Institutional Investor Perspective: Engineering & Construction

Investors’ Short Attention Span in a Cyclical/Volatile Industry

October 4, 2011

Please refer to slide 18 of this presentation for detailed disclosure and certification information.
Value of Non-Residential Construction

5.8% Long Term Growth

Source: U.S. Census Bureau and D.A. Davidson & Co. estimates.
E&C Index Performance

Source: FactSet
E&C Index Relative Performance

Source: FactSet

Davidson E&C Index  S&P 500
Select Public Firms Aggregate Revenue & Earnings

Source: Company Reports and D.A. Davidson & Co. estimates

Selected Firms: AECOM, CB&I, EMCOR, FLUOR, Foster Wheeler, Granite Construction, Jacobs Engineering, McDermott International, The Shaw Group, Tutor Perini, Tetra Tech and URS Corp.
Large Diversified Group

Source: FactSet
EPS Variability

Source: Company Reports and D.A. Davidson & Co. estimates
End Market Variability

Source: ENR
Oil Prices

Source: D.A. Davidson & Co. estimates & FactSet
M&A Increasing

Source: D.A. Davidson & Co. estimates
Repurchase Activity

Equity Cash Flows for E&C Coverage (in millions)

Source: D.A. Davidson & Co. estimates

Slide 12
Late Cycle Industry – Post Recession Recovery

Equity Cash Flows for E&C Coverage (in millions)

Source: D.A. Davidson & Co. estimates
Revenue and Backlog Turning

Revenue Growth vs. Backlog Growth

Source: Company Reports
Recent Davidson E&C Index Performance

- Davidson E&C Index
- S&P 500

Source: FactSet
Uncertainty/Risk Across Market Segments

- Civil Infrastructure
  - State & Local Budget Issues
  - Lack of long term transportation bill

- Federal Government Contracting
  - Political Pressure to Reduce Spending
  - Troop Withdrawals

- Industrial/Commercial Infrastructure
  - Owner Uneasiness
  - Excess Capacity

- Oil & Gas Development
  - Price concerns
  - Political/Environmental Regulations

- Power Generation
  - Nuclear Safety
  - Regulation of Emissions
Required Disclosures

D.A. Davidson & Co. expects to receive, or intends to seek, compensation for investment banking services from the companies mentioned in this report in the next three months.

D.A. Davidson & Co. is a full service investment firm that provides both brokerage and investment banking services. The research analysts principally responsible for the preparation of this report, will receive compensation that is based upon (among other factors) D.A. Davidson & Co.’s investment banking revenue. However, D.A. Davidson & Co.’s analysts are not directly compensated for involvement in specific investment banking transactions.

The research analysts attest that (i) all the views expressed in this research report accurately reflect their personal views about the common stock of the subject company, and (ii) no part of their compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

Ratings Information

D.A. Davidson & Co.’s Institutional Research Rating Scale (maintained since 7/9/02): Buy, Neutral, Underperform

<table>
<thead>
<tr>
<th>D.A. Davidson &amp; Co. Institutional Research Ratings</th>
<th>Buy</th>
<th>Neutral</th>
<th>Underperform</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk adjusted return potential</td>
<td>Over 15% total return expected on a risk adjusted basis over next 12-18 months</td>
<td>&gt;0-15% return potential on a risk adjusted basis over next 12-18 months</td>
<td>Likely to remain flat or lose value on a risk adjusted basis over next 12-18 months</td>
</tr>
</tbody>
</table>

Distribution of Ratings (as of 6/30/11)

<table>
<thead>
<tr>
<th>Corresponding Institutional Research Ratings and Distribution</th>
<th>Buy</th>
<th>Hold</th>
<th>Sell</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corresponding Individual Investor Group Ratings and Distribution</td>
<td>Buy</td>
<td>Neutral</td>
<td>Underperform</td>
</tr>
<tr>
<td>Distribution of Combined Ratings</td>
<td>56%</td>
<td>40%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Corresponding Institutional Research Ratings

<table>
<thead>
<tr>
<th>Distribution of companies from whom D.A. Davidson &amp; Co. has received compensation for investment banking services in last 12 mos.</th>
<th>Buy</th>
<th>Hold</th>
<th>Sell</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution of Combined Investment Banking</td>
<td>4%</td>
<td>2%</td>
<td>10%</td>
</tr>
<tr>
<td>Individual Investor Group Coverage</td>
<td>0%</td>
<td>10%</td>
<td>0%</td>
</tr>
<tr>
<td>Institutional Coverage</td>
<td>4%</td>
<td>3%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Target prices are our Institutional Research Department’s evaluation of price potential over the next 12-18 months and 5 years, based upon our assessment of future earnings and cash flow, comparable company valuations, growth prospects and other financial criteria. Certain risks may impede achievement of these price targets including, but not limited to, broader market and macroeconomic fluctuations and unforeseen changes in the subject company’s fundamentals or business trends.

For a copy of the most recent reports containing all required disclosure information for covered companies referenced in this report, please contact your D.A. Davidson & Co. representative or call 1-800-755-7848.

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