

# M&A Market Analysis

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## APRIL 2013 GLOBAL M&A MONTHLY

### Global M&A Commentary and Deal Statistics

In spite of generally favorable conditions for global M&A activity, Q1 2013 notched the lowest deal count in the past 14 quarters. Year to date through March, the global transaction total dropped 23.5%. In contrast, a series of \$20+ billion deals powered a 26.5% year-to-date gain in announced dollar volume.

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

For the second consecutive month, the U.S. M&A market posted divergent results. The deal count for March sank 36.3% to 681, the lowest mark in more than three years. Higher offers for Dell Inc. factored into the 81.8% increase in announced dollar volume to \$91.3 billion.

### Europe M&A Commentary and Deal Statistics

M&A activity in Europe contracted again in March, when the number of deals fell 40.4% to 579, the lowest level since 2004. While announced dollar volume increased 24.2%, the \$51.4 billion total was in line with the lackluster LTM average.

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

Year to date in the U.K., the deal count plunged 30.3% to 553, as both domestic and cross-border transactions experienced double-digit percentage declines. Dollar volume rose 62.1% to \$48.2 billion, due largely to a 121% spike in inbound volume.

### Germany Cross-Border M&A Activity

For January through March, M&A activity in Germany was down substantially from last year. The deal count decreased 21.5% to 332, and dollar volume plummeted 65.5% to \$5.4 billion.

### Asia Commentary and Deal Statistics

March was another subpar month in the M&A market for Asia (ex. Japan). The transaction total declined 27.0% to 362, which was the second-lowest figure in the past three years. Reported dollar volume was down 3.9% to \$18.6 billion, in line with the average for January-February.

### China M&A Activity and Deal Statistics

Through the first three months of the year, the deal count in China contracted 9.0% to 517, as domestic, inbound, and outbound transactions all experienced decreases. Dollar volume increased 36.7% to \$32.6 billion.

### India M&A Activity and Deal Statistics

M&A activity was sluggish in India during the first quarter of 2013. The deal count fell 34.2% to 152, with weakness in both domestic and cross-border activity. Dollar volume contracted 61.0% to \$4.1 billion.

### Japan M&A Activity

During the first quarter of 2013, the deal count in Japan fell 40.3% to 486, as domestic, inbound, and outbound transactions were all down by approximately 40%. Dollar volume dropped 35.6% to \$22.0 billion.

### Economic Commentary

Economic fundamentals remain bearish. Economic policy uncertainty in the U.S. and the Euro-area remains elevated, and the Economic Surprise indexes show that incoming data have increasingly fallen short of expectations.

### Restructuring News

The Baird CDS Index decreased for the eighth consecutive month in March, falling 22.8 points to 595.8 – down 3.7% from 618.6 on February 28 and 21.6% below the LTM average of 760.0.

### Transaction Spotlight – Sale of Mold-Masters Limited to Milacron LLC

Mold-Masters Limited, a portfolio company of 3i Group plc (LSE:III), was recently acquired by Milacron LLC, a portfolio company of affiliates of CCMP Capital Advisors, LLC, for approximately CAD\$975 million (USD\$950 million) in cash.

### 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 5 companies to coverage and now covers 673 companies. These companies have a median and average market capitalization of \$2.9 billion and \$11 billion, respectively.

#### Christopher C. McMahon

Managing Director  
Head of Global M&A  
cmcmahon@rwbaird.com  
+1.312.609.4983

#### Brian P. McDonagh

Managing Director  
Co-Head of M&A  
bmcdonagh@rwbaird.com  
+1.704.553.6611

#### Howard P. Lanser

Managing Director  
Head of Debt Advisory  
hlanser@rwbaird.com  
+1.312.609.5478