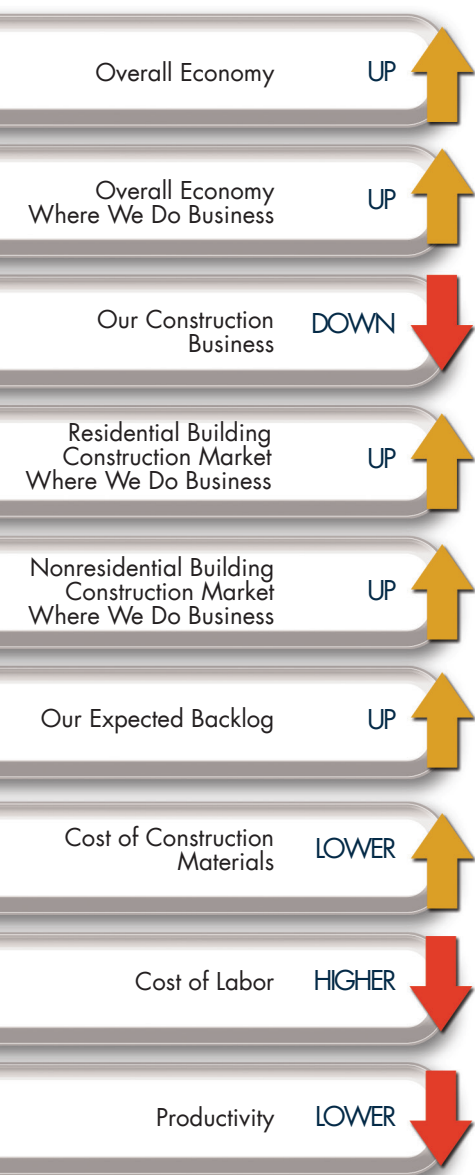


## CURRENT CIRT SUMMARY



● Positive ● Negative

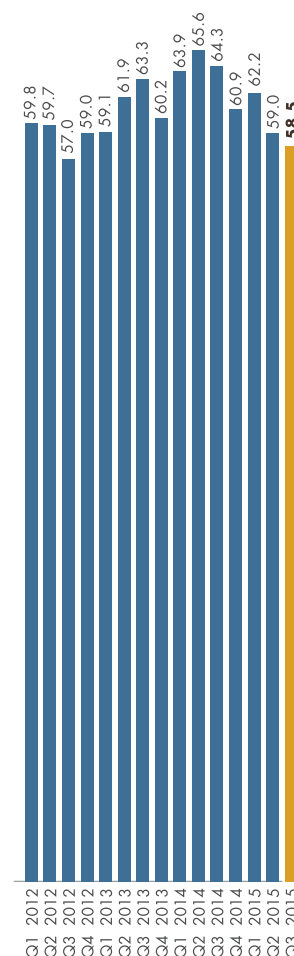
**NOTE:** Higher cost of materials and labor reduces the CIRT score.

## CIRT SENTIMENT INDEX THIRD QUARTER 2015 EXECUTIVE SUMMARY

If there is one thing we know about change, it is that it is as inevitable as time. Change happens. However, change happens at different rates. Time just keeps marching on at the same rate—at least it did until Einstein came along and complicated things with his “Theory of Relativity.” Notwithstanding, we understand change can move at various paces—in other words, it can happen gradually (gradualism) or rapidly (catastrophism).

By considering the data amassed in the latest CIRT Sentiment Index through the “science of change” lens, it opens the mind to new ideas. Thinking about change on a geological scale puts the current CIRT Sentiment Index readings, which are more in the gradualism camp, in context. Cataclysmic changes make for more interesting headlines, but they are not the only kind that can fundamentally change the environment for better or worse. In this context of “gradual” change, our introductory list of components indicates a positive trend for most major elements, with the CIRT Sentiment Index 0.5 points lower or essentially little changed. The Design Index, however, has improved over last quarter to 65.1, which suggests possible future change. The hope is that the improvements seen in the design community of the CIRT membership will eventually help to pick up the weaknesses in the market outlooks a year or more out.

Granted, a 0.5-point drop in the Index is little news, but it is 5.8 points lower than the same quarter last year. Put in relationship to time, a longer view can make gradual change look more radical. Construction companies are busy, and they are busier than they were last year at this time when we look at backlog growth. However, there is some slippage in optimism



|  |      |
|--|------|
| CURRENT CIRT<br>SENTIMENT INDEX<br>READING Q3 2015 | 58.5 |
| CURRENT CIRT<br>DESIGN INDEX<br>READING Q3 2015    | 65.1 |

PREVIOUS SENTIMENT  
INDEX READING: **59.0**

### EXHIBIT 1

CIRT Sentiment Index  
Scores: Q1 2012 to Q3 2015

(Scores above 50 indicate expansion, below 50 indicate contraction)

# ABOUT THE CONSTRUCTION INDUSTRY ROUND TABLE (CIRT)

The Construction Industry Round Table (CIRT) is composed exclusively of approximately 100 CEOs from the leading architectural, engineering and construction firms doing business in the United States.

CIRT is the only organization that is uniquely situated as a single voice representing the richly diverse and dynamic design/construction community. First organized in 1987 as the Construction Industry Presidents' Forum, the Forum has since been incorporated as a not-for-profit association with the mission "to be a leading force for positive change in the design/construction industry while helping members improve the overall performance of their individual companies."

The Round Table strives to create one voice to meet the interests and needs of the design/construction community. CIRT supports its members by actively representing the industry on public policy issues, by improving the image and presence of its leading members, and by providing a forum for enhancing and developing strong management approaches through networking and peer interaction.

