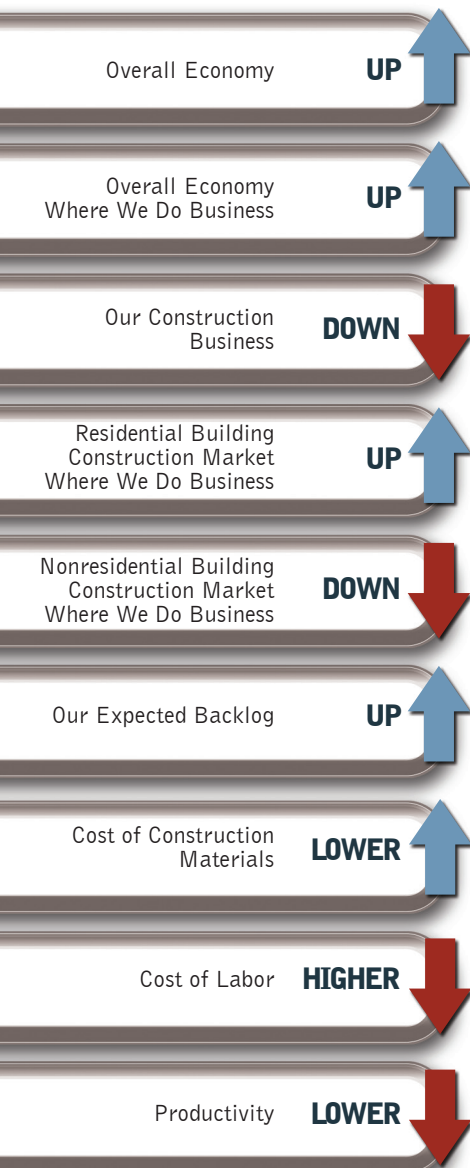


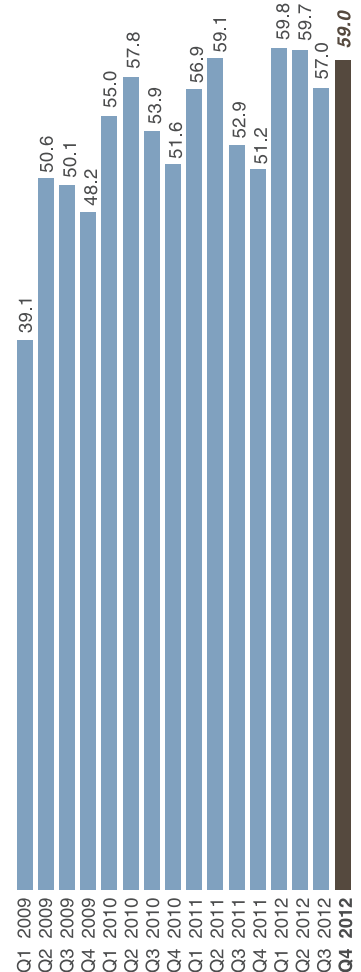
### CURRENT CIRT SUMMARY



### CIRT SENTIMENT INDEX FOURTH QUARTER 2012 EXECUTIVE SUMMARY

The national elections are finally over and President Obama has been re-elected. That's the headline, but there is a subheading too. The electorate has chosen to keep most of the Senate and House in place; so after all the election rigamarole, we are pretty much where we were before the election, only moving closer to the edge of the "cliff." Now what? To echo what many pundits and heads of state were saying the day after the election, it is time to get back to work. Our CIRT panelists will tell us that they have been working all along and working hard to get more work. Jobs, projects and project funding—that has been the focus of the construction industry since the recession—and, according to our latest reading for the CIRT, the needle hasn't moved much off center since the beginning of the recession.

Despite all of the challenges, there is slow progress, and the CIRT Sentiment Index has been in positive territory since the first quarter of 2010. On average, the Index has been just a bit above average for the past two years and now registers 59.0, two points higher than last quarter, and just 0.8 points below its high in the first quarter of 2012. Nonetheless, anytime one talks in terms of averages, it is important to note that average is not that good, and there are quite a few businesses operating with below-average backlogs and higher delays and cancellations for projects in their markets. Concerned that we might be losing some of the momentum we gained earlier in the year, we returned to the questions about delays and cancellations without limiting the question to just owner financial reasons. We found that project delays have returned to levels last seen in the fourth quarter of 2009, but cancellations are unchanged, although they continue to run at rates two to three times what panelists would consider normal in times before the recession. Lack of "project funding" still leads the list of reasons for project delays, with "market uncertainty" coming in a strong second. "Regulatory delays" and "changes in project scope" were lesser reasons, but still significant. In a related question about regulations, we asked about panelists' experience with the Office of Federal Contract Compliance Programs (OFCCP) and the agency's



NEW	CURRENT CIRT SENTIMENT INDEX READING Q4 2012	59.0
	CURRENT CIRT DESIGN INDEX READING Q4 2012	56.3

PREVIOUS SENTIMENT INDEX READING: 57.0

EXHIBIT 1

**CIRT Sentiment Index**

Scores Since Inception: Q1 2009 to Q4 2012

(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 quarterly survey of members of the Construction Industry Round Table conducted quarterly by FMI Research, Raleigh, N.C. 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 [pwarner@fminet.com](mailto:pwarner@fminet.com) or call 919-785-9357.



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for the ENGINEERING and CONSTRUCTION INDUSTRY

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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

latest push to assure that contractors working on government projects were in compliance with affirmative action and equal opportunity regulations. While only 31 percent of panelists have had recent experience with the OFCCP, 82 percent of those panelists said the interaction was rigorous.

