

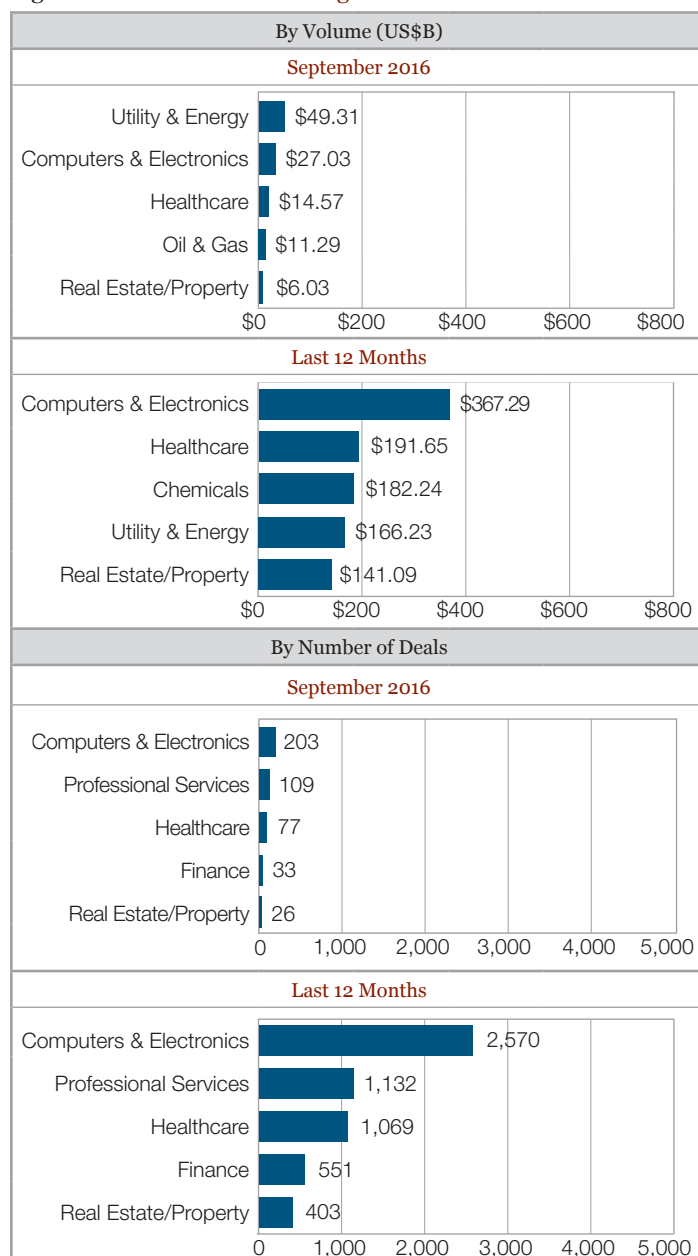
October 2016, Issue 55

M&A Activity

Figure 1

September 2016	Global	+/- From Prior Month	U.S.	+/- From Prior Month
Total				
Volume (US\$B)	306.36	84.05	129.08	20.50
No. of deals	2,734	(209)	717	(11)
Avg. value of deals (US\$mil)	208.8	70.2	448.2	88.7
Avg. deal multiple ¹	11.8x	0.8	12.2x	1.2
Strategic Transactions				
Volume (US\$B)	263.58	91.63	115.18	43.53
No. of deals	2,438	(208)	591	13
Avg. value of deals (US\$mil)	191.8	76.5	444.7	167.0
Avg. deal multiple ¹	11.9x	1.2	12.2x	1.6
Sponsor-Related Transactions				
Volume (US\$B)	42.78	(7.58)	13.90	(23.03)
No. of deals	296	(1)	126	(24)
Avg. value of deals (US\$mil)	460.1	14.3	479.2	(360.0)
Avg. deal multiple ¹	11.0x	(1.1)	11.8x	0.5
Crossborder Transactions²				
Volume (US\$B)	134.57	72.74	Inbound 67.87 Outbound 20.27	Inbound 41.09 Outbound 10.15
No. of deals	668	(45)	Inbound 132 Outbound 99	Inbound 16 Outbound (34)
Avg. value of deals (US\$mil)	399.3	227.1	Inbound 1,060.5 Outbound 596.3	Inbound 642.0 Outbound 385.4
Avg. deal multiple ¹	11.3x	1.8	Inbound 12.1x Outbound 11.5x	Inbound 2.1 Outbound 0.6

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and valued at \$100 million or higher regardless of whether a definitive merger agreement was reached and filed or withdrawn.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 October 11, 2016 unless otherwise specified. "Last 12 Months" data is for the period from October 2015 to September 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.

