

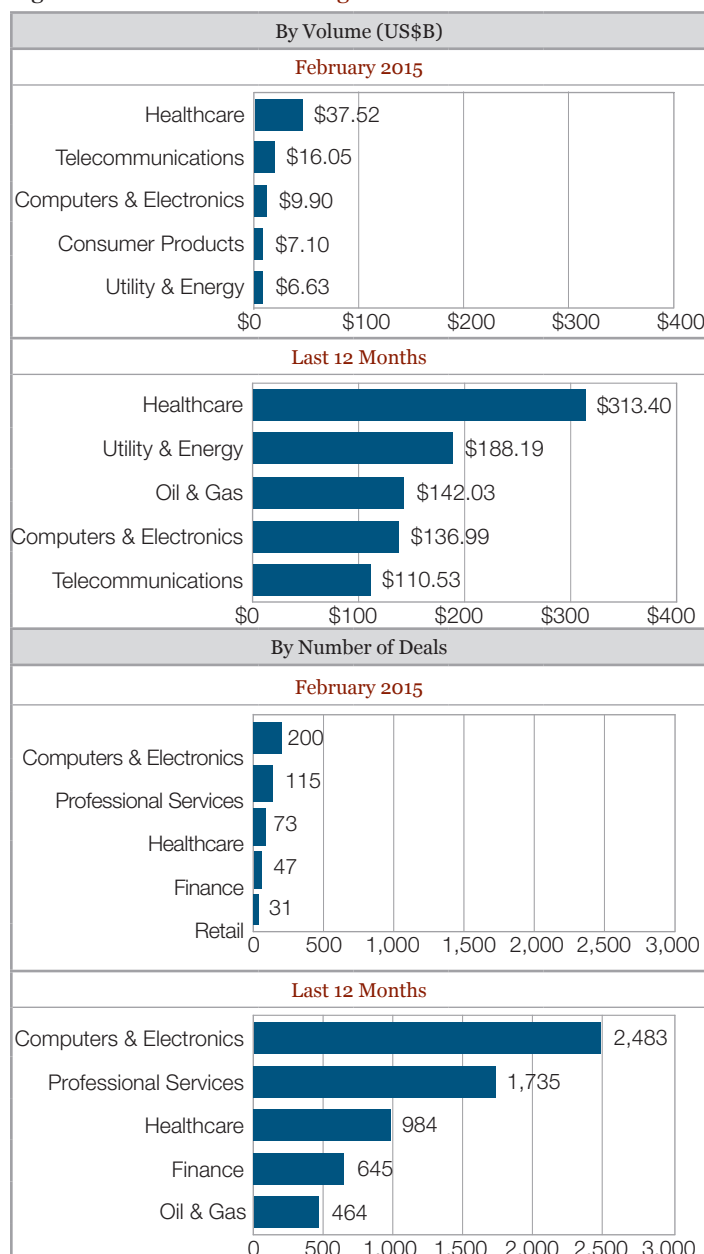
March 2015, Issue 36

M&A Activity

Figure 1

February 2015	Global	+/- From Prior Month	U.S.	+/- From Prior Month
Total				
Volume (US\$B)	245.62	(6.66)	113.76	34.61
No. of deals	2,898	(242)	783	(92)
Avg. value of deals (US\$mil)	177.6	(11.8)	368.2	77.2
Avg. deal multiple ¹	11.9x	(0.1)	13.4x	(4.1)
Strategic Transactions				
Volume (US\$B)	206.83	(12.94)	99.62	31.82
No. of deals	2,521	(203)	631	(69)
Avg. value of deals (US\$mil)	165.2	(17.8)	366.2	75.3
Avg. deal multiple ¹	11.5x	(0.6)	14.0x	(3.5)
Sponsor-Related Transactions				
Volume (US\$B)	38.79	6.29	14.14	2.79
No. of deals	377	(39)	152	(23)
Avg. value of deals (US\$mil)	296.1	48.0	382.3	91.3
Avg. deal multiple ¹	15.0x	3.5	7.7x	N/A ²
Crossborder Transactions³				
Volume (US\$B)	109.85	40.49	Inbound 30.28 Outbound 25.92	Inbound 13.57 Outbound 15.81
No. of deals	704	(30)	Inbound 95 Outbound 148	Inbound (11) Outbound (4)
Avg. value of deals (US\$mil)	346.5	112.2	Inbound 688.1 Outbound 375.6	Inbound 325.0 Outbound 145.9
Avg. deal multiple ¹	12.6x	2.2	Inbound 11.6x Outbound 11.9x	Inbound 6.2 Outbound 0.4