Opportunities are out there, but sometimes they are harder to find. Twenty-nine percent of panelists this quarter said owners have downscaled projects, and 21 percent are seeing more projects being proposed in phases with no guarantee that the next phases will be done. The growth in energy-related construction has helped some companies find business, but 45 percent of panelists are working in regions with no appreciable energy boom driving their market. That leaves the question: Where are the next opportunities coming from? Panelists cited transportation and health care as well as continued activity related to oil, gas and energy projects as their best bets in the near term. Industrial, manufacturing and P3 projects also received several mentions. Essentially, it looks like a healthy mix of projects of significant size offer the potential to fill backlogs next year.

And then there is the aftermath of Superstorm Sandy to deal with in the Northeast. Weeks after the storm's impact, citizens of the hardest-hit areas of New Jersey and New York are still reeling and trying to recover some sense of normalcy before a thorough assessment of the damage can be made. It will take many billions of dollars to recover, and much of that will be directed at the construction industry for new and repaired housing, communications, transportation work as well as inspection and rehabilitation for flooded buildings. After the recovery, there will be a great deal of talk about how to reduce the damage and impact to lives the next time. That could mean some large projects to increase flood prevention and bury more power transmission lines in the future. How all of these factors will affect the market next year is too soon to tell.

## CIRT Sentiment Index Fourth Quarter 2012 Highlights

**Overall Economy:** The CIRT Sentiment index component for the overall economy rose 6.2 points in the fourth quarter to 53.4. Although a positive move, the figure is still a large 17.4 points below the high for the year registered in the first quarter.

**Overall Economy Where Panelists Do Business:** The index component rose 5.2 points for local markets where panelists do business. At 53.4 points, it reflects the national character of CIRT members' market reach. This is a positive move, but still well below the 67.0 score from Q2 in 2012.

### CIRT Design Index Components

**Consulting Planning:** At 60.9 this quarter, consulting planning slipped 2.2 points since last quarter. There is no significant reason indicated, but it appears indicative of a continuing slow market.

**Pre-design work:** At 60.9, there was no change in the pre-design work component. Fewer panelists thought this component was worse, and more said there had been no change since last quarter.

**Commercial:** There was also no change in the commercial portion of the CIRT Sentiment Design Index component for commercial work, but a higher percentage said there had been no change since last quarter. The component remains at just 50.0.

**Residential:** Design work for residential construction was the most positive sign in the Index this quarter, moving from 54.2 to a more optimistic 62.5.

**Education:** At 47.4, design for education remained slow this quarter with no change from last quarter.

**Health Care:** Just as residential design moved up, the component for health care moved down. A drop of 13.9 points signifies at least a temporary pullback in what has been a strong sector.

**Industrial:** Industrial design edged up 0.5 points to 71.1. This sector remains strong, reflecting what many are seeing as a comeback.

**Transportation:** The transportation component of the Index improved 5.5 points, but still remains at a low 45.5, indicating continued slowing of this sector.

**Heavy/Civil:** Heavy/civil work improved 2.9 points to reach the midline of 50.0 this quarter. This reflects contractor panelists' expectations for a number of large projects in 2013.

**International:** International design has slowed from 68.4 to 65.0 this quarter. Still a strong market, the slowdown likely reflects conflicts and deficit-reduction challenges around the world.

## Construction:

**Panelists' Construction Business:** Improvements in the outlook for the broader economy have not been enough to pull up the component for panelists' construction business, which dropped 1.5 to 57.8 in the fourth quarter.

**Private-Sector Construction Business:** Improvements in the residential sector appear to be helping the outlook for the private sector as the outlook for commercial, education, lodging and office markets moved up and is in positive territory. Both lodging and office show signs of finally coming up from the bottom for expected increases in activity for 2013.

**Cost of Materials:** The cost of materials for the CIRT Sentiment Index component improved this quarter to 41.8. However, materials prices continue to rise with no panelist seeing a change from last quarter. Rising material costs have a negative effect on the overall index score.

**Cost of Labor:** The cost of labor continues to rise as the component dropped to 29.1 this quarter from 36.3 last quarter. Rising labor costs have a negative effect on the overall index score.

**Productivity:** While productivity is still improving slightly, the index stood at just 52.8. Any score above 50 is an improvement.

## CURRENT ISSUES

**Delays and Cancellations:** We last asked panelists about delays and cancellations in the fourth quarter of 2011. After remaining around 10 percent since the first quarter of 2010, delays have again risen to 15 percent. The reason for this appears to be largely based on problems related to getting owner financing in place. Additionally, owners also seem to be skittish due to uncertainties in the economy.

**Project Size:** Related to budget cutbacks, compared with five years ago, panelists are experiencing some downsizing of projects in their markets. Twenty-nine percent said, "Yes. Owners have downscaled projects," and 21 percent said, "More projects are being proposed in phases."

**Energy-Related Construction:** As the exploration and mining of shale formations for natural gas and oil and other energy-related projects for wind and solar represent the closest thing to a boom in construction, we asked if it has helped to pick up construction in other sectors of nonresidential construction. Forty-five percent of panelists said, "No. There is no boom in energy projects in the regions we work in." However, 12 percent have seen more activity in related industrial building, and 21 percent are seeing more activity in commercial construction where there is more energy construction.

