

# M&A Market Analysis

## [REQUEST THIS FULL REPORT OR SUBSCRIBE TO OUR LIST](#)

*(Please specify which report you are requesting and include full contact information)*

### MARCH 2010 GLOBAL M&A MONTHLY

#### Global M&A Commentary and Deal Statistics

Global M&A activity again showed signs of recovery in February, including a 3.8% increase in the number of announced transactions. Reported dollar volume jumped 211% due to the prevalence of bigger deals as well as comparison to February 2009, which was the lowest-volume month since 1996.

#### U.S. M&A Commentary and Deal Statistics

There were 799 deals announced in February, a 31.6% increase compared to the prior-year period and well above the last twelve month (LTM) average of 675 transactions. Dollar volume for the month totaled \$107.0 billion, the largest figure since January 2009 and up 544% from February 2009.

#### Europe M&A Commentary and Deal Statistics

The pace of Europe's M&A activity trailed again in February, as the monthly transaction count was down 18.2%, essentially matching January's decline. However, the global shift toward larger deals was evident in volume growth of 75.2%, reflecting an increase in billion-dollar-plus deals.

#### U.K. Cross-Border M&A Activity

A total of 384 U.K. M&A transactions were announced for the year-to-date period, representing a 16.5% decline compared to the year-ago level. Dollar volume increased 6.4% to \$15.9 billion.

#### Germany Cross-Border M&A Activity

For the year-to-date period, the number of M&A transactions in Germany totaled 174, down 43.3% from the prior-year level. Dollar volume experienced a 41.3% decrease to \$9.0 billion.

#### Asia Commentary and Deal Statistics

Stellar growth for M&A activity in Asia (ex. Japan) continued in February. The deal count for the month was up 19.9%, while reported dollar volume tripled.

#### China M&A Activity and Deal Statistics

As in the overall Asia market, M&A activity in China showed large increases in the number of deals and dollar volume in February. The number of China M&A deals was up 55.7%, and dollar volume jumped 108%.

#### India M&A Activity and Deal Statistics

For the year-to-date period, there was a total of 134 announced India M&A transactions, a 55.8% increase from the prior-year figure. Dollar volume of \$15.5 billion represented a dramatic rise from \$0.4 billion in January-February 2009, largely due to three billion-dollar-plus deals totaling \$13.7 billion.

#### Japan M&A Activity

The Japan M&A market has not performed well through February. On a year-to-date basis, the M&A market in Japan witnessed a 38.9% decrease in the number of deals and a 42.8% drop in dollar volume.

#### Economic Commentary

Our review of the weight of the evidence suggests that the cyclical upturn that emerged just over a year ago remains intact. The fundamental factors (Federal Reserve Policy, Economic Fundamentals, Valuations) remain largely neutral, although at the margin valuations appear increasingly stretched and the Federal Reserve is becoming marginally less accommodative. The technical indicators (Investor Sentiment, Seasonal Trends, Breadth) remain positive – seasonal tailwinds could soon ebb and optimism is returning, but breadth remains strong.

#### Restructuring News

The Baird CDS Index increased for the second month in a row, rising 27.0 points to 576.2 on February 28. That is up 4.9% from 549.2 on January 31, 2010, and up 10.2% from 522.8 on December 31, 2009.

#### Transaction Spotlight – Sale of Tatum LLC to Spherion Corporation

Tatum, LLC, the nation's largest executive services firm, recently completed its sale to Spherion Corporation. The deal is valued at \$46 million.

#### 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

At the end of February 2010, Baird covered 610 companies. These companies have a median and average market capitalization of \$1.8 billion and \$8.0 billion, respectively.

#### Christopher C. McMahon

Managing Director  
Head of Global M&A  
cmcMahon@rwbaird.com  
312.609.4983

#### Brian P. McDonagh

Managing Director  
Co-Head of M&A  
bmcdonagh@rwbaird.com  
704.553.6611

#### Howard P. Lanser

Director, Mergers & Acquisitions  
Head of Business Development  
hlanser@rwbaird.com  
312.609.5478