

Infrastructure

Services & Products

July 2013

Inside

03

Key U.S. Economic Indicators

06

Mergers and Acquisitions Activity

08

Public Company Metrics

13

Contacts

Based on recent leading economic indicators as well as data from the U.S. Census Bureau, growth in non-residential construction may be showing signs of slowing in the near term. While spending is above the lows hit in 2011 and appears poised to resume its recovery, the data does not currently indicate a quick rebound, and questions linger concerning when non-residential construction spending will resume a period of sustained and healthy multi-year growth. After posting an increase in spending of 6.6% in 2012 – the first such annual increase since 2008 – the monthly YoY % change in non-residential construction growth has been flat since the beginning of the year.

Backlog in Q1 2013 stood at 7.9 months, and while fairly consistent with the prior two quarters, highly constrained government budgets continue to impede meaningful improvement. The Architecture Billings Index, however, has bounced around over the last several months. It increased to 52.9 according to the latest May 2013 figure, after dipping in Apr below the expansionary “50” mark; it remains under its five-year high of 54.2 achieved in Jan 2013.

As a result, various industry economists and company executives now anticipate that non-residential construction spending may remain flat for the balance of the year and be poised for further growth again in 2014. Funding remains a constraint on new project spending as does the tepid pace of the economic recovery, which is preventing a more widespread recovery in the industry.

Key Report Takeaways

Economic Indicators – Real GDP expanded at an annual rate of 1.8% in Q1 2013 over the

prior quarter (compared to an increase of 0.4% in Q4 2012). Advances in consumer spending more than offset negative contributions from federal, state, and local government spending as well as non-residential construction.

Non-residential construction spending continues to be uneven across sub-sectors, as will be highlighted in this report. While subject to revision, seasonally adjusted annual spending rates in May 2013 declined \$17 billion to \$546 billion compared with \$563 billion in May 2012. Based on the latest U.S. Census Bureau data, the YoY % change in non-residential construction spending has been decelerating since Oct 2012 and has contracted thus far in 2013. The one bright spot remains private spending, and although it declined 1% for the May YoY period, public spending dropped by almost 4%, reflecting constrained government budgets.

M&A Activity – Judging by the volume of announced deals for infrastructure services companies, the pace of related M&A activity appears to have gained momentum, with numerous complementary bolt-on and tuck-in acquisitions occurring during the first half of 2013. Activity spans a number of end markets with multiple transactions over the last quarter within industrial/petroleum and water/waste water end markets.

Public Company Metrics – Median stock prices for the Duff & Phelps Infrastructure Services & Products Indices are trading at 85-90% of their 52-week highs. Current median EBITDA multiples for the indices are generally in line with their respective 10-year averages.

#1 Investment Bank for Number of
Global Bankruptcy Cases

#1 Global Fairness Opinion Provider

#3 U.S. Middle-Market M&A Advisor

**Powering Sound Decisions
for Companies, Boards and
Investors Worldwide**

A leading global financial advisory and investment banking firm, Duff & Phelps balances analytical skills, deep market insight and independence to help clients make sound decisions. The firm provides expertise in the areas of financial restructuring, valuation, M&A advisory, transaction opinions, alternative assets, disputes and taxation. Duff & Phelps serves clients from more than 30 offices throughout North America, Europe and Asia, leveraging both local expertise and global industry experience. Find out more at www.duffandphelps.com

DUFF & PHELPS

Source: Global bankruptcy case ranking provided by The Deal Q4 2012 league table.
Fairness opinion and M&A rankings calculated by number of deals from Thomson Financial Securities full year 2012 data.
Middle-market M&A deals < \$250 million.

Key U.S. Economic Indicators

Non-Residential Construction Put-in-Place

Revised estimates by the U.S. Census Bureau reflect slightly lower spending on non-residential construction of \$570 billion for 2012, which is still a healthy 6.6% increase over the prior year and represents the first such annual increase in spending since 2008. Growth, however, looks to have most recently stalled. Based on the downward revision to the seasonally adjusted annual rate (SAAR) of spending in Jan 2013 to \$543 billion from earlier estimates of \$572 billion, the preliminary reading for May 2013 was essentially flat at \$546 billion.

Non-Residential Construction Spending – Seasonally Adjusted Annual Rate (\$ in billions)

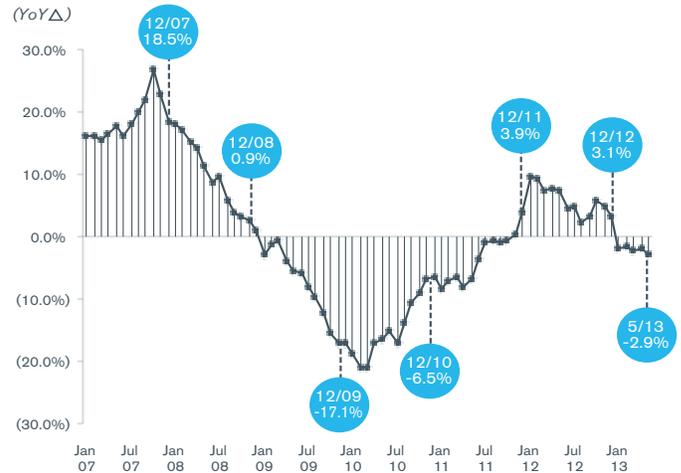


Source: U.S. Census Bureau

YoY % Change in Non-Residential Construction

The seasonally adjusted YoY % change in non-residential construction spending decelerated towards the end of 2012, and has since contracted on a YoY basis in 2013. For May 2013, SAAR spending dropped 2.9% to \$546 billion from \$563 billion for the same period a year ago. While private spending declined only 1% to \$283 billion on a YoY basis, public spending declined almost 4% to \$263 billion for the same period, reflecting constrained federal, state and local government budgets.

