

What a Difference a Year Makes: A Review of Acquisition Financing in 2010

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In a January 2010 memorandum titled “Acquisition Financing in 2010 - Trends from 2009”, we considered the state of acquisition finance in 2009 and drew some tentative conclusions about what 2010 might bring. One question left unanswered in that memorandum was whether the trends we observed in 2009 represented a new, post-crisis norm, or a temporary departure from the borrower-friendly standards established during the 2005 to 2007 LBO boom. That question appears to have been answered in 2010. While lending institutions were successful in defending some of the more important post-crisis changes to their financing documentation standards, mandate papers became more borrower-friendly in several key respects. In this memorandum, we look back on LBO financing activity in 2010, assess the extent to which trends we identified last year have held, and consider some new developments.

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