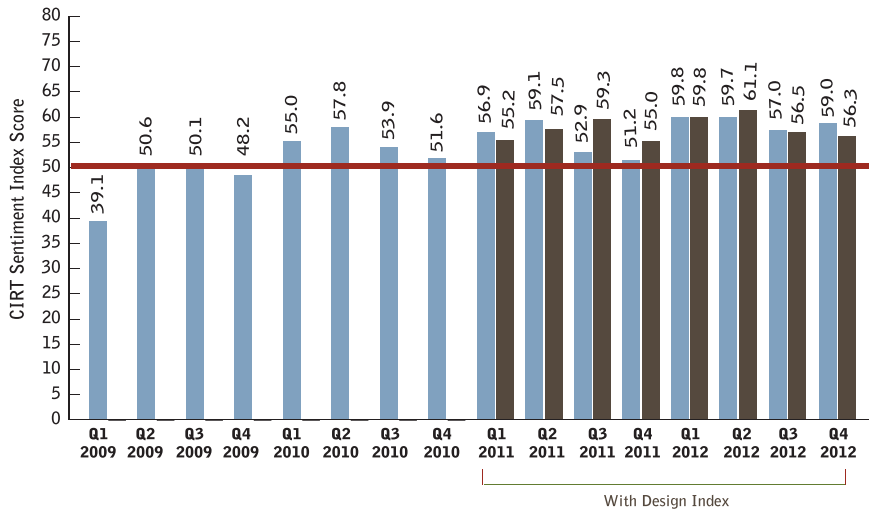
**Market Opportunities:** A number of CIRT members see the energy sector as ripe for opportunities in the next six months. Health care and transportation also should provide opportunities for those serving these markets. While several panelists feel that megaprojects are slowing, a nearly equal number mentioned that they are seeing more consolidation into much larger projects, particularly in P3 projects.

**Office of Federal Contract Compliance Programs (OFCCP):** As more contractors compete for federal work, these firms have a greater chance of interacting with agency representatives regulating affirmative action and equal opportunity regulations. We asked panelists what their experience has been with OFCCP compliance efforts and audits. Only 31 percent have had recent experience with the OFCCP compliance efforts. Of that number, 82 percent would characterize the interaction as rigorous and/or aggressive regarding expectations and requirements of the OFCCP. Although this can be a big issue for CIRT members, of the few comments received, it appears most may be prepared for OFCCP compliance audits if confronted.

## EXHIBIT 2

### CIRT Sentiment Index Scores Since Inception: Q1 2009 to Q4 2012

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

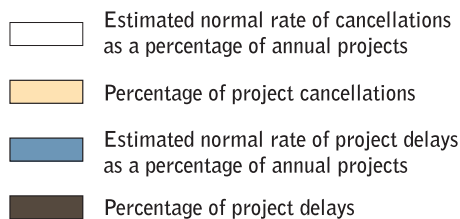


## EXHIBIT 3

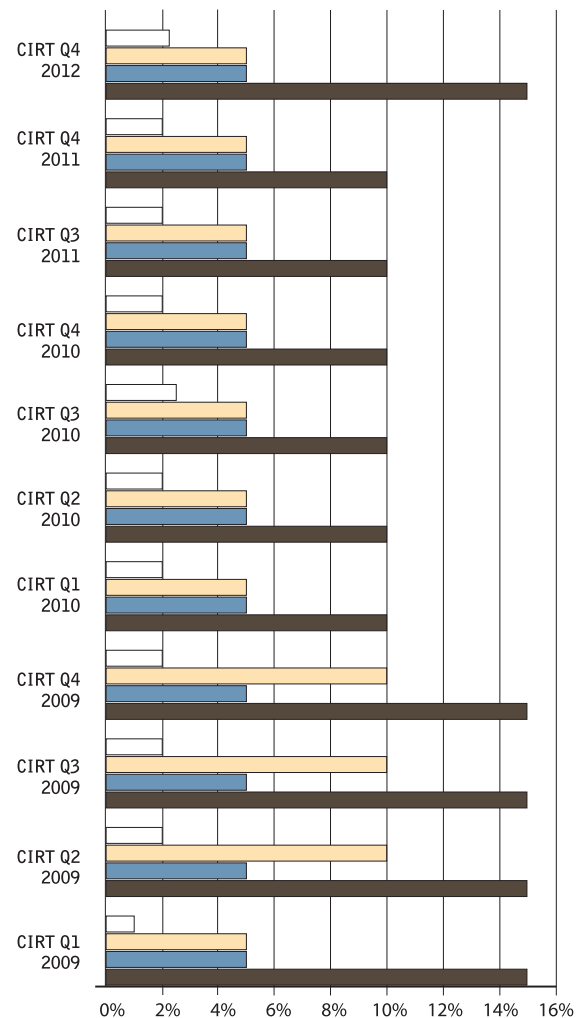
### Project Delays and Cancellations CIRT Q4 2012

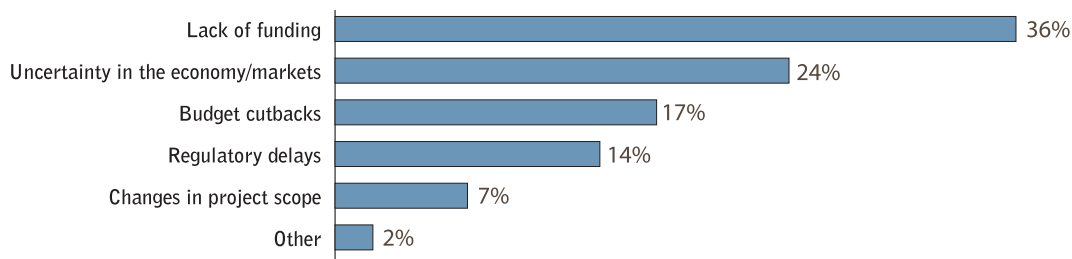
## CURRENT ISSUES SUMMARY:

**Delays and Cancellations:** We last asked panelists about delays and cancellations in the fourth quarter of 2011. After remaining around 10 percent since the first quarter of 2010, delays have again risen to 15 percent. The reason for this appears to be based largely on problems getting owner financing in place, as 36 percent of panelists noted funding was a leading cause for delays. Related budget cutbacks accounted for 17 percent of delays. Owners are also skittish due to uncertainties in the economy with 24 percent of panelists citing this as a cause of delays. Regulatory burdens (14%) and changes in project scope (7%) also contributed to a rise in project delays.



