

M&A Market Analysis

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June 2009 GLOBAL M&A MONTHLY

Global M&A Commentary and Deal Statistics

In May, the number of announced transactions declined 30.7%, and dollar volume was down 39.3%.

U.S. M&A Commentary and Deal Statistics

There was a total of 492 deals announced in May, a 22.4% decline from the year-ago period and well below the last 12-month average of 689 deals. Dollar volume totaled \$54.0 billion, a 57.6% drop from last year.

Europe M&A Commentary and Deal Statistics

Among the major regions, Europe reported the largest decline in M&A activity for the third consecutive month. The transaction count was 38.9% below the year-ago figure. Announced dollar volume plummeted 56.9% to \$24.9 billion.

U.K. Cross-Border M&A Activity

For the year-to-date period, there was a total of 890 announced U.K. M&A transactions, a 44.2% decrease from last year. Dollar volume declined 43.0% to \$60.2 billion.

Germany Cross-Border M&A Activity

A total of 470 German M&A transactions were announced for the year-to-date period, a 28.6% decrease compared to the first five months of 2008.

Asia Commentary and Deal Statistics

After holding up better than in other markets in the early stages of the M&A slowdown, activity in Asia (ex. Japan) has been consistent with weak global trends in recent months. The number of transactions dropped 32.7% in May, and dollar volume for the month decreased 19.7%, with an increase in China outweighed by substantial declines in other markets.

China M&A Activity and Deal Statistics

For the year-to-date period, the number of China M&A deals was off 27.2%. Dollar volume totaled \$34.1 billion, a 32.6% decline compared to the year-ago period.

India M&A Activity and Deal Statistics

Year-to-date, there was a total of 229 announced India M&A transactions, a 49.0% drop from the year-ago period. Reported dollar volume for India M&A decreased 87.2%.

Japan M&A Activity

Japan M&A continued to perform relatively better than the other regions of the world through May. Year-to-date, the number of deals was down 12.2%, and dollar volume declined 9.9%.

Economic Commentary

Keeping proper perspective on the economic front means remembering that the recession that has been ongoing since December 2007 has represented more than just a cyclical downturn. It is likely to be seen as a generational turning point and follows the culmination of an old reality of increasing levels of debt and leverage to finance consumption that has proven to be untenable.

Restructuring News

In keeping with the general theme from other recently published economic statistics that "less bad" means "good," the Baird CDS Index declined in May for the third consecutive month, which indicates that the cost to insure against a credit default for non-investment grade companies outside of the financial sector has now fallen for three months in a row. The Index decreased by 19.7% in May, falling to 1,060.3 on May 31, a drop of 260.1 points from 1,320.4 on April 30. This brings the Index down by a significant 37.8% from its all-time record high of 1,703.8 set on February 28.

Transaction Spotlight – Independent Bank Corp.'s acquisition of Benjamin Franklin Bancorp, Inc.

Independent Bank Corp., parent of Rockland Trust Company, announced the closing of its acquisition of Benjamin Franklin Bancorp, Inc. in April.

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 April 2009, Baird added 2 companies to coverage, bringing the total coverage to 520 companies.

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