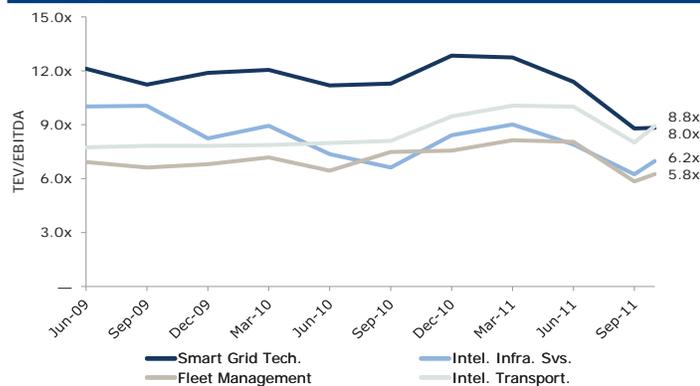


## Intelligent Infrastructure Commentary

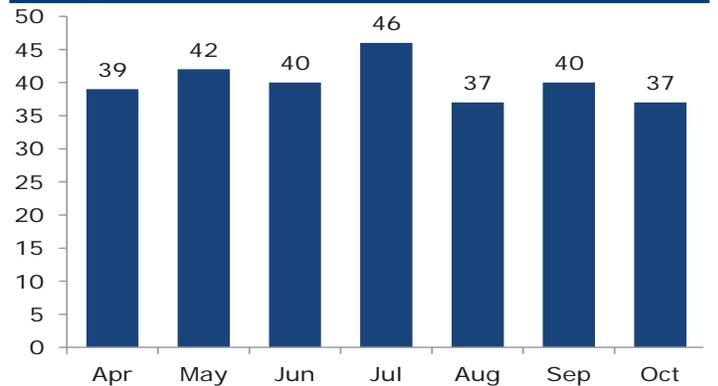
October 2011

Transaction volume in the Intelligent Infrastructure space dipped slightly in October following an active September. The 37 deals TM Capital tracked in the space during the month were predominantly mid-market in profile, with a concentration of activity occurring in the smart grid technologies and energy management solutions arenas. Reinforcing this trend, and perhaps as a harbinger of a cold winter to come, both SClenergy and Infor acquired companies with solutions for monitoring, analyzing and optimizing energy consumption. The broader smart grid market also saw several cross-border transactions in October, including acquisitions by Boer Power and Osram Sylvania, a subsidiary of Siemens, in the electrical and lighting control space. In the public markets, equity indices have warmed considerably since September and valuations are trending up toward their 2-year averages. Despite reenergized public company trading performance, private equity activity remains sluggish in the sector, with firms guarding their dry powder and tentatively approaching higher risk intelligent infrastructure opportunities. Deal headlines involving financial sponsors in October were highlighted by Butler Capital Partners' \$34 million investment in repair and logistics provider ANOVO. Butler edged out a strategic rival, Regeneris, to acquire this recognized industry brand. As the fundamentals behind growth in the sector continue to strengthen and leading companies re-establish clear market position, we expect investor understanding of the market to mature and private equity-led consolidation to accelerate. We look forward to an active M&A market through the conclusion of the calendar year, and we will closely follow the sector as companies position themselves for growth in 2012.

## Intelligent Infrastructure Valuation Environment



## Intelligent Infrastructure M&A Transaction Volume



## Intelligent Infrastructure M&A

**Boer Power**, a Chinese manufacturer of integrated electrical distribution systems, acquired **SMB United**, a Singapore-based manufacturer of electronic revenue meters, intelligent building control systems and electrical switchgear

**PASCO** acquired a 70% stake in **Keystone Aerial Surveys**, a provider of aerial survey, data acquisition and image processing services that will bolster the Japanese firm's North American operations

**SFC Energy**, a German producer of remote fuel cell power solutions, acquired **PBF Group**, a Dutch developer of switched mode power supplies and higher level power management solutions

**Infor** acquired **ENXSuite**, a developer of SaaS-based energy performance management solutions that provide actionable intelligence for companies' energy consumption policies, with the intention of folding its applications into the Infor enterprise asset management suite

**SClenergy** acquired **Impact Energy Solutions**, an energy conservation consultancy and implementer of the SClwatch analytics platform for proactive building energy control and continual commissioning programs