The Round Table's member CEOs serve as prime sources of information, news and background on the design/construction industry and its activities. If you are interested in obtaining more information about the Construction Industry Round Table, please call 202-466-6777 or contact us by email at [cirt@cirt.org](mailto:cirt@cirt.org).

## CIRT SENTIMENT INDEX

The CIRT Sentiment Index is a survey of members of the Construction Industry Round Table conducted quarterly by FMI Research, Raleigh, North Carolina. For press contact or questions about the CIRT Sentiment Index, contact Mark Casso at [mcasso@cirt.org](mailto:mcasso@cirt.org) and/or Phil Warner, research consultant with FMI Corporation, at [pwarnar@fminet.com](mailto:pwarnar@fminet.com) or call 919-785-9357.



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## CONFIDENTIALITY

All individual responses to this survey will be confidential and shared outside of FMI only in the aggregate.  
All names of individuals responding to this survey will remain confidential to FMI.

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## Executive Summary ... continued

about many individual markets looking a year out and past the election year. The message is subtle and open to interpretation or other theories, but it appears that a number of forces are at work here. One possibility is that many companies are struggling to take on more work with fewer well-trained employees. The recovery for construction post-recession has been gradual, but that gradual change has opened up a rift between the amount of work and the need for more workers. Backlogs have increased for most companies, with some reaching the point where it is more difficult to sell more work. That is a better problem than finding no work, but still a challenge in other important respects.

### Current Issues:

**International Debt Problems:** As we were preparing the survey for the CIRT Sentiment Index this quarter, large debt payments were coming due for Greece and other nations like Italy, Spain and Portugal. We added a question about the potential impact of these debt situations on the business of the executives answering our survey. We learned that a quarter of the respondents expect some immediate and longer-term impacts, but the situation was manageable. Nearly as many respondents (22%) indicated they were not sure how the international market crises would play out for their firms. Although 20% expect no immediate or long-term impacts, there are those that expect impacts that might put pressure on their goals (10%) and respondents that expect to rethink their market strategies (5%).

**Business Changes Since the Great Recession:** Now that the so-called “Great Recession” is in the history books, we asked what changes companies made during the recession from which they are now reaping dividends. Being “more selective regarding projects and clients” came in on top, followed closely by “making greater use of technology to be more productive.” Doing “a better job of managing employees” and “construction risks” were followed by “being more successful with their strategic planning.”

# CIRT Sentiment Index Third Quarter 2015 Highlights

**Overall Economy:** The Index component for the overall economy was up 1.4 points this quarter. This component remains in optimistic territory; however, it is 11.1 points lower than the same quarter last year. The optimism for more rapid growth has cooled in the past year.

**Overall Economy Where Panelists Do Business:** At 64.4 this quarter, this component is up 0.8 from last quarter. Like the other general economic indicators, the economy where CIRT respondents do business is chugging along rather than roaring along.

## CIRT Design Index Components

**Consulting Planning:** In contrast with the construction components of the CIRT Sentiment Index this quarter, most of the design components saw significant gains, with consulting planning adding 11.5 points to 74.0.

**Pre-design work:** Pre-design work stepped up from 66.7 last quarter to a busier score of 74.1 this quarter.

**Commercial:** Commercial design work bounced back to 68.4 this quarter compared to just 59.1 last quarter.

**Education:** Education design work has been lackluster for some time, so it is encouraging to see a score of 61.8 this quarter, suggesting that this market sector may be coming back.

**Health Care:** Health care design jumped 10.3 points to 72.2 this quarter. This is the most optimistic score we have seen for this component since we began the CIRT Sentiment Index Design Index in the first quarter of 2011 when it was just 59.4.

**Industrial:** The outlook for industrial design work has been slipping and now is 61.9 compared with 71.1 last quarter.

**Transportation:** Transportation design lost 3.9 points to 61.9 this quarter, but this component has been in this general range for the past year.

**Heavy/Civil:** The latest reading for heavy/civil work is an improvement of 4.4 points over last quarter.

**International:** At 52.6, international design work is little changed for the last three quarters. Slower international growth will likely hold this area down for the coming year.

## Construction

**Construction Business:** The construction business of CIRT respondents slipped 1.6 points to 66.9 this quarter. Still solidly in growth territory, but respondents' outlook continues to be cautious.

**Private Sector Construction Business:** After several quarters of recovery, the outlook for lodging construction has cooled to what may be a more sustainable level of growth. CIRT respondents' outlook for commercial construction is also lower with a 6.9-point drop to 60.3 for the next year. The outlook for education and health care construction is bucking the downward trend this quarter and showing slightly more positive expected gains. The outlook for manufacturing construction has softened after recent quarterly gains reflecting the general economic outlook for lower GDP growth. Office construction is improved over the next year, but the three-year expectation remains low.

**Cost of Construction Materials and Labor:** The cost of materials and labor continues to climb, although material cost escalation slowed slightly this quarter. Increasing costs of production affect the overall index negatively.

