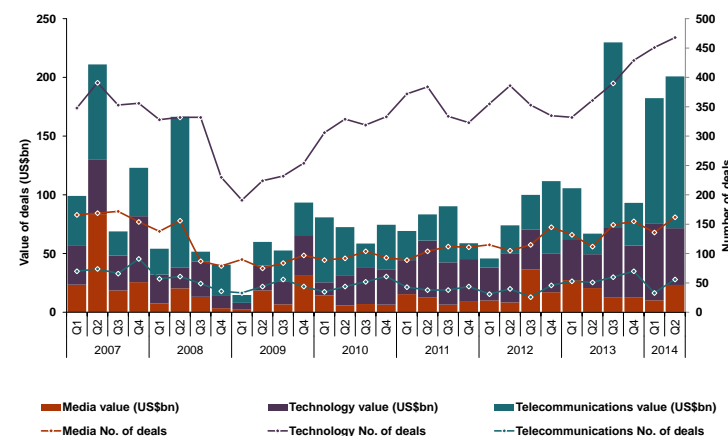


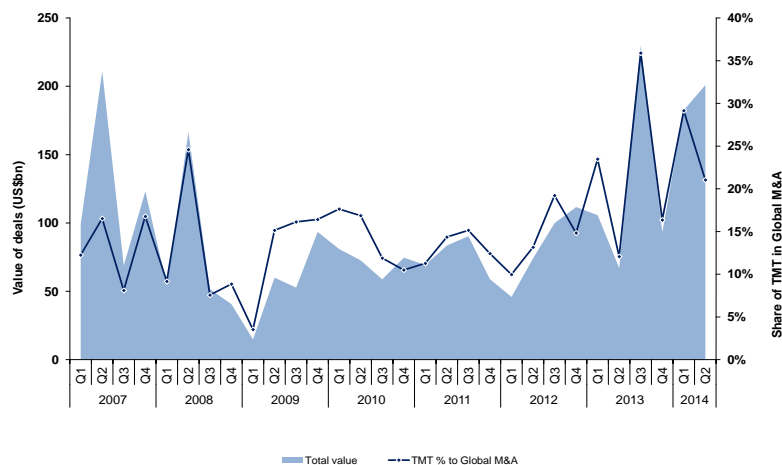
Data analysis

- Global Technology, Media & Telecommunications (TMT) M&A saw deals worth US\$ 383.4bn in H1 2014 reach the highest half-year value on Mergermarket record (since 2001), a 122% increase from H1 2013 (US\$ 172.7bn). The sector retained its top position in the global industry table, with a 24.3% market share and 265 more deals than in H1 2013 (1,041 deals)
- TMT deals during Q2 2014 totalled US\$ 200.9bn, three times the total value of deals in Q2 2013 (US\$ 67bn) and up 10.1% from US\$ 182.5bn-worth of deals in Q1 2014. Deal count in the sector has more or less risen for four consecutive quarters from Q1 2013 (despite a slight dip in Q1 2014), with Q2 2014's 686 deals increasing 10.6% from 620 announcements during Q1 2014
- Among the three sub-sectors, Telecommunications was still the leading sector with 89 deals valued at US\$ 236.3bn, the highest value on Mergermarket record, contributing 61.6% of the total of TMT in the first six months of 2014
- The Media industry was the only sub-sector that underperformed compared to H1 2013. A total of US\$ 33.5bn decreased 30.4% compared to H1 2013 (US\$ 48.1bn). Technology and Telecommunications showed significant growth with 77.9% and 288.7% increase respectively, on H1 2013 (US\$ 63.8bn and US\$ 60.8bn)

