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## Study: Midmarket M&A to keep pace in '08

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Dealmakers at middle-market companies are generally optimistic about the current and future deal climate, according to the results of a recent survey. CFO Research Services and CIT Group Inc. surveyed 529 senior-level finance decision makers at middle-market U.S. and Canadian companies for their report "M&A in Challenging Times." According to the survey:

Although a substantial number of respondents said that M&A activity would decrease over the next year (23 percent), many respondents predicted an increase in M&A activity (47 percent), while nearly a third said they believed M&A activity would stay the same.

Not surprisingly, respondents said strategic players with strong balance sheets would not be deterred by uncertainty in the credit market. The results also indicated that fundamental business factors such as the need to enter new markets and responding to competitive threats would be the main deal drivers.

The survey results generally support the conclusions reported in this Dealscape, which predicts midmarket players may find good deals in the months to come as companies hurt by the sluggish IPO market, low liquidity among smaller companies and a tough economy go looking for buyers.

For more on the CIT study, including a chart, see this item on Dealscape. - *Baz Hiralal*

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