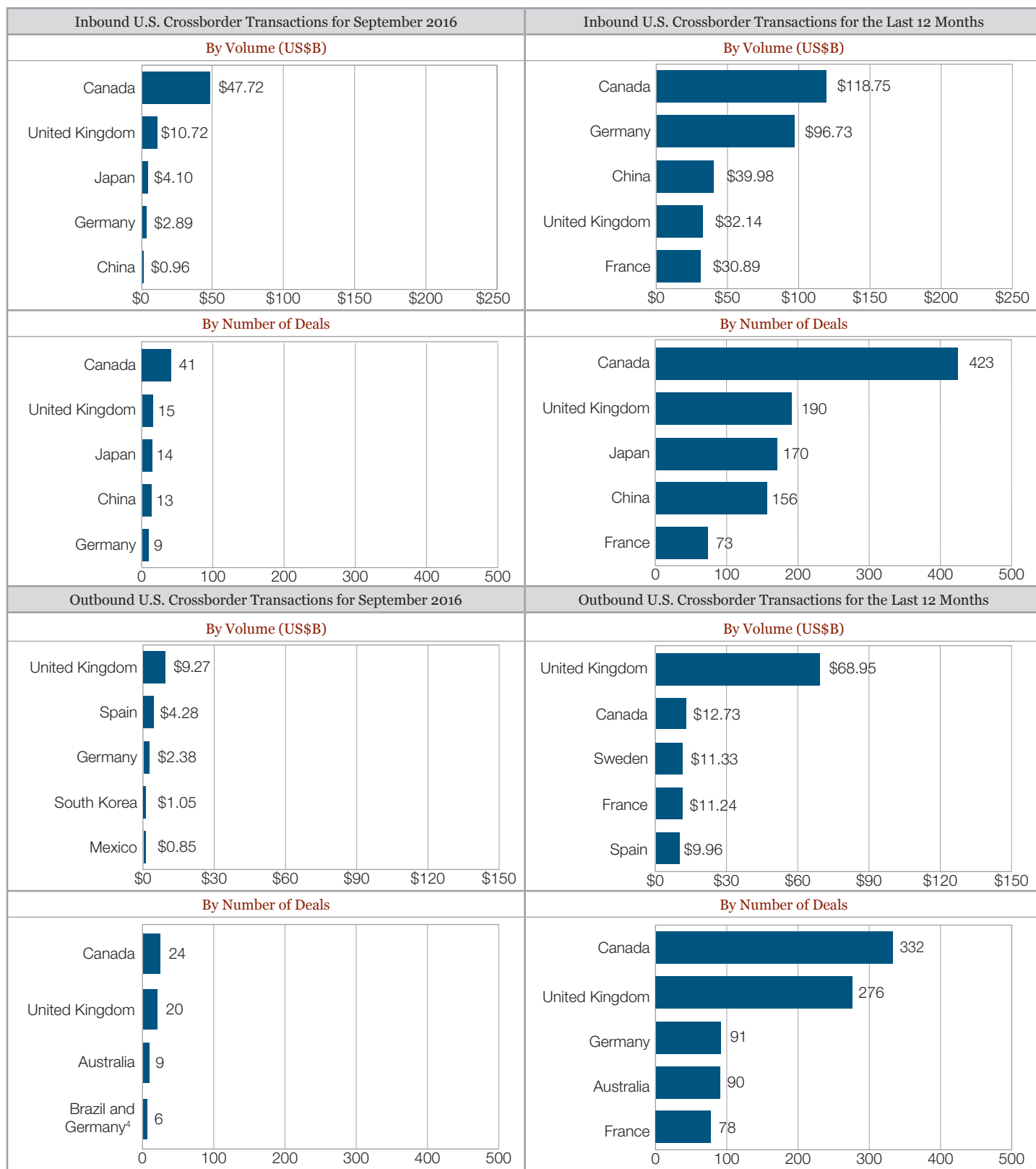
² Global crossborder transactions are those where the acquirer and the target have different nationalities. Nationality is based on where a company has either its headquarters or a majority of its operations.

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 Brazil and Germany was the country of destination for six transactions in September 2016.

M&A Activity (Continued)