(Not Reported for ...  
Q1 and Q2 of 2011 or Q1, Q2 and Q3 2012)



**EXHIBIT 4****What are the main reasons for project delays?**

## Changes in Project Size

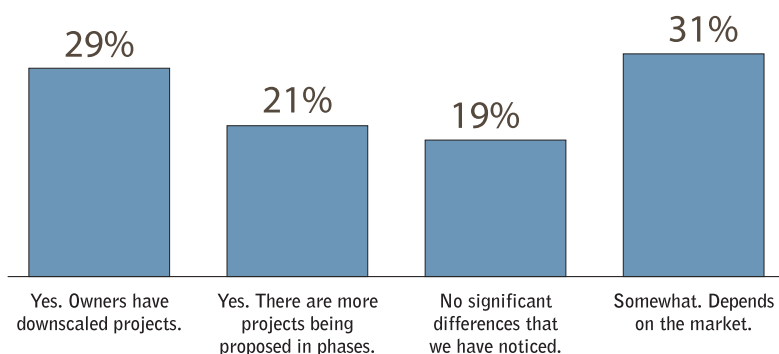
Related to budget cutbacks, compared with five years ago, panelists are experiencing some downsizing of projects in their markets, as 37 percent said, “Yes. Owners have downscaled projects,” and 22 percent said, “More projects are being proposed in phases.” If this turns out to be a long-range trend, we expect it to be market-specific, as 22 percent of panelists said it depends on the market, while at the same time 20 percent have seen no change. In some cases, especially for larger projects, there may be a trend for more bundling of projects even though there may be fewer megaprojects in the near term. The risk here is that the midsize projects are becoming scarcer at this time.

### Examples of changes to project size or scope:

- Average size of transportation projects is increasing at the high end of the market.
- For us, projects are becoming larger and more complex. Environment is more competitive than ever, so prices are still quite low, resulting in lower-dollar projects that are more complex.
- Government projects are larger for example, transportation jobs seem to be more large design-build projects. On the private side, the average job is smaller, although there are more megaprojects than any time in history.
- More megaprojects and fewer midsize projects.
- Projects are becoming bigger. There is a gap in midsize projects.
- Projects are being bundled into larger scopes.
- Projects are being offered as one large project in lieu of several smaller projects for a variety of reasons.
- Projects are getting larger for the design firms as a part of the growing design-build market.
- The answer is not given as an option. We see increasing activity for very large projects in lieu of a larger number of medium-sized projects (\$40M to 150M).
- There are fewer “megaprojects” than there have been in previous years. In addition, the projects that do proceed are generally smaller than in the past.
- There are significantly fewer large projects being built in the markets in which we compete.
- Transportation projects are being bundled into larger P3 projects.
- We are seeing a lot more megaprojects. These take up to five years to develop and are very expensive to pursue.
- Younger companies seem to have an appetite for grander scale/aesthetics than they ultimately are comfortable investing in.

**EXHIBIT 5**

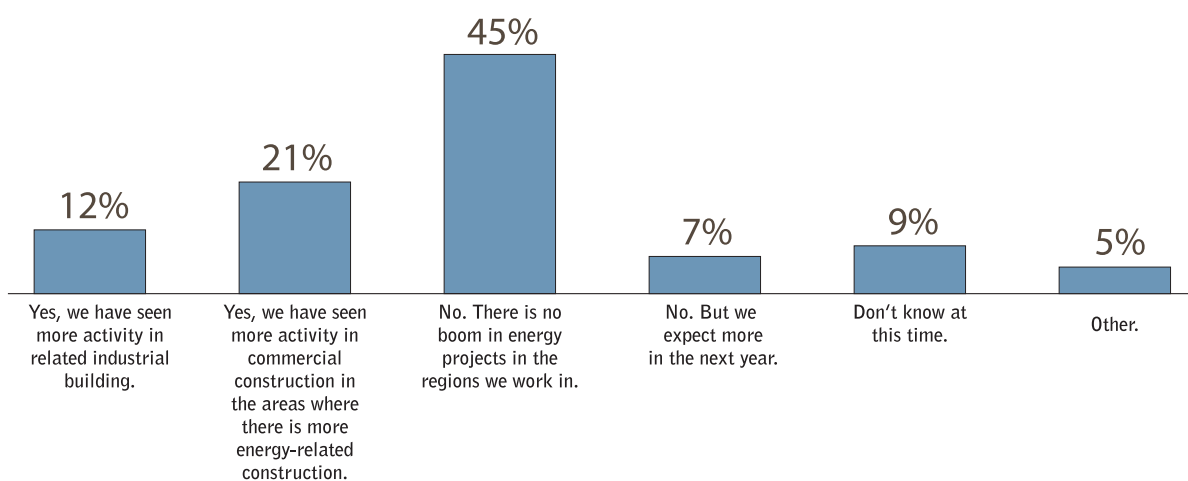
As compared with five years ago, are you seeing changes in average project sizes in new projects?