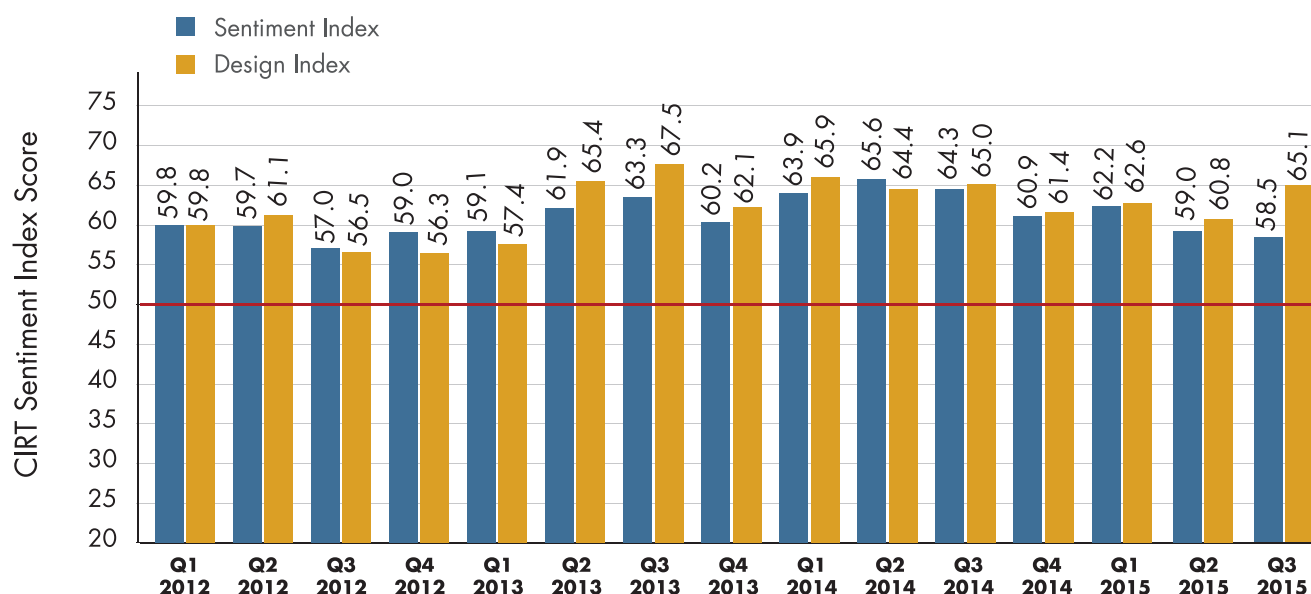
**Productivity:** Productivity dropped sharply from 54.9 to 49.1 this quarter. As backlogs grow and more companies struggle to find and train talented people, slowing productivity may become a trend worth watching and always worth management's attention.

# Results of the Third Quarter 2015 CIRT Sentiment Index

## EXHIBIT 2

CIRT Sentiment Index Scores:  
Q1 2012 to Q3 2015

(Scores based on a 100-point scale, above 50 indicate expansion, below 50 indicate contraction.)



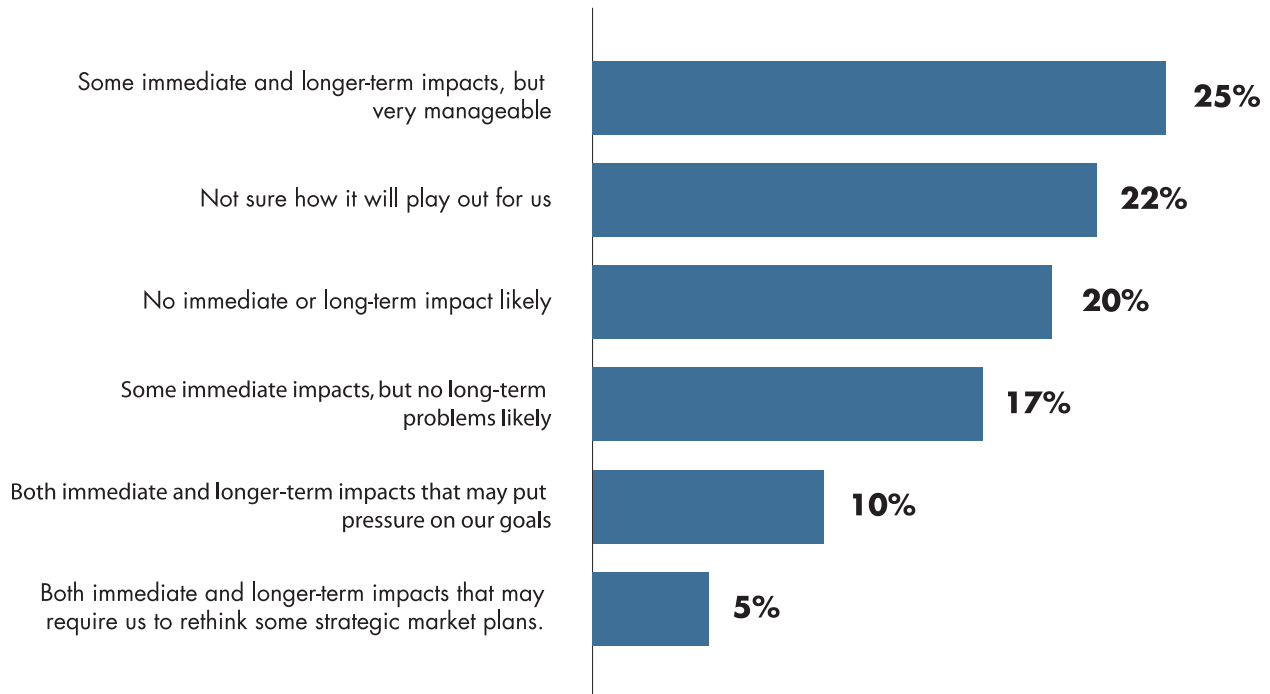
## Current Issues:

### International Debt Problems

Although the U.S. has been enjoying a resurgent economy, European countries like Greece, Italy, Spain and Portugal are struggling. Weighed down by unsustainable debt and declining revenues, the threat of default on these debts continues to loom over the Euro economies. After years of rapid growth, China is also experiencing a slowdown in its economy, threatening the savings and investments made in a more bullish atmosphere in the last few years. For the time being, the Greece debt crisis has once again been averted. Although no longer front-page news, it would be foolish to think these debt problems have been solved. There is no sense of certainty in what long-term results of these problems and many other instances of global unrest will be, but we continue to move forward.

