

## Deal of the Week: FedEx to Buy TNT Express for \$4.8B

Announcement Date	<ul style="list-style-type: none"> <li>April 7, 2015</li> </ul>	
Acquirer	<ul style="list-style-type: none"> <li>FedEx Corporation (NYSE: FDX)</li> </ul>	
Acquirer Description	<ul style="list-style-type: none"> <li>Provides transportation, e-commerce, and business services in the United States and internationally</li> <li>Founded in 1971 and headquartered in Memphis, Tennessee</li> </ul>	
Acquirer Financial Statistics	<ul style="list-style-type: none"> <li>Mkt Cap: \$48.7 billion</li> <li>EV: \$51.0 billion</li> <li>LTM Revenue: \$47.2 billion</li> </ul>	<ul style="list-style-type: none"> <li>LTM EBITDA: \$6.8 billion</li> <li>LTM EV / Revenue: 1.1x</li> <li>LTM EV / EBITDA: 7.6x</li> </ul>
Target Company	<ul style="list-style-type: none"> <li>TNT Express N.V. (OTC: TNTEY)</li> </ul>	
Target Description	<ul style="list-style-type: none"> <li>Provides express delivery services to businesses and consumers worldwide</li> <li>Founded in 1946 and headquartered in Hoofddorp, the Netherlands</li> </ul>	
Target Financial Statistics	<ul style="list-style-type: none"> <li>EV: \$3.1 billion</li> <li>LTM Revenue: \$7.2 billion</li> <li>LTM EBITDA: \$146.7 million</li> </ul>	<ul style="list-style-type: none"> <li>LTM EV / Revenue: 0.4x</li> <li>LTM EV / EBITDA: 21.2x</li> </ul>
Price / Consideration	<ul style="list-style-type: none"> <li>Price: \$4.8 billion</li> </ul>	<ul style="list-style-type: none"> <li>Consideration: Cash</li> </ul>
Acquirer Advisor	<ul style="list-style-type: none"> <li>JPMorgan Chase</li> </ul>	
Target Advisor	<ul style="list-style-type: none"> <li>Goldman Sachs and Lazard</li> </ul>	
Rationale	<ul style="list-style-type: none"> <li>The deal would give FedEx access to TNT's extensive road delivery network and create a third strong player to compete in Europe with DHL Express of Germany and United Parcel Service</li> <li>Frederick W. Smith, the FedEx chairman and chief executive, said in a news release that the transaction would allow the company "to take advantage of market trends — especially the continuing growth of global e-commerce — and position FedEx for greater long-term profitable growth."</li> </ul>	
Deal Points	<ul style="list-style-type: none"> <li>FedEx would pay 8 euros a share in cash for each outstanding share of TNT, a 33% premium to the stock's closing price on Thursday, the last day it was traded before the Easter holiday in Europe</li> <li>FedEx said that it intended to finance the offer through cash as well as existing and new debt</li> <li>The agreement includes a €200 million breakup fee</li> </ul>	
Of Note	<ul style="list-style-type: none"> <li>TNT's executive and supervisory boards have unanimously recommended that shareholders accept the deal, which is expected to close in the first half of 2016</li> <li>The deal comes less than two years after European regulators blocked a bid for TNT by UPS over concerns that it would decrease competition and increase prices</li> <li>As part of the transaction, TNT has agreed to sell its airline operations, including its cargo services, because the European Commission restricts foreign ownership of airlines in Europe</li> </ul>	