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## QUOTED

*Large pharmaceutical mergers are “intermediate steps toward later splits.”*

— Novartis Chairman Joerg Reinhardt

## WEEK IN NUMBERS

- **11.1x**: Multiple of Ebitda **Wisconsin Energy** is paying for **Integrys**
- **7.7x**: Median Ebitda multiple for Integrys comps
- **3.6%**: Odds a company will be acquired if CEO is younger than 53 (page 6)
- **5.8%**: Odds if the CEO is 64-66

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## EDITOR'S CORNER

### Offshore Cash Is Begging to Be Spent

BY JEFFREY MCCRACKEN, MANAGING EDITOR, GLOBAL M&A AND IPOS



Yes, Mr. Banker, you may want to thank the IRS for this year's surge in M&A activity. At least a little.

Two quirks in the tax code continue to drive big-time deal activity. One, the desire of large companies like **AbbVie Inc.** and **Medtronic Inc.** to lower their tax rates by merging with foreign companies has received a slew of attention.

The second reason is less discussed but drives even more deals: the stash of profits stockpiled offshore by U.S. companies. They must choose between paying up to 35 percent to the U.S. Treasury if they repatriate the cash or deploy that capital abroad.

A Bloomberg analysis of 307 company securities filings found almost \$2 trillion in offshore cash, and the pile keeps growing — as do the M&A opportunities. **Alcoa Inc.**'s \$2.35 billion deal for British aerospace components maker **Firth Rixson Ltd.** June 26 is the latest example. Alcoa had \$5 billion in offshore cash as of Dec. 31.

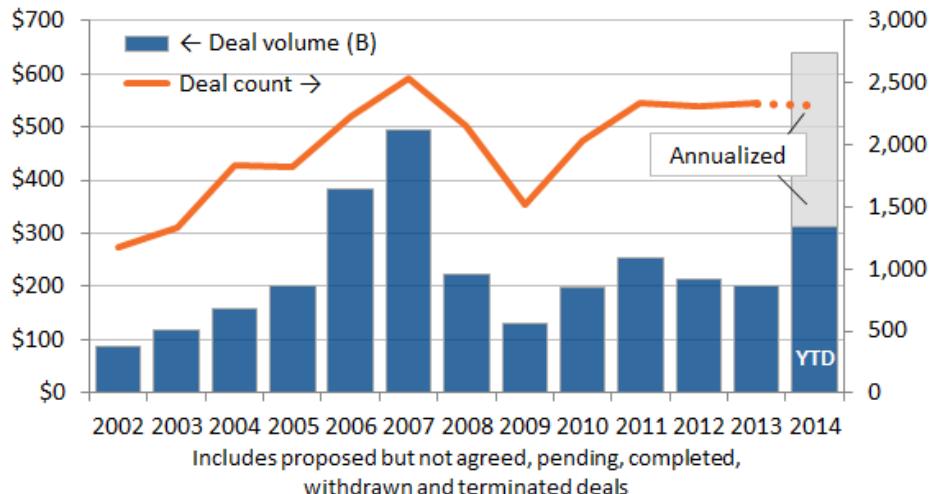
**General Electric Co.** will be able to tap into \$110 billion offshore cash for its \$17.1 billion purchase of **Alstom SA**'s thermal and renewable power businesses. **Pfizer Inc.** has \$69 billion if it opts to revive its run at **AstraZeneca Plc** or someone else.

While some of the biggest piles are held by technology companies (see table on page 2), which find few suitable large foreign targets, **Wal-Mart Stores Inc.**, **Johnson & Johnson** and **PepsiCo Inc.** also have billions they can tap for foreign deals.

Including proposed but not agreed deals by U.S. companies for foreign targets as well as withdrawn offers like Pfizer's, outbound U.S. acquisitions were on pace in the first half to reach \$638 billion. That would be the second highest figure after 2007 since Bloomberg began compiling M&A data in the late 1990s. Plainly the appetite to buy overseas is strong.

So next year when Wall Street bonuses are paid out and the IRS asks for its share, bankers shouldn't grumble so much.