**Energy-Related Construction**

As the exploration and mining of shale formations for natural gas and oil and other energy-related projects for wind and solar represent the closest thing to a boom in construction, we asked if it has helped to pick up construction in other sectors of nonresidential construction. Forty-five percent of panelists said, “No. There is no boom in energy projects in the regions they work in.” However, 12 percent have seen more activity in related industrial building, and 21 percent are seeing more activity in commercial construction where there is more energy construction. When asked about market opportunities in the next six months, energy-related projects from shale gas and oil to power transmission received a number of mentions. The bottom line is that energy projects, like infrastructure projects, do spark some related nonresidential construction. Now we need to find similar stimuli for those parts of the country not affected by energy and mining development.

**EXHIBIT 6**

Has the growth in energy-related construction (solar, wind, natural gas) helped your nonresidential markets?



## Market Opportunities

Looking for pockets of economic improvement, we asked panelists this quarter what their biggest market opportunities for the next six months were. The question was open-ended, and we received a wide variety of responses, but the leading categories were markets for energy/industrial/manufacturing, health care-related projects and transportation projects—including P3 projects mentioned but not defined. There were some good expectations for a number of other sectors, particularly industrial and manufacturing, depending on how the economy unfolds in 2013.

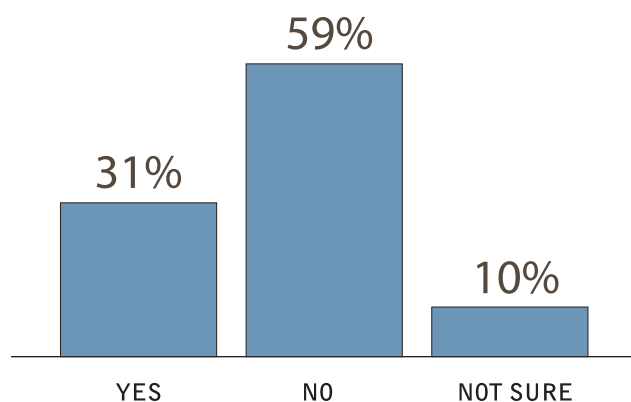
## Office of Federal Contract Compliance Programs (OFCCP)

As more contractors compete for federal contracts, firms have a greater chance of interacting with agency representatives regulating affirmative action and equal opportunity regulations. We asked panelists what their experience has been with OFCCP compliance efforts and audits. Only 31 percent have had recent experience with the OFCCP compliance efforts. Of that 31 percent, 82 percent would characterize the interaction as rigorous and/or aggressive regarding expectations and requirements of the OFCCP. Forty-five percent said they have changed processes or have had added expenses due to OFCCP compliance. CIRT panelists heading up large firms and involved in a significant number of federal projects are much more likely to be involved in OFCCP audits, but many appear to be organized to manage compliance issues.

Addressing the mobilization of aid to the victims of Superstorm Sandy, President Obama stressed that FEMA and others in the government responding to the storm were not to let the work be tied up in red tape and bureaucracy. Ironically, many in the construction industry are seeking that same attitude or approach for regulations affecting needed infrastructure projects around the country.

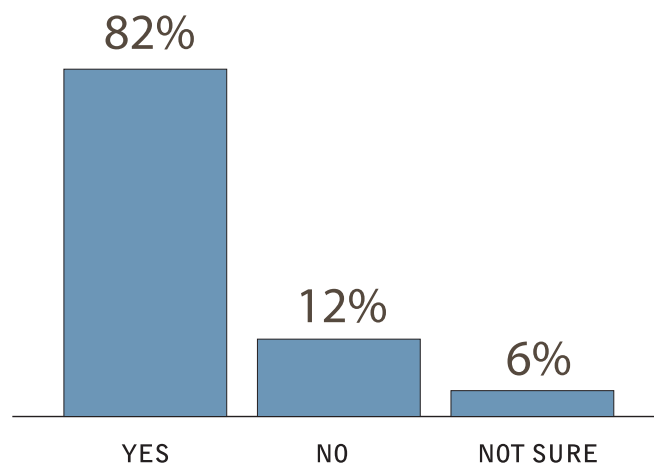
**EXHIBIT 7**

Have you had any recent experience with OFCCP compliance efforts, either ongoing or in the past 12 to 24 months?



**EXHIBIT 8**

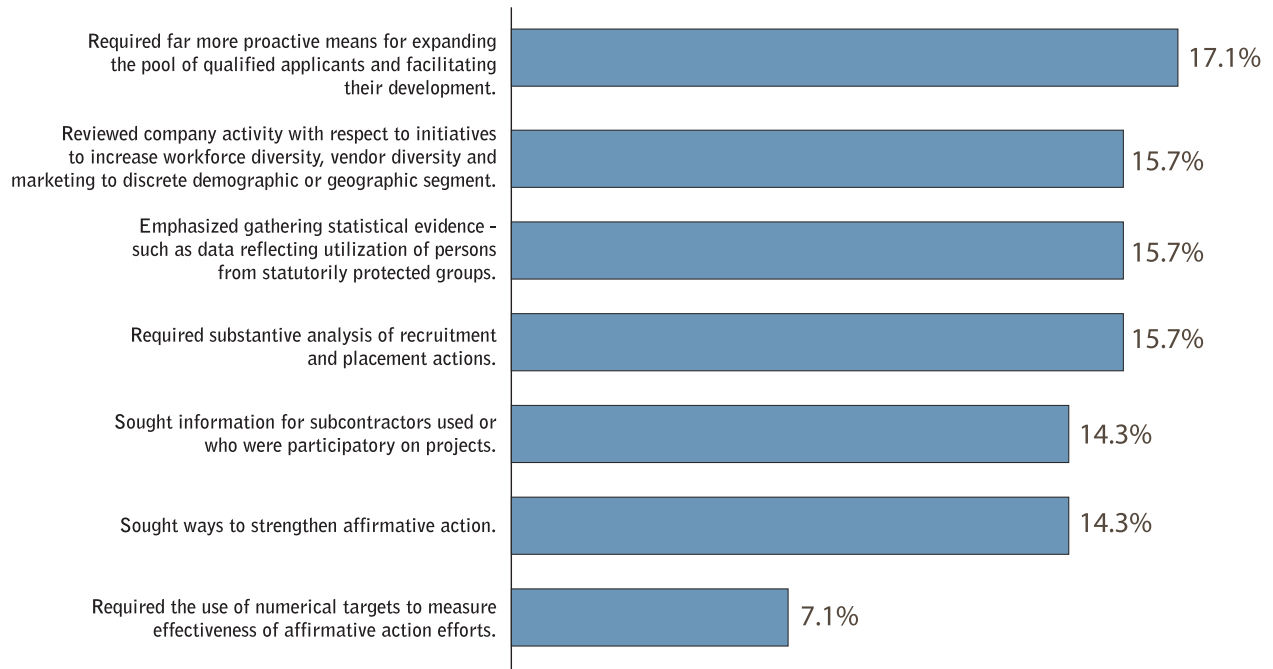
If yes, would you characterize the interaction as rigorous and/or aggressive regarding their expectations or requirements?