YoY % Change in Non-Residential Construction – Seasonally Adjusted Annual Rate



Source: U.S. Census Bureau

Non-Residential Construction as a % of Current Dollar GDP

Non-residential construction spending as a percentage of GDP has averaged 4.3% since 1993. As the economy was slowing in 2008, construction spending, which usually lags the economy, was peaking and dropped below the long-run average beginning in 2010, averaging approximately 3.7% over the last three years. Based on current dollar GDP in 2012, edging back toward the long-run average would have implied an incremental \$94 billion in non-residential construction spending over actual spending of \$570 billion in 2012. Backlogs have been fairly stable the last three quarters and the Architectural Billings Index has remained above the all-important expansion floor of 50, with the exception of a dip in Apr 2013. With a stronger economy, non-residential construction spending will likely follow historical patterns and accelerate faster than the broader economy.

Non-Residential Construction as a % of Current Dollar GDP (\$ in billions)



Sources: U.S. Census Bureau, U.S. Department of Commerce

Key U.S. Economic Indicators

Non-Residential Construction Put-in-Place – Sub-Sector Analysis

As highlighted in our Mar 2013 report, increased spending on private non-residential construction in 2012 (+\$40 billion) more than offset any declines in the value of public spending (-\$5 billion), with record spending on power construction activity driving just over half of the dollar increase. In light of continued constraints on government capital budgets, public construction spending remains the weak link in the construction recovery.

SAAR spending levels registered a \$17 billion YoY decline in May 2013 (-2.9%) to \$546 billion compared with \$563 billion in May 2012. While private spending declined only 1% to \$283 billion on a YoY basis, public spending declined almost 4% to \$263 billion for the same period. The recovery has been uneven across sub-sectors. As continues to be the case, the most notable reductions in spending were on public sector projects, with education (-\$7.1 billion) reflecting the largest dollar decline, partially offset by spending on water/sewage/waste (+\$1.8 billion) and power (+\$1.2 billion).

After power, spending on education-related construction is the next largest non-residential sub-sector tracked by the U.S. Census Bureau. It accounted for approximately \$85 billion in both 2011 and 2012, down from highs of approximately \$104 billion reached in 2008 and 2009. Whereas power is largely funded by private investment, education is just the opposite, with public funding accounting for over 80% of spending. Public sector education-related construction has declined annually since 2008 and 2009, when it was approximately \$86 billion, to \$68 billion in 2012, partially offset by increases in private spending. Across-the-board

government spending cuts as well as state and municipal budget woes contributed to a decline in public sector spending on education to a SAAR of \$60.3 billion in May 2013, down from \$67.5 billion in May 2012.

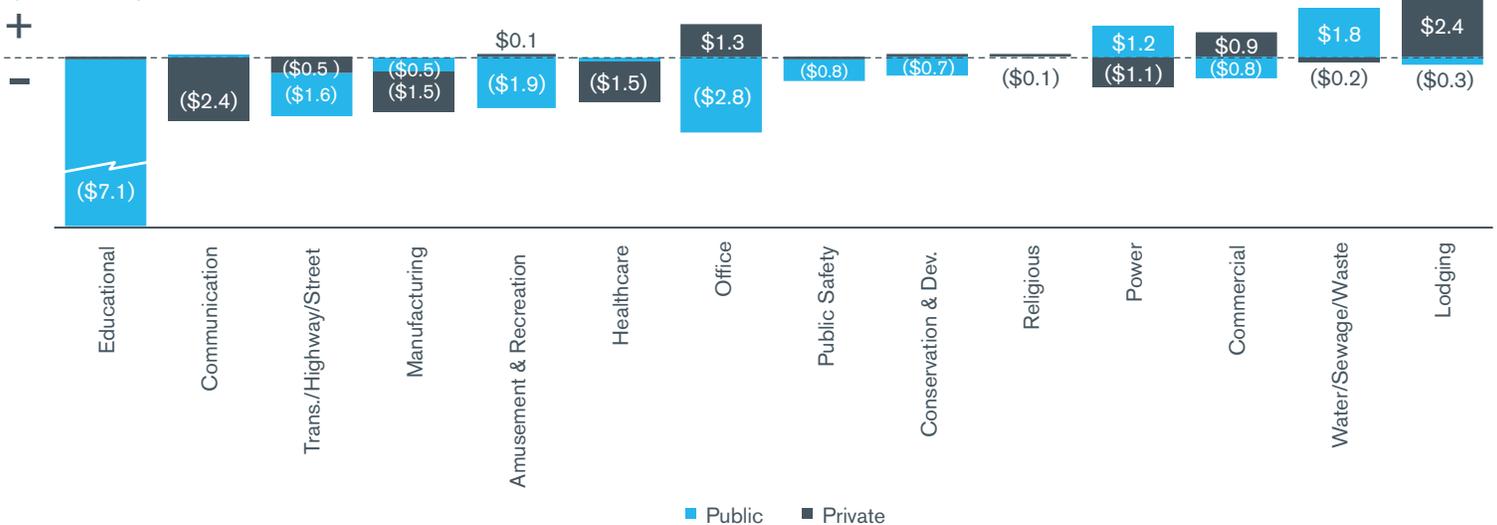
Private spending in May 2013 was essentially flat, with the largest increases in lodging and office sub-sectors (due to rising hotel occupancy rates and declining office vacancy rates, respectively), offset primarily by declines in communication, manufacturing, healthcare, and power.