### EXHIBIT 3

At this time, what impact do you think the growing list of economic crises developing in the Eurozone (Greece, Italy, Spain and Portugal) and Puerto Rico, as well as market losses in China, will have on your business?



### Comments on the potential effects to your business in the light of ongoing economic crises abroad:

- A slowdown in Chinese investment.
- Economic slowdown and market volatility in China are negatively impacting our Asia work.
- Interest rates will definitely affect dollars available for construction. The crises abroad might influence interest rates to remain the same for a longer period.
- It doesn't seem to have changed anything. Our clients are moving forward with all due speed.
- Lending market may harden—operating capital could constrict, which would be problematic for apparent expanding market opportunities.
- Major China failure could have direct impact to Northern and Southern California economies.
- More foreign competition entering our market.
- None.
- Our business is most affected by the low oil prices.
- Drilling activity has slowed.
- Slow growth as companies weigh impacts of capital outlays.
- The pending HTF issues mean more to us than the issues noted. Passage of a long-term fix/bill would be a game changer for our business.
- We think it is going to have a major impact on European, Russian and Chinese investments.

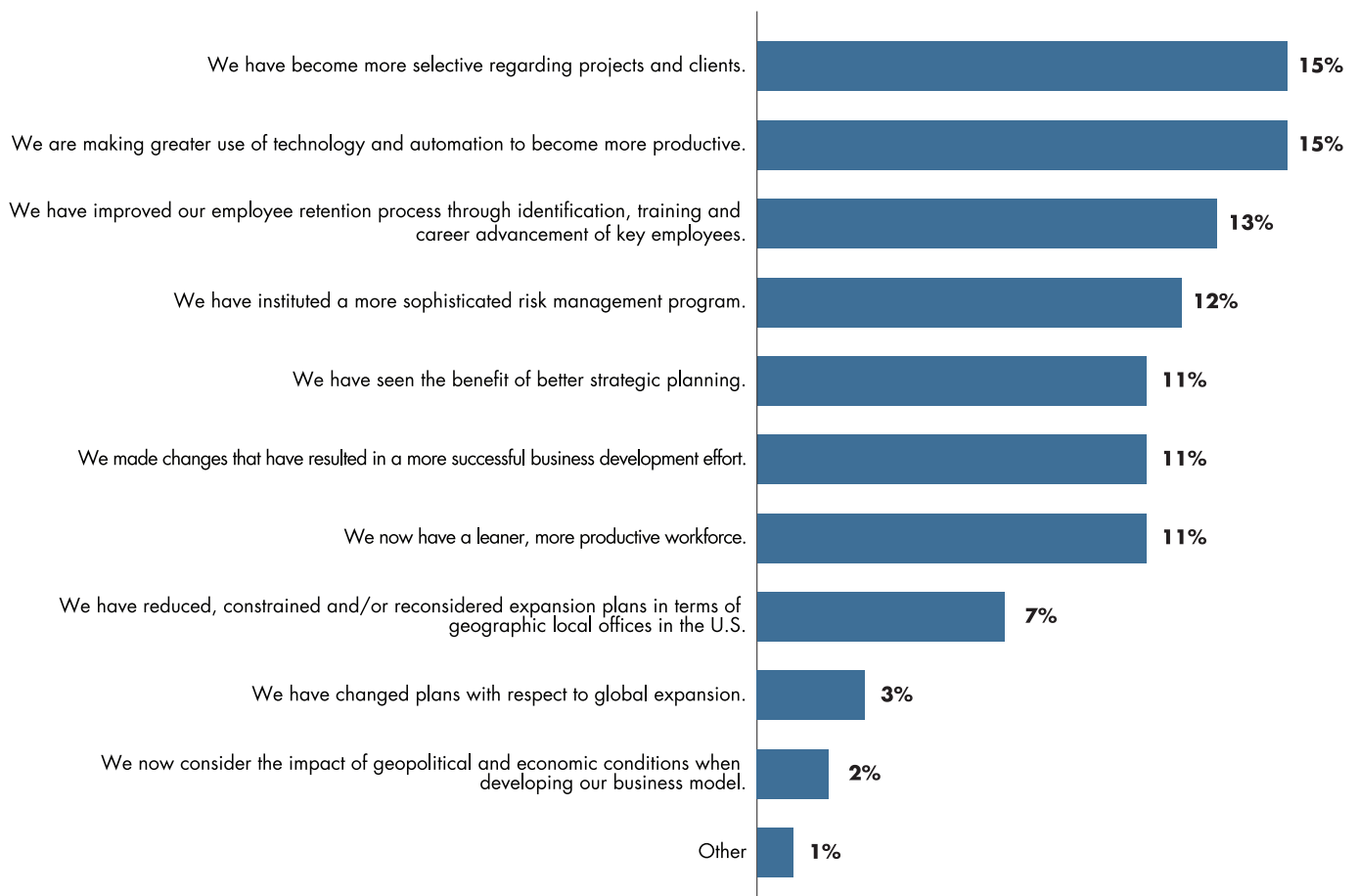
## Current Issues: Business Changes Since the Great Recession

Now that the so-called “Great Recession” is in the history books, we asked what changes companies made during the recession from which they are now reaping dividends. Being “more selective regarding projects and clients” came in on top, followed closely by “making greater use of technology to be more productive.” Doing a “better job of managing employees and construction risks” as well as “adopting new technologies” seem to be the main themes in our responses. It is clear that many companies found themselves in a tough position during the recession, having to take jobs for lower

prices and less favorable contract terms. That situation pushed some companies in the construction industry out of business. Those that remained took on higher risk for lower profits or lost money. Catastrophic changes force companies to do what most should have been striving to accomplish before the catastrophe. Those companies that have made significant improvements in many areas should now be enjoying improved business, but they should not rest on their accomplishments.

