

ACG

chairman's letter

Dealmakers Sprint to Finish a Record Year



By T. Patrick Hurley

We've made the final turn and are in the home stretch. It's been a flat-out sprint from the get-go and now the checkered flag is in plain sight. There are still loose ends to button up before we raise a glass and sing "Auld Lang Syne."

Dealmaking activity has hit new highs and looks as though it will continue at this unprecedented pace. While private equity firms are making headlines with almost-daily announcements, cash-rich corporates are logging scores of strategic acquisitions and still accounting for 75% of the M&A action.

ACG members are driving corporate growth on both fronts and succeeding with organic growth as well. The buzz around ACG Capital Connections at recent chapter conferences has reached a fever pitch as both private equity and corporate members scout for deals.

Most impressive is the power of ACG to bring together all the participants in middle-market dealmaking on an efficient basis and to continue to extend our reach for the benefit of all members.

Reaching further around the globe has become an increasingly vital part of strengthening the businesses we own and finance. The same applies for ACG in bolstering our position as "the leading authority on corporate growth."

A few weeks ago I was a keynote speaker at the International Financing Forum in Beijing, helping 500 Chinese company executives understand Western capital markets and how we evaluate

investments and acquisitions. Their interest level was exceptional.

Nowhere is the mid-market dealmaking machine as well oiled and reliable as it is in the United States. Europe arguably has made great strides in recent years and will smash all previous M&A volume records this year.

ACG Capital Connections across North America and in Vienna last summer — a first in Europe — provide our chapters with resources to invest in high-impact projects. ACG Los Angeles is a standout example, with its sponsorship of speak-

ers for InterGrowth 2007 and its innovative ACG LA Cup scholarship program.

As 2006 draws to a close, a little reflection sheds perspective on just how exciting a time it is to be immersed in this business of creating value and wealth. ACG is hitting on all cylinders and we're gaining recognition for a host of achievements.

There is always dislocation or change that catches us or our colleagues off-guard and causes painful adjustment; survival is not assured. Perseverance and fortitude are essential to make it through the tough times we inevitably face at some point in our business and personal lives.

It's ironic that Guy Lombardo's famous dance band started the New Year's Eve tradition of singing the popular Scottish tune "Auld Lang Syne" in 1929. Let's put 2006 into the books as our best year yet and make 2007 even better.



T. Patrick Hurley
ACG Chairman
Managing Director,
MidMarket Capital Advisors LLC
phurley@mmadvisors.com