

**MARKETS
UPDATE
SUPPLEMENT
P. 2**

MDM News Digest

Continued from p. 1 of this section

and cut its manufacturing workforce by approximately 2,500 positions. **M&A deal activity** fell by 38.7 percent globally in January, according to the latest Robert W. Baird & Co. monthly M&A market analysis. It's the largest monthly decline since Sept. 2001, the firm says. Dollar volume for January was up 14.6 percent, but excluding the Pfizer-Wyeth deal, global M&A volume was down 40 percent.

January **U.S. manufacturing technology consumption** totaled \$94.95 million, according to the American Machine Tool Distributors' Association and the Association for Manufacturing Technology. This total was down 59.2 percent from December and down 71.9 percent from January 2008.

Flowerserve Corp., Dallas, TX, reported sales for the fourth quarter ended Dec. 31, 2008, were \$1.17 billion, up 5.4 percent over further quarter 2007. Profit improved 19.3 percent to \$114.4 million. For the full year 2008, sales were \$4.47 billion, an increase of 18.9 percent from the prior year. Profit was up 73 percent to \$442 million.

Kaman Corp., Bloomfield, CT, reported fourth quarter sales of \$316.4 million, an increase of 16.2 percent over fourth quarter 2007. Profit declined 71.8 percent to \$6.8 million. For the full

year 2008, Kaman reported sales of \$1.25 billion, an increase of 15.4 percent over 2007 sales. Profit declined 36.3 percent to \$35.6 million. The increase in sales was comprised of organic growth of 8.4 percent and growth from acquisitions of 7.0 percent.

Gibraltar Industries, Inc., Buffalo, NY, reported sales of \$249.4 million for the fourth quarter ended Dec. 31, 2008, a drop of 10.9 percent from the prior-year period. For the 12 months ended Dec. 31, 2008, sales were \$1.23 billion, up 3 percent from 2007. The increase in sales was driven primarily by acquisitions completed in 2007.

Dutch holding company the **ERIKS group** reported sales for 2008 were €1.13 billion (US\$1.44 billion), up 19.2 percent over 2007. Profit improved 20.1 percent to €52.5 million (US\$67.1 million). Organic growth accounted for 4.7 percent of growth.

United Rentals, Inc., Greenwich, CT, reported fourth quarter sales of \$791 million, a decline of 14.5 percent from fourth quarter 2007. The company recorded a loss of \$853 million for the quarter, as compared to profit of \$153 million a year ago. For the full year, sales were \$3.3 billion, down 10.8 percent from the prior year. The full year loss was \$704 million.

Calculation of MDM Inflation Index for January 2009

	BLS Price Indices Jan. '09	BLS Price Indices Dec. '08	BLS Price Indices Jan. '08	% Sales Weight	Weighted Indices (1)X(4)	% Change Jan. '09 Dec. '08	% Change Jan. '09 Jan. '08
1136 Abr. Prod.	514.2	512.1	479.1	19.1	98.20	0.41	7.31
1135 Cutting Tools	452.0	450.6	438.7	18.9	85.43	0.30	3.03
1145 Power Trans.	725.4	724.2	654.2	15.4	111.71	0.17	10.89
1081 Fasteners	491.5	492.9	467.7	9.0	44.24	-0.27	5.08
1149.01 Valves, etc.	856.1	854.4	792.4	7.6	65.07	0.21	8.04
1132 Power Tools	338.5	344.7	328.6	6.5	22.00	-1.80	3.03
1144 Mat. Handling	522.4	524.7	473.9	6.2	32.39	-0.44	10.22
0713.03 Belting	608.4	607.4	548.5	6.1	37.11	0.16	10.92
1042 Hand Tools	741.0	734.5	687.2	8.1	60.02	0.88	7.83
108 Misc. Metal	455.7	457.7	425.8	3.1	14.13	-0.43	7.03
"New" January Index	298.0	January Inflation Index			570.30	0.15	7.49
"New" December Index	297.5	December Inflation Index			569.46		
		January 2008 Inflation Index			530.55		

New index reflects 1977=100 base other #: 1967 To convert multiply by .52247