### EXHIBIT 4

What changes did your company make during the Recession that are proving to be beneficial for your business now?







## Comments on the most successful changes you have made during or since the recession that have improved your business now (or changes that you would NOT make again if/when there is another recession):

### Selected Comments:

- Choosing the right clients is the key factor in success.
- Hired a full-time risk manager to monitor and pre-qualify subs and owners.
- Increased market participation by:
  - Expansion in design-build
  - Strategic use of joint venture opportunities
- Would not look aggressively at other geographical markets without a new due diligence investigation.
- Investment in technology to help our field operations and much improved business development process. Would not have been so conservative during downturn. We hunkered down too much.
- Leaner work force in conjunction with technology and automation.
- Staying lean. Demanding fairer contract language. Pre-qualifying our clients.
- We have maintained a focus on the field and productivity of our workforce by staying on task with a Continuous Improvement initiative
- We have become more productive, leaner and able to react to the marketplace.
- We took a real hard look at the business and carved out the underperforming assets. It was a bit painful and some people lost their jobs, but operations that have not been profitable for three to five years need to be addressed. If I learned anything it was that when things are going well, you can't be lulled to sleep and overlook the underperforming assets. You need to address these at a time of strength and not during a downturn.



## EXHIBIT 5

### CIRT Sentiment Index Components Detail by Market Sector

|                                      | Overall Quarter 2 for 2015  |                                  |                                  |  | Overall Quarter 3 for 2015  |                                  |                                  |  |
|--------------------------------------|-----------------------------|----------------------------------|----------------------------------|--|-----------------------------|----------------------------------|----------------------------------|--|
|                                      | Improving Over Last Quarter | Remains the Same as Last Quarter | Worse Compared with Last Quarter | CIRT Sentiment Index Component Results for Q2 2015 | Improving Over Last Quarter | Remains the Same as Last Quarter | Worse Compared with Last Quarter | CIRT Sentiment Index Component Results for Q3 2015 |
| <b>Business Outlook/Three Months</b> |                             |                                  |                                  |  |                             |                                  |                                  |  |
| Commercial                           | 40.0%                       | 56.7%                            | 3.3%                             | 68.3   | 31.0%                       | 65.5%                            | 3.4%                             | 63.8   |
| Education                            | 17.6%                       | 79.4%                            | 2.9%                             | 57.4   | 31.3%                       | 62.5%                            | 6.3%                             | 62.5   |
| Health Care                          | 23.5%                       | 64.7%                            | 11.8%                            | 55.9   | 35.5%                       | 51.6%                            | 12.9%                            | 61.3   |
| Lodging                              | 45.2%                       | 51.6%                            | 3.2%                             | 71.0   | 31.0%                       | 58.6%                            | 10.3%                            | 60.3   |
| Manufacturing                        | 37.0%                       | 51.9%                            | 11.1%                            | 63.0   | 22.7%                       | 68.2%                            | 9.1%                             | 56.8   |
| Office                               | 37.1%                       | 62.9%                            | 0.0%                             | 68.6   | 50.0%                       | 41.2%                            | 8.8%                             | 70.6   |
| Industrial / Petrochemical           | 34.8%                       | 30.4%                            | 34.8%                            | 50.0   | 26.9%                       | 46.2%                            | 26.9%                            | 50.0   |
| Transportation-Related               | 13.8%                       | 79.3%                            | 6.9%                             | 53.4   | 24.2%                       | 66.7%                            | 9.1%                             | 57.6   |
| Public Works / Heavy/Civil           | 16.7%                       | 75.0%                            | 8.3%                             | 54.2   | 22.9%                       | 68.6%                            | 8.6%                             | 57.1   |
| Other                                | 0.0%                        | 100.0%                           | 0.0%                             | 50.0   | 40.0%                       | 40.0%                            | 20.0%                            | 60.0   |
| <b>Business Outlook/One Year</b>     |                             |                                  |                                  |  |                             |                                  |                                  |  |
| Commercial                           | 37.9%                       | 58.6%                            | 3.4%                             | 67.2   | 24.1%                       | 72.4%                            | 3.4%                             | 60.3   |
| Education                            | 37.1%                       | 57.1%                            | 5.7%                             | 65.7   | 41.9%                       | 51.6%                            | 6.5%                             | 67.7   |
| Health Care                          | 39.4%                       | 54.5%                            | 6.1%                             | 66.7   | 41.9%                       | 48.4%                            | 9.7%                             | 66.1   |
| Lodging                              | 46.7%                       | 50.0%                            | 3.3%                             | 71.7   | 31.0%                       | 62.1%                            | 6.9%                             | 62.1   |
| Manufacturing                        | 46.2%                       | 42.3%                            | 11.5%                            | 67.3   | 27.3%                       | 68.2%                            | 4.5%                             | 61.4   |
| Office                               | 35.3%                       | 58.8%                            | 5.9%                             | 64.7   | 39.4%                       | 51.5%                            | 9.1%                             | 65.2   |
| Industrial / Petrochemical           | 42.9%                       | 42.9%                            | 14.3%                            | 64.3   | 38.5%                       | 34.6%                            | 26.9%                            | 55.8   |
| Transportation-Related               | 28.6%                       | 64.3%                            | 7.1%                             | 60.7   | 39.4%                       | 48.5%                            | 12.1%                            | 63.6   |
| Public Works / Heavy/Civil           | 17.4%                       | 78.3%                            | 4.3%                             | 56.5   | 26.5%                       | 58.8%                            | 14.7%                            | 55.9   |
| Other                                | 33.3%                       | 66.7%                            | 0.0%                             | 66.7   | 33.3%                       | 50.0%                            | 16.7%                            | 58.3   |
| <b>Business Outlook/Three Years</b>  |                             |                                  |                                  |  |                             |                                  |                                  |  |
| Commercial                           | 28.6%                       | 64.3%                            | 7.1%                             | 60.7   | 27.6%                       | 62.1%                            | 10.3%                            | 58.6   |
| Education                            | 30.3%                       | 63.6%                            | 6.1%                             | 62.1   | 32.3%                       | 61.3%                            | 6.5%                             | 62.9   |
| Health Care                          | 40.6%                       | 50.0%                            | 9.4%                             | 65.6   | 45.2%                       | 48.4%                            | 6.5%                             | 69.4   |
| Lodging                              | 34.5%                       | 51.7%                            | 13.8%                            | 60.3   | 31.0%                       | 58.6%                            | 10.3%                            | 60.3   |
| Manufacturing                        | 30.8%                       | 57.7%                            | 11.5%                            | 59.6   | 36.4%                       | 50.0%                            | 13.6%                            | 61.4   |
| Office                               | 27.3%                       | 57.6%                            | 15.2%                            | 56.1   | 30.3%                       | 45.5%                            | 24.2%                            | 53.0   |
| Industrial / Petrochemical           | 61.9%                       | 28.6%                            | 9.5%                             | 76.2   | 57.7%                       | 26.9%                            | 15.4%                            | 71.2   |
| Transportation-Related               | 51.9%                       | 37.0%                            | 11.1%                            | 70.4   | 51.5%                       | 36.4%                            | 12.1%                            | 69.7   |
| Public Works / Heavy/Civil           | 39.1%                       | 52.2%                            | 8.7%                             | 65.2   | 44.1%                       | 44.1%                            | 11.8%                            | 66.2   |
| Other                                | 66.7%                       | 33.3%                            | 0.0%                             | 83.3   | 50.0%                       | 50.0%                            | 0.0%                             | 75.0   |

