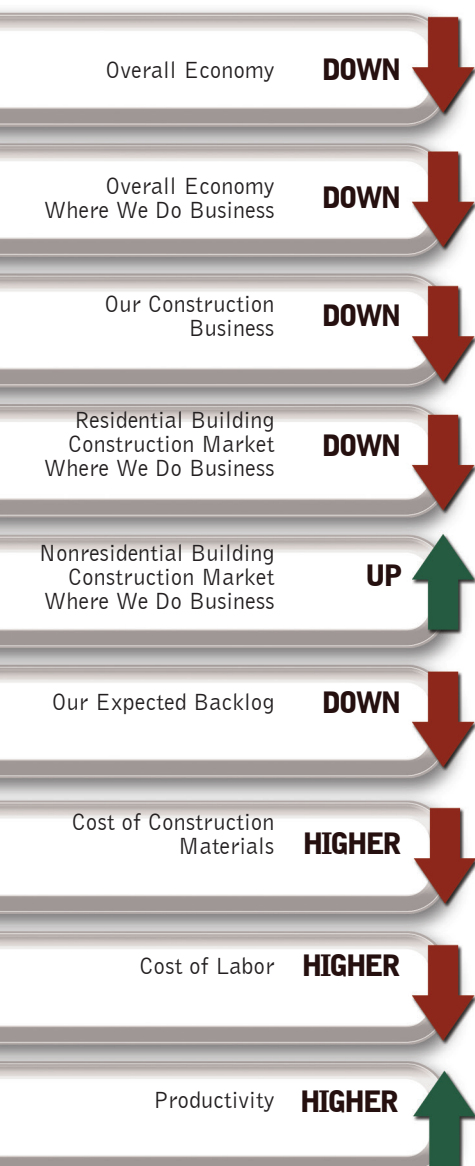


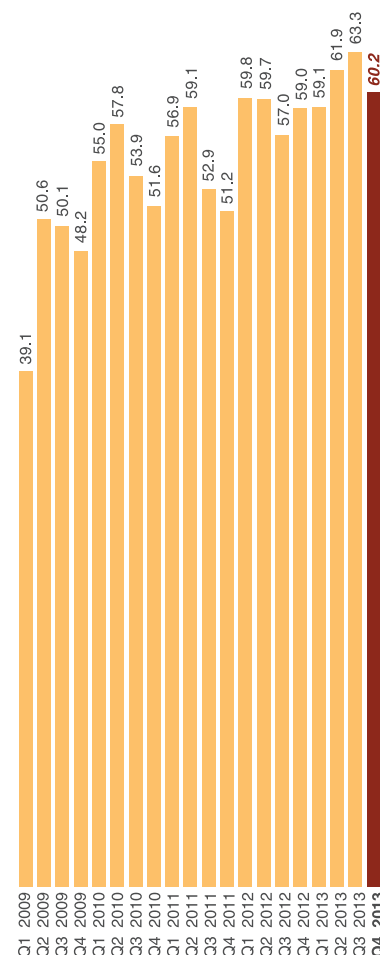
CURRENT CIRT SUMMARY



CIRT SENTIMENT INDEX FOURTH QUARTER 2013 EXECUTIVE SUMMARY

After hitting its highest marks in the last two quarters, the CIRT Sentiment Index dropped 3.1 points in the fourth quarter to 60.2, or only *slightly* above the fourth quarter results from last year. So what does it all mean? We could say the Index is taking a breather after five quarters of improvement. That's the kind of explanation we often hear when the stock market falls unexpectedly after a long, positive run. Investors are just taking a break. We don't buy that explanation. More likely, the slight drop in the CIRT Sentiment Index this quarter is due to owners, along with the banks that help finance their projects, continuing to act with an abundance of caution. Why be so cautious when many of the major indicators continue to be positive? It might just be because we live in a time of political infighting and uncertainty as to the direction of the country when it concerns economic decisions — and many social policy decisions often don't create a positive business environment. Ideology trumps common sense, and that causes a political mess, which in turn keeps the money under the mattress.

Business does not work on a political schedule, or at least it doesn't work well when politicians spend more time stumping for their next election than they do working on the real problems of the nation. Government certainly doesn't work like a business, although it *should* work more like one than it does. Those observations are at the core of what we learned when we asked panelists about the government shutdown and the budget ceiling crisis this quarter. Although we received responses to these questions that might be from both sides of the aisle, the majority agreed that we must increase the debt ceiling and pay the bills we, as a nation, committed to, just as businesses must do. At the same time, our government officials must work a lot harder toward a balanced budget. The government shutdown (or partial shutdown) was more of a political ploy than a necessary action. It cost more to play political football with the national debt than it would to keep the government running. Standard and Poors estimates a \$24 billion loss in business revenue as well as lost jobs, not considering the lost productivity in a notoriously unproductive political workforce. So, if it was all about balancing a budget, the shutdown just caused more waste of the people's money. One panelist noted:



NEW	CURRENT CIRT SENTIMENT INDEX READING Q3 2013	60.2
	CURRENT CIRT DESIGN INDEX READING Q3 2013	62.1

PREVIOUS SENTIMENT INDEX READING: 63.3

EXHIBIT 1

CIRT Sentiment Index

Scores Since Inception: Q1 2009 to Q4 2013

(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.

CIRT SENTIMENT INDEX

The CIRT Sentiment Index is a 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 and/or Phil Warner, research consultant with FMI Corporation, at pwarner@fminet.com or call 919-785-9357.



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.

Executive Summary ... continued

The government needs to cut cost just as businesses need to. They may need to increase debt temporarily to eventually cut cost, but the goal should be to reduce the debt over time. Most government departments are horribly managed and could really benefit from cost-cutting measures, but are they capable of doing it? . . . [We] may need to add more debt temporarily in order to restructure. Clearly, it would be a mistake to take on more debt without a real restructuring plan; that would only increase inflation and currency devaluation.

