

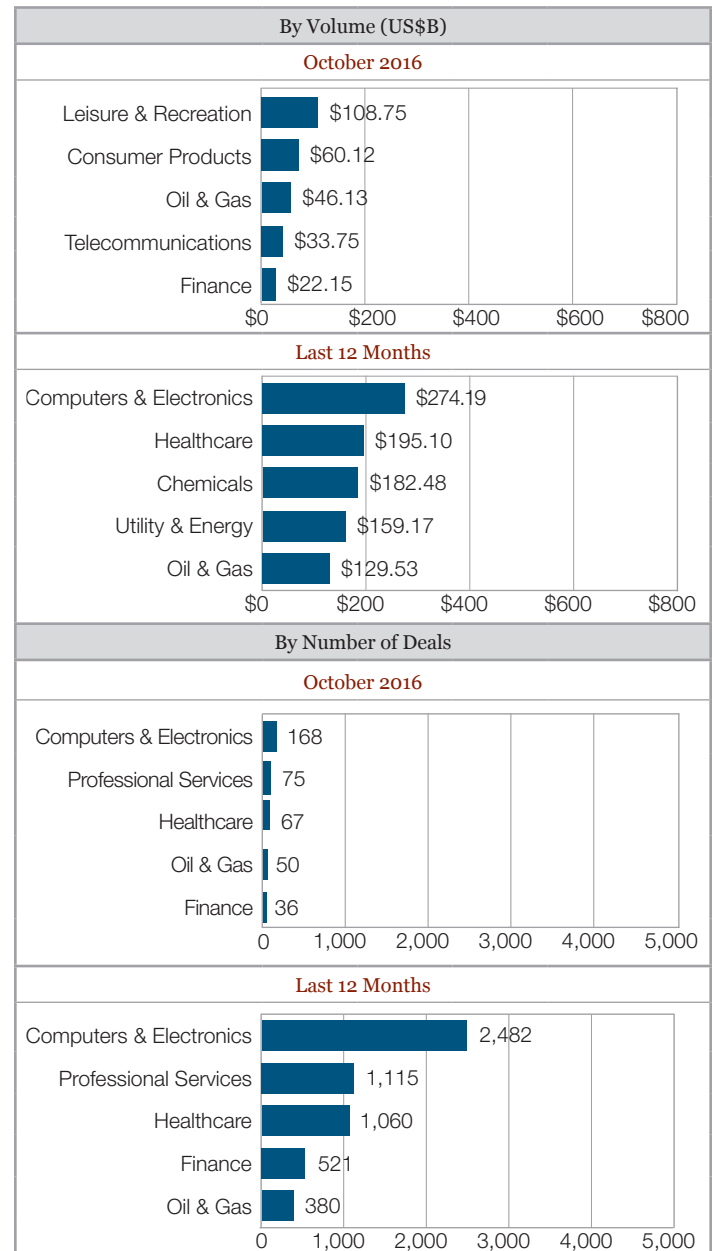
November 2016, Issue 56

M&A Activity

Figure 1

October 2016	Global	+/- From Prior Month	U.S.	+/- From Prior Month
Total				
Volume (US\$B)	549.10	236.47	341.10	211.42
No. of deals	2,567	(298)	668	(62)
Avg. value of deals (US\$mil)	405.2	197.9	1,140.8	698.2
Avg. deal multiple ¹	11.2x	(0.6)	11.0x	(1.2)
Strategic Transactions				
Volume (US\$B)	479.48	212.58	311.31	198.85
No. of deals	2,258	(303)	536	(61)
Avg. value of deals (US\$mil)	385.7	196.7	1,197.3	768.1
Avg. deal multiple ¹	11.2x	(0.6)	11.3x	(0.9)
Sponsor-Related Transactions				
Volume (US\$B)	69.62	23.89	29.79	12.57
No. of deals	309	5	132	(1)
Avg. value of deals (US\$mil)	621.6	145.2	763.8	208.4
Avg. deal multiple ¹	11.1x	(0.7)	10.1x	(1.7)
Crossborder Transactions²				
Volume (US\$B)	205.95	70.66	Inbound 98.53 Outbound 61.31	Inbound 30.31 Outbound 41.45
No. of deals	610	(81)	Inbound 114 Outbound 112	Inbound (22) Outbound 11
Avg. value of deals (US\$mil)	633.7	246.0	Inbound 1,407.6 Outbound 1,179.1	Inbound 389.3 Outbound 594.8
Avg. deal multiple ¹	11.3x	(0.3)	Inbound 10.9x Outbound 11.9x	Inbound (1.2) Outbound 0.7

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and valued at \$100 million or higher regardless of whether a definitive merger agreement was reached and filed or withdrawn.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 November 10, 2016 unless otherwise specified. "Last 12 Months" data is for the period from November 2015 to October 2016 inclusive. Data obtained from Dealogic and FactSet MergerMetrics has not been reviewed for accuracy by Paul, Weiss.