#### CIRT Index Scores

> 50 indicates growth (better)  
< 50 indicates slowing (worse)

\* A note on the use of the diffusion index: Do not interpret diffusion index values in the same manner as averages, because a simple increase or decrease in a diffusion index does not necessarily imply an improving or declining result. For example, if a diffusion index moves from 31 last quarter to 35 this quarter, it does not imply the market has improved. A reading greater than 50 indicates improving or expansion, 50 indicates remaining the same, and lower than 50 indicates worse or contracting. Therefore, if a reading goes from 31 to 35, then the result still implies a decline from the previous quarter, because 35 is lower than 50; but the decline is not as great as the previous decline, because 35 is greater than 31. As another example, if the diffusion index changes from 31 to 65, it implies improvement over the previous quarter, not because 65 is greater than 31, but because 65 is greater than 50.

## EXHIBIT 6

### CIRT Sentiment Design Index Components — Business Outlook Summary

|                     | Quarter 2 for 2015          |                                  |                         |                                 | Quarter 3 for 2015          |                                  |                         |                                 |
|---------------------|-----------------------------|----------------------------------|-------------------------|---------------------------------|-----------------------------|----------------------------------|-------------------------|---------------------------------|
|                     | Improving Over Last Quarter | Remains the Same as Last Quarter | Worse than Last Quarter | Overall Component Score Q2 2015 | Improving Over Last Quarter | Remains the Same as Last Quarter | Worse than Last Quarter | Overall Component Score Q3 2015 |
| Consulting Planning | 29.2%                       | 66.7%                            | 4.2%                    | 62.5                            | 48.0%                       | 52.0%                            | 0.0%                    | 74.0                            |
| Predesign Work      | 37.5%                       | 58.3%                            | 4.2%                    | 66.7                            | 51.9%                       | 44.4%                            | 3.7%                    | 74.1                            |
| Commercial          | 27.3%                       | 63.6%                            | 9.1%                    | 59.1                            | 36.8%                       | 63.2%                            | 0.0%                    | 68.4                            |
| Residential         | 21.1%                       | 68.4%                            | 10.5%                   | 55.3                            | 37.5%                       | 50.0%                            | 12.5%                   | 62.5                            |
| Education           | 20.0%                       | 70.0%                            | 10.0%                   | 55.0                            | 29.4%                       | 64.7%                            | 5.9%                    | 61.8                            |
| Health Care         | 28.6%                       | 66.7%                            | 4.8%                    | 61.9                            | 44.4%                       | 55.6%                            | 0.0%                    | 72.2                            |
| Industrial          | 52.6%                       | 36.8%                            | 10.5%                   | 71.1                            | 33.3%                       | 57.1%                            | 9.5%                    | 61.9                            |
| Transportation      | 36.8%                       | 57.9%                            | 5.3%                    | 65.8                            | 33.3%                       | 57.1%                            | 9.5%                    | 61.9                            |
| Heavy/Civil         | 15.0%                       | 85.0%                            | 0.0%                    | 57.5                            | 33.3%                       | 57.1%                            | 9.5%                    | 61.9                            |
| International       | 22.2%                       | 61.1%                            | 16.7%                   | 52.8                            | 31.6%                       | 42.1%                            | 26.3%                   | 52.6                            |
| Design Firms Index  |                             |                                  |                         | 60.8                            |                             |                                  |                         | 65.1                            |

