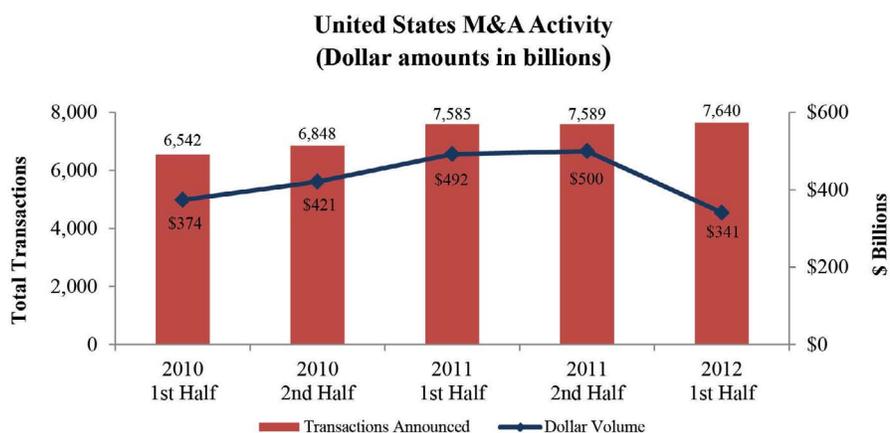


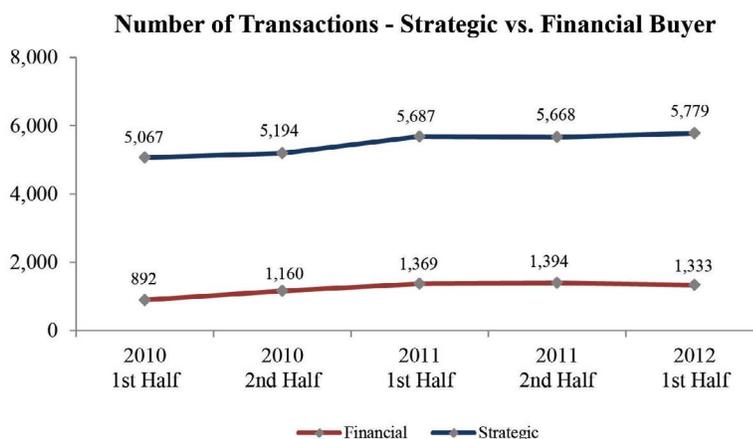
### M&A Market Remains Active

During the first half of 2012, mergers and acquisitions (M&A) activity remained very robust. The total number of transactions announced through June 30, 2012 was 7,620, compared to 7,585 during the first half of 2011. Despite the slight increase in the number of transactions, the total dollar volume slipped dramatically, indicating a larger portion of the transactions being consummated are smaller in size. This is a reversal of the trend that occurred during the previous 24 months, as dollar volume and total number of transactions increased each period.



Source: S&P Capital IQ

Both strategic and financial buyers continue to be active. The strong activity is being driven by similar factors that drove activity in 2011, which include strategic acquirers putting excess cash to use, deployment of capital by private equity firms and solid financial performance by targets. The ratio of strategic transactions to financial transactions has remained consistent during the past five quarters.



Source: S&P Capital IQ

## Sector Analysis

The financial industry continued to spearhead M&A transactions in the first half of the year, once again comprising more than a quarter of total transactions. The total number of transactions during the first half of 2012 was relatively consistent with the first half of 2011. However, the total dollar volume in each sector was down in the first half of 2012 compared to the first half of 2011.

## Outlook for the Remainder of 2012

Despite the many uncertainties that currently exist in the market (domestic macroeconomic environment, U.S. presidential election and European debt crisis, just to name a few), we anticipate that the strong M&A activity will continue into the second half of 2012. Sellers are taking advantage of the favorable tax environment while both strategic and private equity acquirers are strapped with cash and looking for sound investment opportunities.

	1st Half 2011		1st Half 2012	
	Number Of Transactions	Total Dollar Volume (\$B)	Number Of Transactions	Total Dollar Volume (\$B)
Consumer Discretionary	1,227	\$49	1,215	\$37
Consumer Staples	225	\$46	241	\$36
Energy	427	\$73	382	\$50
Financials	2,025	\$107	2,212	\$74
Healthcare	698	\$64	608	\$55
Industrials	1,034	\$49	1,034	\$32
Information Technology	1,051	\$52	1,002	\$36
Materials	369	\$26	318	\$8
Telecommunications	61	\$5	55	\$2
Utilities	117	\$12	97	\$8
Not Categorized	351	\$9	476	\$3

Source: S&P Capital IQ

## About Schneider Downs Corporate Finance, LP

Schneider Downs Corporate Finance, LP can assist business owners with their investment banking, corporate finance and strategic advisory needs. We bring a powerful combination of deal experience, creativity and tenacity to every client engagement, taking a customized approach that reflects not only the needs of the owners, but the business and industry parameters of each transaction.

If you're interested in learning more about what Schneider Downs Corporate Finance can do for you, please contact a member of our team for a confidential discussion.

*Schneider Downs Corporate Finance, LP is a registered broker/dealer. Member FINRA/SIPC.*

