

# W. McGinnis Advisors LLC

Litigation Support Services  
(Securities, Investment Banking,  
Investments & Brokerage)



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## PRESS RELEASE

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### **Follow-up Findings: Why Cash Is King In Hostile Takeovers**

*Midwest Airlines board saved shareholders \$121 million by rejecting AirTran's hostile acquisition offer*

MILWAUKEE, WI (PRWEB) May 27, 2008 – An independent securities expert announced his follow-up to research published a year ago regarding AirTran's attempted hostile takeover of Midwest Airlines.

W. McGinnis Advisors, LLC found that by rejecting AirTran's combination cash and stock offer in favor of a competing all-cash offer, Midwest's board of directors saved its shareholders from a potential \$121 million loss.

"Since AirTran's final offer to acquire Midwest on August 14, 2007, its share price has fallen from \$10.32 to a recent price of \$3.00 – a 71% decline," said William W. McGinnis, CFA, owner of W. McGinnis Advisors. "The shares offered to Midwest shareholders in the hostile takeover attempt were worth a total of \$171 million at that time, but today are worth only \$50 million due to AirTran's share price decline. If Midwest's board had accepted AirTran's offer and shareholders had not sold the shares, there would have been a total \$121 million decline in value."

"Ultimately, Midwest's board accepted a \$17.00 per share all-cash offer from another buyer. There is always a risk in accepting the shares of another company in an acquisition and these risks are often exacerbated in a hostile takeover offer. That's why cash is King – it removes the share price risk."

W. McGinnis Advisors' original report focused on the often unrecognized factors that boards of directors consider when faced with a hostile takeover bid. That report, titled [Hostile Acquisition Offers – The Responsibilities of the Target Board](http://www.wmcginnisadvisors.com/midwest-original.htm), can be found at [www.wmcginnisadvisors.com/midwest-original.htm](http://www.wmcginnisadvisors.com/midwest-original.htm).

In the report, Mr. McGinnis noted seven reasons why Midwest's board might be rejecting the offers of AirTran. Three of the reasons related to the issue of the shares being offered:

1. The combination cash / stock offer may pose risks for Midwest shareholders.
2. It is difficult to accurately assess the value of AirTran's shares.
3. Uncertainty as to whether Midwest shareholders would want to own AirTran shares.

"None of the seven issues noted in the original report are unique to AirTran," said Mr. McGinnis, "They apply to all companies offering their shares in a hostile takeover attempt. A very recent example of this situation would be Microsoft's hostile offer to acquire Yahoo.

"Midwest shareholders should be exceptionally pleased with the \$17.00 per share cash offer the board accepted from TPG Capital" said Mr. McGinnis. "If shareholders simply put the money they received under their mattress, they would be 44% better off than if the AirTran offer had been accepted and the shares held."

More details of the follow-up analysis can be found in the full report at [www.wmcginnisadvisors.com/midwest-follow-up.htm](http://www.wmcginnisadvisors.com/midwest-follow-up.htm).

*Background:* AirTran Holdings, Inc. initiated a hostile takeover of Midwest Airline's parent company (Midwest Air Group, Inc.) in December of 2006. The initial hostile offer of cash and stock totaling \$11.25 per Midwest share was raised several times, ending at \$16.25 per share in cash and stock on August 14, 2007. Midwest accepted a \$17.00 per share all-cash offer from TPG Capital on August 16, 2007.

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*Disclosure: Neither W. McGinnis Advisors, LLC nor the preparer of this report, William W. McGinnis, CFA, have ever held any investments related to any of the companies mentioned. Likewise, neither W. McGinnis Advisors, LLC nor William W. McGinnis have or have had any business relationship with any of these companies. Nothing in this report should be construed to be an investment recommendation related to or and offer to buy or sell the securities of any company mentioned herein.*

#### About W. McGinnis Advisors, LLC

W. McGinnis Advisors, LLC specializes in providing expert witness testimony and opinions worldwide in investments and securities cases. The firm, headed by William W. McGinnis, CFA, assists plaintiffs or defendants in cases relating to mergers & acquisitions, stock and business valuations, investment suitability and investment research issues.

William McGinnis, a Chartered Financial Analyst, has worked in investment analysis, portfolio management, mergers & acquisitions and the provision of professional opinions on such matters for over 25 years.

More information about W. McGinnis Advisors, LLC and William W. McGinnis, CFA is available at [www.wmcginnisadvisors.com](http://www.wmcginnisadvisors.com). Bill McGinnis is a securities expert witness and consultant based in Milwaukee, WI.