### Overseas Acquisitions by U.S. Companies Have Surged



Source: Bloomberg MA<GO>

BloombergBriefs.com

## INSIGHT: OVERSEAS CASH

### American Companies Retain Profits Overseas That Can Be Used for Acquisitions

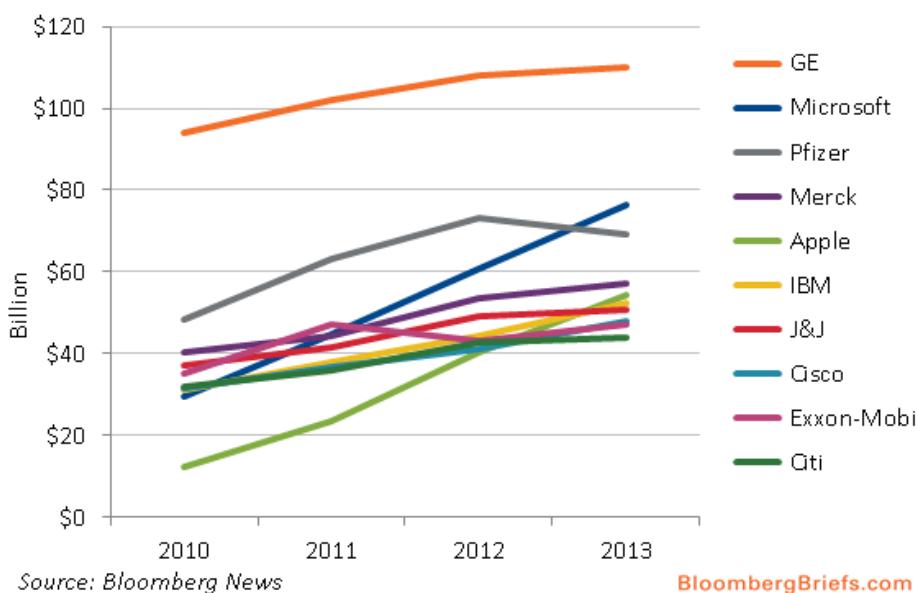
#### Biggest Companies Steadily Accumulate More Cash



American companies continue to amass greater and greater sums of unrepatriated profits — cash they retain in overseas subsidiaries. The 70 companies in the S&P 500 with the largest cash piles held \$1.55 trillion offshore at the end of their 2013 fiscal years, according to an analysis by Bloomberg News. That was an increase of 56 percent from the end of the 2010 fiscal year.

Companies only report the figures at the end of their fiscal years, so the date for which the figures are reported varies company to company.

#### Top 10 Offshore Cash Hordes Have Risen Steadily



The rise in unrepatriated profit can be seen across the 10 companies with the largest sums. In the three years from 2010 to 2013, offshore cash rose at each company each year, with only two exceptions: **Johnson & Johnson** saw its figure fall in 2012, the year it bought Synthes for \$18 billion, and **Pfizer Inc.**'s total fell last year.

MA SU<GO>: TOP M&A BUYERS IN EUROPE:

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**INSIGHT...**

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**Some Companies Spend Offshore Cash on Acquisitions**

Companies that do not want to repatriate their offshore profits to the U.S. and pay corporate income tax on the sums can invest the money outside the U.S. In the past 18 months, only a fraction of top companies' offshore cash has been put to use in this way.

**Overseas Dealmaking by Most Cash-Rich U.S. Companies Since 2013**

COMPANY	CASH AT FYE 2013 (\$B)	OVERSEAS ACQUISITIONS SINCE JANUARY 2013	VALUE (\$B)	NOTES
General Electric	110.0	Alstom thermal and renewable power units	17,100	Also smaller acquisitions in Canada, India, Taiwan and Britain
Microsoft	76.4	Nokia phones business	7,165	-
Pfizer	69.0	AstraZeneca	124,564	Dropped bid after target rejected it
Merck	57.1	Idenix	3,585	Also talked to Novartis about \$5 billion animal health and vaccines units
Apple	54.4	-	-	Talking to Renasas re LCD chip unit. Looked at Nortel patent portfolio last year.
IBM	52.3	-	-	-
Johnson & Johnson	50.9	-	-	-
Cisco	48.0	TailF Systems	175	Most of 38 acquisitions were in U.S.
Exxon	47.0	-	-	Acquired various oil and gas assets overseas
Citigroup	43.8	-	-	Has been primarily a seller
Procter & Gamble	42.0	-	-	-
Google	38.9	Waze	969	-
Hewlett-Packard	38.2	-	-	Few acquisitions since big writedown on \$10.3 billion purchase of U.K.-based Autonomy in 2011
PepsiCo	34.1	-	-	-
Oracle	33.1	-	-	-
Chevron	31.3	-	-	Acquired various oil and gas assets overseas
Coca-Cola	30.6	-	-	-
JPMorgan	28.5	-	-	-
Amgen	25.5	-	-	-
United Technologies	25.0	-	-	Small acquisitions in Israel, France and the Netherlands

Sources: Bloomberg MA&lt;GO&gt; (deals); Bloomberg News (cash)

Note: Includes proposed but not agreed transactions, plus pending and completed deals announced since January 2013.