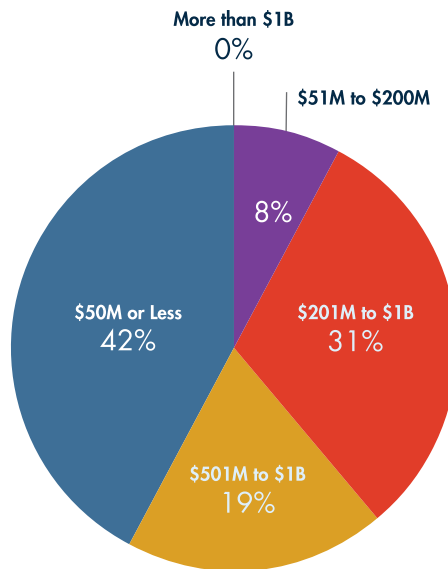
## EXHIBIT 7

### CIRT Sentiment Index Components — Comparison of Results: Q4 of 2014 to Q3 of 2015

#### CIRT Scores

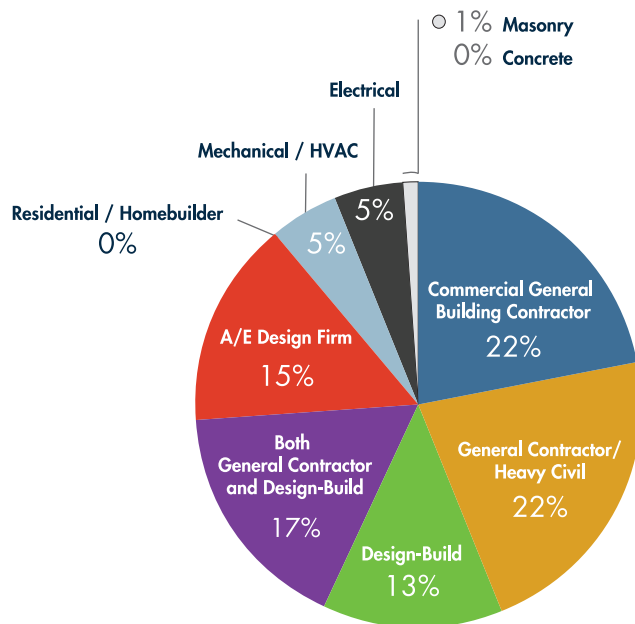
> 50 indicates growth (better)  
< 50 indicates slowing (worse)

|   | CIRT Sentiment Index Components Q4 2014 | CIRT Sentiment Index Components Q1 2015 | CIRT Sentiment Index Components Q2 2015 | CIRT Sentiment Index Components Q3 2015 |
|---|---|---|---|---|
| The Overall Economy   | 66.0                                    | 73.9                                    | 63.9                                    | 65.3                                    |
| The Overall Economy Where Panelists Do Business                             | 70.6                                    | 69.3                                    | 63.6                                    | 64.4                                    |
| Panelists' Construction Business  | 74.5                                    | 73.9                                    | 68.5                                    | 66.9                                    |
| The Residential Building Construction Market Where Panelists Do Business    | 63.4                                    | 57.6                                    | 65.9                                    | 68.3                                    |
| The Nonresidential Building Construction Market Where Panelists Do Business | 72.1                                    | 68.7                                    | 64.4                                    | 68.8                                    |
| Cost of Construction Materials  | 17.3                                    | 25.8                                    | 23.0                                    | 28.2                                    |
| Cost of Labor   | 12.5                                    | 14.2                                    | 15.3                                    | 14.3                                    |
| Productivity  | 46.9                                    | 54.5                                    | 54.9                                    | 49.1                                    |
| Expected Change in Backlog  | 67.3                                    | 64.5                                    | 61.1                                    | 64.0                                    |
| Approximate Current Signed Backlog in Months                                | 12.0                                    | 12.0                                    | 12.0                                    | 13.0                                    |