Productivity is something the government should work harder at improving to get the best deal for the public investment, and so should contractors, according to our Current Issues questions about productivity improvement. The productivity component of the CIRT Sentiment Index has been working its way lower since the overall Index started keeping track of this measure. Some panelists responded that they are always working to be more productive, not just responding to tighter markets and margins. However, as expected, most are discovering productivity as a new mantra to try to regain margins and do more with less. Less means: less wasted time as well as an expectation of fewer skilled workers in the market as business improves. And, even though many panelists appear to be making headway on productivity improvement, there is a long way to go. Ultimately, productivity is one of the keys to growth and improving profit margins in the “new normal” economy, where everything is paradoxically subject to rapid change in a sluggish environment. More focus on collaboration and productivity will be a refreshing alternative for both government and businesses.

So how do we explain the 3.1-point drop in the Sentiment Index this quarter? It may be that the Index is taking a few steps back after five quarters of improvement. Or maybe it is just taking a few steps back in order to get a running start to cross the hurdles ahead in next year's economy. At this time, the Sentiment continues to show expectations for slow growth overall with some markets growing faster than others are, as we will see in the details below.

CIRT Sentiment Index Fourth Quarter 2013 Highlights

Overall Economy: After working its way up to a high of 73.7 last quarter, the CIRT Sentiment Index component for the overall economy fell 11.5 points in the fourth quarter to 62.2. This component remains in positive territory, and it is 8.8 points higher than the fourth quarter of 2012.

Overall Economy Where Panelists Do Business: Panelists' sentiments for the economy where they do business fell in line with the overall economy from 70.3 last quarter to 63.0 for the fourth quarter. This indicates that the perception that the economy is slowing again is not just a regional phenomenon.

CIRT Design Index Components

Consulting Planning: The consulting planning component dropped significantly from 73.3 last quarter to 62.5 this quarter. Since the number of design firms answering the survey is a smaller subset of the total CIRT panelists, we can expect some volatility in the components; however, the drop in this component, along with several other components below, may indicate a slow start to 2014.

Pre-design work: The component for pre-design work is essentially unchanged since last quarter at 70.0. Still a very positive number.

Commercial: Commercial work dropped slightly from 61.5 last quarter to 60.0 this quarter, as some commercial work returns to the markets after a long slowdown.

Residential: Residential design work is unchanged at 66.7 this quarter, indicating continuing relative strength in residential construction.

Education: Design work for education showed the most positive gain this quarter, moving up from 50.0 last quarter to 57.1 this quarter. School construction work has been slow since the recession, so any positive move in the indexes bodes well for construction projects in the next year.

Health Care: Health care facility design moved up 6.2 points this quarter to 60.7. The market could grow faster if the nation can get a clearer understanding of the effects of the new health care act.

Industrial: Industrial design work dropped 13.5 points this quarter from a high of 75 last quarter. Overall, this is an area with good potential for growth. It just might be more constrained than previously thought.

Transportation: With government cutbacks and budget uncertainty, the stronger markets for transportation dropped 9.7 points this quarter to a still positive 63.3.

Heavy/Civil: The component for design in the area of heavy/civil projects dropped from 68.2 to 58.8 this quarter. The drop is most likely due to the cutbacks in government funding for large infrastructure projects and roads and bridges.

International: International design work took a nosedive from 82.1 last quarter to just 60.0 this quarter. This volatility may be due in part to a small sample size; however, it also may indicate greater global competition for few large infrastructure projects.

Construction:

Panelists' Construction Business: The Sentiment Index component for panelists' construction business dropped sharply to 58.0 from 70.2 last quarter. It appears that panelists' expectations for their business is weaker than for the general economy. This is unusual in that more often panelists are more optimistic about their own business than for the overall economy. Since CIRT member panelists represent some of the largest companies in the construction industry, this may also be a sign that it has become harder to get large projects off the "boards" and onto the ground.

Private Sector Construction Business: Component results for private sector business were mixed this quarter. Looking at the expectations for the next three months, health care and manufacturing were both down sharply over last quarter. Education construction is down 1.5 points to a neutral score of 50.0. However, commercial construction and lodging, two of the weaker markets during the recession, are improving with scores above 63 for the next three months. Expectations for the year ahead for each of these markets, with the exception of manufacturing, are relatively positive. Expectations for the "other" category are exceptionally strong. Although representing just a few panelists, those responding to "other" worked on power and renewable energy projects.

Cost of Construction Materials and Labor: Material and labor costs continued to rise this quarter. The construction materials index was down 1.7 points, indicating more panelists are seeing higher costs this quarter. Likewise, the labor cost index dropped 4.0 points this quarter, indicating higher labor costs. Note, when the costs of these components rise, it causes the overall CIRT Sentiment Index score to go down as higher costs for materials and labor can make it more difficult to sell work.