Given the record spending on power projects in 2012 (+25.1%), it is not surprising that related YoY growth has recently flat-lined. Spending on power-related projects was \$42.2 billion in 2006 and has remained well above that level in each of the last six years, averaging \$80.5 billion annually and hitting a record of \$94.1 billion in 2012.

The slowdown in manufacturing-related spending, which was the second-largest contributor to non-residential construction growth in 2012 (+18.1%, totaling \$46.9 billion), is still approximately 15% below levels last seen in 2008 and 2009, and reflects weak factory production, symptomatic of a slowing domestic recovery and weak economies overseas that are importing fewer U.S.-made goods. According to the Federal Reserve, manufacturing production was up 0.1% in May 2013 after having decreased in each of the prior two months; manufacturing capacity utilization was unchanged in May 2013 after declining in each of the prior two months. Manufacturing capacity utilization remains 2.9 percentage points below its historical long-run average.

May 2013 YoY Change in Annual Value of Non-Residential Construction – Seasonally Adjusted Annual Rate

(\$ in billions)

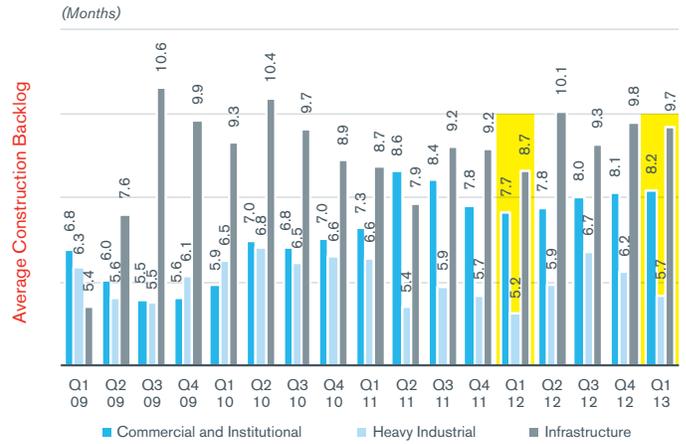


Source: U.S. Census Bureau

Key U.S. Economic Indicators

Average Construction Backlog

According to Associated Builders and Contractors (ABC), overall construction backlog for Q1 2013 increased to 7.9 months compared with 7.4 months for Q1 2012, and approximately in line with levels seen during the last two quarters of 2012 (both 8.0 months). Notably, all three ABC construction backlog segments registered increases in Q1 2013 compared with a year ago, reflecting the ongoing recovery. Uncertainties and headwinds remain largely unchanged and are preventing a more widespread recovery in the industry: sequestration, tax increases, mounting budget deficits, funding challenges and softening overseas economies. ABC notes that backlog is expected to expand moderately later in 2013 with construction spending now expected to remain flat for the balance of the year.



Architecture Billings Index (ABI)

As a leading economic indicator of construction activity, the ABI reflects the approximate 9- to 12-month lag time between architecture billings and construction spending. While May 2013 ABI increased to 52.9 from 48.6 in Apr 2013, it is off of levels seen in Jan and Feb 2013 (54.2 and 54.9, respectively). Apr 2013's negative dip was the first in 10 months, and in light of both the size of the dip and the size of the rebound the following month, may have been an aberration.

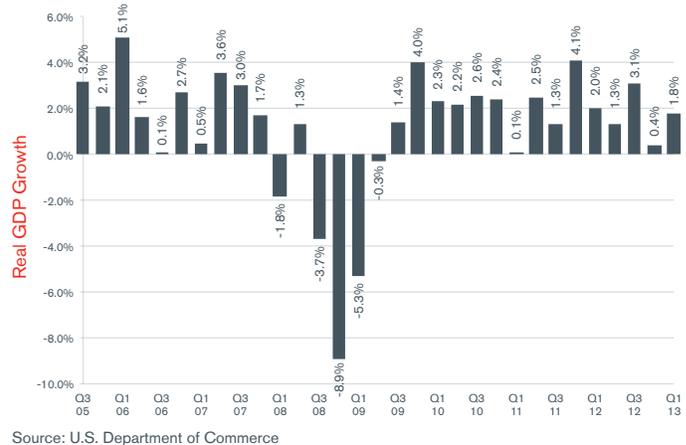
The American Institute of Architects notes that uncertainty in the marketplace and the overall lack of confidence in the economy is continuing to impede construction spending. According to AIA Chief Economist Kermit Baker, PhD, Hon. AIA, "Project approval delays are having an adverse effect on the design and construction industry, but again and again, we are hearing that it is extremely difficult to obtain financing to move forward on real estate projects."