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

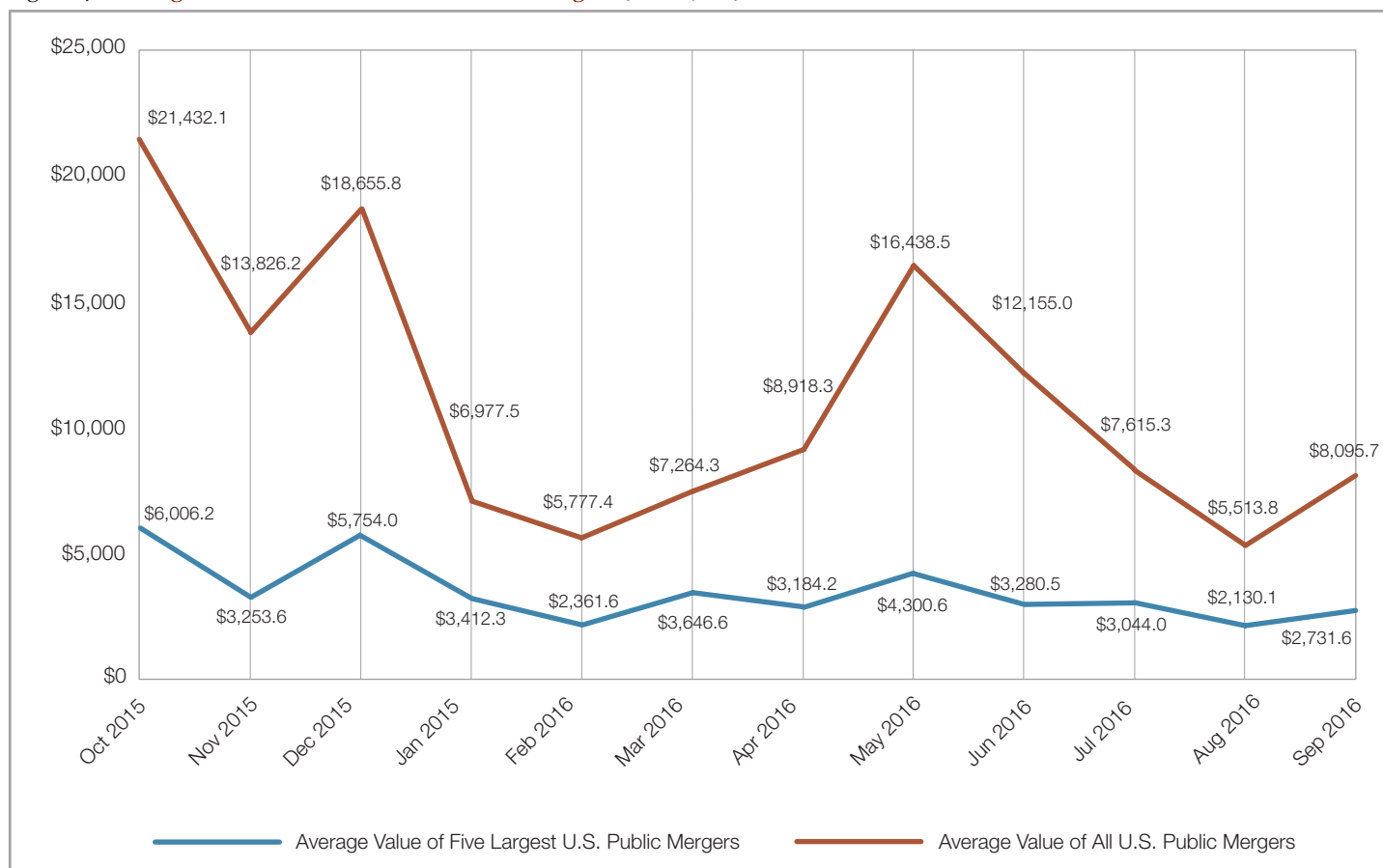
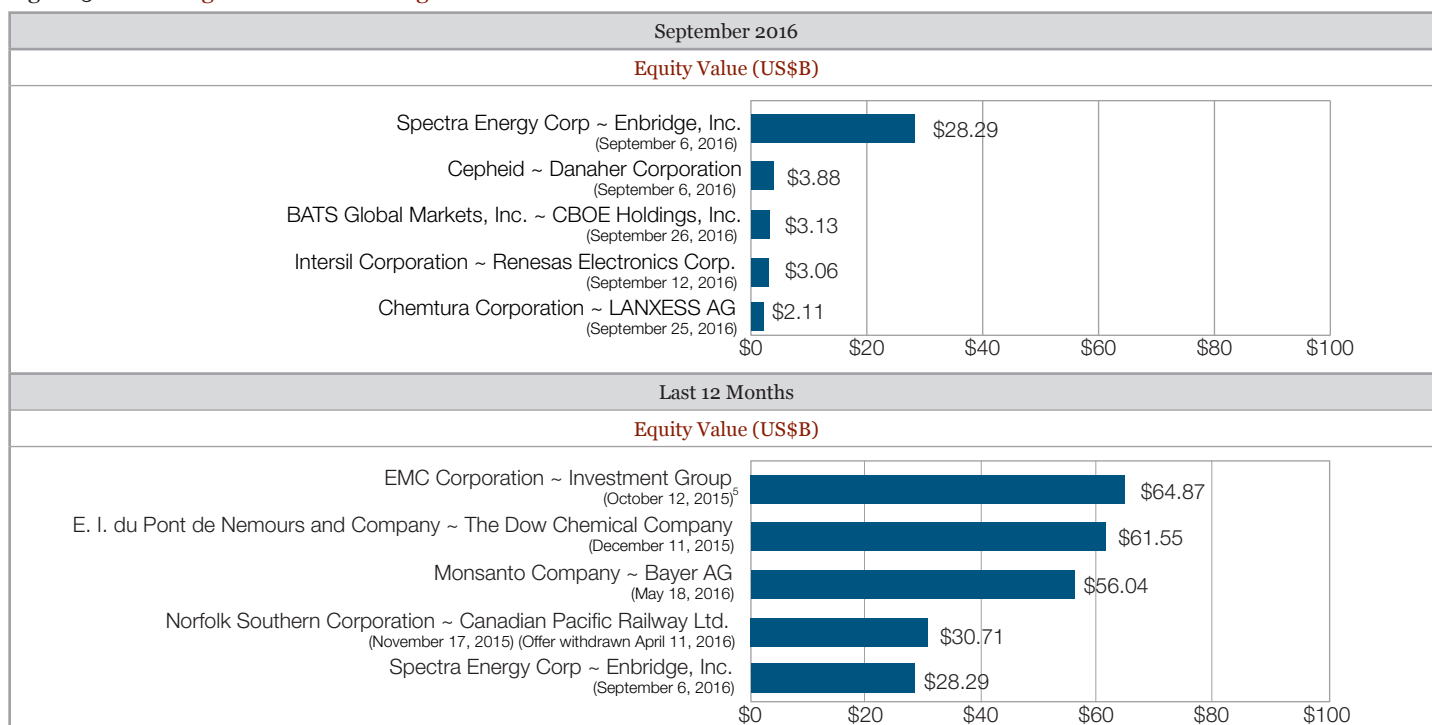


Figure 5 - Five Largest U.S. Public Mergers



⁵ Members of the investment group reported by FactSet MergerMetrics are Dell Inc., Silver Lake Partners and MSD Partners LP.