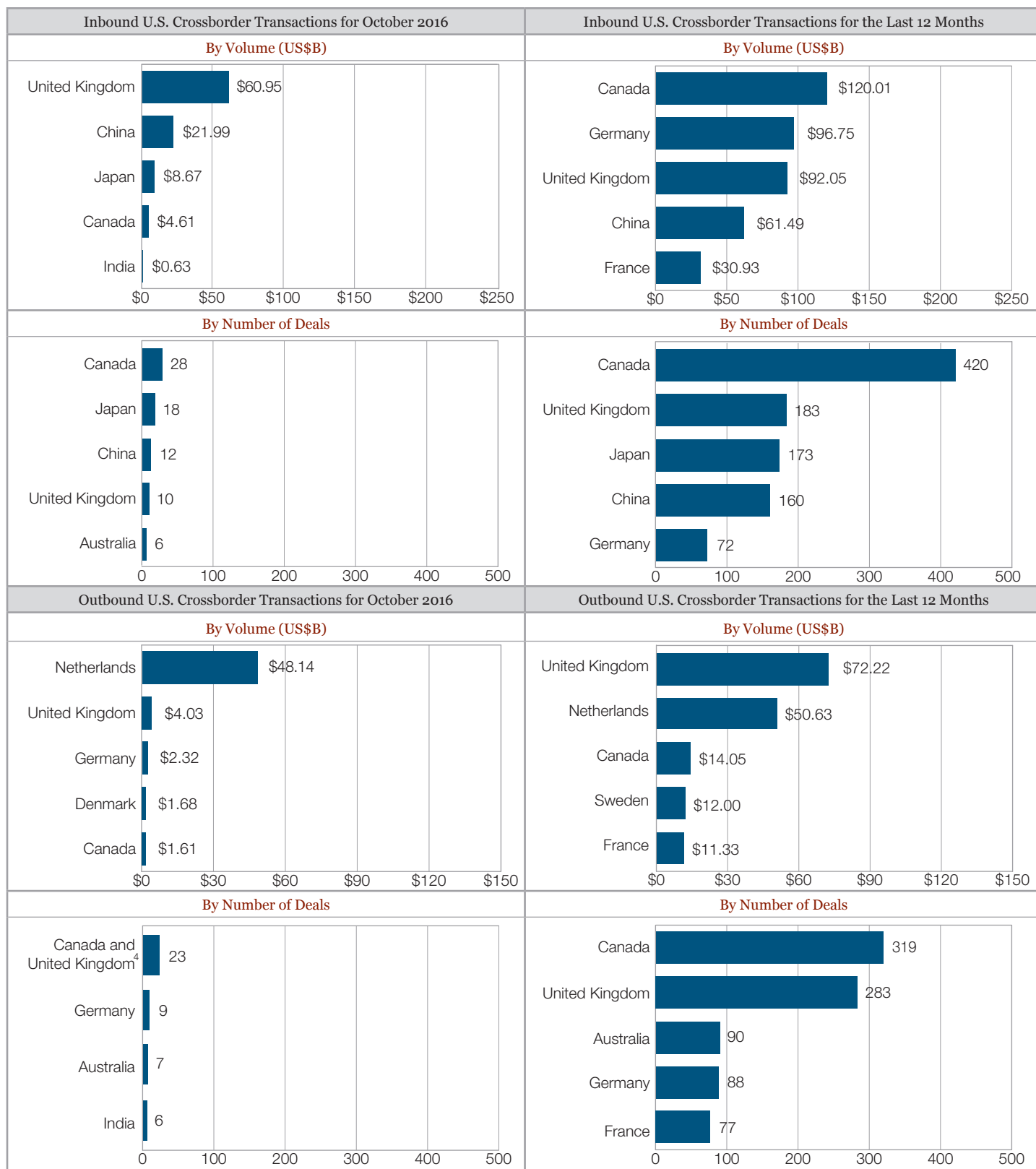
¹ Ratio of enterprise value to EBITDA, trailing 12 months. This statistic is calculated using a smaller subset of deals for which this data is available.

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 Canada and the United Kingdom was the country of destination for 23 transactions in October 2016.

M&A Activity (Continued)