Figure 2 - Most Active U.S. Target Industries⁴



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and valued at \$100 million or higher regardless of whether a definitive merger agreement was reached and filed or withdrawn.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 March 2015 unless otherwise specified. "Last 12 Months" data is for the period from March 2014 to February 2015 inclusive. Data from Dealogic and FactSet MergerMetrics may include multiple offers, as applicable, for the same target company. 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 No data is available for ratio of enterprise value to EBITDA, trailing 12 months, for U.S. Sponsor-Related transactions in February 2015.

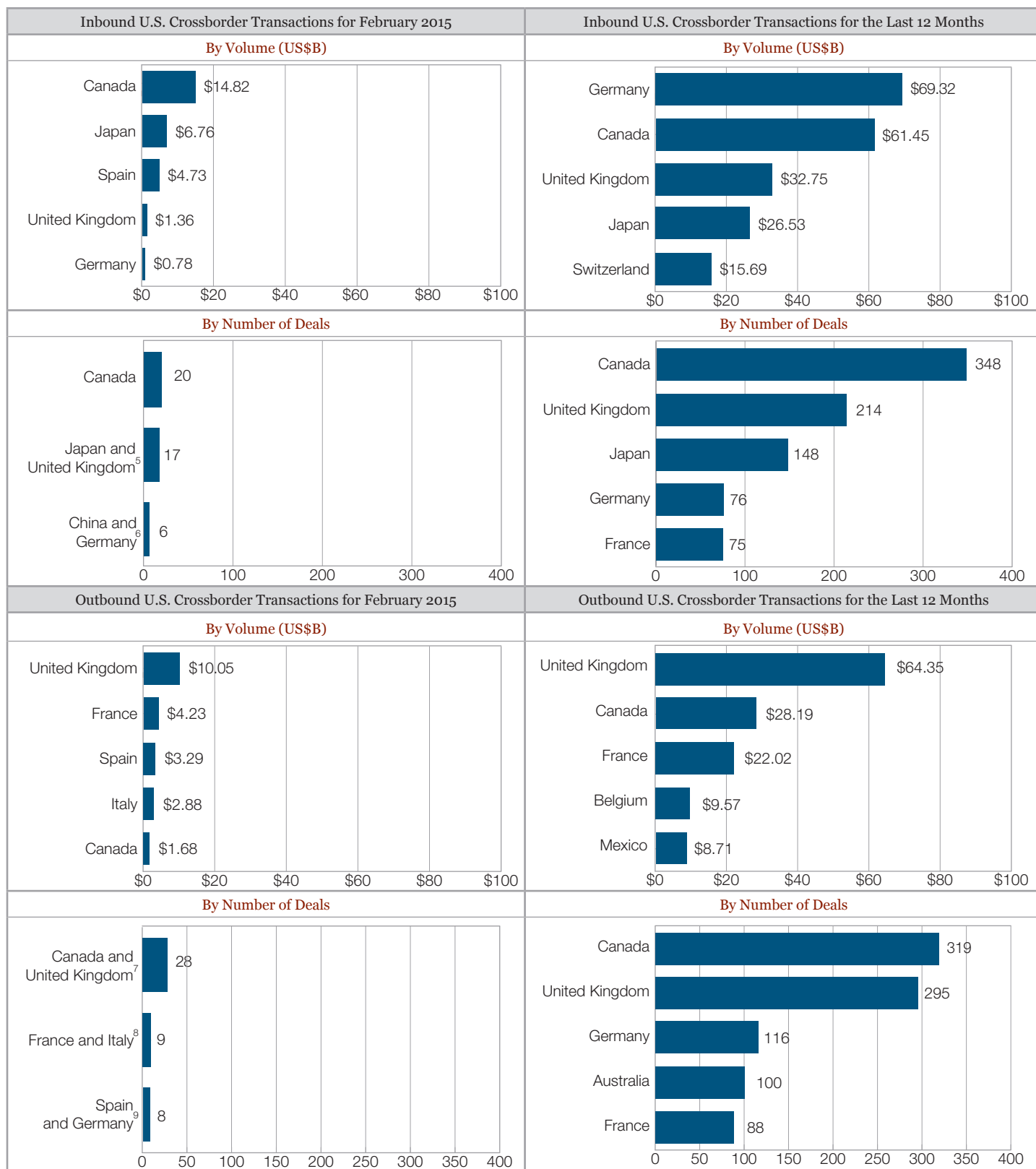
³ Global crossborder transactions are those where the acquirer and the target have different nationalities. Nationality is based on where a company has either its headquarters or a majority of its operations.

