

M&A Market Analysis

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JULY 2013 GLOBAL M&A MONTHLY

Global M&A Commentary and Deal Statistics

Weakness in global M&A activity carried through the first half of 2013. Year to date, the worldwide transaction count decreased 21.1% to 13,364, the lowest first-half total since 2009. Due to strength in the billion-dollar-plus category, reported dollar volume increased 6.8% through June.

U.S. M&A Commentary and Deal Statistics

The U.S. M&A market showed no signs of a broad-based recovery during June. The deal count of 702 was down 38.1%, marking the biggest year-over-year percentage decline since 2001. While announced dollar volume increased 26.3%, the total of \$67.5 billion fell short of the LTM average of \$83.0 billion.

Europe M&A Commentary and Deal Statistics

M&A activity in Europe continued to be sluggish in June. The deal count dropped 30.3% to 712, trailing the LTM average of 814. Reported dollar volume dipped 2.8% to \$61.0 billion, which represented a four-month high.

U.K. Cross-Border M&A Activity

Through the first six months of the year, the deal count in the U.K. declined 23.9% to 1,189, as domestic and cross-border transactions slid at least 20%. Dollar volume increased 14.9% to \$85.6 billion.

Germany Cross-Border M&A Activity

Year to date in Germany, the deal count decreased 10.1% to 677. Although domestic transactions were up, the number of cross-border deals declined 22.9%. Dollar volume rose 17.2% to \$43.6 billion.

Asia Commentary and Deal Statistics

June was a slow month for the M&A market in Asia (ex. Japan). The number of deals declined 18.6% to 373, which lagged the LTM average of 417. Reported dollar volume was down 18.5% to \$24.5 billion.

China M&A Activity and Deal Statistics

Year to date, China's deal count was down 3.9% to 1,127, with particular weakness from inbound activity. Dollar volume rose 41.7% to \$95.8 billion.

India M&A Activity and Deal Statistics

Year-to-date M&A metrics were negative in India. The deal count decreased 23.8% to 324, with modest cross-border declines and significant domestic weakness. Dollar volume dropped 36.9% to \$9.1 billion.

Japan M&A Activity

Year-to-date M&A activity was down in Japan. The deal count fell 24.6% to 1,058, as domestic, inbound, and outbound totals decreased at least 23%. Dollar volume sunk 40.9% to \$43.1 billion.

Restructuring News

The Baird CDS Index increased for the first time in 11 months in June, rising 77.4 points to 597.8 – up 14.9% from 520.4 on May 31 but still 12.6% below the LTM average of 684.2.

Transaction Spotlight – Catterton Partners' Significant Investment in CorePower Yoga, LLC

Catterton Partners ("Catterton") completed a significant investment in CorePower Yoga, LLC ("CorePower Yoga"). 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 June, Baird added 9 companies to coverage and now covers 690 companies. These companies have a median and average market capitalization of \$3.0 billion and \$11.3 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