

# M&A Market Analysis

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## APRIL 2012 GLOBAL M&A MONTHLY

### Global M&A Commentary and Deal Statistics

Despite generally favorable conditions for global M&A activity, Q1 registered the lowest announced dollar volume in the past 10 quarters. Year to date through March, the global transaction count dropped 5.7%, while dollar volume declined 15.7%.

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

The pattern of higher deal counts and lower dollar volume persisted in the U.S. M&A market in March. The transaction total of 980 was up 5.5%, marking the ninth consecutive year-over-year increase. However, reported dollar volume declined for the fifth straight month, dropping 43.5% to \$49.1 billion, the lowest figure in more than two years.

### Europe M&A Commentary and Deal Statistics

Europe's M&A activity continued to lag in March. The deal total dropped 31.5% to 756. Reported dollar volume of \$39.6 billion was 40.2% below the year-ago figure.

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

Year to date in the U.K., the deal count fell 17.2% to 674, as both domestic and cross-border transactions experienced declines in excess of 10%. Dollar volume tumbled 41.2% to \$31.7 billion, partly reflecting a 66.2% drop in outbound volume.

### Germany Cross-Border M&A Activity

For January through March, M&A activity in Germany declined slightly from last year. The deal count was down 3.4% to 394, and dollar volume slipped 3.7% to \$15.8 billion.

### Asia Commentary and Deal Statistics

M&A metrics in Asia (ex. Japan) softened during March after firming in February. The number of deals contracted 16.1% to 460. Reported dollar volume declined 9.4% to \$19.2 billion.

### China M&A Activity and Deal Statistics

Through the first three months of the year, the deal count in China contracted 21.3% to 532, as domestic, inbound, and outbound transactions all experienced decreases. Dollar volume slid 26.3% to \$25.7 billion.

### India M&A Activity and Deal Statistics

M&A activity was mixed in India through the first three months of the year. The deal count was down 3.9% to 221, despite a 25.0% increase in domestic transactions. Dollar volume rose 31.0% to \$10.1 billion.

### Japan M&A Activity

During the first quarter of 2012, the deal count in Japan climbed 21.8% to 733, with strong gains in both domestic and cross-border transactions. Dollar volume jumped 23.6% to \$30.9 billion, led by outbound volume growth of over 40%.

### Economic Commentary

Economic fundamentals are bearish. Better-than-expected economic data provided a boost to stocks in the fourth quarter of 2011 and early in 2012, but that tailwind appears to have diminished. The economic surprise index for the U.S. economy has fallen back to where it was in October of last year, as recent data releases have failed to surpass expectations.

### Restructuring News

The Baird CDS Index increased for the first time this year in March, gaining 41.4 points to 781.8 – up 5.6% from 740.3 on February 29, 2012 and above the last 12 month average of 743.9. However, the index has come down over 25% from its near-term peak of 1,069.6 in September 2011.

### Transaction Spotlight – Sale of Kforce Clinical Research, Inc. to inVentiv Health, Inc.

Kforce Inc. (NASDAQ-GS: KFRC) completed the sale of its wholly owned subsidiary, Kforce Clinical Research, Inc. ("KCR"), to inVentiv Health, Inc.

### 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 March, Baird added 1 company to coverage and now covers 665 companies. These companies have a median and average market capitalization of \$2.4 billion and \$9.7 billion, respectively.

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