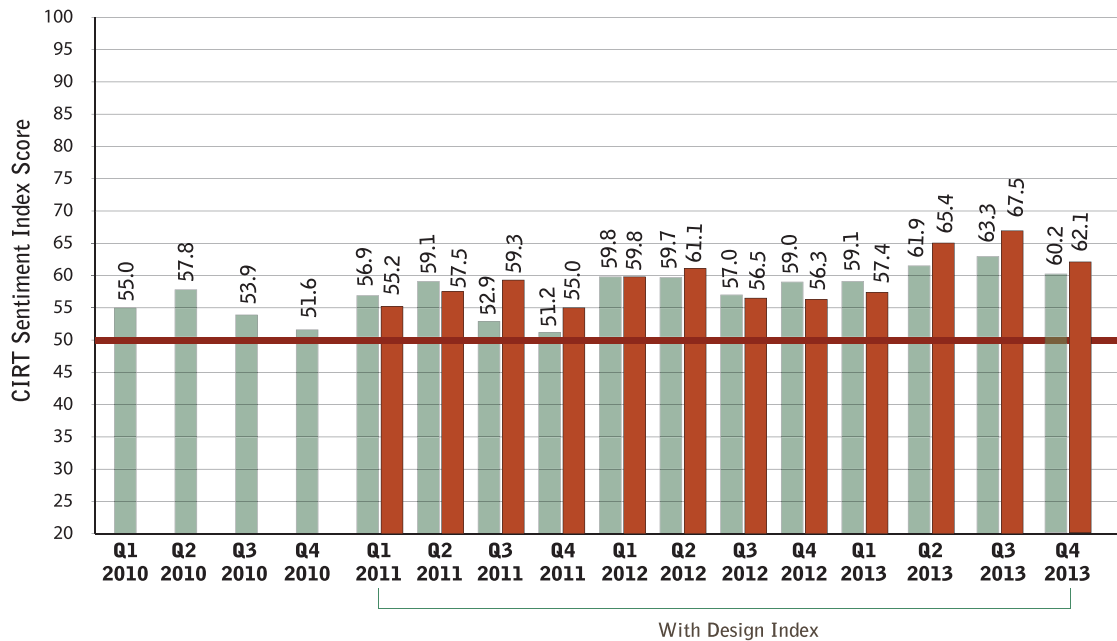
Productivity: As business improves, productivity continues to slide. However, CIRT panelists indicated a slight improvement to 50.0 this quarter, a 6.3 point improvement over last quarter. Nonetheless, the productivity component has generally been trending lower since we began to track it in the first quarter of 2009. (See more below.)

Current Issues:

Productivity: As business improves, productivity continues to slide. Noting the slippage in productivity improvement since the beginning of the recession, this quarter we asked what panelists were doing in their companies to improve productivity. Fifty-two percent said they have not seen improvements in field productivity. Sixty-one percent have seen the use of new technologies help to improve productivity. Technologies like BIM and improved field communications have had the greatest impact. Combining both new technologies and improved processes has had the most beneficial impact on productivity.

Government Shutdown and Debt Ceiling Issues:

Forty-one percent of panelists said that if the government shutdown went beyond the end of October, it would have little impact on their business next year. However, 51% said it would have a potential impact of up to 10% loss of volume. Even if the loss of volume is as low as 5%, with nonresidential markets struggling to maintain a modicum of growth, that is potentially a relatively big hit to market confidence.

EXHIBIT 2**CIRT Sentiment Index Scores : Q1 2010 to Q4 2013**
(Scores above 50 indicate expansion, below 50 indicate contraction.)**Current Issues:****Productivity: Progress With Room to Improve**

With the CIRT Sentiment Index component index (for productivity) slowly trending lower, we asked several questions this quarter to get an idea of what panelists' companies are doing to improve productivity. For instance, what is working best in the way of technology and process changes especially in the last few years of the recession and into the current recovery? Several commented something along the lines of one respondent:

No change; we always focus on innovation that leads to productivity improvement.

Of course, productivity improvement should be a concern every day, not just a desperation move when business turns down. Productivity is especially a concern for industries that are considered "mature," where buyers see the products and services more as a commodities. Improving productivity should be an ongoing, continuous effort. The benefit of such improvements is to boost margins and competitiveness.

The fact that we have seen productivity go up during the recession and start down as we begin to see recovery is no surprise. Companies are doing more with less; particularly,

they have retained the best people who are doing more work. That effect can only last so long. When business improves, those good people become overworked and sometimes burned-out. Increasingly, companies note that finding well-trained people to bolster their ranks as business improves has become more and more difficult. That is another hit to productivity. While the industry must do whatever it can to attract talented people as business begins to grow again, industry companies must also apply new technologies and processes to help keep productivity growing with the people they have. (In some cases, these efforts will also help attract the best people who want to work with the latest technologies.)

Productivity will continue to be a growing challenge, but many panelists are striving to meet these challenges in a number of ways. The best approach overall, as we can ascertain from the comments and results of our questions this quarter, is to combine improved processes with new technologies, not just one or the other. Sixty-three percent of all panelists said their productivity improvements have come from a combination of changing processes and tools. When choosing one or the other, process or tools, 24% have improved processes, while only 4% have made improvements using new tools and technologies. The comments from panelists listed below illustrate this mix of process and tools to improve productivity.

In several questions where “don’t know” was an option, we noted a small percentage is always unsure if productivity is improving or not and why it is going in either direction. In other cases, for the responses, we assume that panelists’ opinions and answers are based on an educated understanding of what goes on in the organization in the way of productivity. This should be knowledge gained from direct oversight of new programs, periodic reviews, reports and “dashboards” as well as financial reports. The problem, as always, for determining productivity is how and what to measure, and to measure those selected areas consistently.

When it comes to productivity, one size, one tool or process does not fit all. That is apparent in the chart rating improvements in selected technologies. While most agree quite strongly that implementation of BIM and better field communications technologies are helping to improve productivity, areas like project tracking software and the use of CNC equipment for prefabrication work better for some than they do for others. This illustrates that research, planning and implementation are key to obtaining real benefits from any new approach to productivity. It is good to see that the majority of panelists’ companies are working to improve productivity. The recession can teach some hard lessons; however, paradoxical as it may seem, improving productivity works best when there are more projects to save time and money on, and it works even better when it is a continuous process in good and bad times. One thing we know is that we will continue to see swings in the market in the coming year; productivity is the key to reducing the swings in profitability.