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

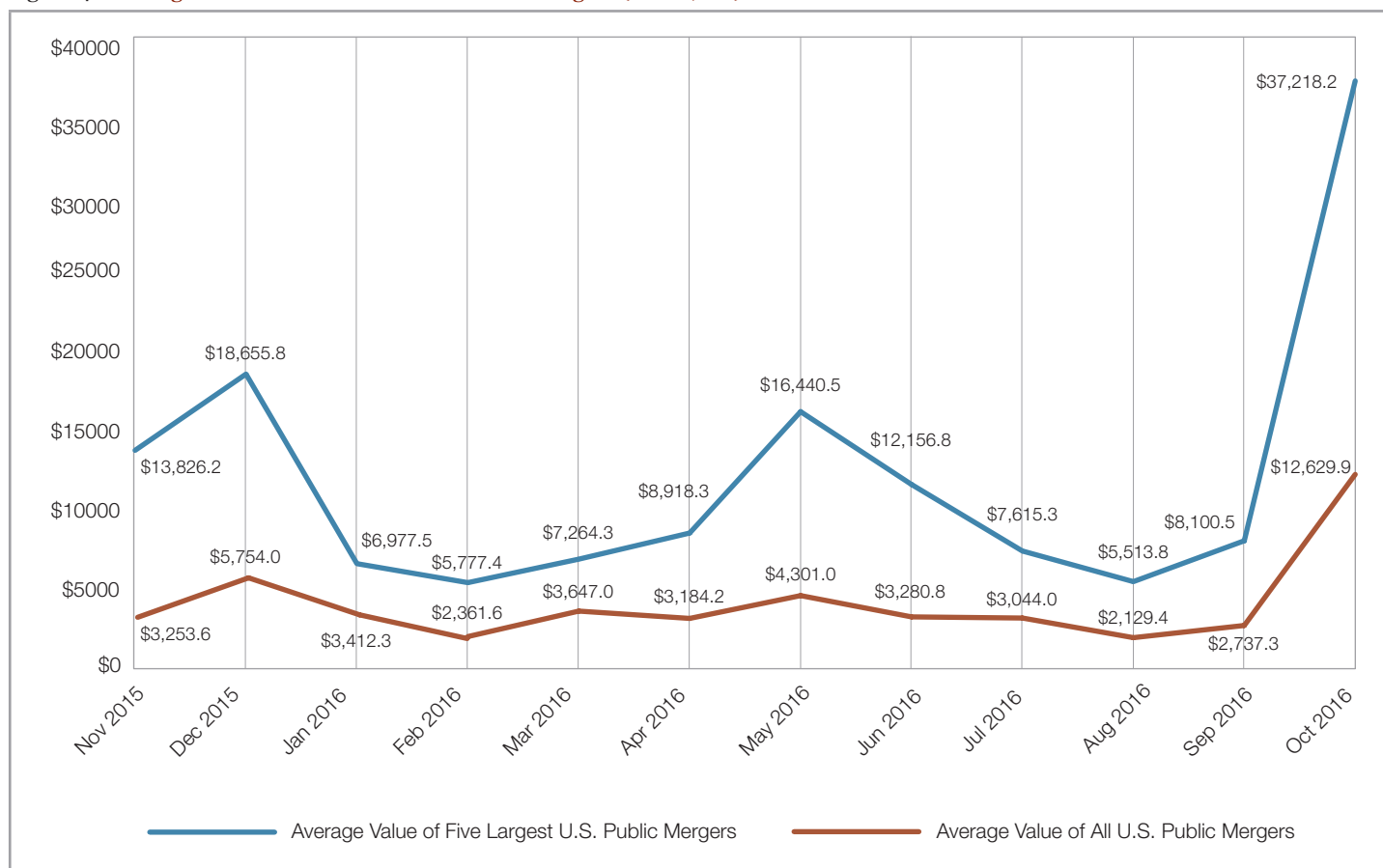
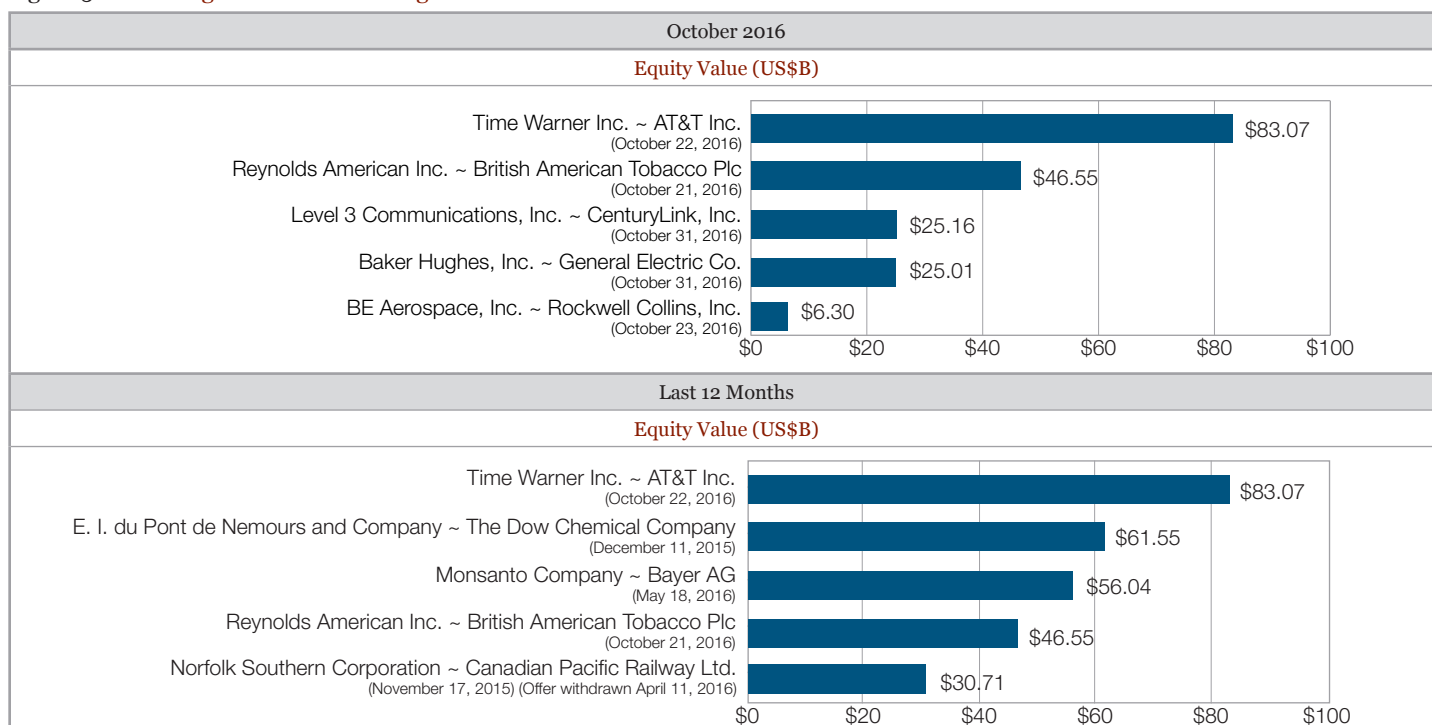


