

For Immediate Release

AEC M&A Continues at Blistering Pace Through First Half of 2007

Newton, MA – June 15, 2007 – This year is well on the way to seeing a record degree of consolidation in the AE industry according to strategy and research firm Morrissey Goodale LLC. At mid-year the firm has tracked over ninety transactions globally. “The industry is on pace to hit our original forecast of 200 deals for 2007. At this rate, M&A activity among AEC firms will increase almost 25% over last year,” says Mick Morrissey, principal and co-founder of Morrissey Goodale. “The fundamentals for this consolidation – industry fragmentation, strong long-term growth prospects, globalization, failed ownership transition plans, and concerns about the viability and competitive advantage of employee ownership – are still in place and speak to continued robust activity through 2008.”

According to Morrissey, year-to-date consolidation in the industry is characterized by the following trends:

Strong activity by public firms: Over one fifth of the deals this year involve a buyer or seller that is publicly traded. “The mega-mergers like URS and Washington Group get a lot of press, however, a close analysis of the activity of the publicly traded firms show them pursuing strategic growth through smaller niche- and non-traditional acquisitions”, says Morrissey.

Globalization: Almost a third of the transactions recorded year-to-date represents the continued globalization of the AEC industry. While only three deals in 2007 have involved U.S firms acquiring or merging with non-domestic organizations (two in Australia and one in Poland), nine deals involved non-domestic firms making deals in the U.S. and thirteen transactions had no U.S firm involvement. Canadian, Australian, and New Zealand firms have been particularly active in the first half of the year. “The U.S market continues to be an attractive one for Canadian and European firms’, says Morrissey. “However, we are seeing more and more action and interest in emerging markets. The risk is greater, but so are the projected returns.”

National growth and diversity: Of the 54 purely domestic transactions this year, over 70% include transactions that cross state lines. “M&A continues to be the preferred geographic growth and diversity strategy’, says Morrissey. “In many ways, the right acquisition achieves the goal of geographic diversification for a firm faster and with less risk than cold-starting an office or transferring a senior staffer out-of-state to grow a business from the ground up.”

A full listing of all transactions recorded in 2007 can be found on the **AEC M&A Monitor** at the firm’s website www.morrisseygoodale.com.

About Morrissey Goodale LLC

Morrissey Goodale LLC is a leading management consulting firm to the Architecture Engineering and Construction (AEC) industry. Headquarters are located at Riverside Center 275 Grove Street, Suite 2-400, Newton MA, 02466. The company can be reached at 508-650-0040 or on the web at www.morrisseygoodale.com

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