



**FOR IMMEDIATE RELEASE**

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**De Bellas & Co. Reports Continued Low M&A Activity in Q2  
Predicts that Equilibrium will be Reached in Q3.**

**July 28, 2009 - Irvine, CA** - De Bellas & Co., the #1 Staffing Industry M&A investment banking firm for over two decades, reported today that 13 Staffing related M&A transactions were announced in Q2 2009 compared with sixteen announced in Q1 2009 and 27 in Q2 2008. Commercial, Healthcare and Information Technology made up the substantial majority of the activity in Q2, accounting for 85% of the overall activity.

For the first half of 2009, there were 29 transactions, compared with 53 transactions in the first half of 2008. Commercial staffing made up 12 of the 29 transactions. Since commercial leads down and leads up, one could deduce that the increase in commercial staffing transactions indicates that buyers are anticipating an upturn reasonably soon.

Al De Bellas, President of De Bellas & Co., remarked that "In the Spring and Summer of 2008, buyers' and sellers' price thinking were in equilibrium. As the economy began to decline in Q3 and Q4 2008, buyers' price thinking dropped sooner and to a greater extent, than sellers' expectations. During Q1 and Q2 2009, sellers' expectations declined moderately and buyers' price thinking improved somewhat. We expect that, beginning in Q3 2009, buyers and sellers will get back into equilibrium on pricing and expectations." He said that "Our advice to sellers is to not be bashful and to buyers to hurry up or miss the boat."

## **SECTOR HIGHLIGHTS**

	Commercial	Healthcare	IT Staffing / Solutions	Legal & Accounting	PEO	Other	Totals
Q2 2009	5	3	3	0	0	2	13
Q1 2009	7	3	0	3	1	2	16
Q2 2008	2	6	2	6	3	8	27

## **BUYERS**

Private acquirers accounted for ten of the thirteen announced transactions. Of the ten private buyers, nine were operating companies and one was a Private Equity Group. Public company acquirers included Korn Ferry International and Medical Connections Holdings.

## **NOTABLE TRANSACTIONS**

- Korn Ferry International Inc. (NYSE:KFY) acquired UK based Whitehead Mann: Whitehead Mann is a leading European based Executive Search firm.
- In Q2 The Select Family of Companies entered into an asset purchase agreement with Butler International Inc. (OTCBB:BUTL.PK). The transaction had previously been announced. The deal was consummated on July 7 at an estimated value of \$27 million in cash. Butler had entered into bankruptcy prior to the closing.
- Pomeroy IT Solutions Inc. (NASD: PMRY): Founder David Pomeroy II raised his bid to repurchase the firm. Pomeroy already owns 17% of the company. The deal values the company at \$59.2 million.

*De Bellas & Co. has monitored nationwide staffing M&A activity since 1993 to support its investment banking activities. The firm has completed over 150 Staffing, IT Services and HRO transactions. For more information on M&A activity or to enter your criteria as a buyer, please visit our website at [www.debellas.com](http://www.debellas.com) or contact us at (949) 859-3332.*

U.S. STAFFING INDUSTRY												
Merger & Acquisition Activity												
				Six	Twelve	Twelve	Twelve	Twelve	Twelve	Twelve	Twelve	Twelve
	2nd Qtr	1st Qtr	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months
	2009	2009	2009	2008	2007	2006	2005	2004	2003	2002	2001	2001
<b>Transactions:</b>												
Disclosed/Completed Transactions	13	16	29	87	141	122	151	153	112	142	74	
Buyers	12	14	24	79	104	86	103	103	81	91	59	
Transactions/Buyers	1.1	1.1	1.2	1.1	1.4	1.4	1.5	1.5	1.4	1.6	1.3	
Median Rev. of Seller (millions)	6	n/a	6	16.2	20.0	12.4	18.5	10.3	16.7	16.8	21.0	
<b>Mix:</b>												
IT Staffing	3	0	3	10	17	13	14	29	8	16	14	
IT Solutions	0	0	0	3	4	5	21	14	13	18	5	
A/F	0	2	2	8	16	13	4	5	3	3	2	
Legal	0	1	1	4	3	1	4	2	3	1	7	
Healthcare	3	3	6	20	25	22	43	39	26	28	8	
Other	0	2	2	12	24	20	19	13	17	17	2	
Outplacement	0	0	0	0	0	0	0	0	0	1	0	
PEO	0	1	1	7	3	8	11	10	11	19	14	
Place & Search	0	0	0	1	0	1	2	4	1	2	1	
Technical	1	0	1	7	6	3	2	8	5	7	3	
Executive Search	1	0	1	2	7	6	5	2	5	8	5	
Commercial Staffing	5	7	12	13	36	30	26	27	20	22	13	
Total	13	16	29	87	141	122	151	153	112	142	74	
<b>Geographics:</b>												
Domestic	9	15	24	72	123	114	134	127	99	126	67	
Cross Border	2	1	3	15	18	8	17	26	13	16	7	
Total	11	16	27	87	141	122	151	153	112	142	74	
<b>Ownership of Buyer:</b>												
Public	2	3	5	32	69	62	92	84	60	88	32	
Private Equity Group	1	1	2	3	21	17	22	11	n/a	n/a	n/a	
Private - Other	10	12	22	52	51	43	37	58	52	54	42	
Total	13	16	29	87	141	122	151	153	112	142	74	
<b>Source: De Bellas &amp; Co., SEC filings and Staffing Industry Report</b>												
<i>Note: De Bellas &amp; Co. defines a transaction as an announced merger, acquisition or significant equity investment.</i>												
<i>The firm's statistics include domestic, as well as cross border transactions involving a participant with U.S. operations.</i>												
<i>The acquired entity includes staffing firms as well as other businesses.</i>												
<i>IT Solutions transactions are those transactions completed by a buyer having staffing operations and an IT Solutions seller.</i>												

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