M&A Terms

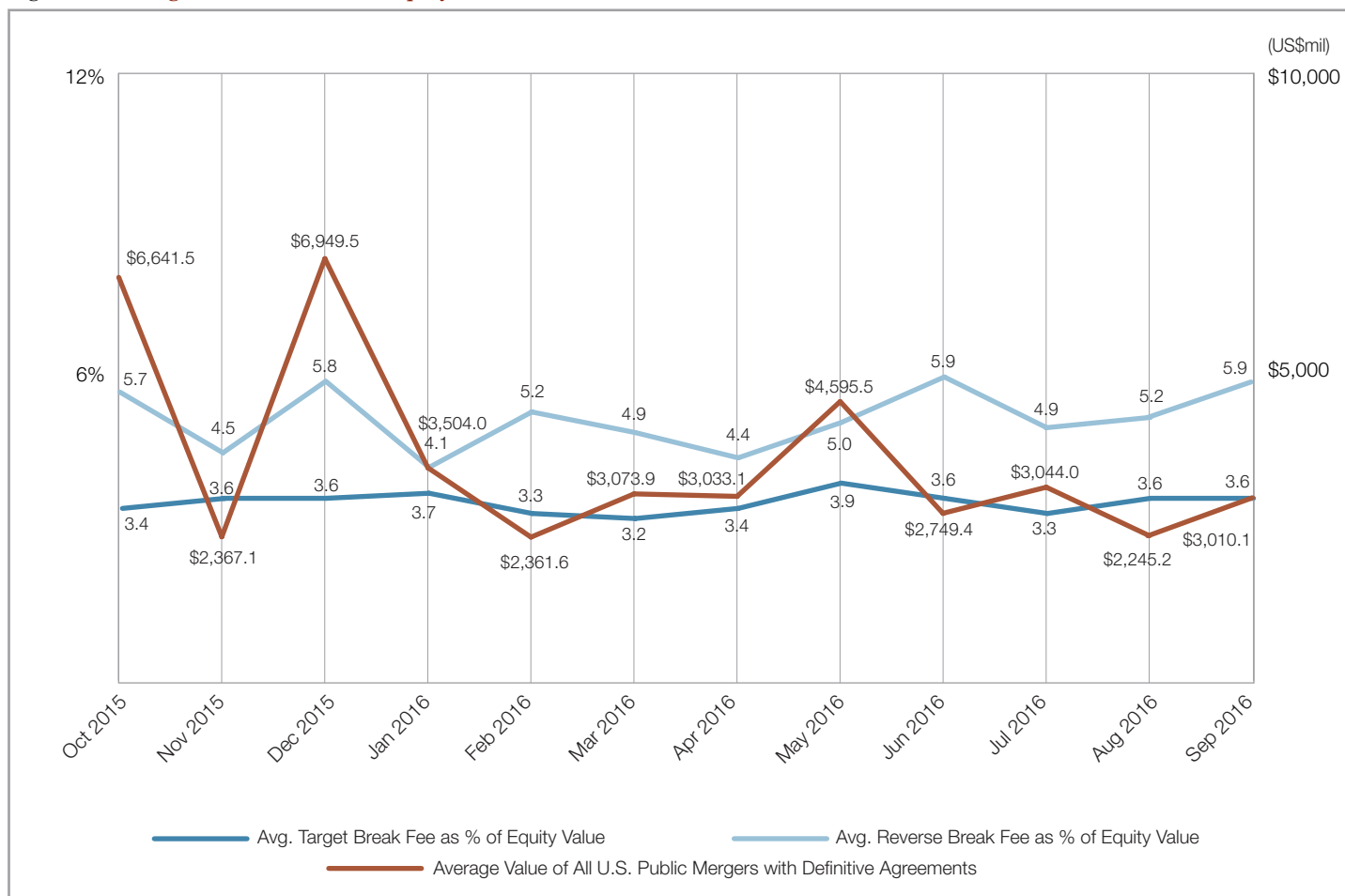
Figure 6 - Average Break Fees as % of Equity Value⁶

Figure 7 - Average Break Fees as % of Equity Value

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

	October 2015	Last 12 Months
Reverse Break Fee for All Mergers	5.9	5.2
Reverse Break Fee for Mergers Involving Financial Buyers ⁷	8.2	6.5
Reverse Break Fee for Mergers Involving Strategic Buyers	5.1	4.8

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

	September 2016	Last 12 Months
% of Mergers with Go-Shops	18.8	9.6
% of Mergers Involving Financial Buyers with Go-Shops ⁸	100.0	34.4
% of Mergers Involving Strategic Buyers with Go-Shops	7.1	4.8
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops ⁹	28.0	35.4
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops ¹⁰	24.5	34.2
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops ¹¹	35.0	37.1

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.

