



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)

MERGER MONTHLY – May 2008

General M&A Market Commentary

M&A activity remains sluggish, unable to shake the effects of the turmoil in the debt markets and growing concerns over the health of the economy. The total number of global transactions for April was just 2,254, an 18.2% decline over the same period last year and the second-lowest monthly total since February 2006.

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

There were a total of 240 announced middle-market transactions in April, a 26.4% decline from the prior-year period and significantly below the LTM monthly average of 318 transactions. The April middle-market dollar volume of \$25.3 billion was down 24.9% compared to last year and below the LTM monthly average of \$32.4 billion.

Transaction Spotlight – Sale of Chicago Partners, LLC

In May, Chicago Partners, LLC announced that it had been acquired by Navigant Consulting, Inc. Baird served as the exclusive financial advisor to Chicago Partners in this transaction.

European Middle-Market M&A Deal Statistics

The total number of announced middle-market European transactions for April was 264, a 20.5% decline from last year and substantially below the trailing LTM monthly average of 344 transactions. Total European middle-market transaction dollar volume for the month was \$22.7 billion.

Transatlantic Middle-Market M&A Deal Statistics

European M&A activity remains weak, impacted by the global turmoil in the credit markets and fears of a slowing global economy.

Restructuring News

On April 30, the Baird CDS Index fell for the second consecutive month, decreasing by 16.8% to 217.7, down significantly from 261.6 on March 31, which was down marginally from the record high of 265.5 posted on February 29. Notwithstanding these two consecutive monthly declines, the Index still sits higher than it was on January 31 when it hit 200.7, a new record high up to that time and a level thought to be highly elevated.

Recent Baird M&A Transactions

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

Economic Commentary

The labor market showed modest improvement in April. While payrolls declined for the fourth month in a row, the decline was significantly smaller than anticipated. The unemployment rate, which is derived from a separate survey than the payroll data, unexpectedly fell in April, falling from 5.1% to 5.0% (looking at the un-rounded data, it was 0.004% away from being reported as 4.9%).

Baird U.S. Equity Research Coverage

In April 2008, Baird added eight companies to coverage and now covers 514 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%.

Howard P. Lanser

Director, Mergers & Acquisitions

hlanser@rwbaird.com

312-609-5478