

# M&A Market Analysis

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## NOVEMBER 2012 GLOBAL M&A MONTHLY

### Global M&A Commentary and Deal Statistics

Through October, the deal count declined 3.5%, reflecting year-over-year decreases in each of the past eight months. Announced dollar volume contracted 10.0% from the year-ago figure.

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

The U.S. M&A market perked up in October. The deal count increased 10.3% to 1,026. More impressively, announced dollar volume jumped 39.7% to \$128.7 billion, the highest total since September 2010.

### Europe M&A Commentary and Deal Statistics

The performance of Europe's M&A market remained weak in October. The number of transactions declined for the tenth consecutive month, dropping 13.5% to 833. Reported dollar volume dipped 1.1% to \$40.5 billion, which was solidly below the LTM average.

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

M&A activity was down year to date in the U.K. The deal count slid 2.3% to 2,449. Declines in cross-border M&A outweighed increased domestic activity. Dollar volume dropped 25.8% to \$114.4 billion.

### Germany Cross-Border M&A Activity

Year to date in Germany, M&A activity was mixed. The deal count fell 16.2% to 1,269. Declines in excess of 20% for domestic and inbound deals factored into the overall decrease. However, dollar volume soared 81.1% to \$79.7 billion, led by growth above 120% for both domestic and outbound volume.

### Asia Commentary and Deal Statistics

The M&A market in Asia (ex. Japan) showed progress in October. The deal count increased on a year-over-year basis for the first time in eight months, rising 1.4% to 437. In addition, reported dollar volume climbed 37.1% to \$26.7 billion, which was moderately above the LTM average.

### China M&A Activity and Deal Statistics

Year to date in China, the deal count slid 19.4% to 1,929. Domestic, outbound, and inbound transactions all declined in excess of 15%. Dollar volume grew 17.8% to \$140.8 billion.

### India M&A Activity and Deal Statistics

Year to date in India, the deal count fell 7.1% to 715, reflecting a large decline in cross-border transactions. Dollar volume increased 17.7% to \$24.8 billion, led by volume more than doubling for billion-dollar-plus deals.

### Japan M&A Activity

Year to date in Japan, the deal count increased 10.1% to 2,089, with both domestic and cross-border transactions experiencing growth. Dollar volume soared 44.5% to \$147.7 billion.

### Economic Commentary

Economic fundamentals are bearish, as the economy appears to be settling into trend growth of less than 2.0%. Prior to the arrival of Hurricane Sandy, and now the discussion of the fiscal cliff, the tone of the incoming data in the United States had been improving.

### Restructuring News

The Baird CDS Index decreased for a third consecutive month in October, falling 1.5 points to 741.0 – down 0.2% from 742.4 on September 30, 2012 and 11.7% below the last 12 month average of 839.4.

### Transaction Spotlight – Sale of NES Global Talent to AEA Investors LP

NES Global Talent, a portfolio company of Graphite Capital, was recently acquired by AEA Investors LP for £234 million.

### 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, Baird added 7 companies to coverage and now covers 682 companies. These companies have a median and average market capitalization of \$2.4 billion and \$11.6 billion, respectively.

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