

M&A Market Analysis

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FEBRUARY 2010 GLOBAL M&A MONTHLY

Global M&A Commentary and Deal Statistics

On a global basis in January, the number of transactions decreased 4.9%, and reported dollar volume declined 11.9%.

U.S. M&A Commentary and Deal Statistics

There was a total of 862 deals announced in January, representing a 7.9% increase from the year-ago period. Dollar volume of \$37.8 billion was off 67.0%, primarily due to last January's announcement of Pfizer's acquisition of Wyeth for \$68.4 billion, which accounted for 60% of the dollar volume in January 2009.

Europe M&A Commentary and Deal Statistics

The slow finish to 2009 for M&A activity in Europe extended into January. The number of deals was 13.0% below the monthly average for last year and dropped 27.9% versus January 2009. Reported dollar volume, which was down 15.1%, increased relative to the 2009 monthly average, in line with the recent global shift toward larger transactions.

U.K. Cross-Border M&A Activity

In January, there was a total of 163 announced U.K. M&A transactions, a 32.4% decrease from last year. Dollar volume declined 21.6% to \$5.6 billion.

Germany Cross-Border M&A Activity

A total of 83 German M&A transactions were announced for the year-to-date period, representing a 55.4% decrease compared to last year. Dollar volume totaled \$975 million, a drop of 92.7% from the prior-year figure, which was inflated by RWE's \$9.9 billion acquisition of Essent NV.

Asia Commentary and Deal Statistics

The number of transactions increased 30.4%, and reported dollar volume jumped 261%. Asia's middle market contributed to positive figures, as the deal count rose 25.3%, and dollar volume advanced 72.0%.

China M&A Activity and Deal Statistics

In January, China registered a 31.7% increase in the number of deals and a nearly 300% rise in dollar volume.

India M&A Activity and Deal Statistics

Through the first month of 2010, there was a total of 82 announced India M&A transactions, an 86.4% gain from the prior-year period. Dollar volume of \$2.7 billion represented a 900%+ increase.

Japan M&A Activity

There was a total of 102 Japan M&A deals announced in January, representing a 41.7% decline from the year-ago figure. Dollar volume of \$2.4 billion was off 35.2%.

Economic Commentary

Economic growth, as measured by the gross domestic product (GDP), continued to recover in the fourth quarter of 2009. The advance estimate for GDP showed it rising 5.7% over the final three months of last year, up substantially from the 2.2% growth seen in the third quarter of last year and the best quarterly gain in 25 quarters.

Restructuring News

The Baird CDS Index firmed last month, actually increasing 26.4 points to 549.2 on January 31, 2010. That is up slightly from 522.8 on December 31 – an increase of 5.0%.

Transaction Spotlight – COMSYS IT Partners sale to Manpower Inc.

Manpower Inc. announced on February 1, 2010 that it entered into an agreement to acquire COMSYS IT Partners, Inc. Subject to the terms of the agreement, the value of the consideration for each outstanding share of COMSYS common stock is \$17.65, for a total enterprise value of \$431 million, including net debt assumed by Manpower.

Recent Baird M&A Transactions

A summary of Baird's announced M&A Transactions over the past 12 months.

Baird U.S. Equity Research Coverage

In January 2010, Baird added 7 companies to coverage and now covers 621 companies.

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