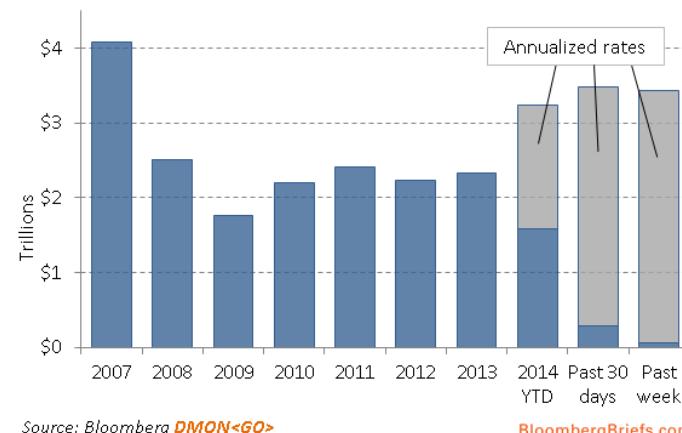
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## WEEK IN REVIEW: M&A TRENDS

COMPILED BY JOHN E. MORRIS

### Spate of Big Deals Across Industries Kept M&A Pace Ahead of Recent Years' Levels

#### Pace of Dealmaking

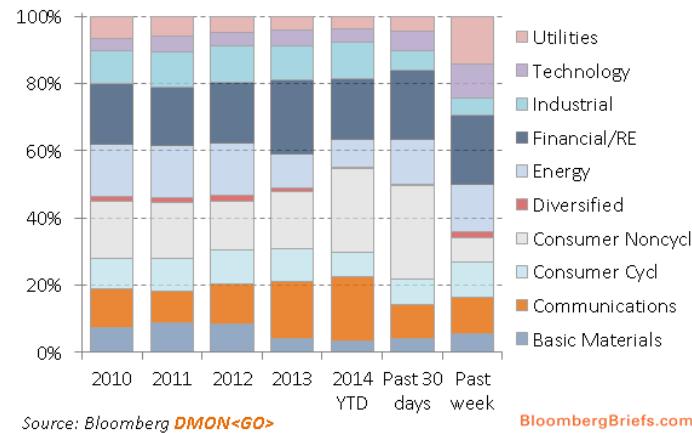


Deal announcements last week continued to run at a pace not matched since the average weekly level in 2007.

Ten \$1 billion-plus deals were announced last week, and seven of those exceeded \$2 billion. There were two worth more than \$5 billion.

The week was capped with the announcement late Friday that Mexican billionaire **Carlos Slim**'s holding company will purchase **AT&T Inc.**'s 6.3 percent stake in Slim's **America Movil SAB de CV** for \$5.6 billion.

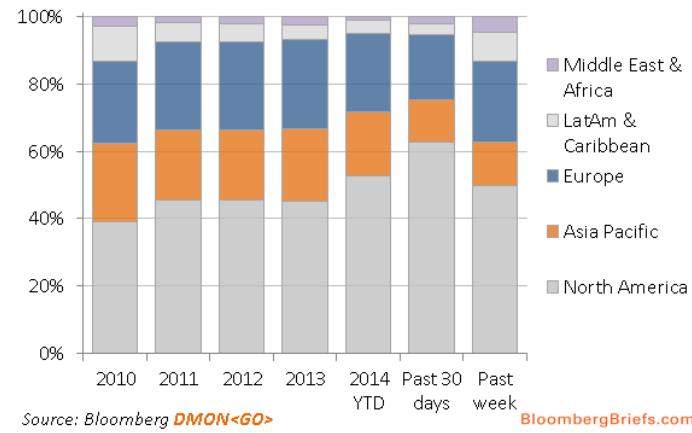
#### Sector Breakdown



Last week's deal list was topped by **Wisconsin Energy Corp.**'s \$8.9 billion agreement to buy **Integrys Energy Group Inc.**, another electric utility. **Oracle Corp.**'s \$4.6 billion deal for **Micros Systems Inc.** lifted technology's share of the total.

The London Stock Exchange Group Plc's \$2.7 billion agreement to buy **Frank Russell Co.**, which produces investment indexes, boosted the share for financials.

#### Regional Breakdown



Europe saw two deals worth more than \$1 billion: **Alcoa Inc.**'s \$2.85 billion takeover of U.K. aerospace-components maker **Firth Rixson Ltd.** and the \$1.68 billion acquisition of oil field services provider **Kentz Corp. Ltd.**, based in the Channel Islands, by Canada's **SNC-Lavalin Group Inc.**

The regional figures are based on the location of the target.