Real GDP Growth

In its latest estimate, the U.S. Department of Commerce indicated that real GDP expanded at an annual rate of 1.8% from Q4 2012 to Q1 2013. This compares to an increase of 0.4% from Q3 to Q4 2012. Major positive contributors to growth in Q1 2013 included consumer spending (which represents ~70% of total GDP), inventories, residential investment, and investments in equipment and software. Major negative contributors to growth included federal, state and local spending, non-residential construction, and a decline in net exports.

While sequestration has not pushed the economy into another recession as many headlines had predicted, according to the U.S. Department of Commerce, declining local, state and federal government purchases subtracted nearly a full percentage point from growth in Q1 2013. According to a Jun 2013 Wall Street Journal economist survey, GDP is now expected to grow 2.3% in 2013 as compared with the same survey in Apr 2013, which reflected growth of 2.5%. For the time being, a strong private sector has offset federal spending cuts as a brightening employment outlook, climbing stock market and an improving housing market have helped bolster consumer spending even in the face of higher taxes and less take-home pay. Given the timing of the spending cuts, the full impact will likely be reflected over the coming quarters.



Deficit cutting in the U.S. and abroad will likely keep a lid on growth in the U.S. and globally. The U.S. is still without a broader deficit reduction plan containing a more comprehensive, predictable and sensible approach to deficit reduction. While sequestration has not tipped the economy into another recession, it could again become an issue in 2014 as another round of across-the-board spending cuts is set to begin on Oct 1 along with another federal debt limit debate this Fall.

Mergers and Acquisitions Activity

Commentary on M&A Activity

Judging by the volume of announced deals for infrastructure services companies, the pace of related M&A activity appears to have gained momentum, with numerous complementary bolt-on and tuck-in acquisitions occurring during the first half of 2013.

Both public and private suitors remain active, and based on numerous conversations, there is continued interest in building out capabilities

and expanding into new geographic markets. Especially active are private acquirers seeking to build critical mass. Activity spans a number of end markets with multiple transactions over the last quarter within industrial/petroleum and water/waste water end markets.

End Markets Legend:

GB – General Building	P – Power
H – Hazardous Waste	O – Other
IP – Industrial / Petroleum	T – Telecommunications
Mfg – Manufacturing	Tr – Transportation
M – Mining	W – Water / Sewer / Waste

Select Mergers and Acquisitions Activity March 1, 2013 through July 1, 2013

(\$ in millions)								
Date Closed	Target Name	Sector	Major Endmarkets	Acquirer Name	Enterprise Value	EV / Revenue	EV / EBITDA	
Pending	Pitman, Hartenstein & Associates, Inc., Florida Division	Engineering & Design	T	NV5 Holdings, Inc.	-	-	-	
Pending	Caminosca S.A.	Engineering & Design	M, P, Tr, W	Cardno Limited	-	-	-	
Pending	Parkland Pipeline Contractors Ltd.	Integrated E&C	P	Tetra Tech Inc.	-	-	-	
Pending	United States Infrastructure Corporation	Sub-surface Utility Services	O	Leonard Green & Partners, L.P.	\$700.0	-	-	
Pending	Veolia Marine Services	Specialty Contracting	W	Harkand Group	-	-	-	
Pending	Synagro Technologies, Inc.	Environmental Services	W, H	EQT Partners AB	\$455.0	-	-	
Pending	Met-Pro Corp.	Infrastructure Products	H, IP, Mfg, W	CECO Environmental Corp.	\$175.4	1.60x	12.0x	
Pending	Outback Ecology	Environmental Consulting	M, W	MWH Global, Inc.	-	-	-	
Pending	RepconStrickland, Inc.	Specialty Contracting	IP	EMCOR Group Inc.	\$455.0	1.14x	-	
7/1/13	Brinderson, L.P.	Integrated E&C; Specialty Contracting	IP, P	Aegion Corporation	\$150.0	0.65x	6.3x	
6/30/13	Delich Roth & Goodwillie	Engineering & Design	T, W	Alfred Benesch & Company	-	-	-	
6/28/13	Roth Hill, LLC	Engineering & Design	W	Stantec Inc.	-	-	-	
6/21/13	Birdsall Services Group, Inc.	Engineering & Design	GB, H	Partner Assessment Corporation	\$8.1	-	-	
6/17/13	Eta Engineering Consultants	Engineering & Design	IP	EN Engineering, LLC	-	-	-	
6/17/13	Peak Power Engineering, Inc.	Engineering & Design	P	Atwell, LLC	-	-	-	
6/4/13	Compass Technology Services, Inc.	Engineering & Design	Tr	Jacobs Engineering Group Inc.	-	-	-	
6/4/13	NorthAm Engineering, SA. de C.V.	Engineering & Design	IP	Foster Wheeler AG	-	-	-	
6/3/13	W.E. Stilson Consulting Group, LLC	Engineering & Design	Tr, W	GPD Group, Inc.	-	-	-	
6/3/13	IBE Consulting Engineers	Engineering & Design	GB	Stantec Inc.	-	-	-	
6/3/13	DeLuca-Hoffman Associates, Inc.	Engineering & Design	GB, Tr	Fay, Spofford & Thorndike, Inc.	-	-	-	
6/3/13	Ashley Pryce Interior Design	Engineering & Design	GB	Stantec Inc.	-	-	-	
6/2/13	R. E. LeBlanc	Engineering & Design	GB	MCW Group of Companies	-	-	-	
6/1/13	Dunkelberger Engineering & Testing, Inc.	Engineering & Design	P, Tr, W	Terracon Consultants, Inc.	-	-	-	
5/31/13	Vigil-Agrimis, Inc.	Engineering & Design	W	Environmental Science Associates, Inc.	-	-	-	
5/29/13	Big Country Energy Services LP	Specialty Contracting	IP	MasTec, Inc.	\$127.0	-	-	

