

FIRM NEWS

Activist Insight and Schulte Roth & Zabel Release *The Activist Investing Annual Review 2015*

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Shareholder activism grew significantly in 2014, with the number of companies targeted worldwide reaching 344, compared to 291 in 2013, according to *The Activist Investing Annual Review 2015*, published by Activist Insight, in association with SRZ. Released today, the review spotlights major trends in the past year, offers predictions for the year ahead, features interviews with key players in the activism market and analyzes statistics on global activist campaigns.

Marc Weingarten and David E. Rosewater, SRZ M&A partners and co-heads of the firm's global shareholder activism practice, contributed expert analyses to the review. They predict a continued boom in the number of activism campaigns in the U.S., along with a steadily increasing number in the U.K. and continental Europe.

In addition, the review features the annual "Activist Top Ten," with Starboard Value LP topping this year's list for its work on a number of high-profile campaigns, especially in winning shareholder support to replace the entire board at Darden Restaurants Inc. — owner and operator of more than 1,500 restaurants that generate approximately \$6.3 billion in annual sales. Activist Insight selected the 2014 list based on the number of campaigns, average size of targets, new investments and an annualized return formula. Last year, Carl Icahn took the top spot.

The "Activist Top Ten 2014" are:

1. Starboard Value LP2. Third Point LLC3. JANA Partners LLC4. Icahn Enterprises LP5. GAMCO Investors Inc.6. Elliot Management7. Pershing Square Capital Management LP8. Trian Partners9. ValueAct Captial10. Corvex Management LP

Josh Black, editor of the review commented, "Activist funds proved more numerous and more successful than ever in 2014. The continued growth in activist assets and in campaigns at U.S. companies, in particular, suggests that they are far from reaching the limits of their impact."

In the foreword to the review, Mr. Weingarten and Mr. Rosewater commented, "Thanks in part to the marked upswing in the number of activism campaigns in 2014, there is no reason to expect activism to slow in the year ahead. In fact, the area continues to grow and, bolstered by a steadily increasing flow of capital, is expected to intensify." The pair were named "Dealmakers of the Year 2014" by *The American Lawyer* magazine, which highlighted their work on the "fiercest shareholder activism campaigns and proxy contests in the market."

Indeed, SRZ clients continue to grab headlines. JANA Partners LLC successfully campaigned for PetSmart Inc. to sell itself, resulting in the chain being acquired by BC Partners for \$8.3 billion. Clinton Group Inc. and Casablanca Capital LP won a majority of the seats on the boards at ValueVision Media Inc. (now, EVINE Live Inc.) and Cliffs Natural Resources Inc., respectively, both of which subsequently replaced their CEOs. Sandell Asset Management Corp. secured four board seats at Bob Evans Farms Inc., where the CEO also resigned, and, most recently, Trian Partners won a board seat at PepsiCo Inc.

"Schulte Roth & Zabel maintains an unrivaled understanding of shareholder activism. The firm regularly leads clients to success drawing on a great depth of market knowledge and a sophisticated understanding of the drivers behind activism," commented Alan S. Waldenberg, chair of the firm's Executive Committee and chair of the Tax Group.

Additional highlights from the review:

- Shareholder activists were more active than ever in 2014, based on the number of companies targeted and number of activists active. In fact, the number of targeted companies with no prior run-ins with activists over the last five years also increased, from 210 to 249.

- The number of activists running a public campaign, such as a demand for board representation or strategic alternatives, rose for its fifth consecutive year in 2014, to 203. In 2013, 160 activists ran a public campaign, up from 150 in 2012.
- Activists increasingly sought to push companies into M&A activity. Proactive M&A campaigns, where activists seek to push companies to acquire other firms or sell themselves, nearly doubled from 36 to 68 instances between 2013 and 2014. Reactive M&A, typified by opposition to deals or their terms, more than halved from 26 to 12 over the same period.

[Click here for a PDF of the review.](#)

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