

M&A Market Analysis

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SEPTEMBER 2012 GLOBAL M&A MONTHLY

Global M&A Commentary and Deal Statistics

To date in 2012, global M&A markets have continued to lag the solid performance of last year. Over the first eight months of 2012, the global transaction total was 5.0% below the prior-year level. Moreover, announced dollar volume declined 13.4%.

U.S. M&A Commentary and Deal Statistics

The U.S. M&A market posted divergent results in August. The deal count declined 14.8% to 983, the lowest total since last December. However, announced dollar volume of \$82.4 billion (+8.3%) represented a 10-month high for this metric.

Europe M&A Commentary and Deal Statistics

After showing signs of progress in June and July, Europe's M&A market went on holiday in August. The number of deals declined 22.1% to 790, which marked a 21-month low. Reported dollar volume plunged 62.3% to \$16.9 billion, the lowest total in more than three years.

U.K. Cross-Border M&A Activity

Year-to-date U.K. M&A activity was weak. The deal count was down 2.8% to 2,007. A modest increase in domestic deal count was outweighed by declines in cross-border activity. Dollar volume shrank 25.2% to \$100.5 billion.

Germany Cross-Border M&A Activity

Year to date in Germany, the deal count contracted 20.2% to 970. Outbound transactions increased modestly, but domestic and inbound deals fell in excess of 23%. Dollar volume jumped 47.7% to \$57.0 billion.

Asia Commentary and Deal Statistics

The M&A market in Asia (ex. Japan) again registered increased dollar volume despite a significant decline in the deal count. In August, the number of transactions dropped year-over-year for the sixth consecutive month, decreasing 25.2% to 409. However, reported dollar volume was up for the fourth straight month, rising 22.0% to \$23.6 billion.

China M&A Activity and Deal Statistics

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India M&A Activity and Deal Statistics

Year to date in India, M&A metrics were below year-ago levels. The deal count contracted 7.5% to 591, reflecting an uptick in domestic deals and a 34.9% decrease in cross-border transactions. Dollar volume declined 8.2% to \$16.8 billion.

Japan M&A Activity

M&A activity was strong year to date in Japan. The deal count grew 9.6% to 1,683. Domestic deals increased modestly, and cross-border transactions rose 25.6%. Dollar volume jumped 39.6% to \$94.8 billion.

Economic Commentary

Economic fundamentals are bearish. The economic surprise indexes for the United States and Europe have moved higher in recent weeks, but this is more a function of downgraded expectations than a consistently better flow of data on an absolute basis.

Restructuring News

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Transaction Spotlight – Sale of Synventive Molding Solutions, Inc. to Barnes Group Inc

Synventive Molding Solutions, Inc., a portfolio company of Littlejohn & Co., LLC, has been acquired by Barnes Group Inc. (NYSE:B) for approximately \$335 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 August, Baird added 12 companies to coverage and now covers 679 companies. These companies have a median and average market capitalization of \$2.4 billion and \$11.5 billion, respectively.

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