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

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

⁸ Two transactions in September 2016 involved a financial buyer.

⁹ Three transactions in September 2016 had a go-shop provision.

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

¹¹ One transaction in September 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

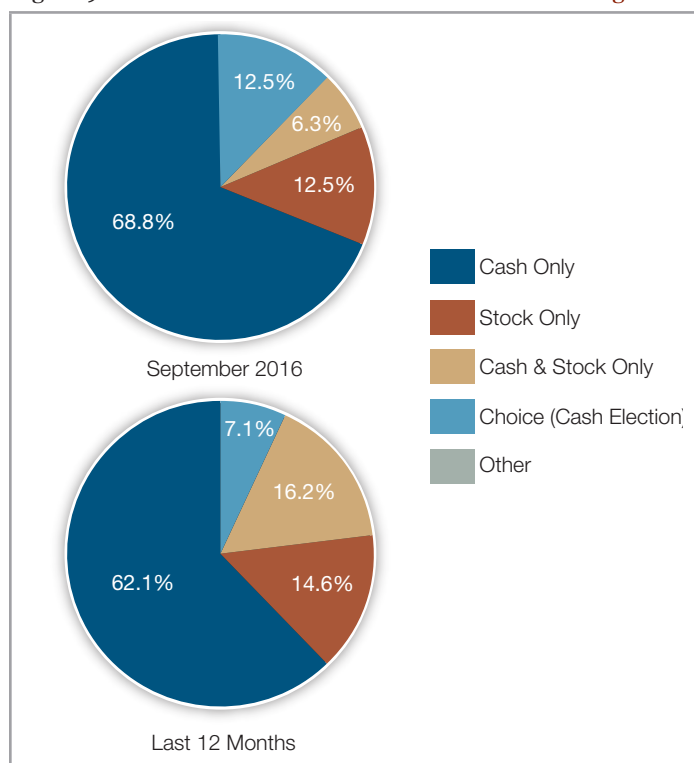


Figure 10 - % of Partial and All Stock Deals that Have a Fixed Exchange Ratio

September 2016	100.0
Last 12 Months ¹³	93.4

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

September 2016	31.3
Last 12 Months	22.7

Figure 12 - Hostile/Unsolicited Offers as % of U.S. Public Mergers¹⁵

September 2016	5.6
Last 12 Months	15.5

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

¹³ There were only three partial or all stock transactions in September 2016.

¹⁵ 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:



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M&A Activity – 12-Month Trends