## WEEK IN REVIEW: TOP DEALS

### Largest Deals Announced June 21-June 27

DATE	TARGET	INDUSTRY	COUNTRY	ACQUIRER	VALUE (\$M)
6/23	Integrys Energy	Electric	US	Wisconsin Energy	8,929
6/27	America Movil (AT&T's 8.3% stake)	Communications	MX	Inmobiliaria Corsa (Carlos Slim)	5,566
6/23	MICROS Systems	Computers	US	Oracle	4,614
6/25	Nabors' completion & production unit	Oil & Gas Drilling	US	C&J Energy Services	2,860
6/26	Firth Rixson	Iron/Steel	GB	Alcoa	2,850
6/26	Frank Russell Co	Investment Companies	US	London Stock Exchange	2,700
6/23	Barwa Commercial Avenue WLL	Real Estate	QA	Qatar Investment Authority	2,478
6/27	Bighorn assets in the Alberta Deep Basin	Oil & Gas Drilling	US	Jupiter Resources	1,870
6/23	Kentz	Oil&Gas Services	JE	SNC-Lavalin Group	1,680
6/26	Auxilium Pharmaceuticals	Pharmaceuticals	US	QLT	1,319
6/23	GE Money Bank	Banks	SE	Bancontander	952
6/21	GE signaling business	Industrial	US	Alstom	818
6/27	58.com	Internet	CN	Tencent Holdings	736
6/23	GardenHills	Pharmaceuticals	RU	Abbott Laboratories	635
6/27	Sound Inpatient Physicians	Software	US	Fresenius Medical Care, TowerBrook Capital	600
6/27	Meyer Steel Structures	Steel producers	US	Trinity Industries	600
6/26	Ulthera	Healthcare-Products	US	Merz Pharma GmbH	586
6/24	DAVA Pharmaceuticals	Pharmaceuticals	US	Endo International	575
6/24	Acciona Energia Internacional	Diversified Finan Serv	ES	KKR & Co	567
6/21	Dropcam	Computers	US	Google	555
6/25	DBApparel	Apparel	FR	Hanesbrands	546
6/24	Cegedim information systems and CRM units	Medical information	FR	IMS Health	523
6/23	Polygon residential homebuilding business	Bldg-Residential	US	William Lyon Homes	520
6/23	Yantai Taihai Manoir Nuclear Equipment	Metal Fabricate/Hardware	CN	Sichuan Danfu Compressor	502
6/25	Masin-AES	Holding Companies-Divers	SG	Electricity Generating PCL	453

Source: Bloomberg MA<GO>

\* Pending and completed M&A and investment transactions announced or amended in the past week. Real estate assets are excluded.

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## BY THE NUMBERS

### Companies Are More Likely to Be Acquired If Their CEOs Are 65

BY JOHN E. MORRIS

Forget the valuation analysis. Forget the screens. If you want to know which companies are likely to be acquired, you may want to look at the age of the chief executive officer.

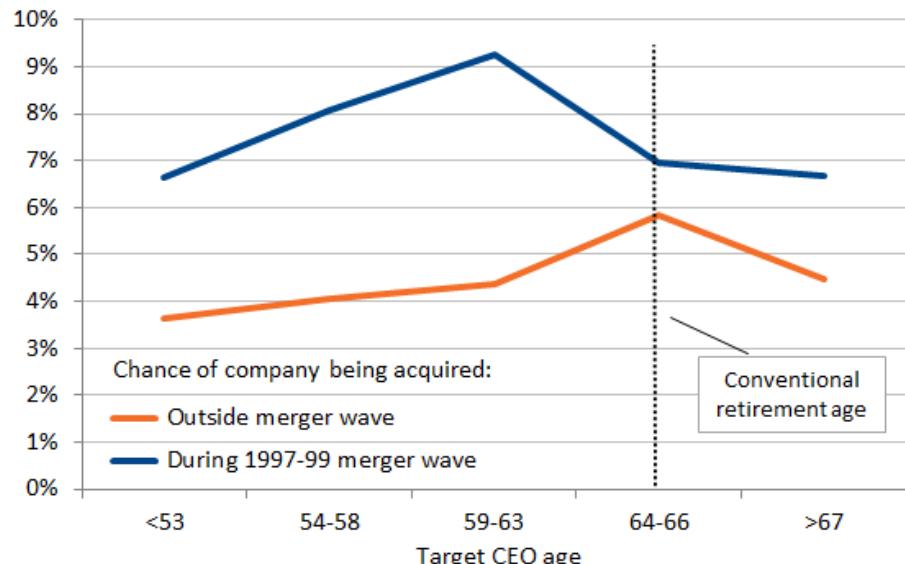
That's the thrust of new research, which finds that the odds of a takeover bid spike sharply if the CEO is 65. Not 63, not 67, but in the three-year band straddling the conventional retirement age of 65.

The authors, Dirk Jenter of Stanford University and Katharina Lewellen of the Tuck School at Dartmouth University, write that it's not a statistical fluke and that chief executives at that juncture may be more open to selling out. The authors also suggest that acquirers, particularly private equity firms, may consciously target companies with aging managers.

The pattern emerged from a survey of merger activity from 1987 through 2007. The exception was the M&A boom of 1997-99, when companies with CEOs between 59 and 63 were the most likely to be acquired.

The age-65 spike is not nearly as pronounced for companies with better-than-average corporate governance, measured on several scales, the study found. That suggests "agency conflicts between shareholders and target

#### Odds of a Takeover by Age of Chief Executive



Source: *Dirk Jenter and Katharina Lewellen*

BloombergBriefs.com

CEOs are the explanation for the age-65 effect," Jenter and Lewellen say. In other words, the CEO's interests may trump those of shareholders. Jenter and Lewellen speculate that younger CEOs may fear a takeover will be career-ending, as other research suggests it often is.

