

# M&A Market Analysis

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### NOVEMBER 2008 GLOBAL M&A MONTHLY

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

For the year-to-date period, the total number of announced global M&A transactions was 24,858, a 15.4% decline compared to the prior-year period. Dollar volume totaled \$1,914.0 billion, a 36.4% decline compared to last year.

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

For the year-to-date period, there has been a total of 8,012 announced U.S. M&A transactions, a 21.4% decline compared to last year. The total dollar volume for the year is \$883.6 billion, a 34.7% decline relative to the same period last year.

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

Year-to-date, there has been a total of 9,060 announced European deals, a 19.9% decline from the prior-year period. The total disclosed dollar volume for the year is \$885.5 billion, 37.0% below the same period as last year.

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

For the year-to-date period, there was a total of 2,694 announced U.K. M&A transactions, a 27.0% decline from the prior-year period. U.K. dollar volume totaled \$257.8 billion, a 59.0% decrease compared to the same period last year. Domestic M&A activity accounted for approximately 42% of the year-to-date dollar volume.

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

Year-to-date, there was a total of 1,243 German M&A transactions, a 28.2% decline compared to last year. Pan-European M&A accounted for 40.1% of these deals. German M&A dollar volume totaled \$115.5 billion, a 49.9% decrease from the prior-year period.

#### **Asia (ex. Japan) Commentary and Deal Statistics**

For the year-to-date period, there has been a total of 6,151 announced Asia M&A transactions, a 3.6% decline compared to the same period last year. Dollar volume totaled \$307.9 billion, a 12.4% decrease versus the prior-year period.

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

Year-to-date, there were 2,398 announced China M&A deals, an 11.8% increase compared to last year. Dollar volume in 2008 totaled \$117.5 billion, a 42.3% increase from the prior-year period. China domestic M&A activity accounted for 70.4% of this total dollar volume.

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

For the year-to-date period, there was a total of 676 announced India M&A transactions, an 11.0% increase from the year-ago period. Domestic M&A activity accounted for 51.6% of these deals. Deal value totaled \$27.1 billion, a 41.0% decline compared to the same period last year.

#### **Economic Commentary**

The near-historic proportions of the October decline have led to comparisons to the Great Depression. The losses in the stock market have been significant, but policy makers have recognized the gravity of the situation. They are working to limit the economic fallout, hoping to forestall a replay of the 1930's or a Japan-style deflation of the 1990's.

#### **Restructuring News**

In the wake of the September bankruptcy filing by Lehman Brothers, the global credit markets almost completely seized up during October, causing liquidity for most instruments to evaporate. Reacting to the worst conditions facing the credit markets since the Great Depression, financial institutions became hyper sensitive to counter-party risk, driving up the price of credit across the board to unprecedented levels.

#### **Transaction Spotlight – Sale of Sale of FCX Performance, Inc.**

FCX Performance, Inc., owned by its founder Charles M. Simon and an affiliate of Columbus, Ohio-based Stonehenge Partners, Inc., recently completed its merger with an affiliate of Sterling Investment Partners. Terms of the transaction were not disclosed.

#### **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 October 2008, Baird added three companies to coverage and now covers 523 companies. These companies have a median and average market capitalization of \$1.1 billion and \$4.6 billion, respectively. In the past three years, Baird has increased the number of companies under coverage by more than 28%.

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