Quarterly TMT M&A trend



Quarterly TMT activity as a proportion of global M&A



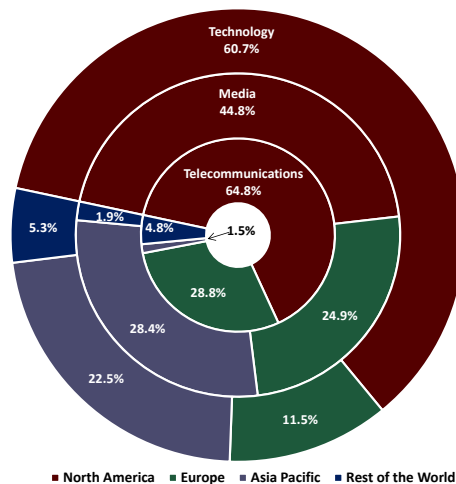
- High valuations of telecom companies has spurred the increased TMT values, demonstrated by 10 deals above US\$ 5bn in value in the sub-sector during 2014 so far. Leading the top deals in this sector was the US\$ 68.5bn Time Warner Cable acquisition by Comcast Corporation. As a result, TMT contributed to 24.3% of the total global M&A deals, the second highest contribution after H2 2013 which accounted for 26.7%
- With five of the TMT deals being US-based, North America had the highest contribution at 62% to global TMT activity. The TMT sector increased in all major regions compared to H1 2013, with North America booking a total of US\$ 237.1bn, almost three times the US\$ 85.8bn it accounted for in H1 2013. Asia-Pacific (excl. Japan) saw a 147.5% jump with US\$ 38.5bn and Europe increased 37.1% to reach a total of US\$ 89.6bn
- Morgan Stanley advised on eight of the largest TMT transactions, and topped the financial advisor rankings by value and volume with 25 deals worth US\$ 164.3bn. Bank of America Merrill Lynch came in second position in the value table, advising on 19 deals valued at US\$ 148.3bn
- Simpson Thacher & Bartlett topped the TMT legal advisor league table with 21 deals worth US\$ 173.7bn, including Time Warner Cable top deal. Fenwick & West led the ranking by volume with 38 transactions worth US\$ 22bn

Deal drivers

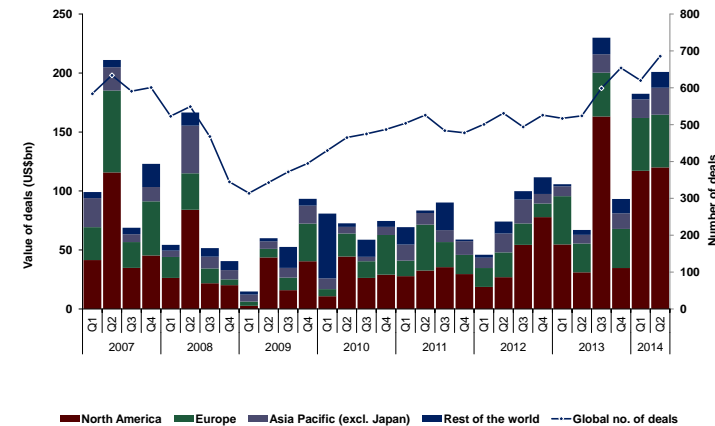
“Technology deals will continue to contribute to a sustained high level of TMT activity. Although there may be legitimate concerns about a ‘bubble’ of high valuations, it seems likely that increasing competition in the technology sector will continue to drive activity, particularly as many of the key players are such substantial, well-capitalized companies,” said Partner Katie Sudol, leader of Simpson Thacher & Bartlett’s M&A practice in Hong Kong

- “Although it may take some years for the dollar volume to be in the same range as the US and Europe, the Asia n technology sector is likely to see significant activity levels. Particularly in China, Alibaba, Tencent, Baidu and other large players are fierce competitors with substantial amounts of capital, and are extremely active in identifying and pursuing strategic areas for expansion through acquisitions,” Sudol added
- South Korean drama fever in China is leading film and TV producers and distributors from those countries to work together more than ever, and a string of cross-border deals is expected, several industry sources said. Potential Chinese buyers include Beijing Hualu Baina Film & TV, Enlight Media and Huace Film and TV, both an analyst and Chinese banker said