**Infospectrum** acquired **Hetrogenous**, a developer of global positioning systems for fleet and personal tracking that will be integrated into the Infospectrum asset management suite

**Eurofarad** acquired **Dearborn Electronics**, a producer of paper and film capacitors and EMI filters for applications in avionics, industrial controls, medical technology and energy storage

## Intelligent Infrastructure News

**Telvent** announced that its shares have been delisted from the NASDAQ stock exchange following the acquisition of 98% of its outstanding shares by Schneider Electric

**Echelon Corporation**, a provider of energy control networking solutions and smart meters, announced a partnership with **Oracle**, and its Utilities Smart Grid Gateway platform, to help utilities manage outages in real-time and offer improved demand response

**EnerNOC** released a new version of its energy management platform with enhanced dispatch management capabilities and improved billing management capabilities

**AECOM** announced that the Dallas Area Rapid Transit (DART) has agreed to a \$17 million extension contract to provide the project control, system integration and staff support services necessary to complete the second phase of its 20-mile light rail expansion program

## Intelligent Infrastructure Rumor Mill

**Badger Meter**, a publicly-owned developer of flow management solutions, has indicated that it is looking for acquisitions to capitalize on the underserved market for water meter reading technology in the United States

## Providing Intelligent Infrastructure M&A Advisory Services on a Global Scale



- Navigation Capital Partners (NCP) is a leading, Atlanta-based Private Equity firm that invests across the United States in niche manufacturing, distribution and business services companies with \$20 to \$200 million in revenue
- NCP chose to team with an experienced executive-in-residence to build an industry leading platform in the Intelligent Infrastructure sector
- NCP retained TM Capital to act as its exclusive buy-side advisor, helping to refine its acquisition strategy, identify potential targets and qualify opportunities via a comprehensive contact program
- TM Capital advised NCP in its acquisition of Specialized Technical Services, a provider of contract meter reading, Advanced Metering Infrastructure (AMI)-meter change outs and deployments, Automated Meter Reading (AMR), meter retrofits, lab services and a variety of related data management services
- TM Capital advised NCP in its follow-up acquisition of LEPS Service, a provider of metering, SCADA, communications, GPS/GIS and data management services for the electric utility industry throughout the Southeastern US
- STS and LEPS Service were combined to form Metadigm Services, whose mission is to become a leading provider of services and technology solutions for public and private utilities moving towards a smart grid infrastructure

- Telvent GIT, S.A. (NASDAQ: TLVT), headquartered in Spain, is a global provider of real-time information technology solutions to energy, transportation, environmental and public administration markets
- Telvent retained TM Capital and our M&A International partner, Closa Corporate Finance, to identify and pursue acquisition targets to expand its traffic and transportation business
- TM Capital's cross-border expertise and industry intelligence were leveraged to identify several strategic targets to accelerate Telvent's global expansion strategy
- TM Capital advised Telvent in its acquisition of Farradyne, a Parsons Brinckerhoff business, a traffic IT consulting and integration company specializing in the planning, deploying, integrating and marketing of Intelligent Transportation Systems
- With its 27 offices in 19 states in the US and a reputation for high-end IT traffic solutions, Farradyne was the best fit for Telvent's North American expansion strategy
- TM Capital advised Telvent in completing the acquisition of Caseta Technologies, a provider of end-to-end, in-lane and plaza/host electronic toll collections systems
- The acquisition of Caseta further strengthens Telvent's position as a major supplier of electronic toll collection and intelligent transportation systems in the US, as well as globally

### About TM Capital

TM Capital Corp. is an independent investment banking firm based in New York, Boston and Atlanta, which has completed over 200 mergers, acquisitions and financings with a combined value of \$12 billion. Since 1989, TM Capital has advised clients navigating a wide range of complex mergers, acquisitions, financings, restructurings, and other critical strategic and financial transactions. We have built deep industry expertise in key sectors and our team regularly publishes research highlighting current and emerging trends in targeted industries and markets. TM Capital is a member firm of M&A International Inc., the world's leading alliance of mid-market investment banks with over 500 professionals operating in every major financial center. Member firms have closed over 1,400 transactions worth more than \$85 billion in the past five years. For more information, visit [www.tmcapital.com](http://www.tmcapital.com).

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