Happily for shareholders, the study found that premiums were no lower for companies with 65-year-old CEOs. In fact, premiums were slightly higher.

The study is titled "CEO Preferences and Acquisitions" and is available online from Stanford: <http://stanford.io/1mnoY3L>

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## BUYERS AND SELLERS

WHAT COMPANIES ARE SAYING ABOUT ACQUISITIONS AND DIVESTITURES

### Schlumberger Will Maintain M&A Spend; Revenue Drop Won't Slow Lindsay Search

COMPILED BY JOHN E. MORRIS

#### Schlumberger Ltd.

The oil services company expects to continue to spend \$1 billion or more a year on acquisitions, Chief Executive Officer **Paal Kibsgaard** said at the company's annual investor conference on June 25. Remarks on this page have been edited and condensed.

**Kibsgaard:** Given the breadth of our commercial offering, M&A will continue to play a key role in how we drive technology innovation and integration.

#### Q: Are you seeing a potential pick up in acquisitions, R&D intensity?

**A:** There are no plans on big acquisitions. This is a \$140 billion company and close to \$45 billion last year of revenue, so you've opportunities that come up all the time, and we like to keep our dry powder for those.

We've been generally spending about \$1 billion, \$1.5 billion a year, mainly smaller, some extra things like taxing this year. We will continue to grow the

company, but it's only a complementary part, because our main goal is still organic. When there are opportunities to fill in the niche technologies to complete the portfolio, we will pursue them.

#### Lindsay Corp.

The irrigation equipment maker has a solid pipeline of potential acquisitions, Chief Executive Officer **Richard Parod** said on a June 25 earnings call. Revenue for the last two quarters was down from the corresponding periods last year.

**Joe Mondillo, Sidoti & Co.: In terms of your acquisition strategy, are there different viewpoints that you take in a downturn versus the very robust period that we've seen in the last few years? Is there any sort of chance that we see a pickup of acquisitions?**

**Parod:** Strategically, it doesn't change anything that we plan or do from an acquisition standpoint. We're still looking for water-related acquisitions and acquisitions that are synergistic to our core business and build on differentiation

and continue to build our offering from a total solution standpoint. Now, from an opportunistic standpoint, this may create some new opportunities because the markets are little softer in some areas. But outside of that, it doesn't really change anything from a strategic level in terms of acquisitions.

**Chris Shaw, Monness Crespi Hardt: On the deals pipeline, is it getting bigger or smaller or are you just finding problems with getting the right evaluation?**

**Parod:** I would say that the pipeline is very active. We have a lot of potentials that we're looking at. And as I commented last quarter, many of them are smaller than we'd like to see. That's still the case. They're primarily smaller deals that add in nicely and there is a synergy with our existing business. In some cases, price expectations are challenging; in many, that's not the case. So, I think the pipeline is as good as it's ever been, in fact probably I'd characterize it more as continually increasing.

*continued on next page...*

### More Executives on M&A Plans This Week

SECTOR	DATE	COMPANY	WHAT THEY SAID
INDUSTRIAL	June 26	Nabors Industries Ltd.	Any acquisitions are likely to be in the drilling services or rigs sectors, the CEO of the drilling contractor said on a conference call. Link on terminal: <a href="#">NSN N7S8T41ATLTR&lt;GO&gt;</a>
PHARMACEUTICALS	June 26	Concordia Healthcare Corp.	The Canadian drugmaker held talks this spring with a U.S. company interested in a tax-inversion merger, its CEO said in an interview. The company is "undoubtedly a target," and the company is "as good as it's going to get" as an inversion candidate. Link: <a href="#">NSN N7S4YN6S9734&lt;GO&gt;</a>
INDUSTRIAL	June 26	Rexam Plc	The drinks can maker expects to make acquisitions in the Middle East and Central America after purchasing control of a Saudi Arabian can maker in February, its CEO said in an interview. Link: <a href="#">NSN N7RVG46VDKI5&lt;GO&gt;</a>
SERVICES	June 26	Bilfinger SE	The German builder transforming itself into a factory and property services provider still has \$955 million for acquisitions after two recent purchases in the U.K., its CEO said in an interview. Link: <a href="#">NSN N7RSJX6VDKHX&lt;GO&gt;</a>
FINANCIAL	June 25	Helvetia Holding AG	The Swiss insurer sees growth abroad through acquisitions, its CEO said in an interview. Link: <a href="#">NSN N7PU5W6KLVRU&lt;GO&gt;</a>
FOOD	June 24	Bright Food Group Co.	Chinese food company could pay up to \$1.6 billion for domestic or overseas companies and isn't interested in deals that are "too small," its chairman said in an interview. Link: <a href="#">NSN N7PXP6K50Y2&lt;GO&gt;</a>
FINANCIAL	June 23	PayPal Inc.	The Brazilian unit of the online payments processor would like to make acquisitions in Brazil, the regional head said in an interview. Link: <a href="#">NSN N7MY9C6TTDS&lt;GO&gt;</a>
INDUSTRIAL	June 23	Valeo SA	The French auto parts maker prefers organic growth to acquisitions, its CEO said in an interview. Link: <a href="#">NSN N7LWDP6K50YE&lt;GO&gt;</a>