Sub-sector breakdown by region



Quarterly geography breakdown



- Rising investor interest in the education technology (EdTech) sector is poised to transform the US\$ 4.2tn education industry. The recent US\$ 1.1bn acquisition of US-based Renaissance Learning by Hellman & Friedman, one of the largest deals ever in the space, is just one example of burgeoning growth and interest in the space. But Europe’s EdTech sector remains undercapitalised compared to the more established and less fragmented US market
- Mobile technology is driving growth and consolidation in the food delivery space, with smaller companies likely to be sold to larger strategic players seeking national exposure, according to several industry sources. Food tech companies include those that deliver freshly prepared meals or meal ingredients, groceries, or restaurant take-out directly to the consumer’s door. Whole Foods just started offering home delivery of fresh food, meals and groceries within a five-mile radius of its Columbus Circle store in New York City. A source familiar with the company said he “wouldn’t be surprised if Whole Foods made a buy in the space within the next 18 months”
- This year and 2015 will be the era of in-market telecoms consolidation, with Vodafone’s short-term acquisition strategy focussed on smaller deals, according to Mergermarket intelligence

Top deals

Ann. date	Bidder company	Bidder dominant geography	Target company	Target dominant geography	Seller company	Bidder advisors	Target/Seller advisors	Deal value (US\$bn)
13-Feb-14	Comcast Corporation	USA	Time Warner Cable Inc	USA		<p>FA: Barclays; JPMorgan; Paul J. Taubman</p> <p>LA: Davis Polk & Wardwell; Willkie Farr & Gallagher; <i>Advising FA:</i> Simpson Thacher & Bartlett</p>	<p>FA: Allen & Company; Centerview Partners; Citi; Morgan Stanley</p> <p>LA: Paul Weiss Rifkind Wharton & Garrison; Skadden Arps Slate Meagher & Flom; <i>Advising FA:</i> White & Case</p>	68.5
18-May-14	AT&T Inc	USA	DIRECTV	USA		<p>FA: Lazard</p> <p>LA: Arnold & Porter; Sullivan & Cromwell; <i>Advising FA:</i> Debevoise & Plimpton</p>	<p>FA: Bank of America Merrill Lynch; Goldman Sachs</p> <p>LA: Harris Wiltshire & Grannis; Jones Day; Simpson Thacher & Bartlett; Weil Gotshal & Mange; <i>Advising FA:</i> Cleary Gottlieb Steen & Hamilton; Shearman & Sterling</p>	65.5
05-Apr-14	Altice SA	Luxembourg	SFR SA	France	Vivendi SA	<p>FA: Barclays; Credit Agricole ; Credit Suisse; JPMorgan; Morgan Stanley; Perella Weinberg Partners; UBS Investment Bank</p> <p>LA: Cleary Gottlieb Steen & Hamilton; Cotty Vivant Marchisio & Lauzeral; Franklin Societe d'Avocats; Mayer Brown; Nabarro & Hinge; Ropes & Gray; <i>Advising FA:</i> Latham & Watkins; Sullivan & Cromwell</p>	<p>FA: Bank of America Merrill Lynch; BNP Paribas; Citi; Deutsche Bank; Lazard; Societe Generale</p> <p>LA: Allen & Overy; August & Debouzy; Bird & Bird; Bredin Prat; Cabinet Bompoin; Freshfields Bruckhaus Deringer; Veil Jourde</p>	23.3
19-Feb-14	Facebook Inc	USA	WhatsApp Inc	USA	Sequoia Capital	<p>FA: Allen & Company</p> <p>LA: Weil Gotshal & Manges</p>	<p>FA: Morgan Stanley</p> <p>LA: Fenwick & West; Latham & Watkins</p>	16.0
27-Jan-14	Liberty Global Plc	United Kingdom	Ziggo BV (71.5% Stake)	Netherlands		<p>FA: Bank of America Merrill Lynch; Morgan Stanley</p> <p>LA: Allen & Overy; Loyens & Loeff; Ropes & Gray</p>	<p>FA: ABN AMRO Bank; JPMorgan; Perella Weinberg Partners</p> <p>LA: Freshfields Bruckhaus Deringer; Shearman & Sterling; Stibbe; <i>Advising FA:</i> NautaDutilh; Simpson Thacher & Bartlett</p>	11.0

