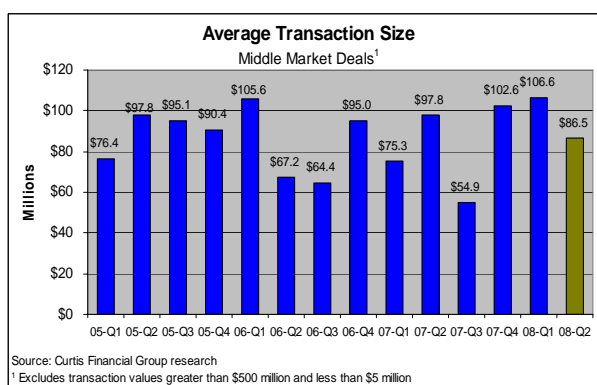
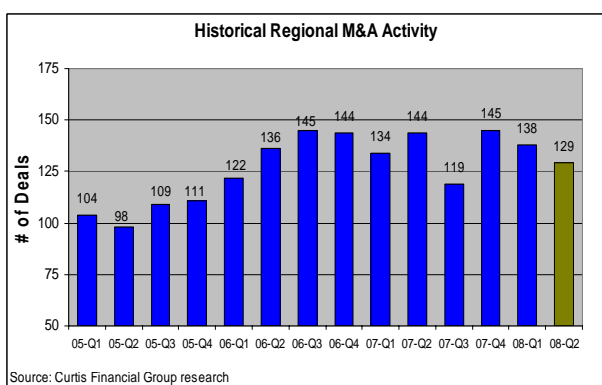


**Curtis Financial Group Reports  
Regional M&A Activity Totaled 129 Deals in the Second Quarter  
and 267 Deals for the Year**

**Philadelphia, PA, August 10, 2008** – Curtis Financial Group, a regional investment banking firm, released the results of its Second Quarter Regional M&A Report revealing that deal volume continued to slow. In addition to declining from the prior year's level, the pace of M&A activity continued to slow compared to the first quarter with the majority of the reduction attributable to a marked reduction in deals by financial buyers.

- 129 deals closed in the second quarter representing a 6.6% decrease from the first quarter
- 267 deals closed in first six months of 2008 were 4% less than the first six months of 2007



The region has experienced healthier M&A conditions than the national market in which M&A activity declined 19.2% over the first six months of 2008, according to Thomson Reuters.

Regionally, late 2006 and early 2007 appears to have been the high point for the M&A market over the last three and a half years. In spite of the recent fall off in volume, the present level of M&A activity remains comparatively higher than in 2005 and indicative of a still healthy M&A market.

Within the overall results, we note that operating companies, both public and private, have remained consistent in their activity while activity by private equity firms has declined during 2008. Industry segments that showed strength were Industrials (26 deals), Consumer (15 deals) and Healthcare (15 deals) while IT & Software showed the largest decline (13 deals versus 26 in the first quarter).

**Average M&A Transaction Size**

Of the 129 closed transactions, reported values were available for 40 transactions leading to an average of \$227.1 million lifted by three billion dollar deals (see table). Within the middle market, the average transaction size for deals valued under \$500 million was \$86.5 million during the quarter which is in line with the historical average of \$86.9 million over the prior 13 quarters.

Date	Buyer	Target	Enterprise Value
4/1/08	Cigna Corp. (NYSE: CI) Philadelphia, PA	Great-West Healthcare, Inc. Greenwood Village, CO	\$1.5 billion
4/1/08	Gramercy Capital Corp. (NYSE: GKK) New York, NY	American Financial Realty Trust (NYSE: AFR) Jenkintown, PA	\$3.3 billion
6/11/08	American Campus Communities, Inc. (NYSE: ACC) Austin, Texas	GMH Communities Trust (NYSE: GCT) Newtown Square, PA	\$1.4 billion

**CURTIS Regional M&A Report  
Second Quarter – 2008**

**Who's buying local Companies?**

During the second quarter, 66 locally based companies were acquired. Approximately 70% of the acquired companies were purchased by buyers from outside the region while locally based buyers accounting for 30%. Of the total, strategic buyers accounted for almost 90% of the acquisitions compared to private equity buyers who comprised just over 10%. Private equity activity has noticeably declined from its 2005-2007 average of 14.2% reflecting a difficult buyout financing market and troubles in the commercial banking sector.

**Buyers of Regional Companies by Type**

	<u>2005-07</u>	<u>%</u>	<u>Q2-08</u>	<u>%</u>
Private Equity	107	14.5%	7	10.6%
Strategic Buyers (Public)	307	41.5%	27	40.9%
Strategic Buyers (Private)	324	44.0%	32	48.5%
<b>Total</b>	<b>275</b>	<b>100.0%</b>	<b>66</b>	<b>100.0%</b>

**Where are local buyers buying?**

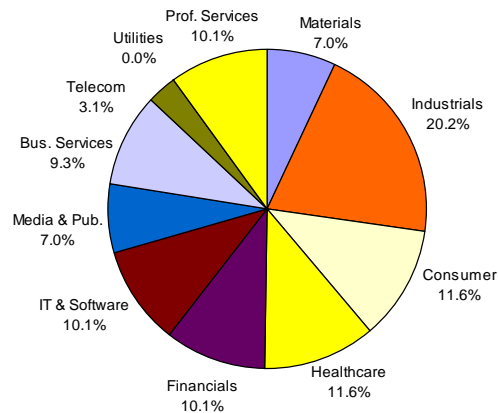
During the second quarter, local buyers closed 75 transactions comprised of 20 locally based targets. At almost 27% of the total, the percentage of local companies acquired by local buyers is notably higher than the 20% average over the 2005-2007 period. Additionally, 9 of the 30+ local private equity buyers acquired a total of 10 companies during the second quarter just two of which were in the region. Seven companies closed two M&A deals in the second quarter.

**Active Sectors - Industrials, IT & Software**

In the second quarter, the most active industry segments were Industrials, Consumer, Healthcare, Financials and IT & Software. Of these, Industrials have shown the strongest resiliency as M&A volume has decreased while IT & Software has posted the largest decline falling to just over 10% of the total from a historical average of 17.3%.

	<u>2005-2007</u>	<u>Q2-08</u>	
	<u>Avg.</u>		
Materials	8.1%	7.0%	↓
Industrial	18.9%	20.2%	↑
Consumer	10.8%	11.6%	↑
Healthcare	11.3%	11.6%	---
Financial	10.2%	10.1%	---
IT & Software	17.3%	10.1%	↓
Media & Publishing	3.9%	7.0%	---
Business Services	12.3%	9.3%	↓
Telecom	2.7%	3.1%	---
Utility	1.1%	0.0%	---
Professional Services	3.4%	10.1%	↑

**M&A Activity by Industry in Q2-2008**



**The Curtis Regional M&A Report**

Curtis Financial Group maintains a proprietary database of over 1,750 closed M&A transactions involving regionally based companies. The database contains closed change-of-control transactions for operating businesses located in Southeastern Pennsylvania, South and Central New Jersey, and Delaware and occurring since the beginning of 2005.

**Curtis Financial Group, LLC** is an investment banking firm that advises middle market companies on mergers, acquisitions, divestitures, raising capital, and provides fairness opinions, business valuations, and related corporate finance services. Our professionals have completed merger and acquisitions worth over \$1.6 billion in transaction value, financing transactions of more than \$1 billion, and over 150 fairness opinions and 1,500 valuations.

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