## BUYERS AND SELLERS

*continued from previous page...*

### Jarden Corp.

The branded consumer products company, founded in 2001, was built through acquisitions and now has a market valuation of \$7.5 billion. Acquisitions are mostly opportunistic at this stage in Jarden's development, Chief Executive Officer **James E. Lillie** said at the Oppenheimer Consumer Conference in Boston June 24. The most recent purchase was Yankee Candle Co. Inc. in October, Jarden's largest ever at \$2.74 billion. Other brands include Coleman, Rawlings, Mr. Coffee, Sunbeam and First Alert.

Geographically, the revenue mix is about 60 percent, 40 percent domestic versus international. As we look to acquisitions and we look at where our cash sits, we look to use our cash on M&A opportunities as they may pop up internationally to help expand that base or help create that growth opportunity for one sister company to go into another.

Somebody asked me earlier today, from an M&A standpoint, aren't you worried about all the prices being paid? I said to that person, if we had this conversation a year and half ago, you would have made the same kind of statement. Jarden doesn't need to do deals to make its numbers, so we're very happy to sit in the weeds, grow the business organically and seize an opportunity when it presents itself to us as we did with the Yankee deal. As you look back, we tend to do a big transaction every three years or so. That's more coincidental than any real strategic plan behind that. But these have been meaningful transactions that have been accretive to the business, have been done at very fair multiple prices and have been additive to the overall portfolio.

If you look across the 25 businesses of Jarden, within the three silos [branded consumables, consumer solutions, outdoor solutions], all the business are doing very well. I like to say they're like your children: I've got some that are getting As, that should get As, I got others that are getting As that I thought were going to get Bs, and I'm pretty proud of them. There are others that are getting Cs and I'm pretty happy with that performance, considering the climate

*"Like all children, some [of our businesses] get sick and others have to take out the garbage even when it's not their turn, and that tends to cycle itself through, but we love our children and wouldn't give up on any of them."*

— Jarden CEO James Lillie

they're operating in. And, at the end of the day, like all children, some get sick and others have to take out the garbage even when it's not their turn, and that tends to cycle itself through, but we love

our children and wouldn't give up on any of them.

We've never paid above 9 times [Ebitda] for any transaction. As I said earlier, we haven't needed to do a deal to make our numbers. So these transactions represent about 10 percent of revenue at the time of acquisition. Our focus remains driving consistent profitable organic growth. We're always looking for an opportunistic deal to do. We're not necessarily focused on one segment versus another at the moment. At the moment, we're looking at more tuck-in acquisitions than transformative deals, but that's just a reflection of how the market is today as opposed to anything else.

**Q: Would you ever look at selling parts of your business, given what multiples are these days?**

**Lillie:** It's a good question. As I said earlier, I look at the 25 businesses as our children. We're not necessarily looking to put any of them up for adoption. But I think what we wouldn't do is sell off a brand like Mr. Coffee or Rawlings. If somebody wanted to have an intelligent conversation about one of the silos, otherwise it becomes very disruptive. There was a consumer products company a few years ago that talked about strategically reviewing its portfolio of brands. All that does is light up LinkedIn and turn tradeshows into recruiting fairs, and make people nervous and give competitors an opportunity to talk about certain things.

We're not actively pursuing it, but obviously we would have an intelligent conversation if the phone rang.

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## Q&A

### Seeds of More Energy M&A Lie in Talks Now Underway, Says Credit Suisse's Abib

The ready availability of financing and the robust IPO market have constrained merger activity in the energy sector, **Osmar Abib**, global head of oil & gas for **Credit Suisse AG**, told Bloomberg's Matthew Monks. Many discussions are underway in the sector, which may result in higher deal flow, he said.

**Q: Is some of the momentum building across the broader M&A market coming into the energy sector, or are things going to just remain tempered from the historical levels we saw a few years ago?**

**A:** I think M&A activity has been high, and remains high in terms of M&A discussions. What's been low has been the number of announced deals. So the difference is there are lots of discussions that happen that never get to the announced stage. I think we are now seeing, more broadly, companies getting to the announced and completed stage. I think there has always been a high level of discussions in terms of trying to stimulate M&A deals. That is because people are focused on growth, both organic and via acquisitions.

