

**M&A Advisors See Protracted Downturn in Overall Deal Activity  
Lower Valuations Expected to Drive Unsolicited Deals and  
Domestic Transactions to Dominate, Says Brunswick Group Survey**

*- Results Announced to Coincide with 2009 Tulane Law School M&A Conference -*

NEW YORK, April 1, 2009 – Leading M&A advisors are bracing for an extended slowdown in overall M&A activity over the near term, but see signs of activity for 2009. Sixty-nine percent believe it will take up to five years to return to the level of M&A activity seen in 2007, according to a survey by Brunswick Group LLC. This figure is up 28 percentage points from last year's survey, reflecting increased pessimism about M&A in light of global economic conditions. Twenty-nine percent of respondents maintain there will be signs of recovery in "a year to eighteen months" – down from 52% who shared that view in April 2008.

The second annual survey polled 59 of the M&A industry's leading U.S. bankers, lawyers and other market participants on the year's outlook and emerging trends. Results were announced on the eve of the 21<sup>st</sup> Annual Tulane University Law School Corporate Law Institute, an influential conference which gathers M&A lawyers, bankers, Delaware judges and journalists.

Respondents cited two economic factors and one psychological factor as the top long-term challenges for M&A: lack of credit (39%), the slowing economy (26%) and lack of CEO confidence (26%), respectively. In addition, more respondents cited equity market decline as the greatest challenge facing the M&A market – up from 3% in the 2008 survey to 9% this year.

Asked about the likely impact of the stimulus package on the M&A landscape, respondents expressed cautious optimism. Forty-four percent believe the package will have a positive effect if the package is able to "restore confidence" and "ease credit." Forty-six percent believe the package will have a neutral effect given doubts about whether it is sufficient and includes adequate "checks and balances to spur lending." Ten percent of respondents thought the impact of the package would be negative.

"While advisors caution that recovery will take time, the survey indicates some areas where we can expect activity in 2009," said Steven Lipin, senior partner, Brunswick Group. "Lower company valuations as well as the potential impact of the stimulus package on both credit and confidence could drive domestic deals, especially in the healthcare and financial sectors, and prompt unsolicited transactions."

Overwhelmingly, advisors agree that lower valuations will likely spark an upsurge of unsolicited deals (88% agree; 12% disagree). In addition, they view the decline in global stocks as likely to put U.S. companies on the defensive. Fifty-six percent expect that U.S. companies will be “the hunted” while 44% are optimistic that they will be “the hunters.”

Domestic transactions are expected to dominate M&A in 2009, according to 79% of advisors. Only 2% believe that acquisitions will be led by U.S. acquirers outside of the U.S.; and 5% by private equity. Fourteen percent expect that foreign acquirers coming in to the U.S. – largely from Asia and Europe – will be driving activity.

Respondents had mixed views on whether economic conditions favor foreign acquirers. The strengthening U.S. dollar is unlikely to be a deterrent to foreign buyers, say sixty-three percent of respondents. Nevertheless, tight credit remains the major obstacle for all acquirers. Almost half of respondents, or 49%, believe credit restrictions remain tight, while 39% see signs of loosening.

Topping the list of sectors considered ripe for consolidation are healthcare (25%), financial services (24%), energy (15%) and consumer goods/retail (14%).

A link to survey results is available at [www.brunswickgroup.com/MandAsurvey2009/](http://www.brunswickgroup.com/MandAsurvey2009/).

### **About Brunswick Group LLC**

Brunswick Group LLC is a private partnership with more than 400 people, including over 75 partners. The firm has grown organically over 20 years and now has 15 offices in 11 countries. These are Beijing, Berlin, Brussels, Dubai, Frankfurt, Hong Kong, Johannesburg, London, Milan, New York, Paris, San Francisco, Stockholm, Vienna and Washington D.C. The firm's service offer comprises financial and corporate communications, investor relations, internal communications and opinion research. Brunswick was ranked in first position in the global league tables for M&A communications advisers for 2008.

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