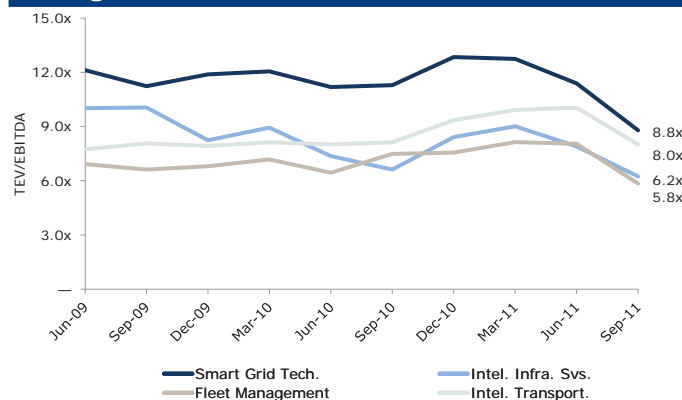


Intelligent Infrastructure Commentary

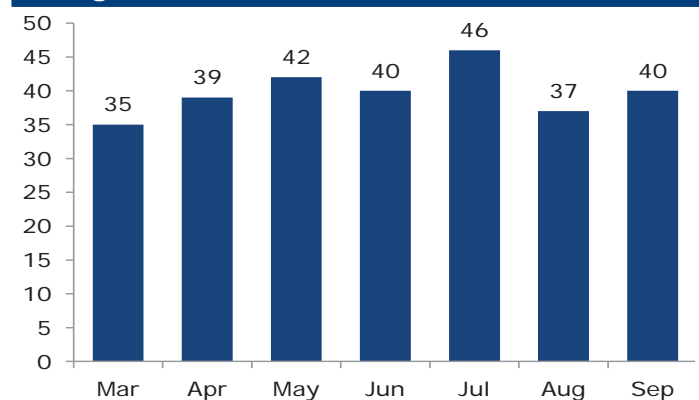
September 2011

September was a strong month for M&A transaction volume in the Intelligent Infrastructure sector following a relatively mild August. Though the 40 deals TM Capital tracked in the space signified a rebound from August, the return of aggressive strategic transactions beyond the \$100 million transaction value threshold stole the headlines. Mobility proved to be a motivating factor in several deals, as Teradyne responded to the explosive growth of wireless devices with its \$510 million acquisition of LitePoint Corporation. Similarly, Intel acquired mapping and location-based services provider Telmap for \$300 million to serve as a foundation for mobile application development. Niche areas demonstrating strong M&A activity this month included fleet management, telemetry and smart grid technologies. While public equity growth remains challenged by the broader financial climate, and trading multiples of innovative Intelligent Infrastructure firms are weakened by uncertainty over future economic conditions, the growth fundamentals of the sector remain strong. We expect to see continued consolidation as firms decide how best to position themselves within the constantly evolving landscape. We further anticipate private equity interest to ramp up as fund managers look to deploy dry powder in this high-growth market, supporting our expectations of an active M&A market through the end of the year.

Intelligent Infrastructure Valuation Environment



Intelligent Infrastructure M&A Transaction Volume



Intelligent Infrastructure M&A

Teradyne acquired **LitePoint**, a provider of high-volume, low-cost wireless test solutions for developers of consumer electronics, wireless products and integrated circuits

Intel acquired **Telmap**, a cross-platform provider of GPS navigation and location-based services for mobile operators and telematics providers
u-blox, a German developer of embedded positioning and wireless communication solutions, acquired **Fusion Wireless**, a provider of CDMA wireless modems to the consumer and machine-to-machine markets

Wireless Matrix acquired **SkyGuard**, a fleet management solution provider to 15,000 subscribers, in an effort to grow its presence in the utility and construction verticals and SMB market

Netcontrol acquired **Radius**, a Swedish designer, manufacturer and installer of digital telemetry radio modems, SCADA systems and remote terminal units for utility and industrial automation

Smiths Interconnect acquired **Power Distribution, Incorporated (PDI)**, a developer of ultra-reliable and precise power distribution, conditioning and monitoring systems for high-growth end markets such as data centers and alternative energy

OMRON acquired **BST**, the largest Chinese manufacturer of power latching relays, an integral component of load switching units used to control the supply of power to smart meters

CPT, a developer of car parking management technology including ground sensors, guidance and infringement systems, entered the parking management business with its acquisition of **Town & City Parking**, a British manager of over 1,000 retail car parks

Intelligent Infrastructure News

SmartSynch, a provider of smart grid solutions leveraging cellular networks, announced an agreement to roll out smart meters for 1.8 million customers Michigan's **Consumers Energy**, the largest utility yet to embrace cellular networks for its smart grid development

Power Assure, a data center infrastructure and energy management solutions provider, announced that it had raised \$13.5m in Series B financing

XATA and **McLeod Software** announced a joint project to integrate Xata's hours-of-service (HOS) applications into McLeod's dispatch software to provide real-time fleet optimization and HOS compliance

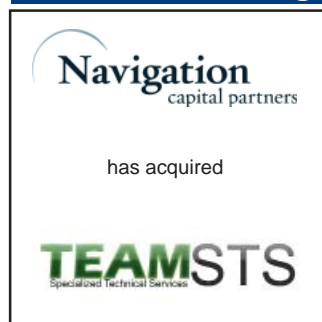
EnerNOC announced a contract with the Alberta Electric System Operator to deploy its automated demand response technology at industrial sites in the province to increase import capacity on the Alberta-B.C. intertie and identify areas for potential energy reductions

Intelligent Infrastructure Rumor Mill

Digicore announced that it is seeking niche software acquisitions to enhance its technology solutions and fill out its fleet management and vehicle tracking suite

Iteris, boasting a strong balance sheet with over \$11m in cash, is rumored to be pursuing strategic acquisitions to complement its organic growth in the traffic management market

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 LEPSERVICE, a provider of metering, SCADA, communications, GPS/GIS and data management services for the electric utility industry throughout the Southeastern US
- STS and LEPSERVICE 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.

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