Figure 5 - Five Largest U.S. Public Mergers



M&A Terms

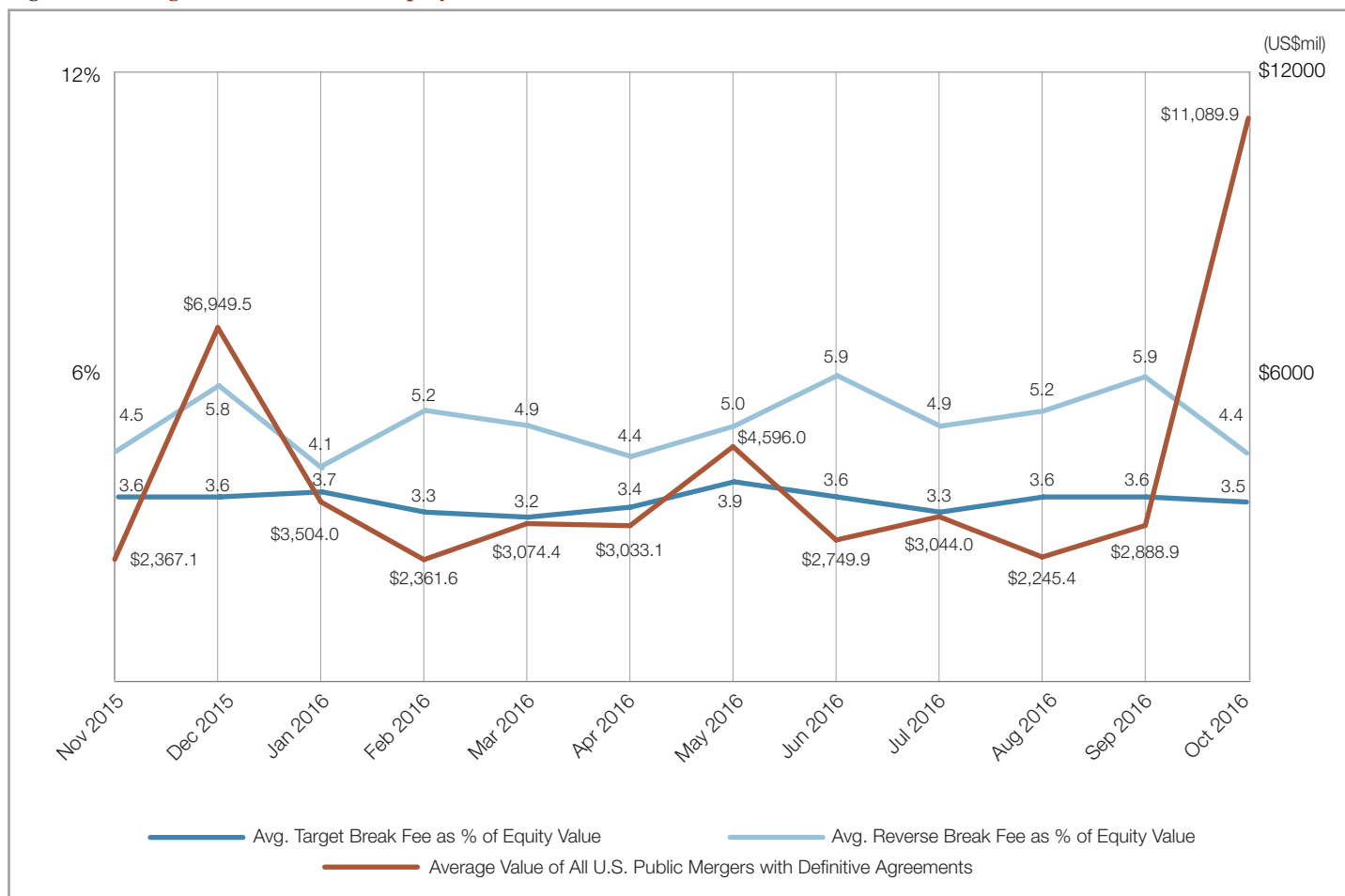
Figure 6 - Average Break Fees as % of Equity Value⁵

Figure 7 - Average Break Fees as % of Equity Value

	October 2016	Last 12 Months
Target Break Fee for All Mergers	3.5	3.5

	October 2016	Last 12 Months
Reverse Break Fee for All Mergers	4.4	5.0
Reverse Break Fee for Mergers Involving Financial Buyers ⁶	4.9	6.4
Reverse Break Fee for Mergers Involving Strategic Buyers	4.2	4.6

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

	October 2016	Last 12 Months
% of Mergers with Go-Shops	14.3	10.4
% of Mergers Involving Financial Buyers with Go-Shops ⁷	100.0	41.9
% of Mergers Involving Strategic Buyers with Go-Shops	0.0	4.3
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops ⁸	41.0	34.8
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops ⁹	41.0	35.2
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops ¹⁰	N/A	33.9

⁵ Based on the highest target break fees and reverse break fees payable in a particular deal.