**Q: What is the hindrance to bringing deals together on the exploration side? Is it commodity prices? Is it simply a matter of some of the big guys having all the assets that they need at the moment?**

**A:** I think it's hard to generalize, but the concern about commodity prices is always a potential impediment in the sense that one party might have a more aggressive or more conservative view in terms of their commodity price outlook, which would impact their forecasting and their view of value. So that's clearly an issue. And it has been proven by recent geopolitical events, whether it is Ukraine or what is happening in Iraq and Syria today. Those will all have an impact on commodity prices and as a result on the global economy. People have been trying to come up with deals and relative valuations while they are trying to come to a consensus view on long term commodity price forecasts, which is

difficult to do, given that the short-term commodity price can be impacted by a number of things and can move around quite quickly.

**Q: Most of the energy M&A I've covered for the last two years has been the acquisition and divestiture of assets rather than corporate takeovers. Encana going into the Eagleford. Devon doing likewise. Do we expect that to continue to be the dominant trend for the next 18 months or so?**

**A:** The benefit of those types of deals is they are more of the precise additions that the strategic buyers are looking for — smaller, more focused buy-side opportunities. In theory, the asset market will provide that versus buying a bigger, more complicated company. That should be a healthy mix of the overall deal flow, but I think you're going to see corporate M&A as well. There are lots of discussions; it's just a matter of them reaching the right point at which there is a deal to be had.

The other thing that is a potential impediment to M&A activity is that these companies have lots of access to capital in terms of potential sellers. They have the opportunity to raise debt quite easily, given a pretty strong leveraged finance market today. They also have the opportunity to go public, because it's a pretty healthy IPO market. And then they also have access to other pockets of equity capital. There is a very healthy, robust interest by the private equity universe in the oil and gas sector today.

Private equity, sovereign wealth funds, pension funds — a lot of different pockets of capital that have shown interest in investing in opportunities in the oil and gas sector.

**Q: Is a \$50 billion energy takeover in the realm of possibility now?**

**A:** There are clearly deals that size or larger happening in other industry sectors. There's no reason it wouldn't happen in the oil and gas sector as well.

**Q: What's going on in the midstream space? Will we see substantial consolidation or just one-off situations?**

**A:** The midstream sector has very robust access to capital, across all the various alternatives. There is the possibility of consolidation in the sense that a number of companies have gone through the bulk of their organic opportunities. There are companies in the midstream space that trade at very nice multiples, and I think they are perfectly willing to use that as part of their acquisition strategy. And also sellers are at a point at where values could be attractive to them.

**Q: Anything else you expect to see in energy M&A in the second half?**

**A:** I believe there will continue to be a strong amount of interest from acquirers looking for appropriate targets. With a relatively good oil price environment that we're in and an attractive financing market, I think there will remain strong interest in pursuing M&A, by both corporates and private equity.

## AT A GLANCE



**Education:** Chemical engineering, Rice University; MBA, Harvard Business School

**Career:** Joined Credit Suisse in 1995 and is a member of its Investment Banking Financing Committee

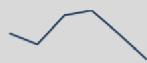
**Favorite recent movie:** Argo

**Best recent vacation:** Patagonia, Chile

## ACTIVIST SITUATIONS

COMPILED BY JOHN E. MORRIS

### Significant Actions by Activist Investors Last Week

COMPANY	ACTIVIST	WHAT HAPPENED	STOCK LAST WEEK
Manitowoc Co Inc/The	Relational Investors LLC	Relational disclosed an 8.5% stake June 26 and said it has met with management to press for a sale of company's food service equipment unit. Link on terminal: <a href="#">NSN N7SU4P6KLVSH&lt;GO&gt;</a>	
Allergan Inc/United States	Pershing Square Capital Management LP	Bill Ackman's fund said it had settled Delaware court action against Allergan, which agreed proxy solicitation will not trigger poison pill. Link: <a href="#">NSN N7U6HCMEQTXC&lt;GO&gt;</a>	
Roc Oil Co Ltd	Allan Gray Australia Pty	Activist urged shareholders June 27 to support change in Roc's constitution to force a vote on takeover of Horizon Oil. Roc said June 26 it had received a rival proposal to the Horizon deal. Link: <a href="#">NSN N7SXXI6JTSE8&lt;GO&gt;</a>	
Hologic Inc	Carl Icahn	Holder rights plan terminated five months early, company said in June 25 filing. Icahn was second biggest holder with 12% as of March 31. Link: <a href="#">NSN N7S30Q6TTDTW&lt;GO&gt;</a>	
Timmins Gold Corp	Sentry Select Capital Corp.	Miner sued activist June 25, saying it failed to disclose formation of a shareholder group. Sentry seeks to replace 6 of 8 directors. Link: <a href="#">NSN N7QLOV6JIJUR&lt;GO&gt;</a>	
Penn Virginia Corp	Soros Fund Management LLC	Activist filed 13D June 25 saying best path to increased shareholder value is a sale and expressed concerns about missteps by management. Link: <a href="#">NSN N7QK3J6KLVS9&lt;GO&gt;</a>	
Tata Motors Ltd	Knight Assets & Co.	Fund manager is pressing India's largest automaker to list its A shares in New York. Tata said it has no such plans. Link: <a href="#">NSN N7POM86TTDSE&lt;GO&gt;</a>	

