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FOR IMMEDIATE RELEASE

The McLean Group's Government Contracting Practice Thrives in Turbulent Times

As a direct result of the financial crisis and the economic downturn, the volume of US M&A deals across the board is down approximately 30%.¹ Yet while overall volume is down, the number and mean valuation of transactions worth \$100 million and below have held up.² Additionally, the total number of international transactions has declined to 2004-2005 levels.¹ While some industries have been hit harder than others, there are several areas where many deals are still getting done. Most notably there continues to be substantial activity in the industries of federal contracting, health care, energy and high-tech. Higher deal volume in these industries continues despite public market woes, suffering financial markets, and the many strategic and private equity firms currently experiencing varying levels of stress.

Capitalizing on the active markets, The McLean Group's national Government Contracting practice advised on and closed three middle-market deals across the country during the fourth quarter of 2008. These included advising the owners of Haselwood Enterprises, Inc., of Oak Ridge, TN on their divestiture, and DPK Consulting, of San Francisco, CA in their acquisitions, as well as advising a Washington DC based company on its purchase of a \$60 million company.

Driving the industry's continued deal flow are three key factors, including:

- Continued forecasts for growth in federal outsourcing (especially given the recent stimulus package)
- The forecast rise in the long-term capital gains rates after 2009, and
- A drive by large integrators and service providers to acquire niche companies that can round out their service portfolio in order to better position themselves to address the changing needs of the federal government. Equity players are actively deploying capital in the industry and many of the large public companies in the space continue to have strong balance sheets with high amounts of cash and committed access to credit facilities.

Cameron Hamilton The McLean Group's national GC practice Managing Director observes, "Deals are more difficult to bring to a successful close, and they are taking longer and require more creative and flexible approaches. Additionally, due diligence is a bit more comprehensive but we're still getting deals across the finish line." Greg Boucher, also a Managing Director in McLean's GC practice, remarked, "We have record deal flow, and while there is some pressure on valuations for smaller companies, the outlook for the industry remains very positive and we're finding interest with firms that have the cash to invest."

In total, The McLean Group's deal flow is at the same level it has been for the last three years, and in some areas, there is a marked increase. Dennis Roberts, Chairman of The McLean Group commented: "The death of the deal

market is grossly exaggerated,” and went on to say, “Although we are experiencing longer deal cycles, we are getting deals done. There is a lot of interest out there on both sides of the fence and a lot of pent up demand.”

The amount of capital committed by institutional investors in 2008- and with the amount of capital that has yet to be invested- suggests a huge amount of pent up demand. 768 private equity funds secured \$554 billion globally last year, marking the second-highest fundraising year ever. Moreover, private equity funds raised more than \$1 trillion in commitments and \$472 billion specifically in buyout funds that remains to be drawn down.³

About The McLean Group, LLC

The McLean Group, LLC, is a national, middle market investment bank headquartered in McLean, VA, that provides merger and acquisition (M&A), capital formation, market intelligence, business valuation, litigation support, and exit planning services. The firm has 27 offices nationwide, serving domestic and international clients with a broad resume of successfully consummated financial transactions. For more information, visit www.mcleanllc.com.

¹Zephyr Annual M&A Report, ²Thomson Reuters, ³Prequin

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