⁶ Two transactions in October 2016 involving a financial buyer had a reverse break fee.

⁷ Two transactions in October 2016 involved a financial buyer.

⁸ Two transactions in October 2016 had a go-shop provision.

⁹ Two transactions in October 2016 involving a financial buyer had a go-shop provision.

¹⁰ No transaction in October 2016 involving a strategic buyer had a go-shop provision.

M&A Terms (Continued)

Figure 9 - Form of Consideration as % of U.S. Public Mergers¹¹

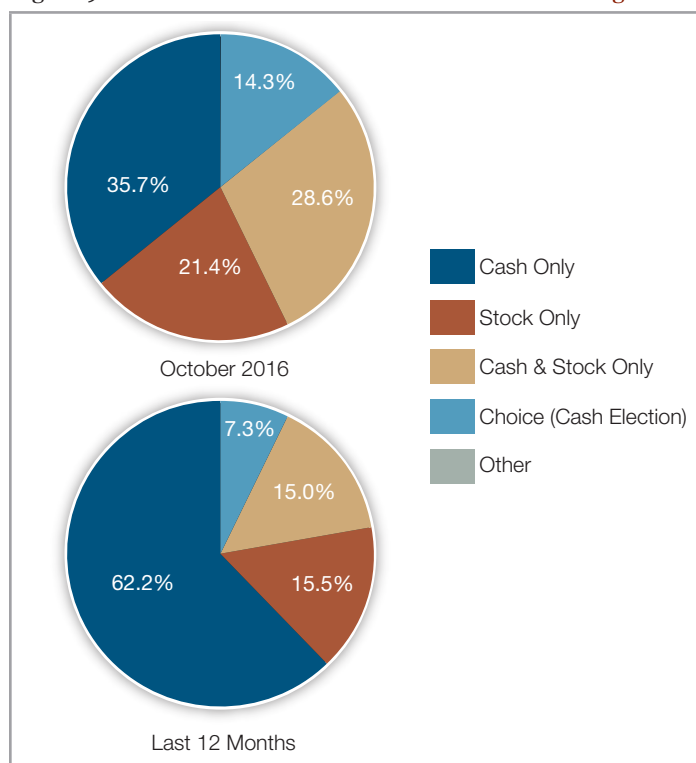


Figure 10 - % of Partial and All Stock Deals that Have a Fixed Exchange Ratio

October 2016	57.1
Last 12 Months	89.8

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

October 2016	7.1
Last 12 Months	22.8

Figure 12 - Hostile/Unsolicited Offers as % of U.S. Public Mergers¹²

October 2016	12.5
Last 12 Months	14.6

¹¹ Due to rounding, percentages may not add up to 100%.