Productivity Comments:

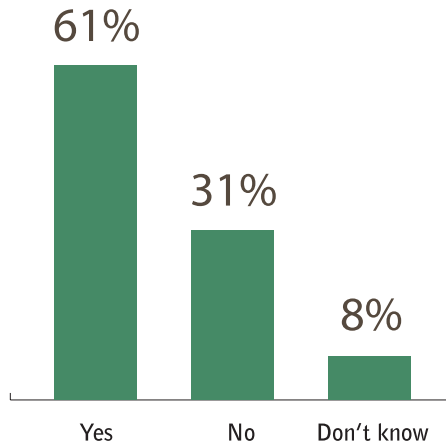
Since the recession began, have you changed your approach to productivity improvement? If so, how?

- A stronger focus on labor management and aggressive inclusion of the field foreman in key decisions being made on project approaches/ logistics/custom tools and equipment to improve productivity. We are leveraging the tacit knowledge of our field staff.
- Added new noncommoditized offerings and continued to enhance our deliverables using state-of-the-art tools.

- During the recession, but not because of it, our own productivity has been enhanced by continuing surges in technology advancement, primarily in BIM development and integrated modeling but also mobile, data access and communication tools. Trade advancements in technology have been huge in preplanning, prefabrication and safe practices but offset somewhat by an overwhelmed and aging workforce.
- Focused on productivity more than ever now that the business has been commoditized.
- Implemented Lean principles throughout the organization.
- In driving consistency of best practices, more training and more mobile application of tools.
- Margin pressure has forced us to be more precise.
- No change in approach to productivity due solely to recession.
- No change; we always focus on innovation that leads to productivity improvement.
- We are just now on the backside of the projects we have acquired and built through to recession. We are digging in and looking to find new best practices to allow us to adjust to and operate more efficiently and effectively in this tighter market.
- We focus on daily planning and cost control.
- We use the same methods to search for productivity improvements.
- Yes, more discipline.
- Yes, we have increased efforts in quality, safety, pre-job planning.
- Yes. We have invested money in these areas during the recession to make us more cost-competitive and give us a leg up on our competition.

EXHIBIT 3

Have you seen technology improve productivity (units installed/man-hour) on your projects in the past few years?

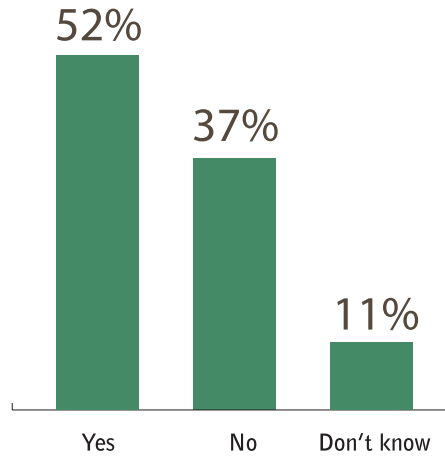
**EXHIBIT 4**

If you have seen improvements in productivity from the use of technology, rank the following from 1 to 5, where 1=least improvement and 5=most improvement.

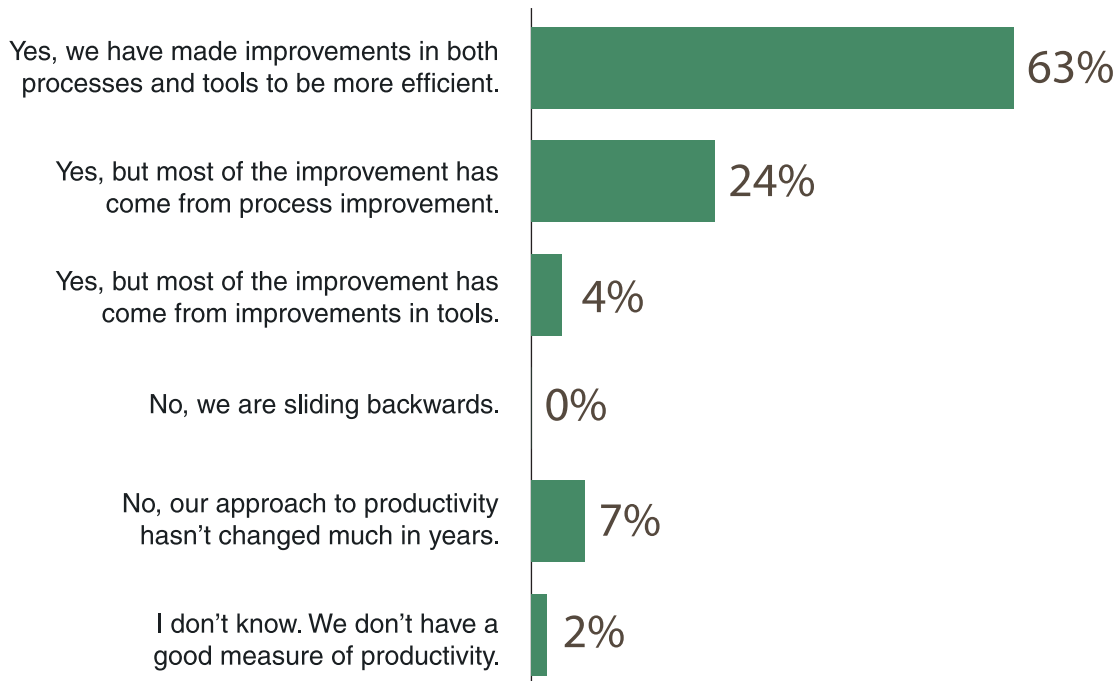
	1 Least Improvement	2	3	4	5 Most Improvement
Use of BIM	13%	17%	10%	27%	33%
Improved electronic field communications (smartphone apps, tablets, etc.)	17%	17%	21%	29%	17%
Project management and scheduling software	10%	17%	40%	23%	10%
Software for tracking productivity (units installed/man-hour)	27%	37%	20%	19%	3%
Automated tools (i.e., CNC machines in shop, automatic layout and welders, etc.)	35%	16%	16%	16%	16%

EXHIBIT 5

Have you seen improvements in your field productivity?

