

	<h2>New Financing Considerations</h2> <p>Sarah Jones</p> <p>10 March 2010</p>
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<b>...Goals</b>		
<p><b>Buyer</b></p> <p><i>cash at of closing</i></p>	<p><b>Lender</b></p> <p><i>security of repayment</i></p> <p><i>ability to syndicate</i></p>	<p><b>Seller</b></p> <p><i>certainty closing</i></p>
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		<small>Date</small>   2

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<b>...Factors</b>	
<ul style="list-style-type: none"> <li>■ Bargaining power</li> <li>■ Deal specifics</li> <li>■ Availability of financing</li> </ul>	
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### ...Market

- M&A activity steadily increased from 2003-2007
- Credit crunch 2007– shut down financing markets
- 2009 muted activity with pick up Q4
- P/E transactions declined more than strategic buyer transactions

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### ...Effect

Pre 2005	2005-July 2007	July 2007 →
Buyer power	Seller power Buyer power	Lender power

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### ...Trends

- No financing “out”
- No or limited financing conditions
- Reverse break-up fees
- Reasonable efforts to obtain financing
- Specific performance

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**...The lenders response**

- Enhanced flex provisions
- Tightening of conditions
- Scrutiny of acquisition documents
- Limitation of liability

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**...The future**

- Strategic vs private equity
- Continued seller pressure for certainty
- Continued lender leverage
- Alternative means of raising finance

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