¹² 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

AN N E X

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

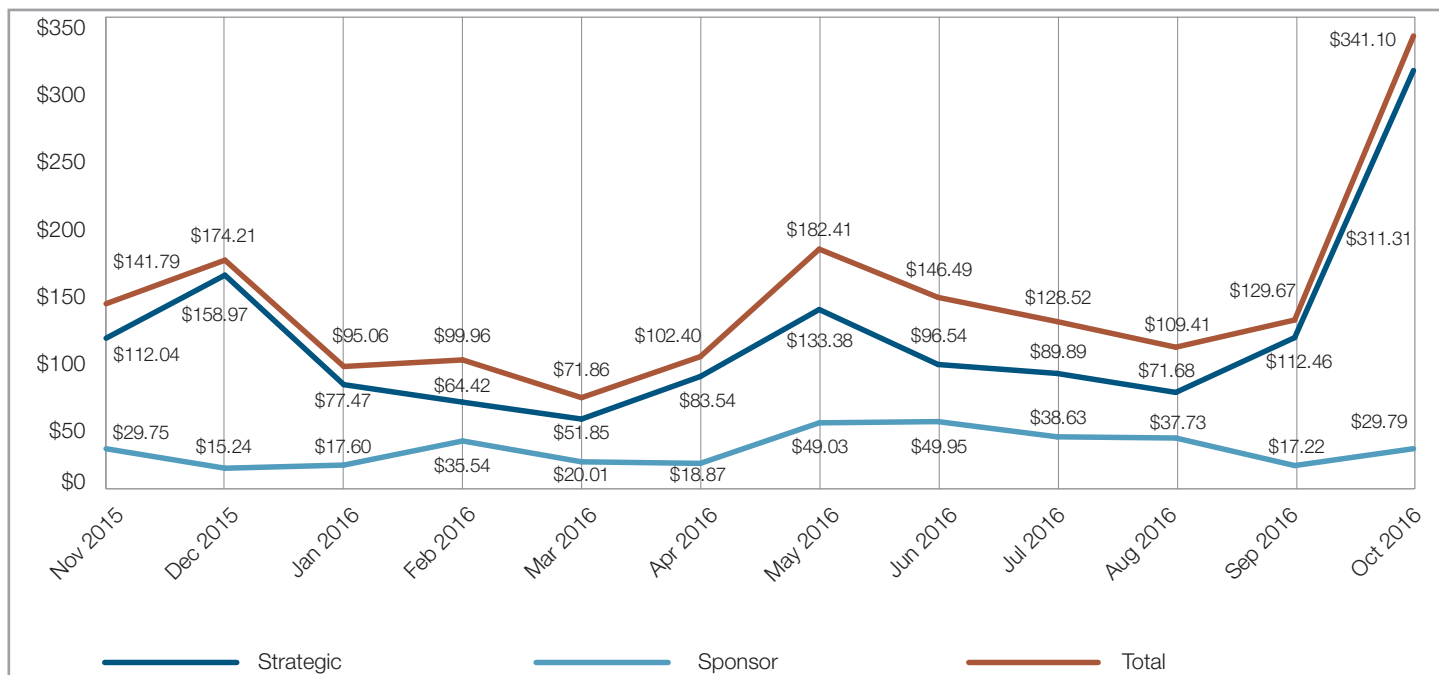


Figure 2A - Global Deal Volume (US\$B)

