



## **FOR IMMEDIATE RELEASE**

### **BUSINESS STRATEGY DRIVES ACQUISITIONS IN ENERGY SECTOR**

*Survey of North American Finance Executives  
Highlights Key Factors Driving M&A Activity*

**NEW YORK** — February 26, 2008 — A new survey among middle market companies conducted by [CFO Research Services](#), in collaboration with [CIT Group Inc.](#) (NYSE: CIT), a leading global commercial finance company, reveals that 48 percent of senior-level finance executives from both U.S. and Canadian middle market energy companies consider acquisitions to play a major role in their current business strategy, while only 10 percent said it plays a minor role and 42 percent said it contributes to their business strategy.

The study, entitled *M&A in Challenging Times*, was fielded in November 2007 and surveyed 529 senior-level finance decision makers at middle market U.S. and Canadian companies from a wide range of industries. Within this overall study, 32 executives in the energy industry were surveyed. Complete results of the entire study can be found at <http://middlemarket.cit.com>.

#### **ADDITIONAL ENERGY SECTOR KEY FINDINGS:**

- Sixty-nine percent of energy respondents said they expect M&A activity to increase in 2008. In fact, these executives are twice as likely to cite acquisitions as a major component of their companies' strategy (48 percent of energy executives versus 24 percent of the total respondent pool).
- Forty-one percent said that accessing the overseas markets was a primary motivator for their latest acquisition, while none of the respondents cited acting on competitors' maneuvers as a motivator for acquiring a target company.
- When asked if the recent changes in capital markets will affect completing M&A transactions, it was a 50/50 split. Half of the respondents said these

changes will not affect M&A volume, while the other half said they will have an impact over the next 12 months.

- Difficulty raising capital (47 percent) and lack of transparency in the private company's price, terms and other factors (38 percent) posed the greatest challenges for middle market companies seeking to acquire other businesses, compared with what larger companies experience.
- They also are significantly more likely than their peers in most other industries to say that they expect their companies to divest some portion of operations within the coming year. Fifty-two percent said the company is likely to divest at least part of its business in 2008, while 45 percent said they are unlikely to divest any portion of the business.
- Forty-four percent of energy executives said that integrating IT systems for finance was their greatest challenge once a company was acquired.

Individuals interested in receiving future updates on CIT via e-mail can register at <http://newsalerts.cit.com>.

### **About CIT's Research**

As a leader in middle market financing, CIT is committed to conducting strategic, in-depth research on the middle market. This traditionally under-recognized industry segment generates more than twice the revenues (\$6 trillion in sales) and employs four times the number of people (approximately 32 million), as compared with the blue chips that comprise the Dow Jones Industrial Average<sup>1</sup>. The release of *M&A in Challenging Times* follows CIT's inaugural [2007 U.S. Middle Market Outlook](#) survey conducted in conjunction with [The Economist Intelligence Unit](#).

### **About CIT**

CIT (NYSE: CIT) is a global commercial finance company that provides financial products and advisory services to more than one million customers in over 50 countries across 30 industries. A leader in middle market financing, CIT has more than \$80 billion in managed assets and provides financial solutions for more than half of the Fortune 1000. A member of the S&P 500 and Fortune 500, it maintains leading positions in asset-based, cash flow and Small Business Administration lending, equipment leasing, vendor financing and factoring. The CIT brand platform, Capital Redefined, articulates its value proposition of providing its customers with the relationship, intellectual and financial capital to yield infinite possibilities. Founded in 1908, CIT is celebrating its Centennial throughout 2008. [www.cit.com](http://www.cit.com)

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<sup>1</sup> U.S. Census, 2002

**About CFO Research Services**

CFO Research is the sponsored research unit of CFO Publishing Corp., which publishes *CFO* magazine in the United States, Europe, China and Asia. CFO Publishing is an Economist Group business.

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