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.

⁴ 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

⁵ Each of Japan and the United Kingdom was the country of origin for 17 transactions in February 2015.⁶ Each of China and Germany was the country of origin for six transactions in February 2015.⁷ Each of Canada and the United Kingdom was the country of destination for 28 transactions in February 2015.⁸ Each of France and Italy was the country of destination for nine transactions in February 2015.⁹ Each of Spain and Germany was the country of destination for eight transactions in February 2015.

M&A Activity (Continued)

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

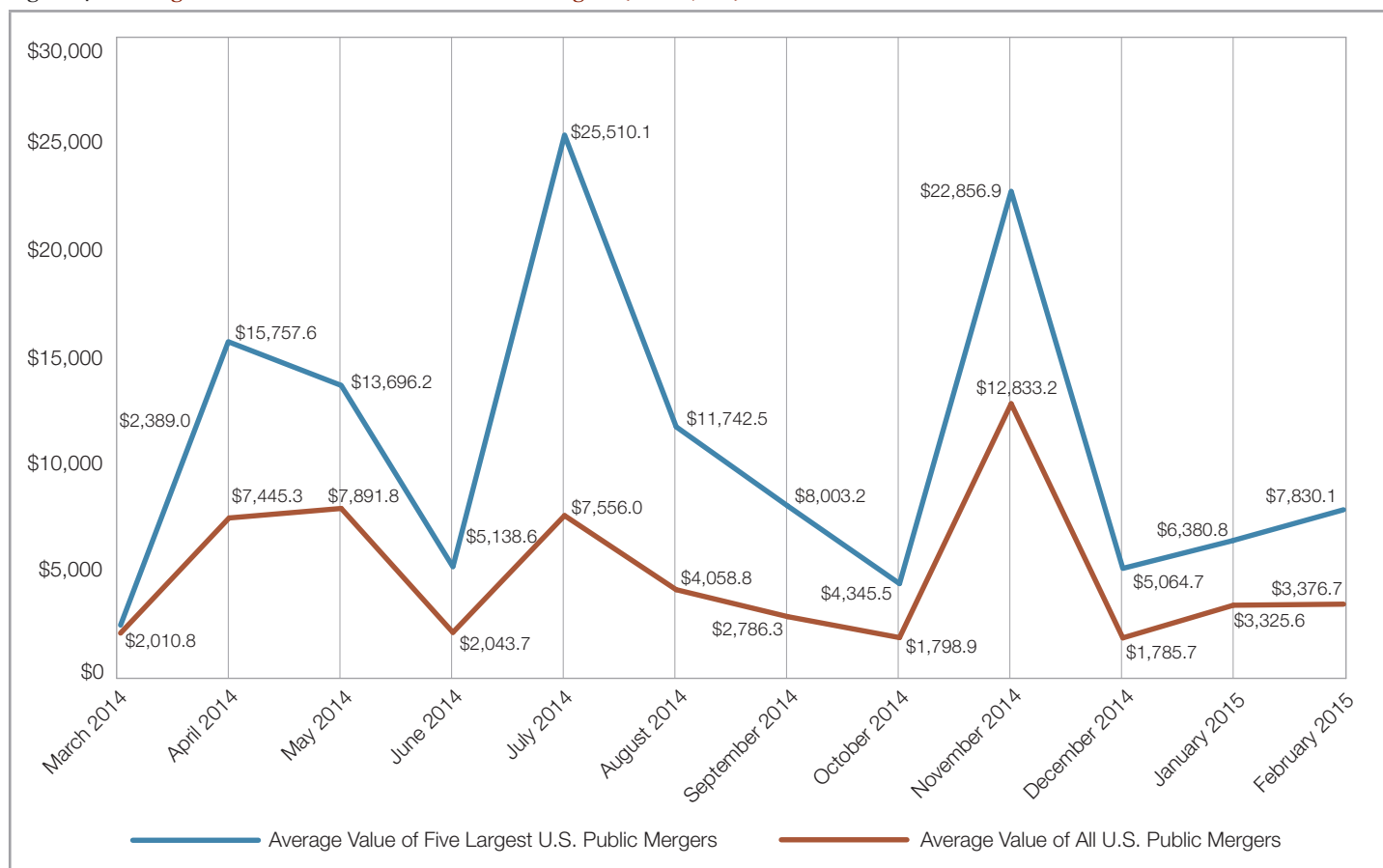
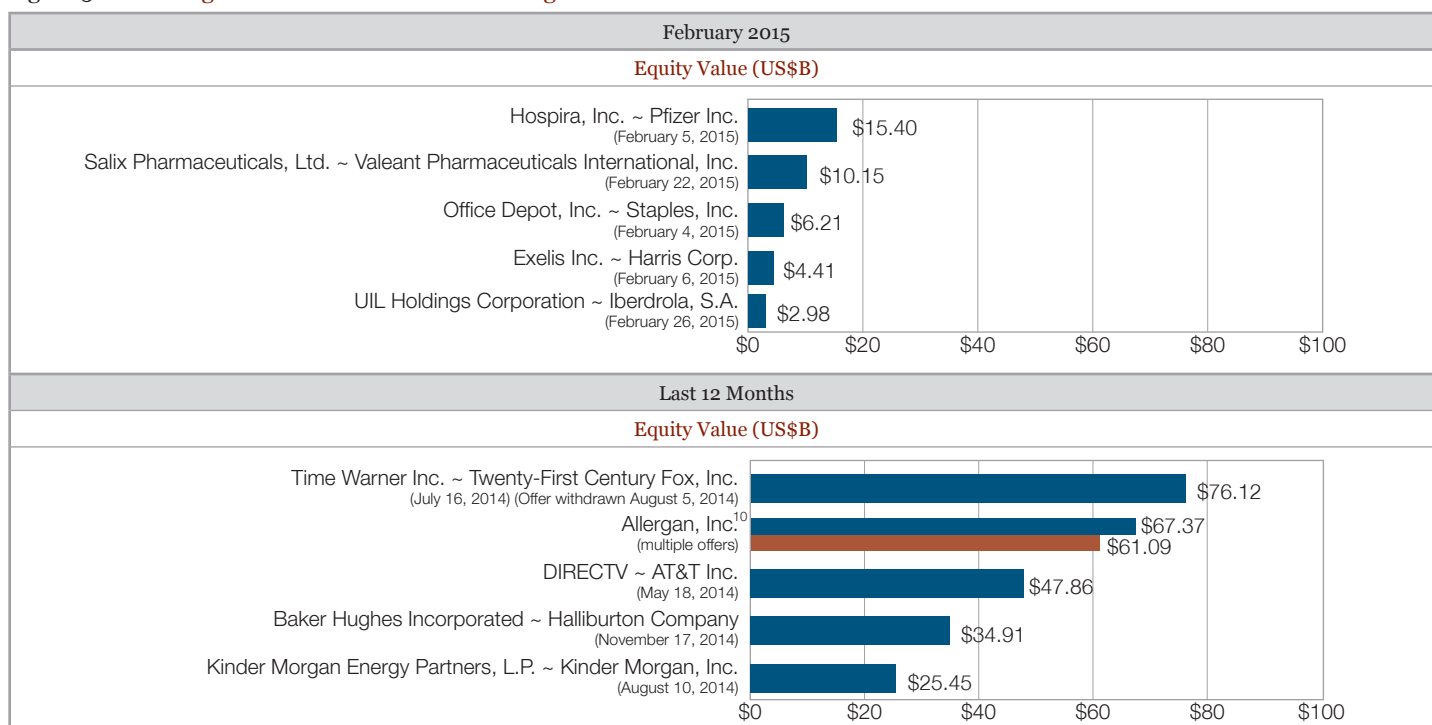


Figure 5 - Five Largest Announced U.S. Public Mergers



¹⁰ Data reported by FactSet MergerMetrics includes the November 17, 2014 offer by Actavis plc, reported at \$67.37 billion, and the April 22, 2014 offer by Valeant Pharmaceuticals International, Inc., reported at \$61.09 billion.