Source: Capital IQ, The Deal, SEC Filings, and company presentations

Mergers and Acquisitions Activity

Select Mergers and Acquisitions Activity March 1, 2013 through July 1, 2013

(\$ in millions) Date Closed	Target Name	Sector	Major Endmarkets	Acquirer Name	Enterprise Value	EV / Revenue	EV / EBITDA
5/28/13	EnviroMet, LLC	Environmental Services	P	AKRF, Inc.	-	-	-
5/27/13	Strategic Engineering & Science, Inc.	Environmental Consulting	M, W	SLR International Corp.	-	-	-
5/27/13	Synergistics Environmental Services	Environmental Consulting	H, M, P, W	SLR International Corp.	-	-	-
5/24/13	EnergySolutions, Inc.	Environmental Consulting & Remediation	P	Energy Capital Partners	\$944.8	0.51x	4.5x
5/17/13	Bowyer-Singleton & Associates, Inc.	Engineering & Design	Tr	The Dewberry Companies, Inc.	-	-	-
5/16/13	Tradesmen Enterprises GP Inc.	Construction	IP	Fulcrum Capital Partners Inc.	\$20.0	-	-
5/9/13	Rocla Concrete Tie, Inc.	Infrastructure Products	Tr	Altus Capital Partners	-	-	-
5/3/13	K.M. Ng & Associates, Inc.	Engineering & Design	GB, Tr	Merrick & Company, Inc.	-	-	-
5/1/13	Taylor Concrete & Pumping Partnership Group	Engineering & Design	GB, Tr	BURNCO Rock Products Ltd	-	-	-
4/30/13	HETSCO, Inc.	Construction	IP	Global Power Equipment Group Inc.	\$32.5	1.26x	-
4/25/13	City Hill Construction, Inc.	Construction	GB	Lakeview Lawn & Landscape, Inc.	-	-	-
4/19/13	Knowledge Reservoir, LLC	Engineering & Design	IP	RPS Group plc	\$20.0	0.78x	-
4/19/13	Hardin Construction Company, LLC	Construction	GB	DPR Construction, Inc.	-	-	-
4/16/13	Pipeworx Ltd.	Construction	IP	PLH Group, Inc.	-	-	-
4/16/13	Legacy Building Services, Inc.	Construction	GB	Dempsey Construction Inc.	-	-	-
4/15/13	Martin/Alexiou/Bryson, PC	Engineering & Design	Tr	VHB Engineering NC, P.C.	-	-	-
4/12/13	Lamm Engineering	Engineering & Design	GB, Tr, W	AE Works Ltd.	-	-	-
4/8/13	Palmer Mfg. and Tank Inc.	Infrastructure Products	Mfg	Worthington Industries, Inc.	\$113.5	1.62x	-
4/3/13	Ocean Engineering Associates, Inc.	Environmental Consulting	Tr, W	INTERA Incorporated	-	-	-
4/3/13	Macro Corporation	Integrated E&C	T, Tr	Ross & Baruzzini, Inc.	-	-	-
4/2/13	Salva Resources	Engineering & Environmental Consulting	M	HDR, Inc.	-	-	-
4/2/13	Westroc, Inc.	Infrastructure Products	GB, Tr	Summit Materials, LLC	-	-	-
4/1/13	Frontline Integrated Services Ltd.	Environmental Services	IP, Tr, W	Secure Energy Services Inc.	\$22.7	0.86x	4.8x
4/1/13	Aquilex Specialty Repair and Overhaul LLC	Specialty Contracting	IP, P	Arbor-Crowley, Inc.	\$250.0	-	-
3/27/13	Lifetek Solutions, Inc.	Engineering & Design	Mfg	M+W Group	-	-	-
3/21/13	SENES Consultants Limited and DCS Limited	Environmental Consulting	IP, M, P	Arcadis NV	-	-	-
3/14/13	APIA XXI, S.A.	Engineering & Design	GB, Tr	Berger Group Holdings, Inc.	-	-	-
3/1/13	Aquaterra Environmental Solutions	Engineering & Environmental Consulting	H, IP, W	SCS Engineers, Inc.	-	-	-
3/1/13	Zinser/Grossman Structural LLC	Engineering & Design	GB	Bury+Partners, Inc.	-	-	-
3/1/13	MultiTrode Pty Ltd.	Infrastructure Products	W	Xylem Inc.	\$26.0	2.00x	-

Source: Capital IQ, The Deal, SEC Filings, and company presentations

Public Company Metrics

Select Company Performance (\$ in millions, except per share amounts)