**EXHIBIT 6**

Do you feel your organization/firm has made improvements in its processes and tools in the arena of efficiency?



Federal Government Shutdown and Debt Ceiling Issues

When we started the CIRT Sentiment Index, we did expect to track public policy issues affecting construction markets, but it wasn't apparent then how many issues in this "realm" would be directly affecting business in the construction industry. The goal was, and is still, to provide contractors and other interested parties with some measures of current and future activity for construction. Along with the component scores making up the CIRT Sentiment Index overall score each quarter, we meant to spend most of our space in current issues, asking about productivity, business development, delivery methods and other issues concerning the economic environment. As it turns out, public policy impacts become the elephant in the room or the bull in the china closet, if you prefer, when it comes to understanding the economic environment or trend. Public policy direction, tinged in part by underlying political interests or beliefs and often accompanied by political indecisions and/or infighting, has become one of the largest factors dominating the news and keeping business from moving forward, due to the constant uncertainty.

This quarter we asked about two related areas that were white-hot in the headlines when we sent out the fourth quarter survey: "If the federal government shutdown goes beyond the end of October, how much will it affect your business over the next year?" and "Should raising the debt ceiling be approved?" The risk of asking these questions with a date included was that the issue would be settled before the survey was closed and published. Happily, that was the case; however, as we have seen happen again and again, it was really a matter of *kicking the can down the road* until next January/February when it will all come up again. Net result: more uncertainty leading to more distrust of our democratic/representative government. Did anyone learn a lesson from this last go-round? We hope so, but we can't help but be a little bit skeptical.

On the subject of the government shutdown, 51% of panelists said they might see a loss of 0 to 10% in volume if the shutdown lasted more than a month. Well, this time it lasted less than a month, and, while 41% expected no effect to their volume next year, it is likely that the confusion during the shutdown will not help improve confidence in the government or the economy in the coming months. Every small knock on the economy and jobs hurts when the markets are struggling to regain a modicum of growth.

When asked if the debt ceiling should be approved, one panelist responded: "We will figure this one out eventually." Even though it appears that we got through the last debt ceiling crisis, we haven't reached "eventually" yet. Likely, we are quite a long way from "eventually." And that is the problem. Business is never "blessed with certainty" about the future, but the level of *uncertainty* has been going up faster than most companies can reasonably account for in their strategic plans.

Of course, the debt ceiling must be approved, so why even ask the question? Because it is a Constitutional matter regarding the *balance of power* between the three branches of the federal government. Without recognition of the *power of the purse* held in the hands of Congress — we no longer have any checks and balances on the Executive branch and its desire to spend. So, beyond the pragmatic and practical responses of 64% of panelists saying the debt ceiling should be approved, 16% saying "no," and 20% being uncertain, there are the larger constitutional and governmental issues at stake.

Generally, panelists said, like it or not, we must approve the debt ceiling, because we committed to the debts. However, most also note that government needs to be more businesslike and balance the budget, or at least work toward a more balanced budget. The frustration is that the current crisis was more of a political gambit than it was about actually working to agree on where to cut and where to spend, etc. In other words, the kind of decisions businesses must make on a regular basis or go out of business. For instance, when did anyone last hear a discussion in government about being more productive or, more importantly, see processes introduced that were more productive? Yes, it can and does happen here and there, but not enough to make it newsworthy or to help balance the budget.

Comment on raising the debt ceiling:

- Although we have little choice but to increase it, we must also have a commitment to reduce spending in most areas and increase investments that will result in economic growth.
- As a practical matter, we have no choice but to raise the debt ceiling. However, I am fearful that we will raise the ceiling without any of the needed tax reform, spending reform, entitlement reform, etc.

If we just raise the debt ceiling and keep spending money we don't have (or ever hope to have), then it will just continue us down the road to economic ruin.

