



Global Overview of the M&A Markets

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Mergers Set a Record as Firms Bulk Up

Subdued for years after the financial crisis, merger and acquisitions came roaring back as companies seek to boost revenue at a time when sluggish economic growth and low inflation make that difficult.

The Wall Street Journal, December 21, 2015

Merger and Acquisition Activity Hits Record High in 2015

Cheap debt and investor pressure to outrun a slowing economy pushed companies' decisions to consolidate in the year.

The Wall Street Journal, December 6, 2015

Mergers Hit Nine-Year High in 2015

Of the top five months on record for global M&A volume, three are from 2015: November, October and July.

JOC.com, January 5, 2016

Global M&A Activity in 2015...Highest Ever

Both the U.S. and Asia recorded their highest M&A values, and two of the only six deals ever valued at over \$100 billion were announced in 2015.

International Business Times, January 8, 2016

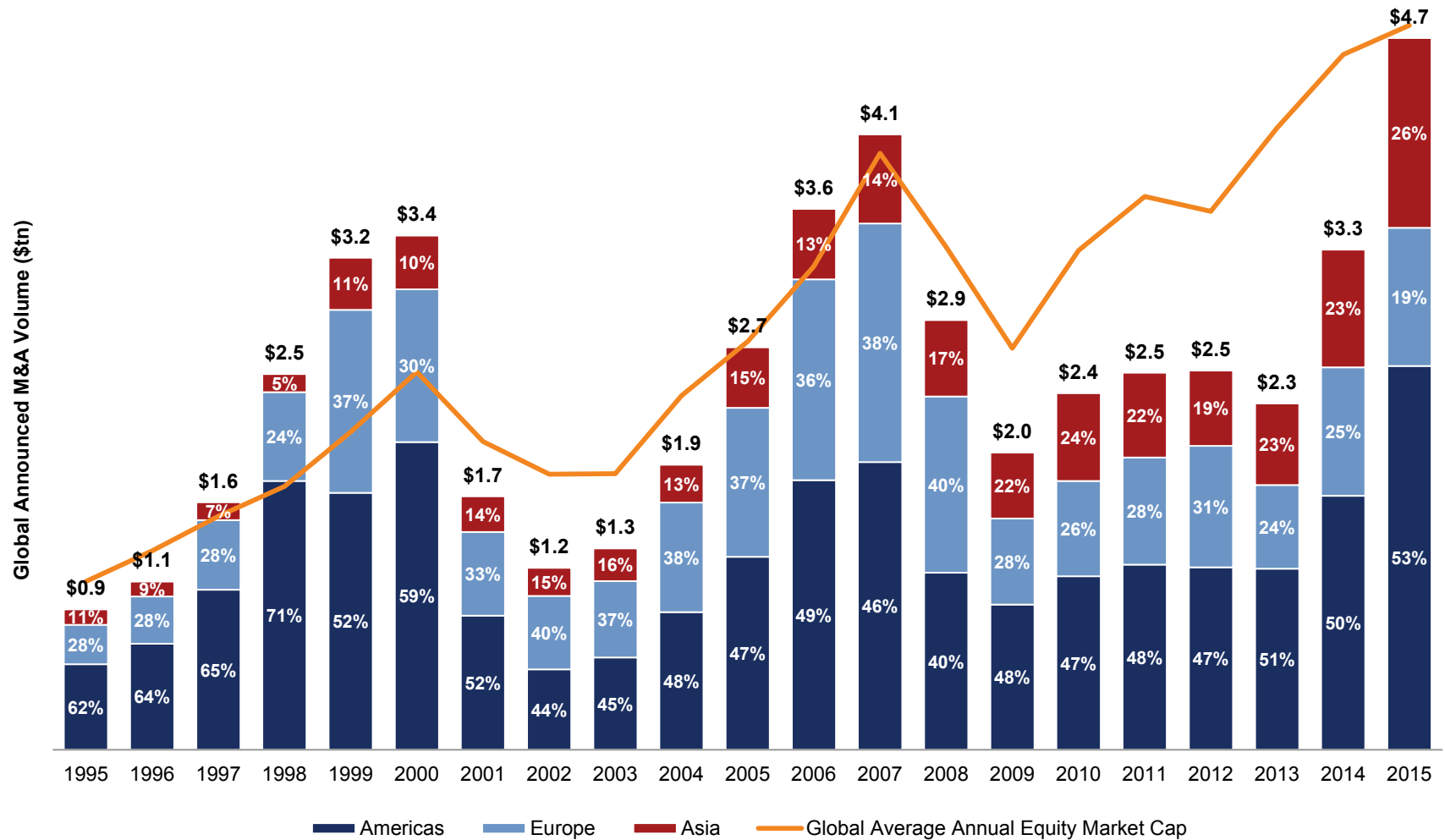
2015: A Merger Bonanza

The year stands out, not just for the total value of the deals but for the number of so-called mega-deals... Thomson Reuters counted 137 mega-deals last year, which accounted for 52 percent of the year's overall M&A value.