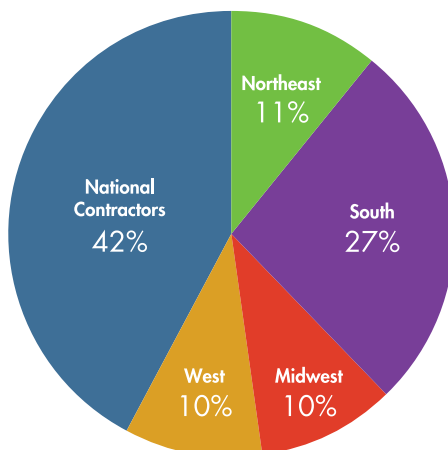
## EXHIBIT 8

Size of the Organization in Annual Revenue



## EXHIBIT 9

Type of Contracting Business



## EXHIBIT 10

Primary Region in Which Panelists Work

## EXHIBIT 11

### CIRT Sentiment Index Results: Q2 2015 and Q3 2015

|   | CIRT Sentiment Index, Quarter 2 2015 |                                  |                                    |              | CIRT Sentiment Index, Quarter 3 2015 |                                     |                                    |              |
|---|--------------------------------------|----------------------------------|------------------------------------|--------------|--------------------------------------|-------------------------------------|------------------------------------|--------------|
|   | Improving Over Last Quarter          | Staying the Same as Last Quarter | Worse Compared with Last Quarter   | CIRT Q2 2015 | Improving Over Last Quarter          | Staying the Same as Last Quarter    | Worse Compared with Last Quarter   | CIRT Q3 2015 |
| Overall Economy   | 31.5%                                | 64.8%                            | 3.7%                               | 63.9         | 35.6%                                | 59.3%                               | 5.1%                               | 65.3         |
| Overall Economy Where Panelists Do Business                             | 32.7%                                | 61.8%                            | 5.5%                               | 63.6         | 32.2%                                | 64.4%                               | 3.4%                               | 64.4         |
| Panelists' Construction Business  | 38.9%                                | 59.3%                            | 1.9%                               | 68.5         | 35.6%                                | 62.7%                               | 1.7%                               | 66.9         |
| Residential Building Construction Market Where Panelists Do Business    | 36.6%                                | 58.5%                            | 4.9%                               | 65.9         | 41.5%                                | 53.7%                               | 4.9%                               | 68.3         |
| Nonresidential Building Construction Market Where Panelists Do Business | 30.8%                                | 67.3%                            | 1.9%                               | 64.4         | 42.9%                                | 51.8%                               | 5.4%                               | 68.8         |
| <b>Backlog in Months</b>  | High                                 | Median                           | Low                                |              | High                                 | Median                              | Low                                |              |
| Approximate Current Signed Backlog                                      | 48.0                                 | 12.0                             | 5.0                                |              | 36.0                                 | 13.0                                | 6.0                                |              |
|   | Grow faster than last quarter        | Stay about same as last quarter  | Shrink compared to last quarter    |              | Grow faster than last quarter        | Stay about the same as last quarter | Shrink compared to last quarter    |              |
| Expected Change in Backlog  | 26%                                  | 70%                              | 4%                                 | 61.1         | 42%                                  | 44%                                 | 14%                                | 64.0         |
|   | Higher than last quarter             | Same as last quarter             | Lower than last quarter            |              | Higher than last quarter             | Same as last quarter                | Lower than last quarter            |              |
| Cost of Construction Materials  | 54%                                  | 46%                              | 0%                                 | 23.0         | 45%                                  | 53%                                 | 2%                                 | 28.2         |
| Cost of Labor   | 71%                                  | 27%                              | 2%                                 | 15.3         | 71%                                  | 29%                                 | 0%                                 | 14.3         |
|   | Improving over last quarter          | Same as last quarter             | Declining compared to last quarter |              | Improving over last quarter          | Same as last quarter                | Declining compared to last quarter |              |
| Productivity  | 12%                                  | 86%                              | 2%                                 | 54.9         | 2%                                   | 95%                                 | 4%                                 | 49.1         |

## EXHIBIT 12

### CIRT Sentiment Index Components: Q1 2015 to Q3 2015 Business Outlook Summary by Market Sector

#### CIRT Scores

> 50 indicates growth (better)  
< 50 indicates slowing (worse)

| Sector                     | Results Q1 2015 |        |         | Results Q2 2015 |        |         | Results Q3 2015 |        |         |
|----------------------------|-----------------|--------|---------|-----------------|--------|---------|-----------------|--------|---------|
|                            | 3 Months        | 1 Year | 3 Years | 3 Months        | 1 Year | 3 Years | 3 Months        | 1 Year | 3 Years |
| Commercial                 | 70.6            | 70.6   | 63.2    | 68.3            | 67.2   | 60.7    | 63.8            | 60.3   | 58.6    |
| Education                  | 58.1            | 62.2   | 56.8    | 57.4            | 65.7   | 62.1    | 62.5            | 67.7   | 62.9    |
| Health Care                | 61.4            | 74.3   | 81.4    | 55.9            | 66.7   | 65.6    | 61.3            | 66.1   | 69.4    |
| Lodging                    | 69.0            | 65.5   | 65.5    | 71.0            | 71.7   | 60.3    | 60.3            | 62.1   | 60.3    |
| Manufacturing              | 68.5            | 77.8   | 72.2    | 63.0            | 67.3   | 59.6    | 56.8            | 61.4   | 61.4    |
| Office                     | 71.6            | 70.3   | 62.2    | 68.6            | 64.7   | 56.1    | 70.6            | 65.2   | 53.0    |
| Industrial / Petrochemical | 58.0            | 66.0   | 72.0    | 50.0            | 64.3   | 76.2    | 50.0            | 55.8   | 71.2    |
| Transportation-Related     | 56.8            | 64.9   | 68.9    | 53.4            | 60.7   | 70.4    | 57.6            | 63.6   | 69.7    |
| Public Works / Heavy/Civil | 58.3            | 61.7   | 79.3    | 54.2            | 56.5   | 65.2    | 57.1            | 55.9   | 66.2    |
| Other                      | 75.0            | 75.0   | 75.0    | 50.0            | 75.0   | 100.0   | 60.0            | 58.3   | 75.0    |



# About FMI

Founded in 1953 by Dr. Emol A. Fails, FMI is the leading management consulting, investment banking<sup>†</sup> and people development firm dedicated exclusively to the engineering and construction industry. FMI professionals serve all sectors of the industry and combine more than 60-plus years of industry context and leading insights to achieve transformational outcomes for our clients. We have subject matter experts in the following practice areas and serve clients throughout the U.S., Canada and internationally:

| Management Consulting  | Investment Banking <sup>†</sup>   | People Development   |
|--|---|--|
| <ul style="list-style-type: none"><li>■ Strategy</li><li>■ Market Research</li><li>■ Business Development</li><li>■ Operations and Project Execution</li><li>■ Risk Management</li><li>■ Compensation</li><li>■ Peer Groups</li><li>■ Performance Management</li></ul> | <ul style="list-style-type: none"><li>■ M&amp;A Representation</li><li>■ Valuations and Fairness Opinions</li><li>■ Private Capital Placement</li><li>■ Ownership Transfer Planning</li></ul> | <ul style="list-style-type: none"><li>■ Organizational Leadership Development</li><li>■ Leadership Training</li><li>■ Executive Coaching</li><li>■ Succession Planning</li><li>■ Training and Talent Development</li></ul> |

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