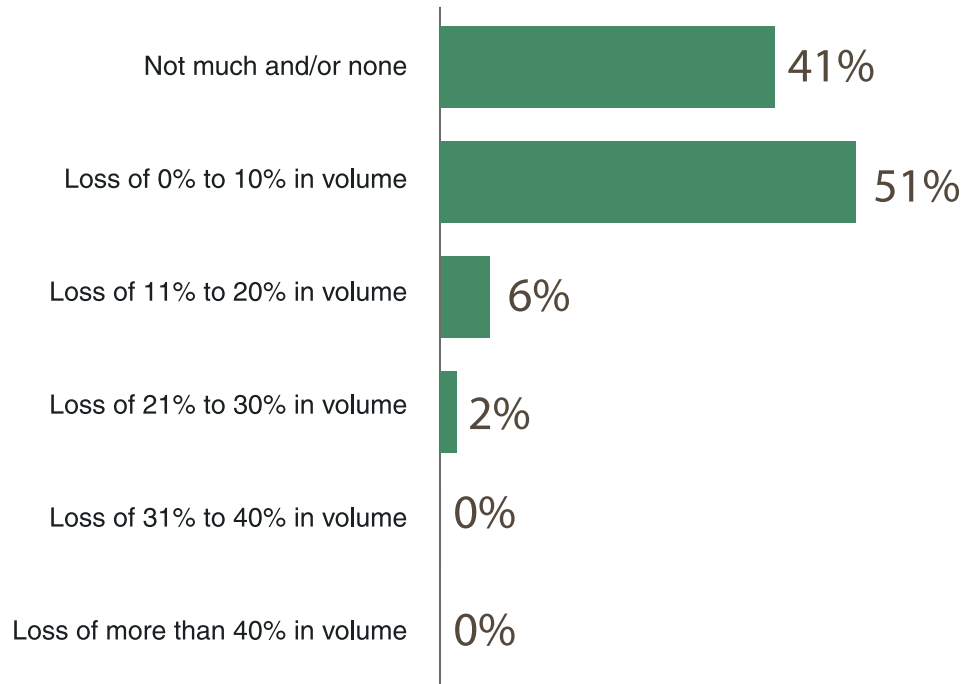
- Debt ceiling action is dependent on the associated actions that are correspondingly passed, i.e., BALANCED budget, much needed cuts in spending, etc.
- Debt ceiling has to be raised; we need to pay our debts. The focus needs to be on reducing cost so that we can eliminate additional ceiling raises.
- Deficit spending must be addressed.
- Got to do something.
- It should be approved with spending cuts in all areas except transportation, which should be increased and should cut the deficit.
- No comment.
- Raising the debt ceiling is not optional, but should be linked to a more open, bipartisan effort to deal with the budget and unsustainable rise in spending with little or no change in output. The creep in regulation and seeming independence of government agencies to promulgate and interpret regulations without legislative interaction is a creeping threat to business and U.S. competitiveness and should be "outed" and embraced by Congress. If it would ONLY do ITS JOB!
- The debt ceiling has reached the end of its useful life. It has no bearing on future spending, and the full faith and credit of the United States should never be a bargaining chip. I support extending the "McConnell Rule." This rule, which was used in last week's settlement, allows the president to raise the debt ceiling and then gives Congress a chance to disapprove it. If Congress passes a disapproval measure, the president can veto the legislation. The two chambers would then each need a two-thirds majority to override the veto and prevent the debt limit from rising, which is politically unattainable and is likely to remain so. . [However, this approach drastically undercuts the Constitutional balance between the branches and would severely limit Congress' "power of the purse" in favor of a

more powerful and unchecked Executive branch when it comes to all spending issues. — Editor's comment]

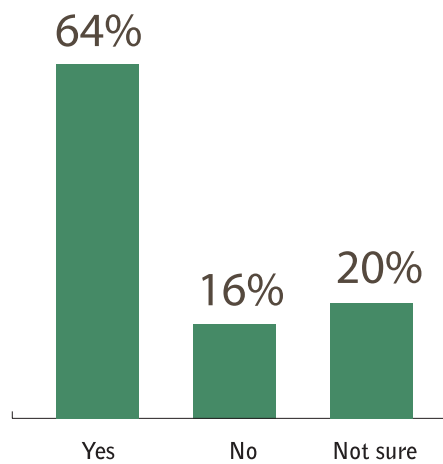
- The government needs to cut cost just as businesses need to. It may need to increase debt temporarily to eventually cut cost, but the goal should be to reduce the debt over time. Most government departments are horribly managed and could really benefit from cost-cutting measures, but are they capable of doing it? I answered "not sure" above because we may need to add more debt temporarily in order to restructure. Clearly, it would be a mistake to take on more debt without a real restructuring plan; that would only increase inflation and currency devaluation.
- The likely negative impact of not raising the debt ceiling is significant and outweighs any potential benefits.
- There is no alternative.
- Washington is dysfunctional. No one knows how to define and lead to accomplish what is best for the country. Compromise is dead and the public suffers.
- We have to stop spending money. Tough decisions have to be made to reform entitlements and other unsustainable programs that are weighing and will continue to drag on our economy.
- We need a disciplined plan and then manage our country to balance our budget and start paying down our national debt.
- We will figure this one out eventually.

EXHIBIT 7

If the federal government shutdown goes beyond the end of October, how much will it affect your business over the next year?

**EXHIBIT 8**

Should raising the debt ceiling be approved?