The Atlantic, January 9, 2016

M&A Volumes Over Time

(\$ in trillions)



Source: Thomson Reuters

Key Drivers Have Been in Place...Why Now?

	2009 - 2013	2014 - 2015
Limited organic growth opportunities	✓	✓
Low interest rate environment	✓	✓
Availability of financing	✓	✓
CEO/Board confidence		✓
Positive shareholder receptivity to acquirors		✓
Industry consolidation and sense of urgency		✓

#1

Return of the Strategic Acquiror

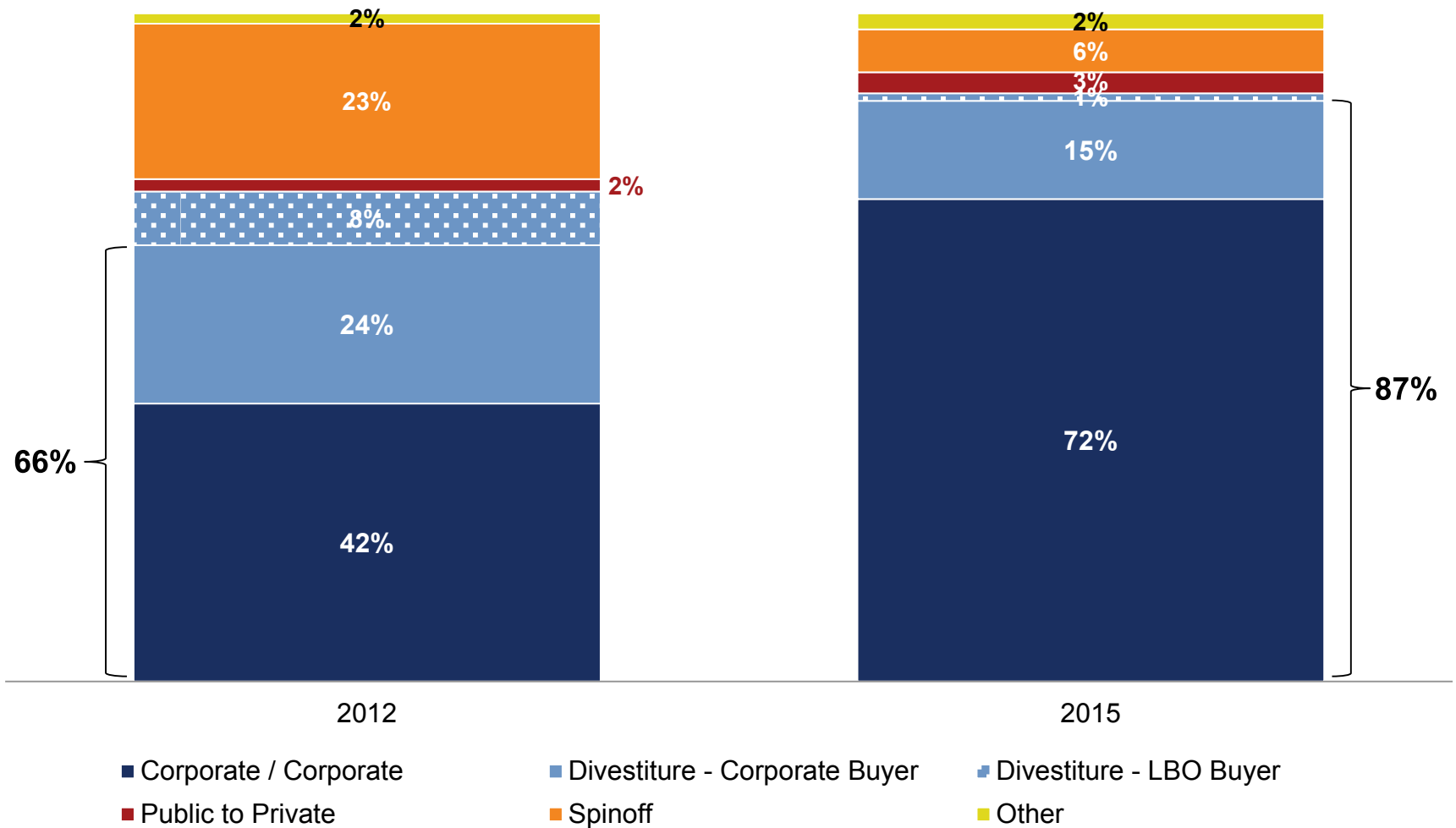
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Prevalence of Large Transactions