ANNEX

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

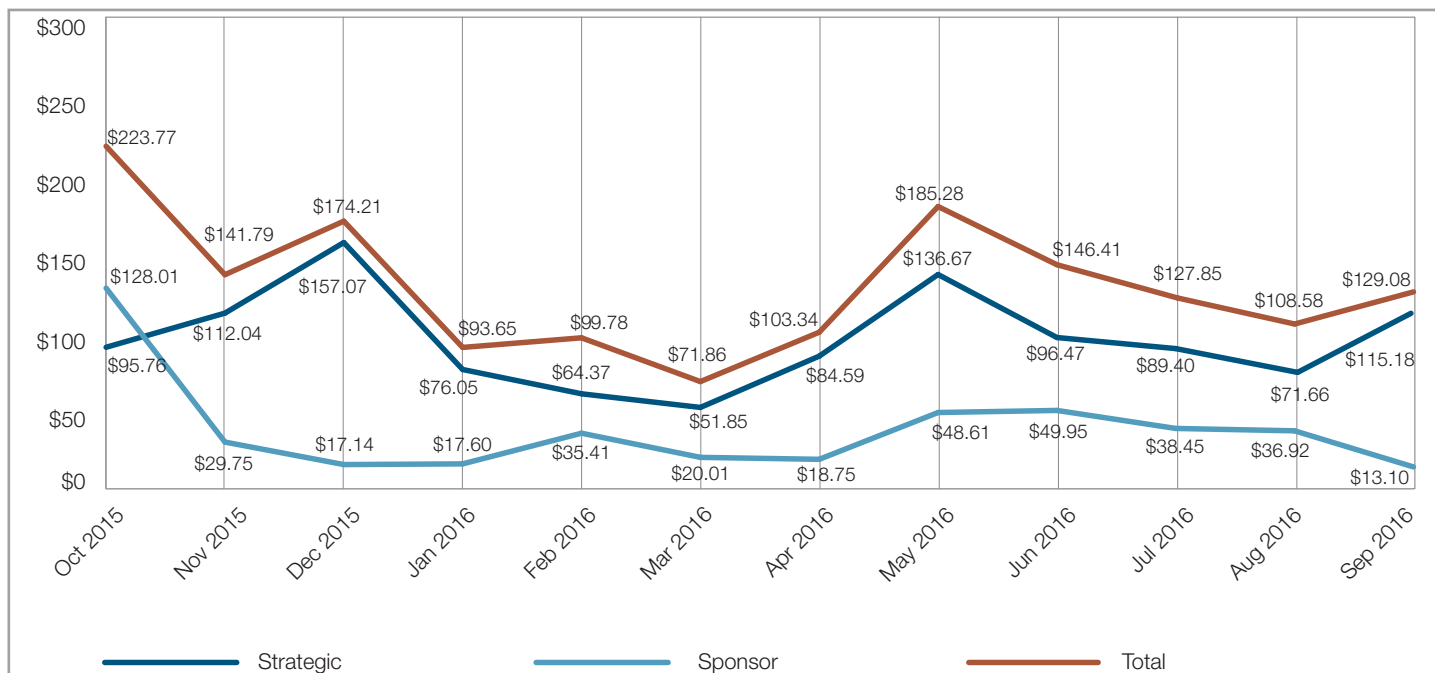


Figure 2A - Global Deal Volume (US\$B)