Company Information	Market Data				LTM Performance					Multiples		
	Price at 6/28/13	% of 52-week High	Equity Value	Enterprise Value	Revenue	EBITDA	Revenue Growth	EBITDA Growth	EBITDA Margin	EV/LTM Revenue	EV/LTM EBITDA	EV/NTM EBITDA
Engineering and Design												
AECOM Technology Corporation	\$31.79	96.1%	\$3,277	\$3,997	\$8,185	\$482	(0.2%)	(0.2%)	5.9%	0.49x	8.3x	7.6x
AMEC plc	\$15.27	85.6%	\$4,541	\$4,397	\$6,758	\$533	27.5%	12.3%	7.9%	0.65x	8.2x	8.1x
Arcadis NV	\$26.84	92.2%	\$1,942	\$2,455	\$3,272	\$256	19.1%	21.0%	7.8%	0.75x	9.6x	8.4x
GENIVAR Inc.	\$22.77	93.4%	\$1,178	\$1,330	\$1,546	\$125	136.0%	41.7%	8.1%	0.86x	10.6x	7.8x
Michael Baker Corporation	\$27.11	98.6%	\$262	\$183	\$586	\$28	2.9%	(33.9%)	4.8%	0.31x	6.6x	4.5x
Stantec Inc.	\$42.13	97.3%	\$1,945	\$2,189	\$1,586	\$226	14.2%	14.6%	14.3%	1.38x	9.7x	9.0x
Tetra Tech Inc.	\$23.51	74.7%	\$1,526	\$1,634	\$2,071	\$216	7.6%	2.6%	10.4%	0.79x	7.6x	9.9x
WS Atkins plc	\$15.32	98.8%	\$1,491	\$1,296	\$2,589	\$183	(0.3%)	(0.8%)	7.1%	0.50x	7.1x	6.2x
					Mean		25.8%	7.2%	8.3%	0.72x	8.5x	7.7x
					Median		10.9%	7.5%	7.8%	0.70x	8.3x	8.0x
Integrated Engineering and Construction												
Balfour Beatty plc	\$3.62	74.2%	\$2,479	\$3,370	\$15,413	\$380	(0.1%)	(26.1%)	2.5%	0.22x	8.9x	7.4x
Chicago Bridge & Iron Company N.V.	\$59.66	91.9%	\$6,386	\$7,965	\$6,535	\$588	36.2%	33.7%	9.0%	1.22x	13.5x	8.1x
Fluor Corporation	\$59.31	88.7%	\$9,660	\$8,119	\$28,473	\$1,020	15.7%	(14.4%)	3.6%	0.29x	8.0x	5.8x
Foster Wheeler AG	\$21.71	80.0%	\$2,174	\$1,878	\$3,278	\$266	(25.1%)	(2.2%)	8.1%	0.57x	7.1x	6.5x
Jacobs Engineering Group Inc.	\$55.13	95.1%	\$7,211	\$6,538	\$11,154	\$752	3.3%	10.2%	6.7%	0.59x	8.7x	8.1x
KBR, Inc.	\$32.50	88.6%	\$4,804	\$3,955	\$7,635	\$537	(13.1%)	(16.0%)	7.0%	0.52x	7.4x	5.5x
McDermott International Inc.	\$8.18	60.3%	\$1,934	\$1,636	\$3,721	\$378	13.7%	16.3%	10.2%	0.44x	4.3x	5.4x
SNC-Lavalin Group Inc.	\$42.16	89.1%	\$6,385	\$7,832	\$8,065	\$641	11.5%	(11.7%)	8.0%	0.97x	12.2x	9.7x
URS Corporation	\$47.22	95.5%	\$3,584	\$5,561	\$11,414	\$849	19.1%	27.2%	7.4%	0.49x	6.6x	6.0x
					Mean		6.8%	1.9%	6.9%	0.59x	8.5x	7.0x
					Median		11.5%	(2.2%)	7.4%	0.52x	8.0x	6.5x

Source: Capital IQ as of June 28, 2013; for definitions, see page 10

Public Company Metrics

Select Company Performance (\$ in millions, except per share amounts)