#3

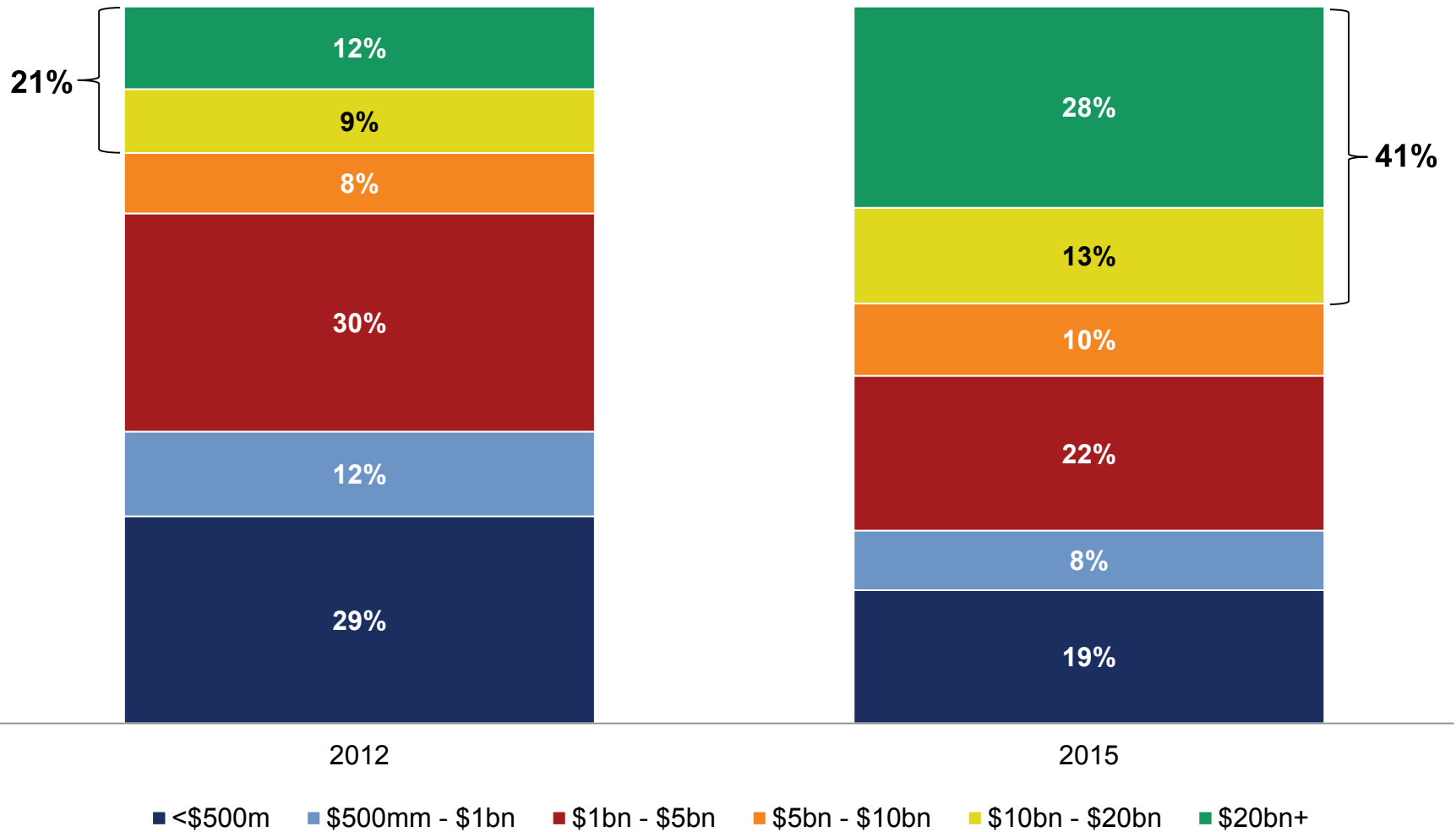
Positive Shareholder Receptivity

Return of the Strategic Acquiror



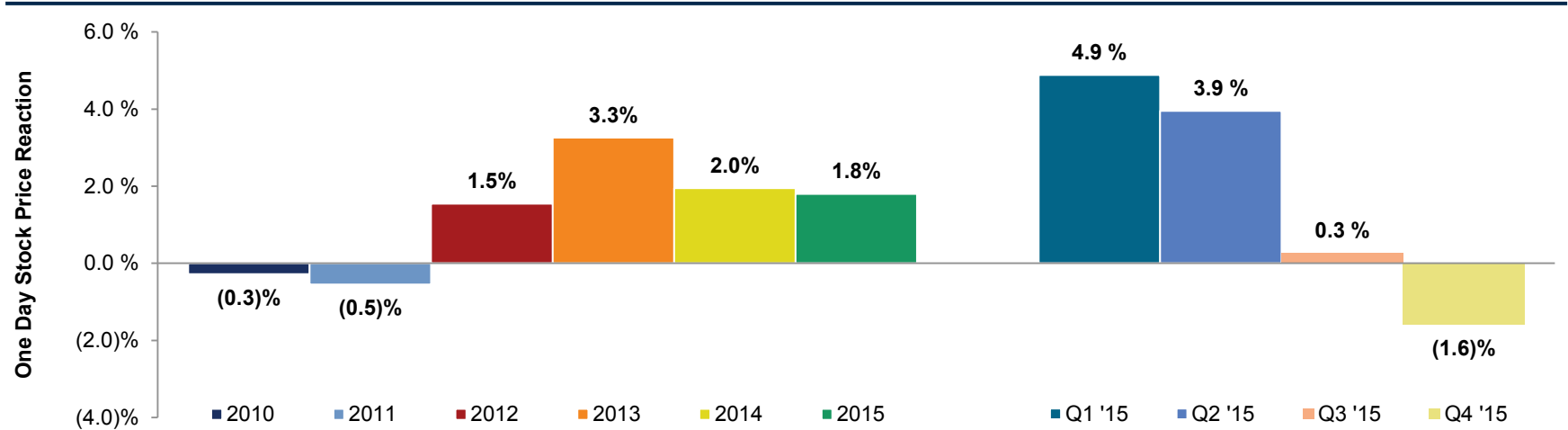
Source: Thomson Reuters. Based on \$ volumes of U.S. targeted deals >\$1 billion. Other includes negotiated share repurchases and rescues.

Prevalence of Large Transactions

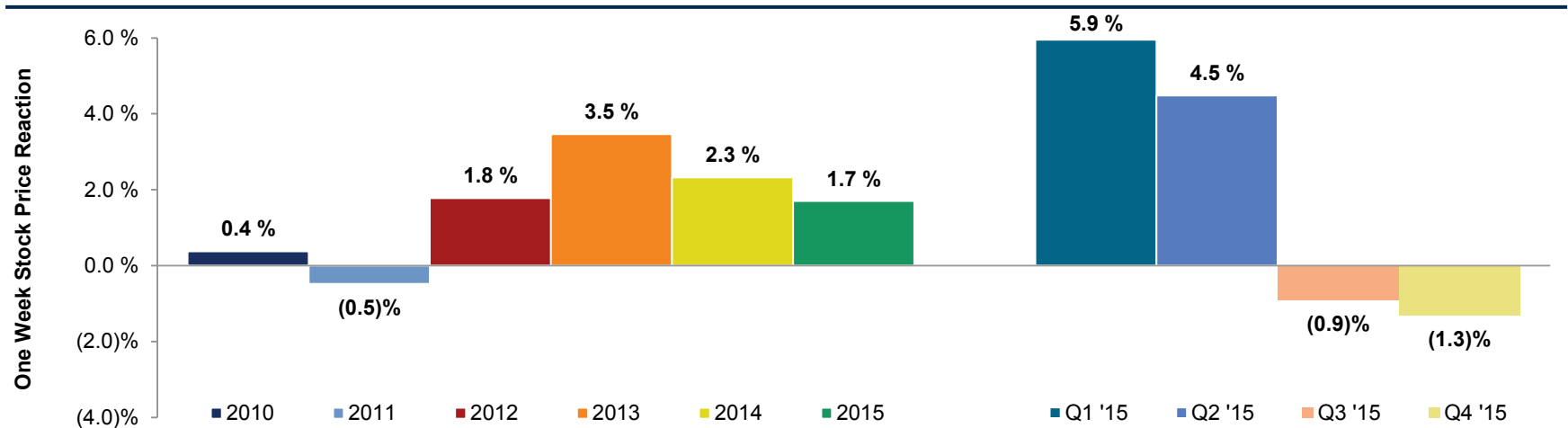


Source: Thomson Reuters based on \$ volumes

One-Day Indexed Stock Price Reaction for Buyers



One-Week Indexed Stock Price Reaction for Buyers



Source: Bloomberg, Thomson Reuters, Capital IQ

Note: 1) Deals with transaction value greater than \$1,000mm with a public acquiror and a North American acquiror or target. 2) One day indexed stock price reaction measured as the change from the undisturbed date to one day post announcement relative to the S&P 500's change over the same period. 3) All data adjusted to exclude statistical outliers.

