

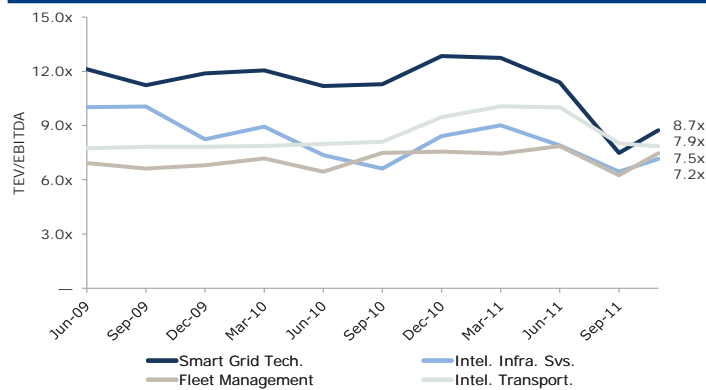
## Intelligent Infrastructure Commentary

November 2011

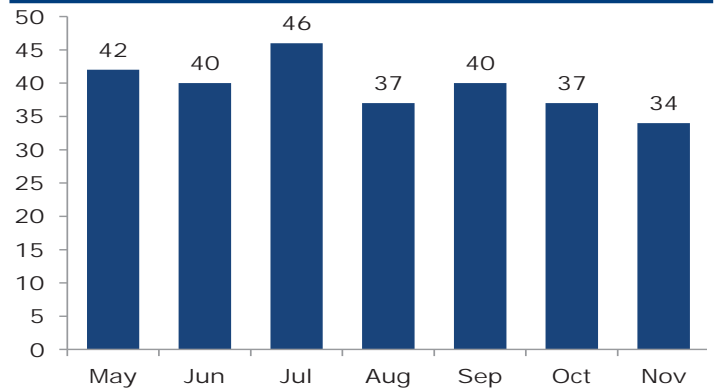
Transaction activity in the Intelligent Infrastructure space remained subdued in November as deal volume dipped to 34 transactions. Buyers continue to be attracted to the energy-efficient capabilities of building management systems. Serious Energy, Inc. leveraged its considerable private equity backing to shore up its product line by acquiring Agilewaves, a provider of energy optimization technology which will reinforce its unique combination of innovative enterprise software with advanced building materials. Ecova, a technology-focused subsidiary of energy firm Avista, complemented its building intelligence and metering solutions by acquiring Prenova, an integrated provider of SaaS-based energy conservation solutions and remote monitoring services. Acquirers also showed interest in asset tracking technology. Telogis broadened its offering to the insurance vertical by acquiring the telematics and fleet management business of UTC Fire & Security, while Xiring enhanced its secure data capturing technology by acquiring Baracoda.

Following Toshiba's \$2.3 billion acquisition of smart grid leader Landis+Gyr in May, it has been reported that Sensus has hired an investment banker to explore the possible sale of the company. Sensus is one of the leaders in the U.S. smart meter sector with approximately 20% of the U.S. smart grid market. An acquisition of Sensus will dramatically shake up the smart grid landscape and could drive additional consolidation throughout the sector. AECOM and SNC-Lavalin announced they are seeking acquisitions, which reflects a renewed appetite for M&A among industry leaders in the intelligent infrastructure sector. We believe the M&A market will become increasingly competitive as industry leaders accelerate their acquisition activity and mid-sized companies ambitious to gain critical mass and add to their product portfolios also become more aggressive on the M&A front. In addition, innovative but undercapitalized companies are feeling increased pressure to partner with larger strategics to sustain their market share and technological advantage in this fast-paced industry. So, we believe the stage is set for an exciting M&A environment in the intelligent infrastructure sector as we head into 2012.

## Intelligent Infrastructure Valuation Environment



## Intelligent Infrastructure M&A Transaction Volume



## Intelligent Infrastructure M&A

**Ecova**, a subsidiary of **Avista** that develops technology for optimizing resources, enhanced its building control and metering portfolio by acquiring **Prenova**, a provider of SaaS-based energy conservation technology and real-time monitoring and control services

**Retroficiency**, a start-up provider of SaaS-based solution for evaluating energy efficiency measures in buildings, acquired the Clean Energy Solutions unit of **Nexamp**, a developer of solar projects for renewable energy

**HitecVision**, a Norwegian private equity firm, invested \$14.7 million in a 70% stake in **Merrick Systems**, a Houston-based developer of RFID products and mobile data acquisition solutions for the oil and gas industries

**Xiring**, a developer of security solutions and smart card readers for remote transactions, acquired RFID and Bluetooth automatic data capture solutions provider **Baracoda**

**Siemens** enhanced its product lifecycle management portfolio with the acquisition of **VISTAGY**, a provider of solutions that augment 3D CAD platforms with specialized process knowledge to address complex engineering problems in the automotive, aerospace and energy sectors

**Serious Energy**, a provider of advanced building products and building management software designed to drive energy efficiency, acquired **Agilewaves**, a developer of energy management systems

## Intelligent Infrastructure News

**BSM Technologies** signed a partnership agreement to integrate its Sentinel wireless asset tracking hardware with the SaaS-based fleet management system of **ARI**

**Radius Security** announced a partnership with **Inovonics** through which it will integrate its video and audio monitoring products with Inovonics' RF-based wireless security network to support real-time monitoring of its clients' remote locations

## Intelligent Infrastructure Rumor Mill

**Iteris** continues to look for acquisitions that will complement its strategic plan of becoming the leading provider of intelligent traffic management

**Sensus**, a top provider of smart grid solutions in the U.S., has reportedly hired bankers to explore the sale of its \$800 million business

**AECOM**, which recently executed a \$200 million share buyback, indicated that it is considering investing its \$450 million cash balance in strategic acquisitions to bolster its organic growth plan

Infrastructure engineering and construction conglomerate **SNC-Lavalin**, which has closed eight deals thus far in 2011, announced that it is seeking additional strategic acquisitions

## 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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