

For Immediate Release

AEC M&A Update – Year-to-date consolidation trends

Newton, MA, October 20, 2008— Morrissey Goodale LLC regularly sends merger and acquisition announcements in the AEC industry to those who have signed up via our website, www.morrisseygoodale.com. This week's M&A Update included our report on industry consolidation for the first three quarters of the year, which is reproduced below.

Summary

While still slightly ahead of last year's pace, industry consolidation slowed considerably in the second and third quarters of 2008. Domestic US activity saw a significant drop, and we expect full-year activity globally and domestically to lag behind that of 2007.

International buyers are less of a force this year in reshaping the domestic landscape, with the percentage of deals involving an off-shore buyer down from last year. Conversely, US firms are buying off-shore firms at a greater clip than last year. Publicly traded firms continue to represent one of the most powerful forces re-shaping the capital structure of the AEC industry, accounting for a quarter of all domestic transactions.

Key statistics for the first nine months of 2008

- Through the first nine months of the year we recorded 211 transactions globally, compared with 204 for the same period last year— an increase of just 3.4%.
- Domestic US sales exhibited a sharp decline for the first three quarters, dropping 11% from 137 to 123.
- Deal activity slowed significantly in the second and third quarters. Q2 and Q3 saw 125 deals compared with 144 for the same period last year – a decline of 13%.
- 11% of domestic transactions in the first three quarters involved a non-US buyer. Last year international buyers accounted for almost 15% of all domestic transactions.
- Through the end of September, we tracked 15 deals in which a US buyer bought internationally, compared with 11 such transactions for all of 2007.
- Public capital was involved in almost 25% of year-to-date domestic transactions, in line with the 24% of transactions involving public capital last year.

A full listing of all transactions recorded in 2007 and 2008 can be found on the AEC M&A Monitor at the firm's website www.morrisseygoodale.com, where you can also sign up to receive regular email updates on AEC industry transactions.

About Morrissey Goodale LLC

Morrissey Goodale LLC is a management consulting and research firm serving 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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