## DEAL ARBITRAGE

TARGET	ACQUIRER	DEAL SIZE (M)	EXPECTED COMPLETION DATE	OFFER PER SHARE	TARGET PRICE	PAYMENT TYPE	SPREAD	PROJECTED ANNUALIZED RETURN	1W % CHANGE IN SPREAD	MAJOR MOVEMENT?
Allergan Inc/United States	Valeant Pharmaceuticals	54,200	08/15/14	179.34	173.95	C&S	3.10%	24.57%	-1.73%	
American Realty Capital Healthcare Trust Inc	Ventas Inc	2,305	12/31/14	11.08	10.78	C/S	2.78%	5.49%	1.51%	
Aspen Insurance Holdings Ltd	Endurance Specialty Holdings Ltd	3,225	08/29/14	47.74	45.12	C/S	5.81%	35.38%	1.35%	
Cleco Corp	Strategic and financial bidders	5,062	-	62.00	58.68	Cash	5.66%	-	-1.81%	
Covidien PLC	Medtronic Inc	46,236	-	96.49	90.43	C&S	6.70%	-	-0.08%	
DIRECTV	AT&T Inc	66,044	05/31/15	95.00	84.61	C&S	12.28%	13.37%	0.19%	
Forest Laboratories Inc	Actavis plc	20,781	07/01/14	99.85	99.77	C&S	0.08%	30.39%	-0.79%	
Gentiva Health Services	Kindred Healthcare	1,617	-	14.50	15.23	Cash	-4.79%	-	2.49%	▲
Hillshire Brands Co/The	Tyson Foods Inc	8,397	-	63.00	62.00	Cash	1.61%	-	0.13%	
Hittite Microwave Corp	Analog Devices Inc	1,956	07/21/14	78.00	77.96	Cash	0.05%	0.89%	0.30%	
Idenix Pharmaceuticals	Merck & Co Inc	3,585	09/30/14	24.50	24.12	Cash	1.58%	6.25%	-0.45%	
Integrys Energy Group	Wisconsin Energy	8,929	09/30/15	71.36	70.92	C&S	0.62%	0.49%	-	
LIN Media LLC	Media General Inc	2,460	03/31/15	30.03	27.65	C/S	8.61%	11.45%	-1.04%	
Loral Space & Communications Inc	Ontario Teachers' Pension Plan	1,689	-	80.00	72.03	Cash	11.06%	-	1.72%	
Measurement Specialties Inc	TE Connectivity Ltd	1,663	12/31/14	86.00	85.95	Cash	0.06%	0.12%	0.48%	
MICROS Systems Inc	Oracle Corp	4,614	12/31/14	68.00	67.72	Cash	0.41%	0.82%	-	
NPS Pharmaceuticals	Shire PLC	4,415		40.00	33.18	Cash	20.55%	-	3.72%	▲
OpenTable Inc	Priceline Group Inc	2,488	07/23/14	103.00	104.01	Cash	-0.97%	-15.41%	0.64%	
Pepco Holdings Inc	Exelon Corp	12,136	09/30/15	27.25	27.40	Cash	-0.55%	-0.44%	0.18%	
Pinnacle Foods Inc	Hillshire Brands	6,556	09/30/14	49.00	32.92	C&S	48.85%	193.79%	0.55%	
Protective Life Corp	Dai-ichi Life Insurance Co	5,708	-	70.00	69.40	Cash	0.86%	-	-0.01%	
Questcor Pharmaceuticals Inc	Mallinckrodt PLC	5,436	09/30/14	100.10	91.27	C&S	9.67%	38.37%	1.93%	
Riverbed Technology	Elliott Management	3,133	-	21.00	20.43	Cash	2.79%	-	-0.05%	
Safeway Inc	Albertsons LLC	9,129	12/31/14	40.00	34.29	Cash	16.65%	33.03%	-0.90%	
Susser Holdings Corp	Energy Transfer Partners LP	2,094	09/30/14	81.91	80.60	C/S	1.63%	6.45%	-0.09%	
Texas Industries Inc	Martin Marietta Materials Inc	2,687	07/02/14	92.56	92.55	Stk	0.01%	2.17%	-0.15%	
Time Warner Cable Inc	Comcast Corp	68,405	12/31/14	155.62	147.84	Stk	5.26%	10.44%	-0.40%	
tw telecom inc	Level 3 Communications	7,172	12/31/14	40.79	40.33	C&S	1.14%	2.28%	-0.02%	
UNS Energy Corp	Fortis Inc/Canada	4,271	12/31/14	60.25	60.40	Cash	-0.25%	-0.49%	-0.12%	

Source: Bloomberg MARB <GO> North American deals

\*Spread moved by more than 2% of price target: ▲ = up, ▼ = down