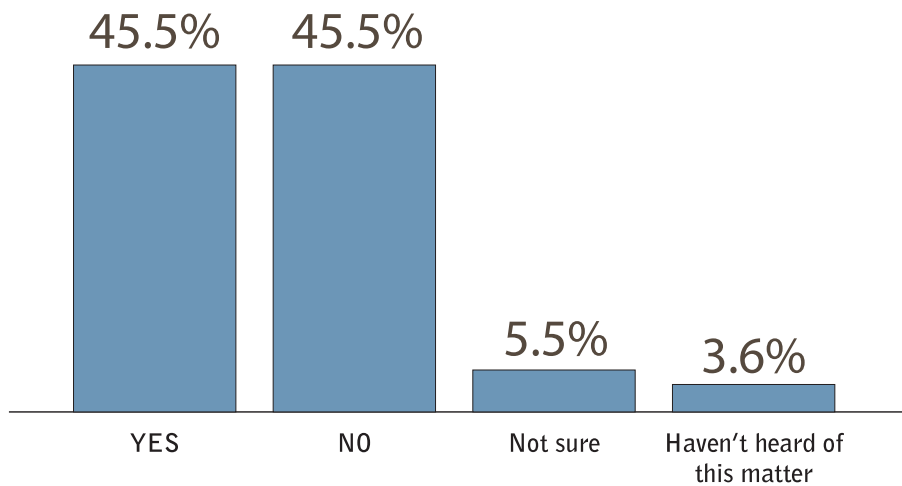


**EXHIBIT 9**

If you have had an interaction or OFCCP compliance audit, have the following areas been pursued?

**EXHIBIT 10**

Have you changed, enhanced, expanded or otherwise spent more resources and time on OFCCP compliance issues over the past two years?



Dangerously Low

Very Low / Significant Drop

Low

Positive Growth Indicator

Very Positive Growth Indicator

## CIRT Sentiment Index Component Detail by Market Sector

## EXHIBIT 11

	Overall Quarter 3 for 2012				Overall Quarter 4 for 2012			
	Improving over last quarter	Remains the same as last quarter	Worse compared with last quarter	CIRT Sentiment Index Component Results for Q3 2012	Improving over last quarter	Remains the same as last quarter	Worse compared with last quarter	CIRT Sentiment Index Component Results for Q4 2012
<i>Business Outlook - Three Months</i>								
Commercial	15.4%	61.5%	23.1%	46.2	18.8%	78.1%	3.1%	57.8
Education	6.5%	80.6%	12.9%	46.8	16.2%	78.4%	5.4%	55.4
Health Care	30.6%	58.3%	11.1%	59.7	24.2%	66.7%	9.1%	57.6
Lodging	15.4%	69.2%	15.4%	50.0	25.8%	64.5%	9.7%	58.1
Manufacturing	30.0%	55.0%	15.0%	57.5	19.0%	66.7%	14.3%	52.4
Office	6.3%	75.0%	18.8%	43.8	18.9%	62.2%	18.9%	50.0
Industrial / Petro Chemical	47.1%	52.9%	0.0%	73.5	47.6%	47.6%	4.8%	71.4
Transportation Related	20.7%	58.6%	20.7%	50.0	5.4%	78.4%	16.2%	44.6
Public Works / Heavy Civil	21.4%	50.0%	28.6%	46.4	11.4%	68.6%	20.0%	45.7
Other	40.0%	60.0%	0.0%	70.0	25.0%	75.0%	0.0%	62.5
<i>Business Outlook - One Year</i>								
Commercial	28.0%	68.0%	4.0%	62.0	31.3%	65.6%	3.1%	64.1
Education	22.6%	64.5%	12.9%	54.8	29.7%	70.3%	0.0%	64.9
Health Care	44.4%	47.2%	8.3%	68.1	45.5%	51.5%	3.0%	71.2
Lodging	30.8%	57.7%	11.5%	59.6	48.4%	45.2%	6.5%	71.0
Manufacturing	50.0%	40.0%	10.0%	70.0	47.6%	42.9%	9.5%	69.0
Office	31.3%	53.1%	15.6%	57.8	24.3%	70.3%	5.4%	59.5
Industrial / Petro Chemical	76.5%	23.5%	0.0%	88.2	57.1%	38.1%	4.8%	76.2
Transportation Related	41.4%	44.8%	13.8%	63.8	29.7%	59.5%	10.8%	59.5
Public Works / Heavy Civil	35.7%	50.0%	14.3%	60.7	28.6%	60.0%	11.4%	58.6
Other	80.0%	20.0%	0.0%	90.0	75.0%	25.0%	0.0%	87.5
<i>Business Outlook - Three Years</i>								
Commercial	72.0%	28.0%	0.0%	86.0	74.2%	19.4%	6.5%	83.9
Education	48.4%	41.9%	9.7%	69.4	62.2%	24.3%	13.5%	74.3
Health Care	63.9%	30.6%	5.6%	79.2	60.6%	33.3%	6.1%	77.3
Lodging	42.3%	50.0%	7.7%	67.3	64.5%	29.0%	6.5%	79.0
Manufacturing	55.0%	35.0%	10.0%	72.5	76.2%	19.0%	4.8%	85.7
Office	41.9%	48.4%	9.7%	66.1	51.4%	29.7%	18.9%	66.2
Industrial / Petro Chemical	82.4%	17.6%	0.0%	91.2	81.0%	14.3%	4.8%	88.1
Transportation Related	55.2%	34.5%	10.3%	72.4	59.5%	32.4%	8.1%	75.7
Public Works / Heavy Civil	48.1%	40.7%	11.1%	68.5	57.1%	34.3%	8.6%	74.3
Other	80.0%	20.0%	0.0%	90.0	75.0%	25.0%	0.0%	87.5