League tables for advisors on TMT deals

Financial advisor league table by value

Rank H1 2014	Rank H1 2013	House	Value (US\$bn)	Deal count	% Value change
1	11	Morgan Stanley	164.3	25	596.6%
2	5	Bank of America Merrill Lynch	148.3	19	338.0%
3	2	JPMorgan	136.5	16	147%
4	8	Barclays	113.1	14	265.8%
5	10	Citi	104.5	9	325.3%
6	1	Goldman Sachs	99.5	25	57.3%
7	30	Lazard	93.3	14	9,526.6%
8	48	Allen & Company	85.6	7	19,168.5%
9	-	Paul J. Taubman	75.8	3	-
10	94	Centerview Partners	72.9	2	75859.4%

Financial advisor league table by deal count

Rank H1 2014	Rank H1 2013	House	Value (US\$bn)	Deal count	Deal count change
1	8	Morgan Stanley	164.3	25	15
2	1	Goldman Sachs	99.5	25	10
3	5	Credit Suisse	49.0	23	12
4	31	Deutsche Bank	53.0	20	16
5	7	Bank of America Merrill Lynch	148.3	19	9
6	3	KPMG	6.0	18	4
7	2	JPMorgan	136.5	16	2
8	4	PwC	3.0	15	2
9	10	Barclays	113.1	14	5
10	6	Lazard	93.3	14	3

Legal advisor league table by value

Rank H1 2014	Rank H1 2013	House	Value (US\$bn)	Deal count	% Value change
1	13	Simpson Thacher & Bartlett	173.7	21	678.4%
2	5	Weil Gotshal & Manges	114.1	23	256.9%
3	21	Sullivan & Cromwell	101.2	8	564%
4	42	Cleary Gottlieb Steen & Hamilton	94.7	8	4,435.6%
5	45	Willkie Farr & Gallagher	86.1	16	4,465.3%
6	7	Shearman & Sterling	86.1	19	198%
7	24	Skadden Arps Slate Meagher & Flom	86.0	24	657.4%
8	6	White & Case	84.8	13	170%
9	3	Davis Polk & Wardwell	83.9	16	143%
10	31	Jones Day	76.4	25	1,707%

Legal advisor league table by deal count

Rank H1 2014	Rank H1 2013	House	Value (US\$bn)	Deal count	Deal count change
1	10	Fenwick & West	22.0	38	21
2	5	Kirkland & Ellis	19.8	34	11
3	8	Cooley	2.7	34	16
4	1	Wilson Sonsini Goodrich & Rosati	5.1	31	0
5	4	DLA Piper	10.5	30	4
6	2	O'Melveny & Myers	5.1	30	0
7	7	Jones Day	76.4	25	6
8	12	Skadden Arps Slate Meagher & Flom	86.0	24	8
9	9	Weil Gotshal & Manges	114.1	23	6
10	3	Latham & Watkins	25.6	22	-5

Notes

All data is based on announced transactions over US\$ 5m. Deals with undisclosed deal values are included where the target's turnover exceeds US\$ 10m. Deals where the stake acquired is less than 10% will only be included if their value is greater than US\$ 100m. Activities excluded include property transactions and restructurings where the ultimate shareholders' interests are not changed.

Criteria

- M&A Trend: Based on the dominant sector of the target being Technology, Media & Telecommunications and the dominant geography of the target company being Global unless otherwise stated. Excludes lapsed and withdrawn bids.
- Top Announced Deals: Based on the dominant sector of the target company Technology, Media & Telecommunications. FA refers to Financial Advisor and LA refers to Legal Advisor. Excludes lapsed and withdrawn bids.
- League Tables: Based on the dominant sector of the target, bidder or seller company being Technology, Media & Telecommunications. The financial advisor tables exclude lapsed and withdrawn bids. The legal advisor tables include lapsed and withdrawn bids.
- All values are in US\$.
- Mega-deal refers to deals above US\$ 5bn.
- 2014/2013 refers to the period 01-Jan-2014/2013 to 30-Jun-2014/2013

All data correct as of **03-Jul-2014**

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