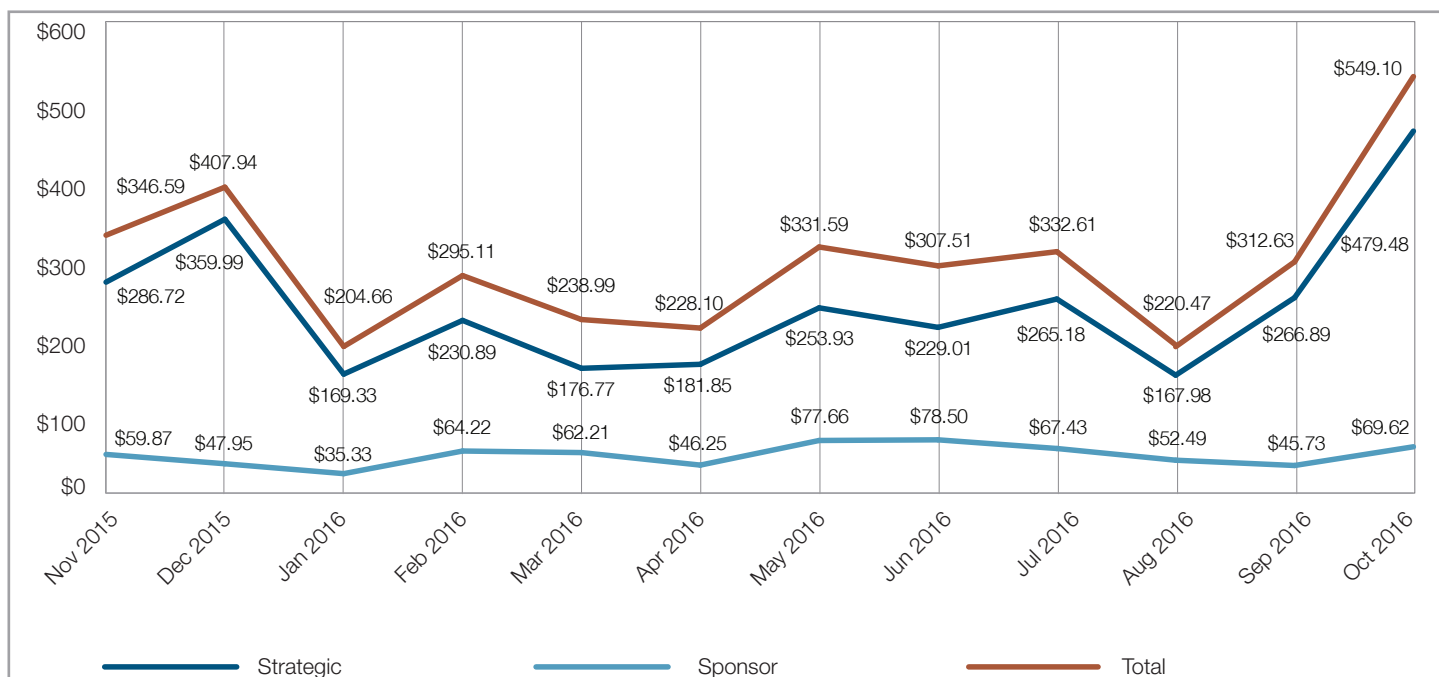


Figure 3A - U.S. Number of Deals

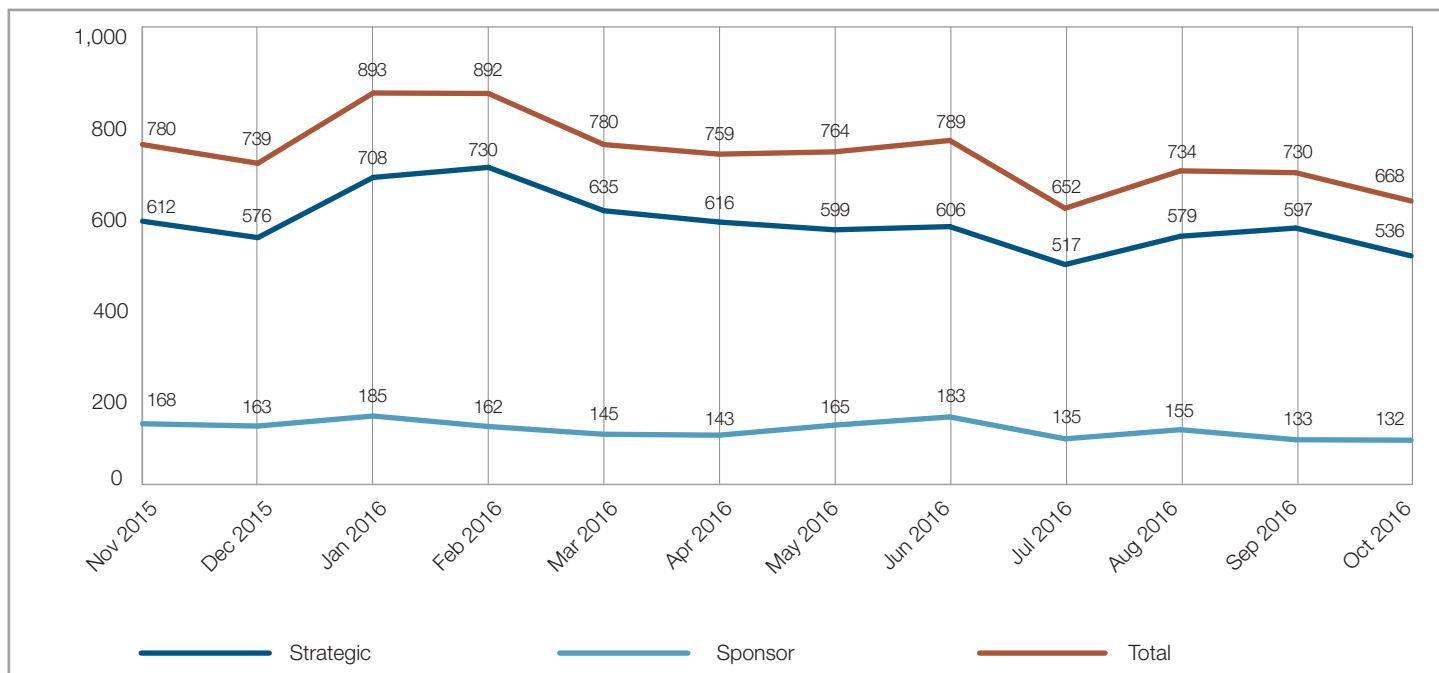


Figure 4A - Global Number of Deals

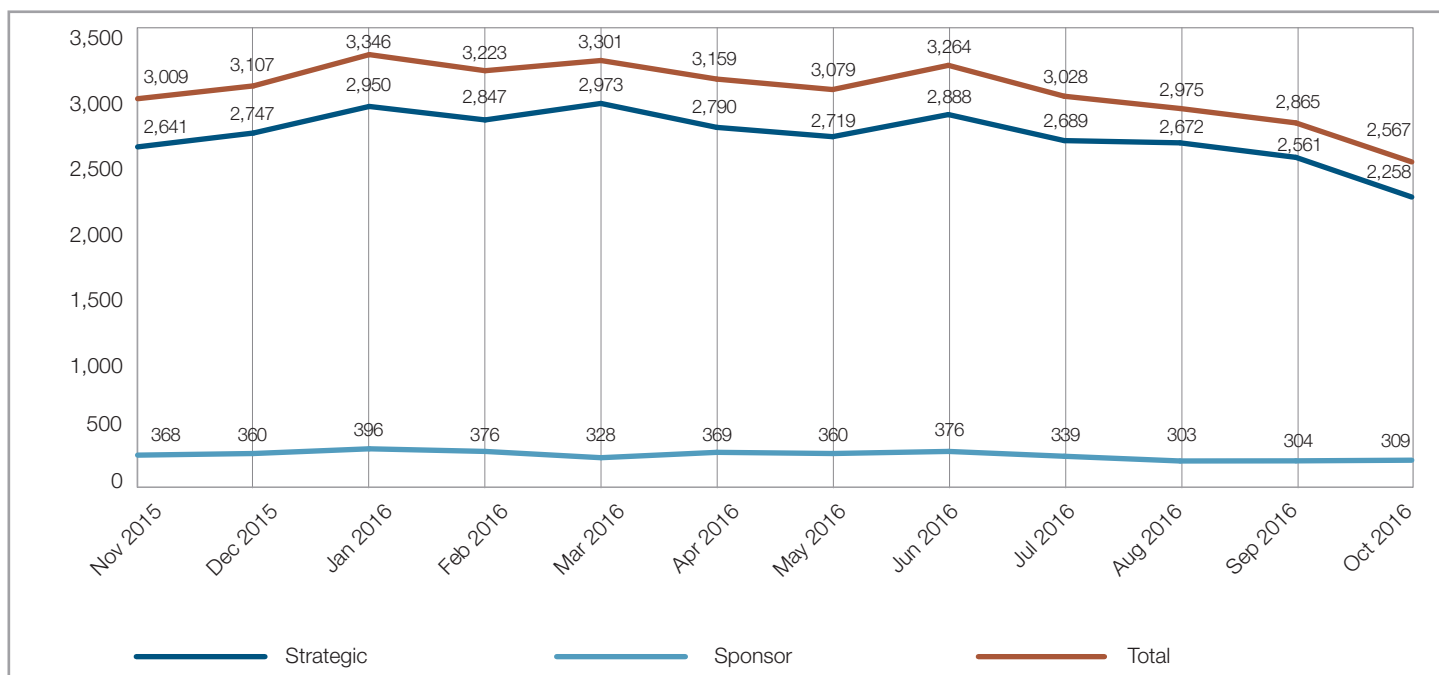