**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.

Design Index Components: Compared with last quarter, what are your expectations for projects in the following markets for design services in the next year?

**EXHIBIT 12**

	Quarter 3 for 2012				Quarter 4 for 2012			
	Improving Over Last Quarter	Remains the Same as Last Quarter	Worse than Last Quarter	Overall Component Score Q3 2012	Improving Over Last Quarter	Remains the Same as Last Quarter	Worse than Last Quarter	Overall Component Score Q4 2012
Consulting Planning	30.4%	65.2%	4.3%	63.0	26.1%	69.6%	4.3%	60.9
Pre-Design Work	30.4%	60.9%	8.7%	60.9	26.1%	69.6%	4.3%	60.9
Commercial	21.1%	57.9%	21.1%	50.0	13.6%	72.7%	13.6%	50.0
Residential	25.0%	58.3%	16.7%	54.2	31.3%	62.5%	6.3%	62.5
Education	10.5%	73.7%	15.8%	47.4	5.3%	84.2%	10.5%	47.4
Health Care	38.9%	50.0%	11.1%	63.9	10.5%	78.9%	10.5%	50.0
Industrial	47.1%	47.1%	5.9%	70.6	42.1%	57.9%	0.0%	71.1
Transportation	20.0%	40.0%	40.0%	40.0	13.6%	63.6%	22.7%	45.5
Heavy/Civil	11.8%	70.6%	17.6%	47.1	11.1%	77.8%	11.1%	50.0
International	42.1%	52.6%	5.3%	68.4	40.0%	50.0%	10.0%	65.0
Design Firms Index				56.5				56.3

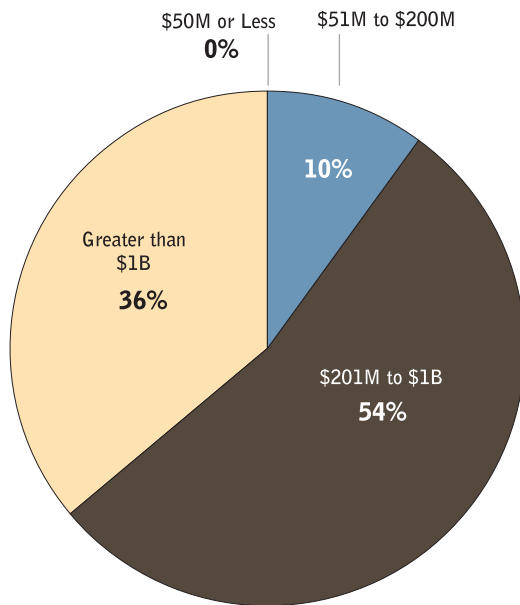
CIRT Sentiment Indexes — Comparison of Results: Q1 of 2012 to Q4 of 2012

**EXHIBIT 13**

**CIRT Scores**

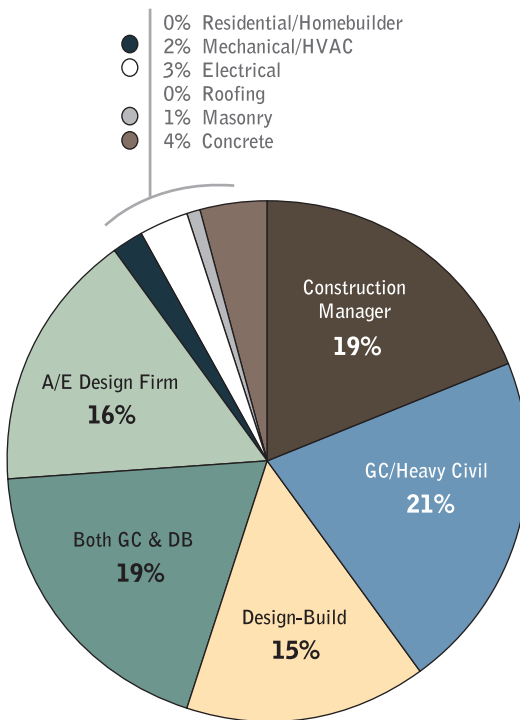
> 50 indicates growth (better)  
< 50 indicates slowing (worse)