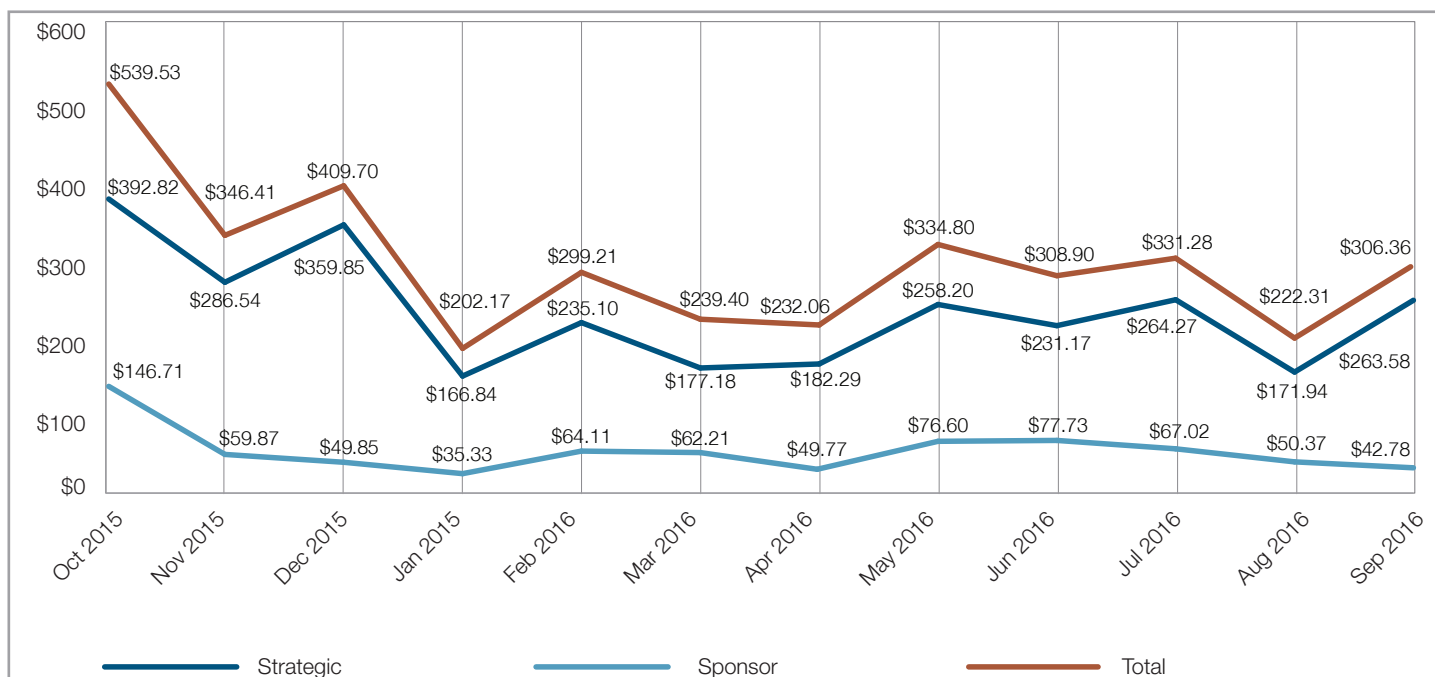


Figure 3A - U.S. Number of Deals

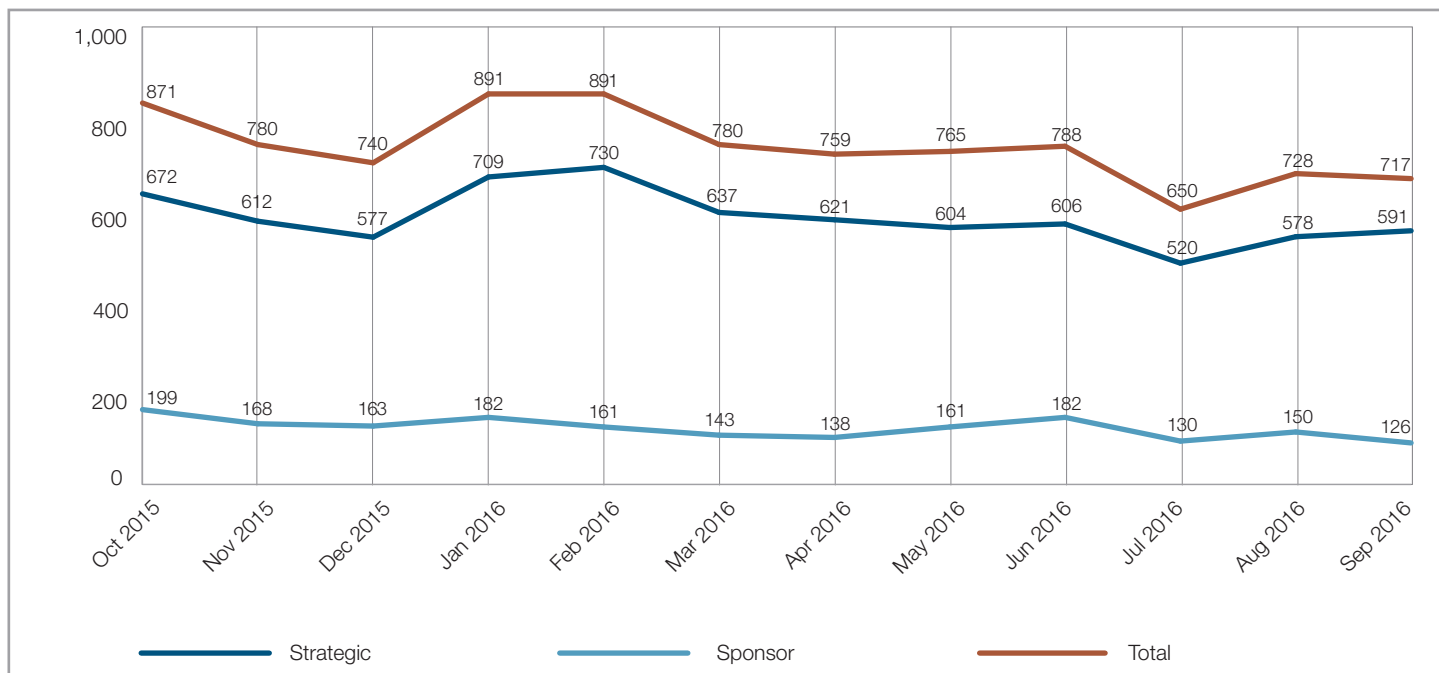


Figure 4A - Global Number of Deals

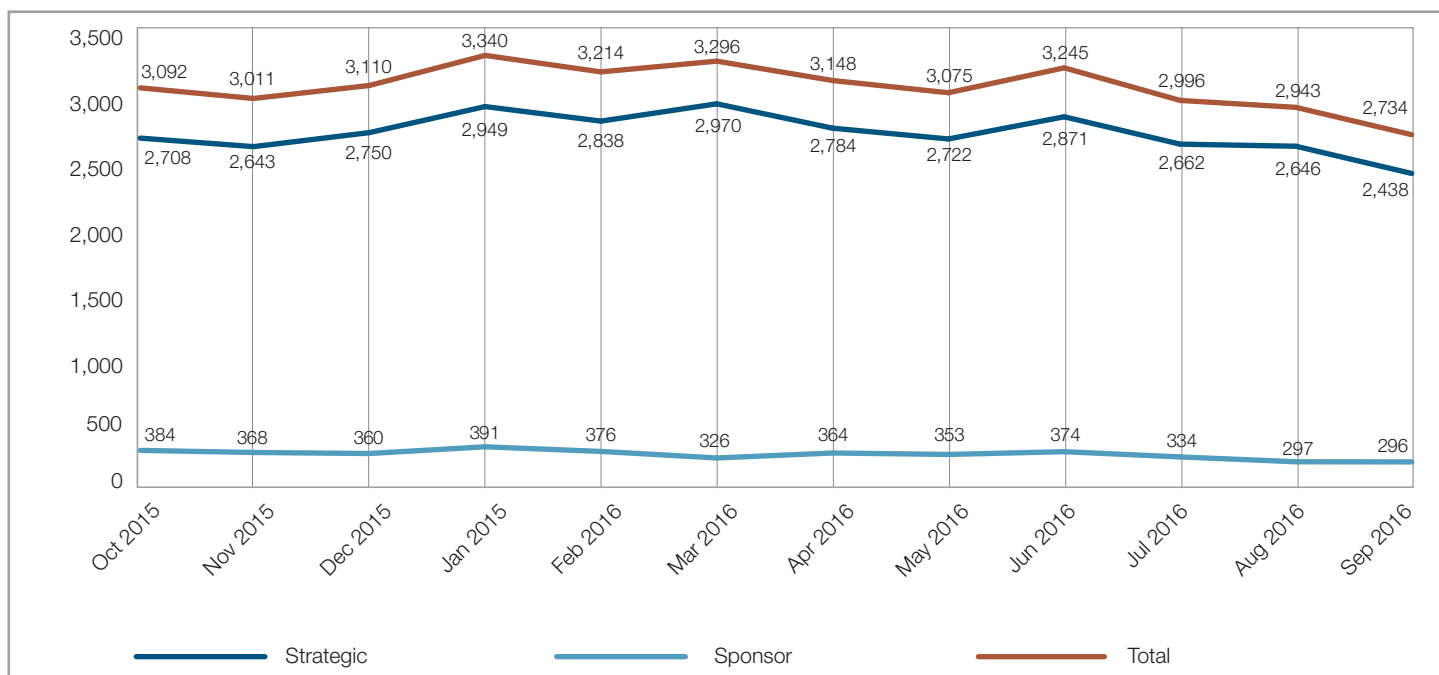


