

M&A Market Analysis

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MERGER MONTHLY – July 2008

General M&A Market Commentary

In June, there were 2,210 deals announced globally, with a dollar volume of \$252.9 billion. This is the lowest monthly total number of deals thus far in 2008, last reached in the middle of 2005. The monthly dollar volume, however, was the highest yet in 2008, reaching a sum that was last consistently seen in mid-2006.

U.S. Middle-Market M&A Deal Statistics

There were just 242 U.S. middle-market deals announced in June, which represents a 40.5% drop from the same month in 2007, but represents a slight increase over the 230 middle-market transactions announced in May. Middle-market dollar volume in June totaled \$23.6 billion, a decline of 45.4% versus the same month in 2007.

Transaction Spotlight – Sale of GTI Diagnostics

BloodCenter of Wisconsin Research Foundation has sold GTI Diagnostics to The Riverside Company for an undisclosed amount. Baird served as the exclusive financial advisor to GTI Diagnostics on this transaction.

European Middle-Market M&A Deal Statistics

European M&A deal activity continues to mirror the decline in global M&A activity. In June, the total number of deals decreased by 39.8% along with a reduction in dollar volume of 25.5% compared to the same month in 2007.

Transatlantic Middle-Market M&A Deal Statistics

There were 36 middle-market transatlantic deals in June, a 20.0% decline compared to last year. Dollar volume totaled \$4.8 billion, resulting in a 41.1% decrease for the same month in 2007.

Restructuring News

On June 30, the Baird CDS Index abruptly reversed course after three consecutive monthly declines, steeply increasing by almost 27% to 264.6, up significantly from 209.0 on May 31. The Index is now only slightly lower than its high water mark of 265.5 reached on February 29, just before the peak of the credit crisis.

Recent Baird M&A Transactions

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

Economic Commentary

Stocks sold off sharply in June as a full re-test of the March index lows unfolded. Economic growth expectations for the second half of the year have been downgraded and while the risk of systemic failure remains low, the credit markets are fragile and de-leveraging remains an ongoing and painful process.

Baird U.S. Equity Research Coverage

In June 2008, Baird added eight companies to coverage and now covers 505 companies. These companies have a median and average market capitalization of \$1.5 billion and \$8.9 billion, respectively. In the past three years, Baird has increased the number of companies under coverage by more than 28%.

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