Company Information	Market Data				LTM Performance					Multiples		
	Price at 6/28/13	% of 52-week High	Equity Value	Enterprise Value	Revenue	EBITDA	Revenue Growth	EBITDA Growth	EBITDA Margin	EV/LTM Revenue	EV/LTM EBITDA	EV/NTM EBITDA
Construction												
Granite Construction Incorporated	\$29.76	78.9%	\$1,147	\$1,005	\$2,152	\$104	4.3%	(25.4%)	4.8%	0.47x	9.7x	7.2x
Layne Christensen Co.	\$19.51	77.7%	\$381	\$455	\$1,030	\$47	(8.2%)	(59.6%)	4.5%	0.44x	9.7x	7.6x
Primoris Services Corporation	\$19.72	85.1%	\$1,017	\$1,039	\$1,660	\$139	19.3%	7.9%	8.4%	0.63x	7.5x	6.4x
Skanska AB (publ)	\$16.52	92.4%	\$6,802	\$6,740	\$20,201	\$861	7.1%	9.1%	4.3%	0.33x	7.8x	6.7x
Sterling Construction Co. Inc.	\$9.06	76.3%	\$151	\$157	\$643	\$32	28.5%	20.0%	4.9%	0.24x	4.9x	7.1x
Tutor Perini Corporation	\$18.09	93.3%	\$861	\$1,530	\$4,192	\$231	4.4%	5.0%	5.5%	0.36x	6.6x	5.8x
					Mean		9.2%	(7.2%)	5.4%	0.41x	7.7x	6.8x
					Median		5.8%	6.4%	4.9%	0.40x	7.7x	6.9x
Specialty Contracting												
Comfort Systems USA Inc.	\$14.92	96.8%	\$556	\$555	\$1,330	\$50	5.4%	24.9%	3.8%	0.42x	11.1x	10.9x
Dycom Industries Inc.	\$23.14	95.7%	\$765	\$1,187	\$1,448	\$155	22.0%	20.6%	10.7%	0.82x	7.7x	6.0x
EMCOR Group Inc.	\$40.65	95.2%	\$2,728	\$2,391	\$6,377	\$309	8.3%	11.1%	4.8%	0.37x	7.7x	7.2x
Furmanite Corporation	\$6.69	89.6%	\$250	\$269	\$344	\$27	9.1%	1.8%	7.8%	0.78x	10.0x	7.2x
Great Lakes Dredge & Dock Corporation	\$7.82	77.7%	\$464	\$732	\$722	\$61	15.1%	(16.7%)	8.4%	1.01x	12.0x	7.1x
MasTec, Inc.	\$32.90	96.9%	\$2,528	\$3,158	\$3,907	\$360	30.7%	49.1%	9.2%	0.81x	8.8x	7.3x
Matrix Service Company	\$15.58	86.9%	\$406	\$356	\$842	\$44	17.3%	(6.4%)	5.2%	0.42x	8.2x	5.8x
MYR Group, Inc.	\$19.45	75.5%	\$408	\$387	\$960	\$82	10.3%	58.2%	8.6%	0.40x	4.7x	4.6x
Pike Electric Corporation	\$12.30	77.1%	\$389	\$574	\$897	\$109	34.0%	65.6%	12.1%	0.64x	5.3x	6.6x
Quanta Services, Inc.	\$26.46	86.6%	\$5,635	\$5,274	\$6,177	\$663	32.2%	49.5%	10.7%	0.85x	8.0x	8.0x
Team, Inc.	\$37.85	81.1%	\$779	\$837	\$701	\$79	17.3%	18.1%	11.3%	1.19x	10.5x	9.8x
The Churchill Corporation	\$7.89	67.0%	\$194	\$283	\$1,107	\$31	(21.7%)	(52.2%)	2.8%	0.26x	9.2x	6.2x
					Mean		15.0%	18.6%	8.0%	0.67x	8.6x	7.2x
					Median		16.2%	19.4%	8.4%	0.71x	8.5x	7.1x

Source: Capital IQ as of June 28, 2013; for definitions, see page 10

Public Company Metrics

Select Company Performance (\$ in millions, except per share amounts)

Company Information	Market Data				LTM Performance					Multiples			
	Price at 6/28/13	% of 52-week High	Equity Value	Enterprise Value	Revenue	EBITDA	Revenue Growth	EBITDA Growth	EBITDA Margin	EV/LTM Revenue	EV/LTM EBITDA	EV/NTM EBITDA	
Infrastructure Products													
Aegion Corporation	\$22.51	86.3%	\$859	\$1,009	\$1,029	\$104	7.3%	8.3%	10.1%	0.98x	9.7x	6.9x	
Eagle Materials Inc.	\$66.27	85.1%	\$3,284	\$3,769	\$643	\$135	29.8%	89.2%	21.0%	5.87x	NM	12.7x	
Harsco Corporation	\$23.19	89.1%	\$1,871	\$2,857	\$3,009	\$448	(8.1%)	(9.2%)	14.9%	0.95x	6.4x	5.6x	
LB Foster Co.	\$43.17	92.9%	\$439	\$358	\$604	\$38	2.3%	13.1%	6.3%	0.59x	9.4x	5.7x	
Martin Marietta Materials Inc.	\$98.42	86.6%	\$4,520	\$5,600	\$2,029	\$321	14.0%	(4.3%)	15.8%	2.76x	NM	12.9x	
Mueller Water Products, Inc.	\$6.91	89.2%	\$1,091	\$1,654	\$1,085	\$142	10.4%	20.0%	13.0%	1.52x	11.7x	9.4x	
National Oilwell Varco, Inc.	\$68.90	76.6%	\$29,440	\$31,478	\$21,045	\$4,085	33.1%	8.3%	19.4%	1.50x	7.7x	7.1x	
Northwest Pipe Co.	\$27.90	94.0%	\$263	\$340	\$523	\$50	(3.6%)	2.7%	9.6%	0.65x	6.8x	7.2x	
Texas Industries Inc.	\$65.14	86.5%	\$1,852	\$2,480	\$695	\$54	13.6%	560.6%	7.8%	3.57x	NM	NM	
Trinity Industries Inc.	\$38.44	84.2%	\$3,045	\$5,689	\$3,849	\$791	20.3%	30.4%	20.5%	1.48x	7.2x	6.2x	
Valmont Industries, Inc.	\$143.09	86.8%	\$3,828	\$3,948	\$3,132	\$489	11.4%	29.3%	15.6%	1.26x	8.1x	7.1x	
Vulcan Materials Company	\$48.41	81.4%	\$6,291	\$8,769	\$2,570	\$383	(1.7%)	(0.2%)	14.9%	3.41x	NM	NM	
							Mean	10.7%	62.4%	14.1%	2.04x	8.4x	8.1x
							Median	10.9%	10.7%	14.9%	1.49x	7.9x	7.1x

Definitions

Enterprise Value: Market Capitalization + Total Debt + Preferred Equity + Minority Interest – Cash and Short-Term Investments

EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization

LTM: Last Twelve Months

NTM: Next Twelve Months

Source: Capital IQ as of June 28, 2013; for definitions, see page 10

Public Company Metrics

Duff & Phelps' Infrastructure Services & Products Indices – Median EV / EBITDA Apr 2009 – Jun 2013



Source: Selected company data (see page 8); Capital IQ

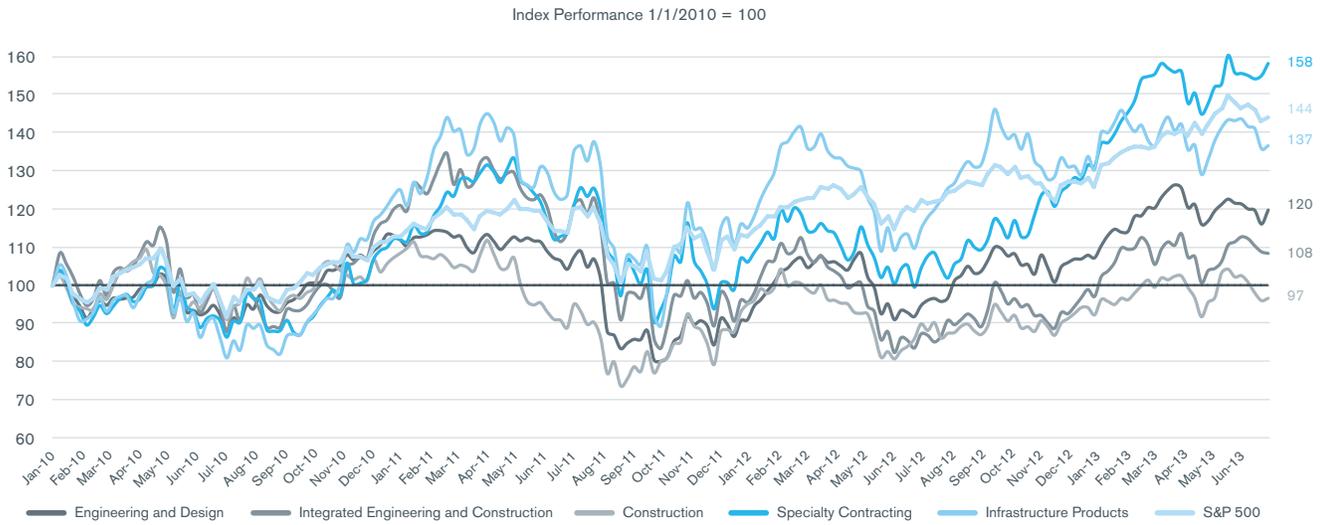
Summary Public Company Metrics

Public Company Group	Median EV/EBITDA Multiples						LTM Median EBITDA Margin	Median Stock Price as a % of 52-Week High
	10-Yr Avg.	3-Yr Avg.	1-Yr Avg.	6-Mo Avg.	Current	NTM		
Engineering and Design	8.4x	8.0x	8.4x	8.7x	8.3x	8.0x	7.8%	94.7%
Integrated Engineering and Construction	9.5x	7.1x	6.7x	7.2x	8.0x	6.5x	7.4%	88.7%
Construction	5.9x	5.5x	6.1x	7.1x	7.7x	6.9x	4.9%	82.0%
Specialty Contracting	8.8x	7.7x	7.8x	8.5x	8.5x	7.1x	8.4%	86.7%
Infrastructure Products	8.9x	8.8x	8.1x	8.4x	7.9x	7.1x	14.9%	86.6%

Source: Selected company data (see page 8); Capital IQ

Public Company Metrics

Selected Duff & Phelps' Infrastructure Services & Products Indices vs. S&P 500 Index, Jan 2010 – Jun 2013



Source: Selected company data (see page 8); Capital IQ

U.S. Contacts

Mergers and Acquisitions

Mark Calzolano

Managing Director

+1 312 697 4710

mark.calzolano@duffandphelps.com

Laura McNaughton

Director

+1 312 697 4678

laura.mcnaughton@duffandphelps.com

Transaction Opinions

Sherry Cefali

Managing Director

+1 424 249 1660

sherry.cefali@duffandphelps.com

Dave Turf

Managing Director

+1 312 697 4642

dave.turf@duffandphelps.com

UK Contacts

Paul Teuten

Managing Director

+1 44 20 7089 4840

paul.teuten@duffandphelps.com

Dafydd Evans

Managing Director

+1 44 20 7089 4850

dafydd.Evans@duffandphelps.com

For more information about our global locations and expertise visit:

www.duffandphelps.com

About Duff & Phelps

As a leading global financial advisory and investment banking firm, Duff & Phelps leverages analytical skills, market expertise and independence to help clients make sound decisions. The firm advises clients in the areas of valuation, M&A and transactions, restructuring, alternative assets, disputes and taxation – with more than 1,000 employees serving clients from offices in North America, Europe and Asia.

Investment banking services in the United States are provided by Duff & Phelps Securities, LLC; Pagemill Partners; and GCP Securities, LLC. Member FINRA/SIPC. Transaction opinions are provided by Duff & Phelps, LLC. M&A advisory and capital raising services in the United Kingdom and Germany are provided by Duff & Phelps Securities Ltd., which is authorized and regulated by the Financial Conduct Authority.