CIRT Sentiment Index Component Detail by Market Sector

EXHIBIT 9

Dangerously Low

Very Low / Significant Drop

Low

Positive Growth Indicator

Very Positive Growth Indicator

	Overall Quarter 3 for 2013				Overall Quarter 4 for 2013			
	Improving over last quarter	Remains the same as last quarter	Worse compared with last quarter	CIRT Sentiment Index Component Results for Q3 2013	Improving over last quarter	Remains the same as last quarter	Worse compared with last quarter	CIRT Sentiment Index Component Results for Q4 2013
<i>Business Outlook - Three Months</i>								
Commercial	25.9%	66.7%	7.4%	59.3	33.3%	61.1%	5.6%	63.9
Education	15.2%	72.7%	12.1%	51.5	8.3%	83.3%	8.3%	50.0
Health Care	22.6%	67.7%	9.7%	56.5	11.1%	74.1%	14.8%	48.1
Lodging	25.9%	63.0%	11.1%	57.4	31.8%	63.6%	4.5%	63.6
Manufacturing	47.4%	52.6%	0.0%	73.7	25.0%	75.0%	0.0%	62.5
Office	26.7%	70.0%	3.3%	61.7	24.0%	72.0%	4.0%	60.0
Industrial / Petro Chemical	40.0%	60.0%	0.0%	70.0	54.5%	45.5%	0.0%	77.3
Transportation Related	28.6%	62.9%	8.6%	60.0	12.5%	70.8%	16.7%	47.9
Public Works / Heavy Civil	16.1%	71.0%	12.9%	51.6	11.1%	74.1%	14.8%	48.1
Other	16.7%	83.3%	0.0%	58.3	50.0%	50.0%	0.0%	75.0
<i>Business Outlook - One Year</i>								
Commercial	44.4%	51.9%	3.7%	70.4	55.6%	44.4%	0.0%	77.8
Education	30.3%	57.6%	12.1%	59.1	25.0%	66.7%	8.3%	58.3
Health Care	41.9%	51.6%	6.5%	67.7	55.6%	33.3%	11.1%	72.2
Lodging	37.0%	55.6%	7.4%	64.8	40.9%	54.5%	4.5%	68.2
Manufacturing	68.4%	31.6%	0.0%	84.2	41.7%	41.7%	16.7%	62.5
Office	26.7%	66.7%	6.7%	60.0	44.0%	40.0%	16.0%	64.0
Industrial / Petro Chemical	70.0%	30.0%	0.0%	85.0	72.7%	27.3%	0.0%	86.4
Transportation Related	45.7%	48.6%	5.7%	70.0	29.2%	58.3%	12.5%	58.3
Public Works / Heavy Civil	32.3%	54.8%	12.9%	59.7	22.2%	59.3%	18.5%	51.9
Other	66.7%	33.3%	0.0%	83.3	50.0%	50.0%	0.0%	75.0
<i>Business Outlook - Three Years</i>								
Commercial	74.1%	18.5%	7.4%	83.3	77.8%	22.2%	0.0%	88.9
Education	51.5%	33.3%	15.2%	68.2	41.7%	45.8%	12.5%	64.6
Health Care	74.2%	22.6%	3.2%	85.5	84.6%	11.5%	3.8%	90.4
Lodging	44.4%	48.1%	7.4%	68.5	54.5%	36.4%	9.1%	72.7
Manufacturing	66.7%	33.3%	0.0%	83.3	50.0%	33.3%	16.7%	66.7
Office	53.3%	40.0%	6.7%	73.3	68.0%	16.0%	16.0%	76.0
Industrial / Petro Chemical	85.0%	15.0%	0.0%	92.5	54.5%	45.5%	0.0%	77.3
Transportation Related	74.3%	25.7%	0.0%	87.1	50.0%	37.5%	12.5%	68.8
Public Works / Heavy Civil	64.5%	32.3%	3.2%	80.6	59.3%	22.2%	18.5%	70.4
Other	83.3%	16.7%	0.0%	91.7	100.0%	0.0%	0.0%	100.0

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.

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 10

	Quarter 3 for 2013				Quarter 4 for 2013			
	Improving Over Last Quarter	Remains the Same as Last Quarter	Worse than Last Quarter	Overall Component Score Q3 2013	Improving Over Last Quarter	Remains the Same as Last Quarter	Worse than Last Quarter	Overall Component Score Q4 2013
Consulting Planning	53.3%	40.0%	6.7%	73.3	37.5%	50.0%	12.5%	62.5
Pre-Design Work	47.1%	47.1%	5.9%	70.6	46.7%	46.7%	6.7%	70.0
Commercial	30.8%	61.5%	7.7%	61.5	33.3%	53.3%	13.3%	60.0
Residential	33.3%	66.7%	0.0%	66.7	33.3%	66.7%	0.0%	66.7
Education	15.4%	69.2%	15.4%	50.0	21.4%	71.4%	7.1%	57.1
Health Care	18.2%	72.7%	9.1%	54.5	35.7%	50.0%	14.3%	60.7
Industrial	57.1%	35.7%	7.1%	75.0	30.8%	61.5%	7.7%	61.5
Transportation	46.2%	53.8%	0.0%	73.1	40.0%	46.7%	13.3%	63.3
Heavy/Civil	36.4%	63.6%	0.0%	68.2	29.4%	58.8%	11.8%	58.8
International	64.3%	35.7%	0.0%	82.1	26.7%	66.7%	6.7%	60.0
Design Firms Index				67.5				62.1

CIRT Sentiment Indexes — Comparison of Results: Q1 of 2013 to Q4 of 2013

EXHIBIT 11

CIRT Scores

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

	CIRT Sentiment Index Components Q1 for 2013	CIRT Sentiment Index Components Q2 for 2013	CIRT Sentiment Index Components Q3 for 2013	CIRT Sentiment Index Components Q4 for 2013
The Overall Economy	66.7	66.0	73.7	62.2
The Overall Economy Where Panelists Do Business	69.5	65.7	70.3	63.0
Panelists' Construction Business	70.0	68.5	70.2	58.0
The Residential Building Construction Market Where Panelists Do Business	66.3	78.6	77.4	76.9
The Nonresidential Building Construction Market Where Panelists Do Business	66.4	66.3	64.0	64.9
Cost of Construction Materials	25.4	27.6	27.2	25.5
Cost of Labor	27.2	27.5	25.4	21.4
Productivity	52.7	54.9	43.8	50.0
Expected Change in Backlog	59.2	67.0	64.7	59.2
Approximate Current Signed Backlog in Months	12.0	15.0	14.0	13.0

