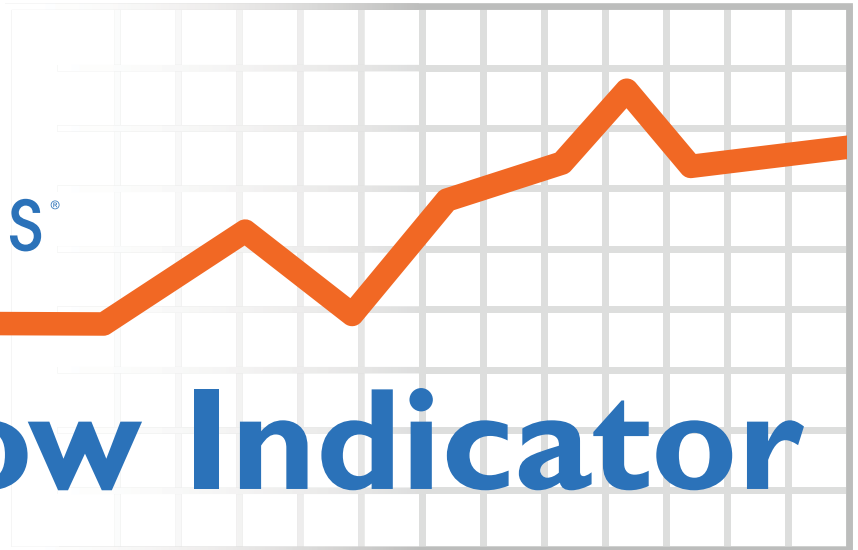




INTRALINKS®



# Deal Flow Indicator

## Quarterly Review of Trends in the Global M&A Market

### 1<sup>st</sup> Quarter 2010 Report

APRIL 14, 2010

IntraLinks has been a leading global provider of M&A virtual data rooms for more than 10 years. Our involvement in a significant percentage of M&A deals in the early stages of each transaction affords us uncommon perspective and insight on global deal flows.

The IntraLinks Deal Flow Indicator was created to provide an early view of aggregate deal flow activity and trends in the global market.



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# IntraLinks Deal Flow Indicator

## Major Findings

- 2% increase in global deal activity in Q1 2010 versus Q4 2009, building on a strong Q4 2009 increase of 12% in deal activity, upticks of 10% reported in Q2 and Q3 2009, and 39% increase in deal activity worldwide over Q1 2009
- March 2010 deal flow was up 25% in comparison to February 2010 (which was up 5% over a slow start in January 2010).
- Increase in deal activity was observed across Asia Pacific, North America, and Latin America with the largest growth in the Asia Pacific region:
  - Asia Pacific: 20% increase
  - North America: 4% increase
  - Latin America: 2% increase
  - EMEA experienced a 5% decrease, after a peak in Q4 activity in 2009
- Q1 2010 deal flow was close to equal to the benchmark period of Q1 2008 deal flow levels, showing continued stability following three straight quarters of double-digit growth in global deal activity to close out 2009



## Primary Drivers

We believe findings are consistent with key drivers being reported in the marketplace:

- Continued stability in the equity markets:
  - The Dow Jones Industrial Average: up 4% from Q4 2009 and up 43% over Q1 2009
  - European Markets: The DAX, FTSE, and CAC up 3%, 1%, 5% respectively, and all more than 40% over Q1 2009
  - Asia-Pacific Markets: Hang Seng and Nikkei up 3% and 5% respectively, and 56% and 37% over Q1 2009

Modest but consistent gains in the equity markets have helped to further narrow the valuation gap, bringing both healthier targets and buyers eyeing growth through a strategic event back to the market.

- Increased access to capital and favorable interest rates
- Returning confidence and willingness to use increasing cash positions — including making unsolicited bids across multiple sectors.
- Increased cross-border activity especially in the “emerging markets” like Latin America and Asia Pacific
- Private equity looking to monetize portfolio assets, generate returns for investors and create headroom for new investments and buyouts

## Trends Vary by Industry

- Double-digit increases in the number deals in the following sectors: telecom, media, consumer products and staples, and life sciences
- Modest increases in industrial, manufacturing, energy real estate and technology sector transactions
- Slight softening in financial & professional services transactions off second-half 2009 peaks

## Context on Deal Activity

- The average amount of due diligence information (in number of pages) increased 2.5% in Q1 2010 from Q4 2009 but was down 17% from Q1 2009 levels. The quarter to quarter increase was due mainly to due diligence requirements remaining high coupled with the return to more normal deal activity including some larger deals coming to market.

The IntraLinks Deal Flow Indicator is calculated based on the total volume of IntraLinks exchanges that were proposed for use by deal teams that initiated projects during the quarter. The totals are then analyzed by global regions and compared to previous time periods.