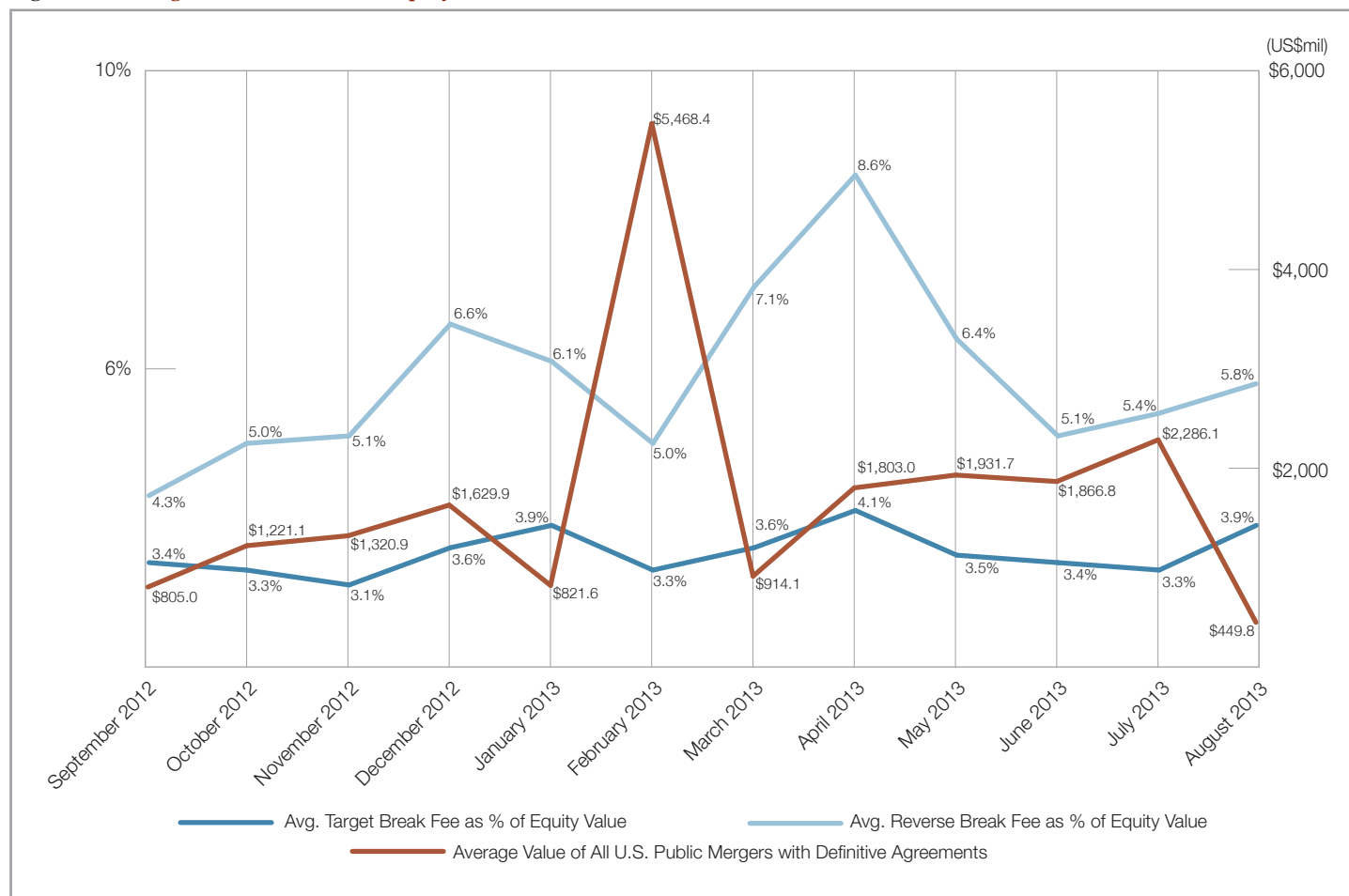


Figure 7 - Average Break Fees as % of Equity Value

	August 2013	Last 12 Months
Target Break Fee for All Mergers	3.9	3.5

	August 2013	Last 12 Months
Reverse Break Fee for All Mergers	5.8	5.9
Reverse Break Fee for Mergers Involving Financial Buyers <sup>10</sup>	6.1	6.7
Reverse Break Fee for Mergers Involving Strategic Buyers	5.5	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.

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

	August 2013	Last 12 Months
% of Mergers with Go-Shops	12.5	13.9
% of Mergers Involving Financial Buyers with Go-Shops	25.0	40.0
% of Mergers Involving Strategic Buyers with Go-Shops	0.0	7.0
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops <sup>11</sup>	35.0	35.9
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops <sup>12</sup>	35.0	34.3
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops <sup>13</sup>	N/A	38.3

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

<sup>11</sup> Only one transaction in August 2013 had a go-shop provision.

<sup>12</sup> Only one transaction in August 2013 involving a financial buyer had a go-shop provision.

<sup>13</sup> No transactions in August 2013 involving a strategic buyer had a go-shop provision.

Figure 9 - Form of Consideration as % of U.S. Public Mergers<sup>14</sup>

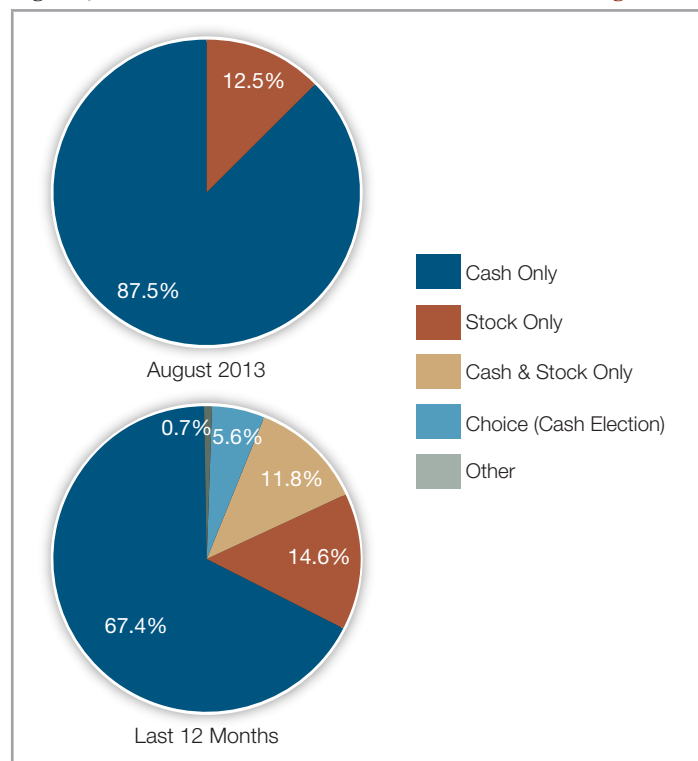


Figure 10 - % of Partial and All Stock Deals that Have a Fixed Exchange Ratio

August 2013 <sup>15</sup>	100.0
Last 12 Months	89.5

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

August 2013	25.0
Last 12 Months	20.1

Figure 12 - Hostile/Unsolicited Offers as % of U.S. Public Mergers<sup>16</sup>

August 2013	9.1
Last 12 Months	15.2

<sup>14</sup> Due to rounding, percentages may not add up to 100%.

<sup>15</sup> There was only one partial or all stock transaction in August 2013.

<sup>16</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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## 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, Jonathon A. Zytneck, Samuel J. Welt and Joseph S. Friedman contributed to this publication.

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