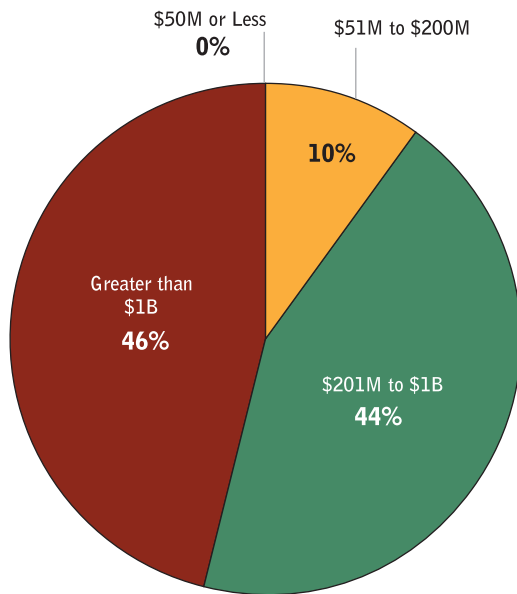


EXHIBIT 12

Size of the Organization in Annual Revenue

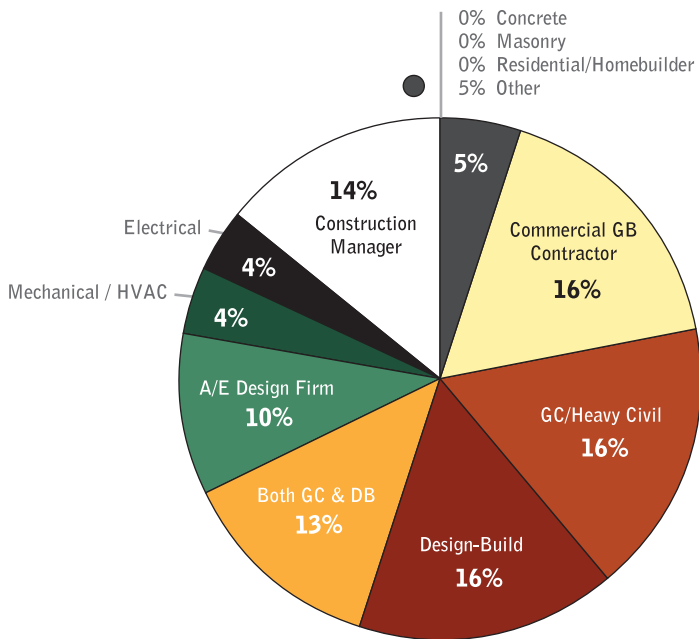


EXHIBIT 13

Type of Contracting Business

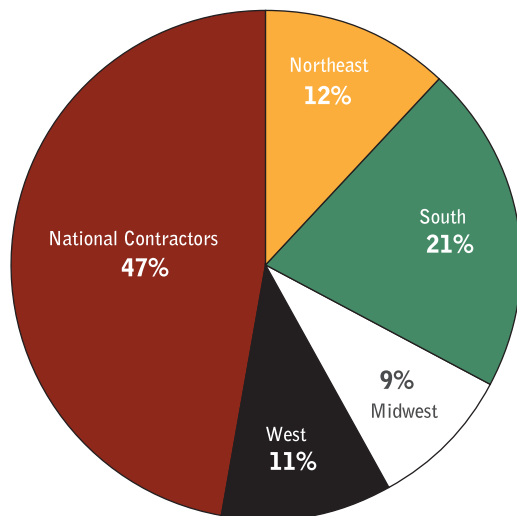


EXHIBIT 14

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 2013 and Q4 of 2013

EXHIBIT 15

	CIRT Sentiment Index, Quarter 3 of 2013				CIRT Sentiment Index, Quarter 4 of 2013			
	Improving over last quarter	Staying the same as last quarter	Worse compared with last quarter	CIRT Q3 2013	Improving over last quarter	Staying the same as last quarter	Worse compared with last quarter	CIRT Q4 2013
Overall Economy	49.2%	49.2%	1.7%	73.7	32.7%	59.2%	8.2%	62.2
Overall Economy Where Panelists Do Business	42.4%	55.9%	1.7%	70.3	36.0%	54.0%	10.0%	63.0
Panelists' Construction Business	45.6%	49.1%	5.3%	70.2	30.0%	56.0%	14.0%	58.0
Residential Building Construction Market Where Panelists Do Business	59.5%	35.7%	4.8%	77.4	56.4%	41.0%	2.6%	76.9
Nonresidential Building Construction Market Where Panelists Do Business	36.8%	54.4%	8.8%	64.0	38.3%	53.2%	8.5%	64.9
Backlog in Months	High	Median	Low		High	Median	Low	
Approximate Current Signed Backlog	36.0	14.0	6.0		60.0	13.0	8.0	
	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	40%	50%	10%	64.7	33%	53%	14%	59.2
	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	46%	54%	0%	27.2	49%	51%	0%	25.5
Cost of Labor	49%	51%	0%	25.4	57%	43%	0%	21.4
	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	0%	88%	13%	43.8	10%	79%	10%	50.0

CIRT Sentiment Index Components: Q4 of 2012 to Q3 of 2013
Business Outlook Summary by Market Sector

EXHIBIT 16

CIRT Scores

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

Sector	Results Q2 of 2013			Results Q3 of 2013			Results Q4 of 2013		
	3 Months	1 Year	3 Years	3 Months	1 Year	3 Years	3 Months	1 Year	3 Years
Commercial	59.1	68.2	78.6	59.3	70.4	83.3	63.9	77.8	88.9
Education	48.3	58.6	67.9	51.5	59.1	68.2	50.0	58.3	64.6
Health Care	62.1	65.5	74.1	56.5	67.7	85.5	48.1	72.2	90.4
Lodging	54.3	60.9	69.0	57.4	64.8	68.5	63.6	68.2	72.7
Manufacturing	60.0	72.0	72.0	73.7	84.2	83.3	62.5	62.5	66.7
Office	52.0	58.0	74.0	61.7	60.0	73.3	60.0	64.0	76.0
Industrial / Petro Chemical	81.0	85.7	88.1	70.0	85.0	92.5	77.3	86.4	77.3
Transportation Related	50.0	66.7	80.3	60.0	70.0	87.1	47.9	58.3	68.8
Public Works / Heavy Civil	50.0	65.6	78.1	51.6	59.7	80.6	48.1	51.9	70.4
Other	60.0	70.0	80.0	58.3	83.3	91.7	75.0	75.0	100.0

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