M&A Terms

Figure 6 - Average Break Fees as % of Equity Value¹¹

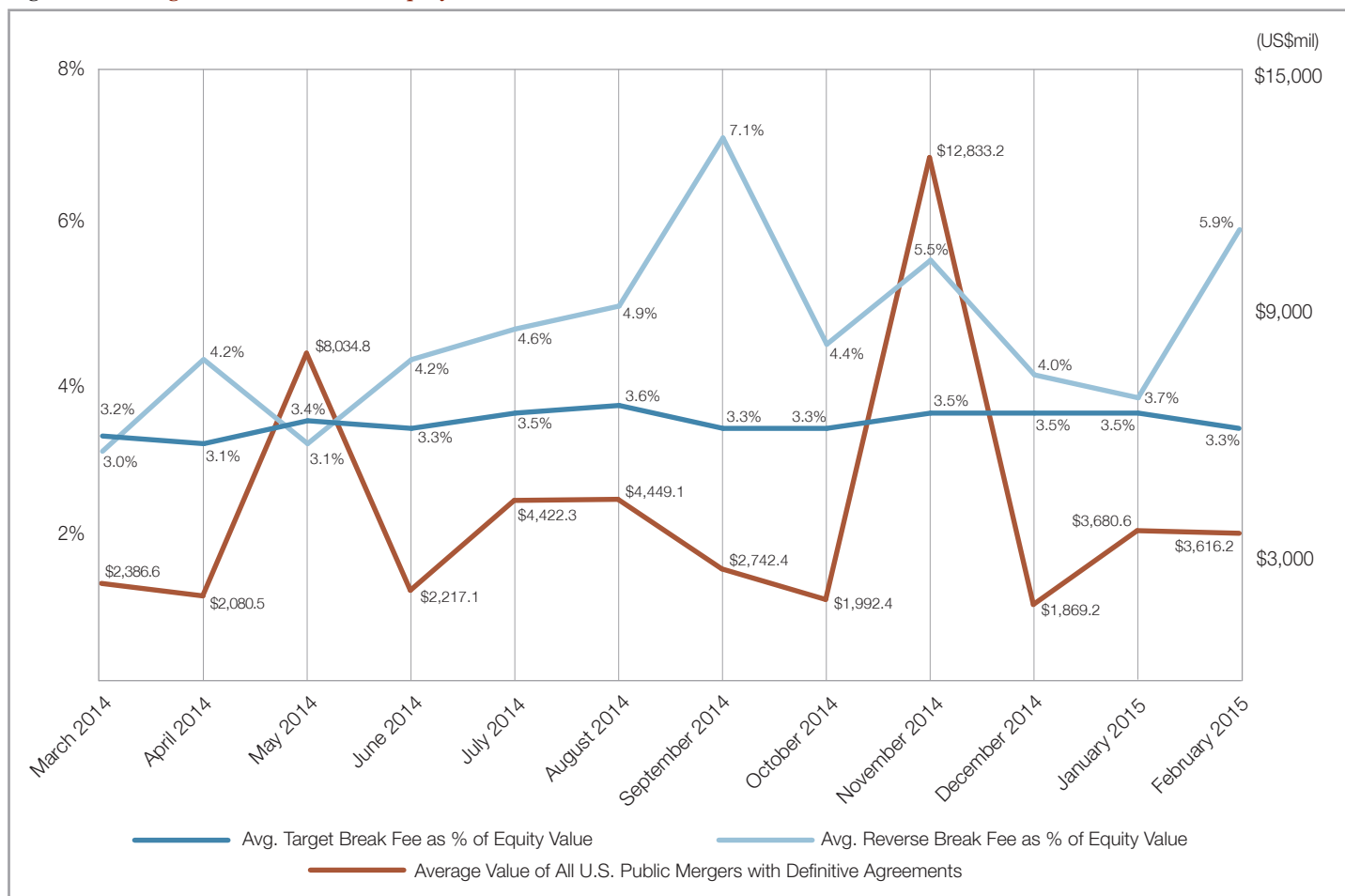


Figure 7 - Average Break Fees as % of Equity Value¹¹

	February 2015	Last 12 Months
Target Break Fee for All Mergers	3.3	3.4

	February 2015	Last 12 Months
Reverse Break Fee for All Mergers	5.9	4.6
Reverse Break Fee for Mergers Involving Financial Buyers ¹²	N/A	6.5
Reverse Break Fee for Mergers Involving Strategic Buyers	5.9	4.3

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 from Dealogic and FactSet MergerMetrics may include multiple offers for the same target company. Data obtained from FactSet MergerMetrics has not been reviewed for accuracy by Paul, Weiss.

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

	February 2015	Last 12 Months
% of Mergers with Go-Shops	0.0	6.0
% of Mergers Involving Financial Buyers with Go-Shops ¹³	0.0	26.7
% of Mergers Involving Strategic Buyers with Go-Shops	0.0	3.7
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops ¹⁴	N/A	34.6
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops ¹⁵	N/A	36.5
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops ¹⁶	N/A	33.0

¹¹ Based on the highest target break fees and reverse break fees payable in a particular deal.