Figure 5A - Inbound U.S. Crossborder Transactions

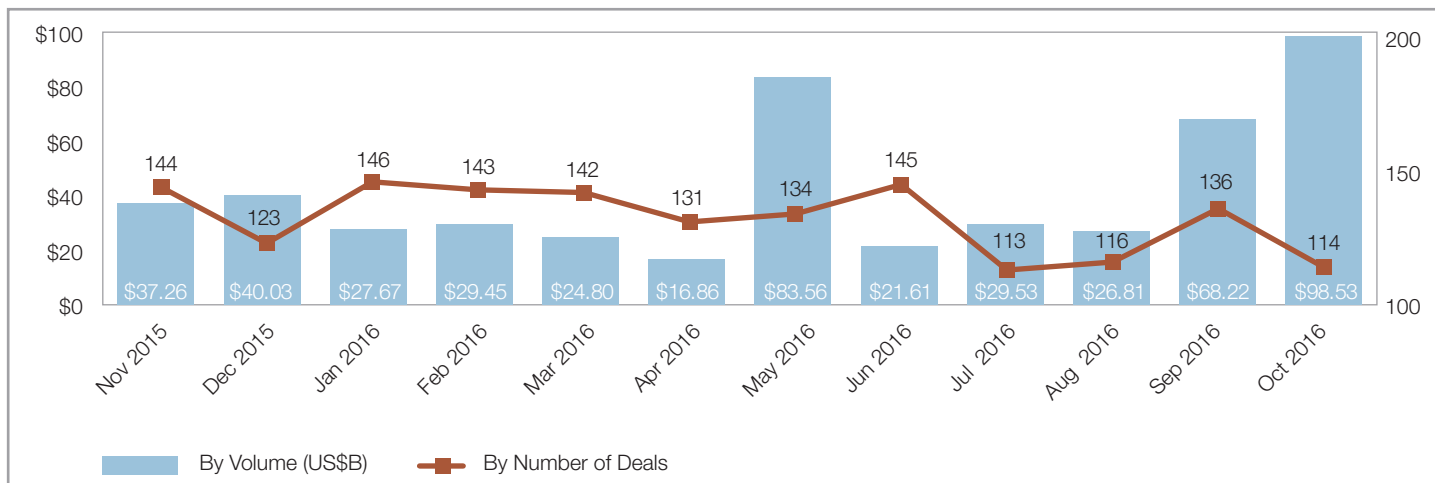


Figure 6A - Outbound U.S. Crossborder Transactions

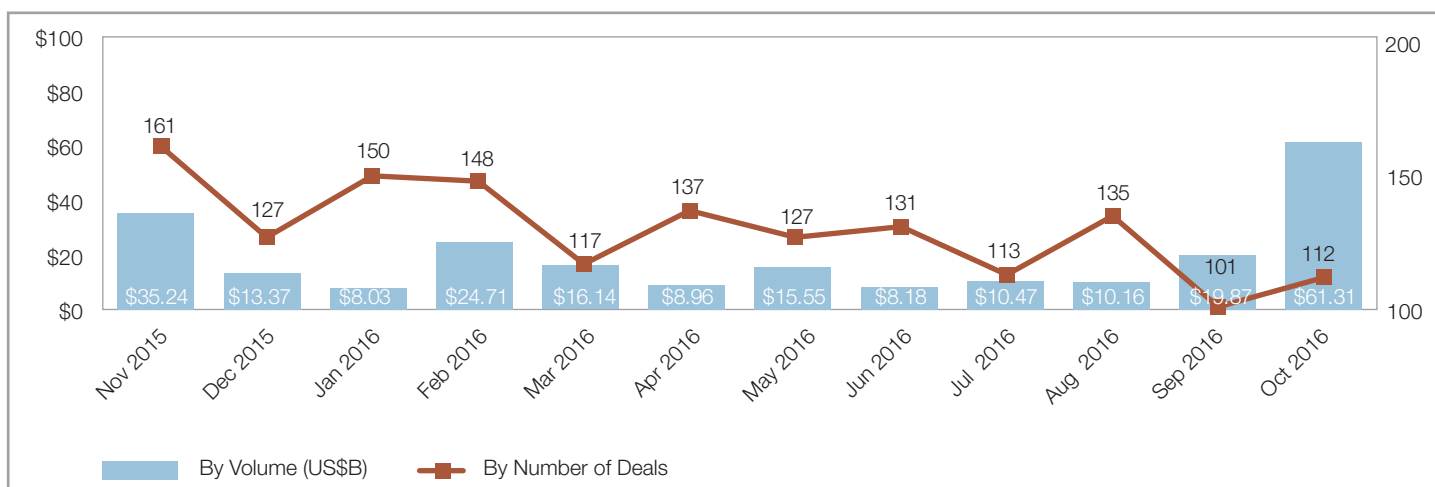


Figure 7A - Global Crossborder Transactions

