



Overall M&A activity within the Construction and Engineering sector increased 5% over the last twelve months (LTM) ending September 30, 2005 with 99 deals reported compared with 94 deals for the same period last year and with median valuation multiples at 1.2 x Revenue, 8.6 x EBITDA, 10.7 x EBIT and 2.5 x Book Value.

M&A TRANSACTIONS BY SUBSECTOR

For the Last Twelve Months Ended September 30,

	01		02		03		04		05	
Construction Support Services	33	37%	21	37%	27	44%	37	39%	30	30%
Specialty Contract Work	25	28%	11	19%	8	13%	15	16%	22	22%
Heavy Construction Engineering & Services	18	20%	9	16%	8	13%	14	15%	21	21%
Commercial Construction & Engineering	9	10%	9	16%	14	23%	16	17%	11	11%
Diversified Services	1	1%	4	7%	3	5%	9	10%	10	10%
Prefabricated Buildings & Components	3	3%	3	5%	1	2%	3	3%	5	5%
Total	89	100%	57	100%	61	100%	94	100%	99	100%

Based upon Mosaic Capital research and subject to qualifications found on our website. Valuation multiples include public transactions and premiums for control, which can vary significantly between public and private companies. Private company transactions also typically include valuation discounts for limited liquidity, due to a lack of a public market.

Large national and international strategic buyers lead the demand for U.S.-based businesses in this sector. In addition, private equity groups own or control over 111 portfolio companies and also are fueling demand. Buyers objectives include:

- ▶ Expand construction and engineering opportunities
- ▶ Better compete for construction and engineering contracts
- ▶ Reduce operating costs
- ▶ Increase market share
- ▶ Remain competitive in fragmented markets

About Mosaic Capital

Mosaic Capital LLC is a leading national investment banking firm specializing in merger and acquisition and related corporate finance transactions, as well as business valuations for middle-market companies. The private placement of debt and equity securities is provided through affiliate Mosaic Capital Securities LLC - member NASD/SIPC. Mosaic Capital is a member of International Merger & Acquisition Partners (www.imap.com), an exclusive global partnership of leading M&A advisory firms with 98 offices in 24 countries, the partners of which have completed 1,000 middle market transactions exceeding \$18 billion in value since 2000.

Mosaic Capital seeks introductions to owners and management teams in the following lines of business:

Commercial Construction & Engineering, including:

- ▣ Construction, General Contractors & Operative Builders
- ▣ Industrial, Commercial & Institutional Warehouses and Buildings
- ▣ Hotel & Motel Construction

Heavy Construction Engineering & Services, including:

- ▣ Bridge, Tunnel, Rail & Elevated Highway Construction
- ▣ Water, Sewer & Pipeline Construction
- ▣ Power & Communication Transmission Lines
- ▣ Industrial Nonbuilding Structures Construction

Construction Support Services, including:

- ▣ Building Inspection Services & Construction Management
- ▣ Engineering, Architectural, Construction & Geophysical Surveying Services

Specialty Contract Work, including:

- ▣ Roofing, Siding and Sheet Metal Work
- ▣ Masonry, Stone Setting Work
- ▣ Plastering, Drywall, Acoustical, Electrical & Insulation
- ▣ Concrete, Carpentry, Glass, Glazing & Welding Repair
- ▣ Wrecking & Demolition Work
- ▣ Paint & Wall Paper Contractors
- ▣ Asbestos & Lead Paint Removal Contractors
- ▣ Well Drilling & Swimming Pool Construction

Prefabricated Buildings & Components, including:

- ▣ Prefab Wood & Non-Wood Buildings & Components

Diversified Services