

Power Facility Trends

Fall 2009

Summary of Power Facility Construction and Services Trends

- Billions of dollars will be spent on power facility construction in the coming years. Power facility construction, which tends to lag the overall economy, remains in a growth mode.
- Coal-fired power plants provide largest share of electricity supply.
- Most new capacity uses natural gas as fewer coal-fired plants are added with least expensive technology options likely choices for new capacity.
- Biomass and wind lead projected growth in renewable generation.
- M&A activity in the power facility construction and services space to continue as large EPC and engineering firms add capabilities and look for growth via acquisition.
- Lack of targets will increase demand and drive valuation multiples higher.

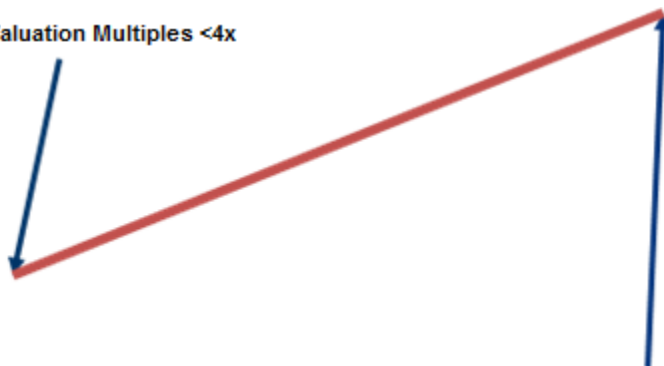
Industry consolidation, public market valuations, and available capital has created opportunities for business owners of contracting companies to create liquidity. With multiple acquirers, liquidity options are numerous and complex for EPC contracting companies and power facility services contractors.

Who is buying contracting companies and why...

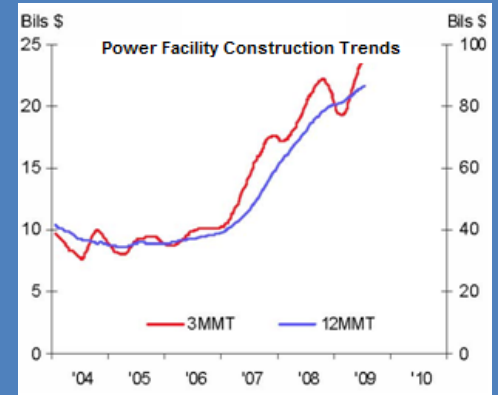
Multiples for contractors hit the bottom in March with the rest of the market. Six months later we are seeing a dramatic improvement in multiples. Buyer demand for quality companies is increasing from a diverse group of buyers including strategic buyers and private equity groups with their eye on the public market valuations. Clearview Capital's acquisition of EN Engineering earlier this year is an example of private equity group interest. We believe this influx of capital is a positive sign for owners of privately held contracting companies that are considering divestiture strategies. Further, based on an exhaustive search of sellers from M&A subscriptions, we believe that there is a lack of strong sellers that will also increase valuations of highly attractive properties. We believe that M&A activity is in the early stage of the rebound.

VALUATION TRENDS

EBITDA Valuation Multiples <4x



EBITDA Valuation Multiples >6x



RECENT ACQUISITION NEWS

2009—EMCOR Group, Inc. (NYSE: EME) acquired First Mergers Group clients LT Mechanical, Inc. (Charlotte, NC) and Team Mechanical, Inc. (Chicago, IL). Both companies are diversified full-service mechanical providers who provide energy solutions.

First Mergers Group president and founder Michael A. Price stated, "We are proud to have participated in the development of such a strategic and well matched relationships in this industry. We maintain the philosophy that FIRST MERGER'S will be a contributor to the development of this industry and will continue to serve as a guide to business owners as they investigate mergers and acquisitions opportunities." Price also stated, "this acquisition confirms the level of interest by large market cap companies of mid-market cap companies in the energy and contracting space. We maintain a strong client portfolio in this space and will have additional transaction news in this space in the coming months."



NYSE: EME
has acquired



First Mergers Group, LLC initiated this transaction and acted as intermediary on behalf of MSI, Inc.



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