	CIRT Sentiment Index Components Q1 for 2012	CIRT Sentiment Index Components Q2 for 2012	CIRT Sentiment Index Components Q3 for 2012	CIRT Sentiment Index Components Q4 for 2012
The Overall Economy	70.8	68.1	47.3	53.4
The Overall Economy Where Panelists Do Business	66.7	67.0	48.2	53.4
Panelists' Construction Business	62.5	63.8	59.3	57.8
The Residential Building Construction Market Where Panelists Do Business	57.8	54.7	59.2	69.2
The Nonresidential Building Construction Market Where Panelists Do Business	64.7	62.2	52.8	50.9
Cost of Construction Materials	31.8	26.7	30.4	41.8
Cost of Labor	43.8	36.7	36.3	29.1
Productivity	54.5	56.7	56.0	52.8
Expected Change in Backlog	60.2	63.0	60.0	66.1
Approximate Current Signed Backlog in Months	13.0	12.0	12.0	14.0



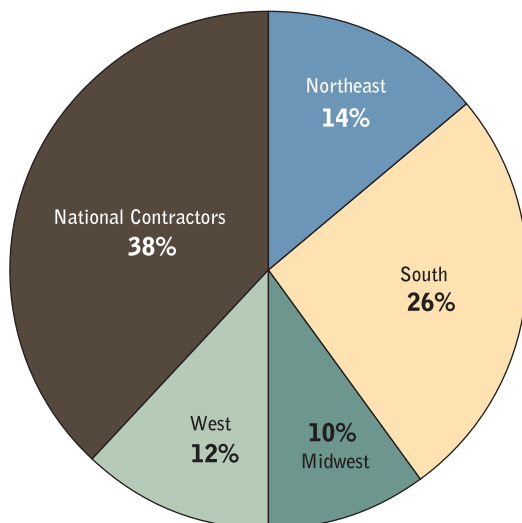
## EXHIBIT 14

Size of the Organization in Annual Revenue



## EXHIBIT 15

Type of Contracting Business



## EXHIBIT 16

Primary Region in Which Panelists Work

Dangerously Low

Very Low / Significant Drop

Low

Positive Growth Indicator

Very Positive Growth Indicator

## CIRT Sentiment Index Results: Q3 of 2012 and Q4 of 2012

## EXHIBIT 17

	CIRT Sentiment Index, Quarter 3 of 2012				CIRT Sentiment Index, Quarter 4 of 2012			
	Improving over last quarter	Staying the same as last quarter	Worse compared with last quarter	CIRT Q3 2012	Improving over last quarter	Staying the same as last quarter	Worse compared with last quarter	CIRT Q4 2012
Overall Economy	12.7%	69.1%	18.2%	47.3	17.2%	72.4%	10.3%	53.4
Overall Economy Where Panelists Do Business	20.0%	56.4%	23.6%	48.2	18.6%	69.5%	11.9%	53.4
Panelists' Construction Business	33.3%	51.9%	14.8%	59.3	27.6%	60.3%	12.1%	57.8
Residential Building Construction Market Where Panelists Do Business	31.6%	55.3%	13.2%	59.2	43.6%	51.3%	5.1%	69.2
Nonresidential Building Construction Market Where Panelists Do Business	24.5%	56.6%	18.9%	52.8	16.1%	69.6%	14.3%	50.9
Backlog in Months	High	Median	Low		High	Median	Low	
Approximate Current Signed Backlog	42.0	12.0	4.0		36.0	14.0	5.0	
	Grow faster than last quarter	Stay about same as last quarter	Shrink compared to last quarter		Grow faster than last quarter	Stay about same as last quarter	Shrink compared to last quarter	
Expected Change in Backlog	35%	51%	15%	60.0	39%	54%	7%	66.1
	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	41%	57%	2%	30.4	58%	0%	42%	41.8
Cost of Labor	27%	73%	0%	36.3	42%	58%	0%	29.1
	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	14%	84%	2%	56.0	7%	91%	2%	52.8

CIRT Sentiment Index Components: Q1 of 2012 to Q4 of 2012  
Business Outlook Summary by Market Sector

## EXHIBIT 18

## CIRT Scores

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

Sector	Overall Q1 of 2012			Overall Q2 of 2012			Overall Q3 of 2012			Overall Q4 of 2012		
	3 Months	1 Year	3 Years	3 Months	1 Year	3 Years	3 Months	1 Year	3 Years	3 Months	1 Year	3 Years
Commercial	57.6	57.6	84.8	47.8	63.0	88.6	46.2	62.0	86.0	57.8	64.1	83.9
Education	46.1	51.3	73.7	44.8	55.2	74.1	46.8	54.8	69.4	55.4	64.9	74.3
Health Care	57.7	70.5	80.8	55.4	67.9	83.9	59.7	68.1	79.2	57.6	71.2	77.3
Lodging	51.6	64.1	77.4	51.9	61.5	86.5	50.0	59.6	67.3	58.1	71.0	79.0
Manufacturing	60.9	71.7	76.2	55.9	58.8	67.6	57.5	70.0	72.5	52.4	69.0	85.7
Office	43.9	59.1	74.2	40.0	51.7	63.3	43.8	57.8	66.1	50.0	59.5	66.2
Industrial / Petro Chemical	65.8	76.3	78.9	81.3	90.6	93.8	73.5	88.2	91.2	71.4	76.2	88.1
Transportation Related	56.1	58.8	80.3	50.0	65.9	72.7	50.0	63.8	72.4	44.6	59.5	75.7
Public Works / Heavy Civil	48.4	57.8	72.6	47.4	57.9	71.1	46.4	60.7	68.5	45.7	58.6	74.3
Other	64.3	56.3	85.7	75.0	75.0	100.0	70.0	90.0	90.0	62.5	87.5	87.5

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