Figure 5A - Inbound U.S. Crossborder Transactions

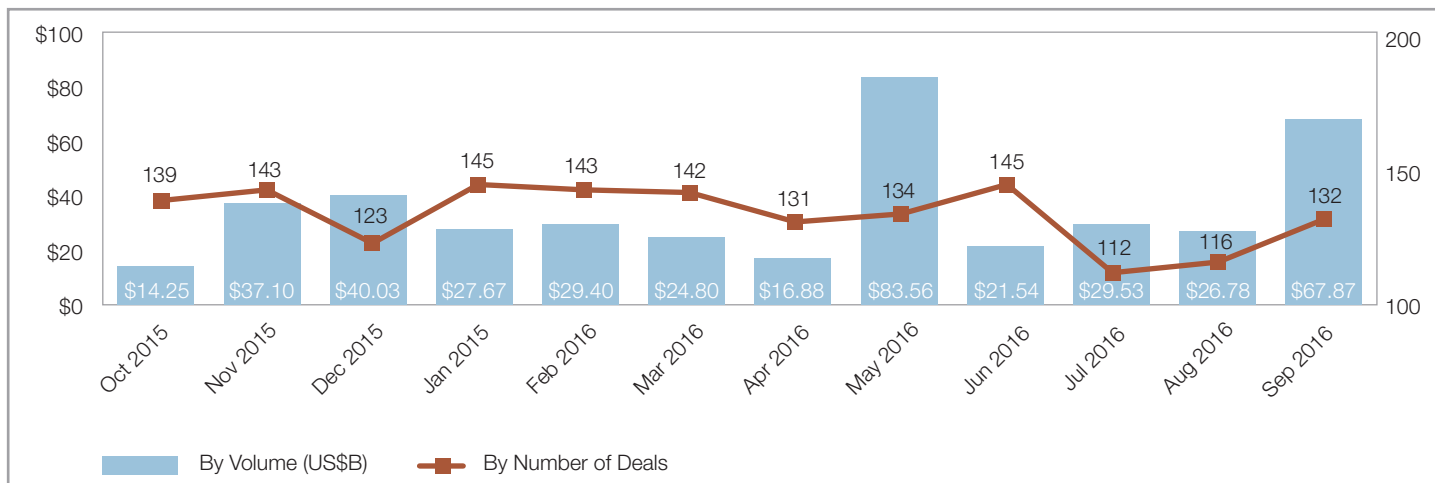


Figure 6A - Outbound U.S. Crossborder Transactions

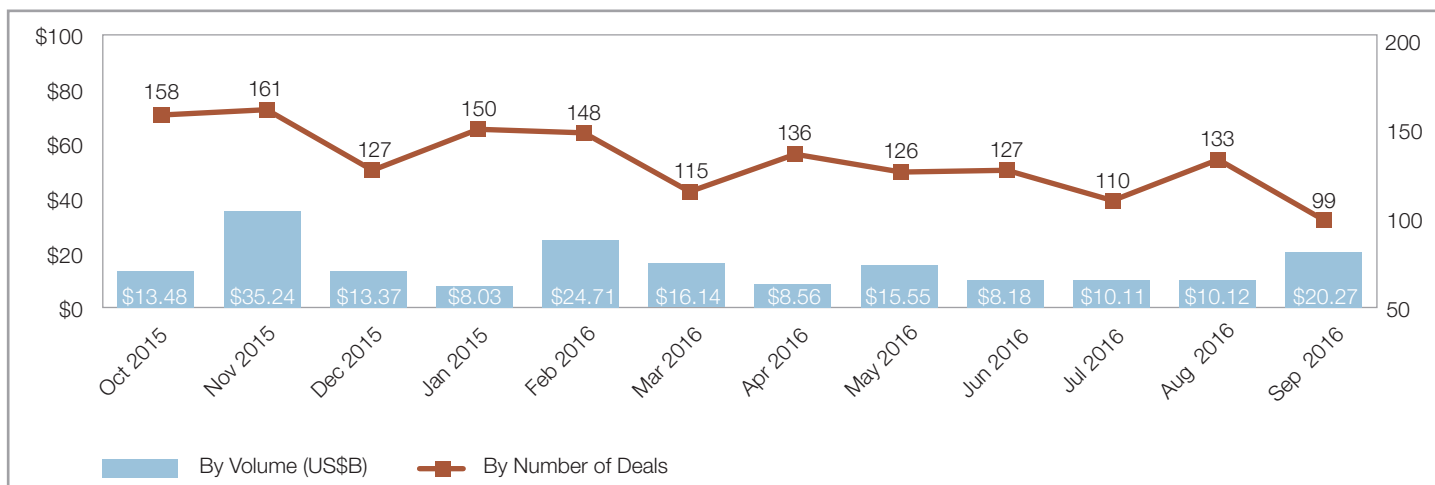


Figure 7A - Global Crossborder Transactions