¹² No transactions in February 2015 involving a financial buyer had a reverse break fee.

¹³ Only two transactions in February 2015 involved a financial buyer.

¹⁴ No transaction in February 2015 had a go-shop provision.

¹⁵ No transactions in February 2015 involving a financial buyer had a go-shop provision.

¹⁶ No transactions in February 2015 involving a strategic buyer had a go-shop provision.

M&A Terms (Continued)

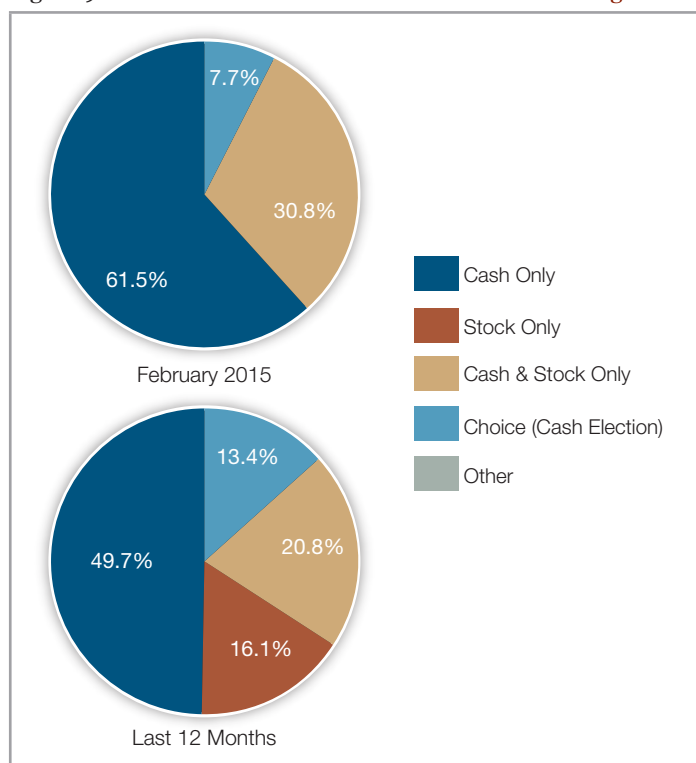
Figure 9 - Form of Consideration as % of U.S. Public Mergers¹⁷

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

February 2015	100.0
Last 12 Months	90.9

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

February 2015	23.1
Last 12 Months	22.1

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

February 2015	7.1
Last 12 Months	13.1

¹⁷ Due to rounding, percentages may not add up to 100%.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).

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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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 Joseph S. Friedman, Yashreeka Z. Huq, Samuel J. Welt and law clerks Ryan D. Blicher, Alison E. Gurr and David C. Rothman contributed to this publication.

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