

Synergetic Design and Utility Consultants merge

Deal enables companies to address rising demand and emerging challenges in both the power delivery and telecommunications industries

FORT MILL, S.C., and ATLANTA – July 21, 2008 – Utility Consultants Inc. and Synergetic Design Inc. have merged stock under a common holding company to create one business uniquely able to meet demands in the evolving power delivery and telecommunications industries. The merger, announced today, combines the companies' expertise in designing and implementing increased telecommunications bandwidth as well as new and upgraded electrical infrastructure in order to improve power reliability and efficiency. Falfurrias Capital Partners, a private equity group based in Charlotte, N.C., arranged financing and has an equity stake in the holding company.

"Both Synergetic Design and Utility Consultants are in growth markets," said David Williams, CEO and President of Synergetic Design. "Power and telecommunications are essential, and our goal is to provide both companies' clients with services that enable them to continue meeting emerging demand in an evolving market."

The merger enables the two companies, which will maintain their current names, to continue their aggressive growth strategies in their respective markets.

"This is an exciting step forward for Utility Consultants related to services we offer in a number of our core competencies," said Ron Lipham, CEO and President of Utility Consultants. "When you analyze the significant increases in bandwidth needed at the premise coupled with the applications that will drive smart grid, we are in a strategic position to grow both our power distribution services as well as our wireless, meter and wire-line service solutions."

The power delivery industry faces big challenges. In addition to rising demand for power and more electrical infrastructure to deliver it in coming years, existing U.S. infrastructure is old. Approximately 75 percent of lines and transformers in use today are more than 25 years old, according to remarks by former U.S. Secretary of Energy Spencer Abraham at an industry conference earlier this year. Sixty percent of circuit breakers are over 30 years old. Growing demand for new and upgraded infrastructure coincides with an aging U.S. utility work force. According to the North American Electric Reliability Corporation, 33 percent of utility workers will be over 49 by 2010, with 25 percent increased demand by 2015.

The telecommunications industry is experiencing growth due to increased demand for bandwidth to support technology. With the onset of data-driven services, including growing demand for high-speed Internet connectivity to the home, high-definition video and IPTV services, bandwidth consumption in the U.S. doubled in 2006 and quadrupled in 2007. Studies indicate that the U.S. is expected to grow in telecom revenues at an annual rate of 7.2 percent from 2008 to 2011, reaching \$1.3 trillion in revenue by 2011. Growth in wireless communication is also playing a major role in growing bandwidth needs, with mobile carriers offering video and GPS services. These needs are driving the wireless industry to continue to build network architecture through distributed antenna systems (DAS) and a variety of other WIMAX solutions.

Utility Consultants provides engineering design to both the power delivery industry and telecommunications industry. Since 1969, Utility Consultants has designed and project managed network infrastructure for leading telecommunications, broadband and electric utility companies. Starting with 30 employees, the company has grown to more than 400 professionals. Lipham started with Utility Consultants in 1984 and became CEO and President in 2002.

Synergetic Design, which provides engineering design services to the power delivery industry, grew out of the Power Division at Telecommunications & Industrial Consulting Services (Telics) in 1995. After founding and managing the Telics Power Division for 10 years, Williams became President of Synergetic Design and oversaw its growth and transition into a professional engineering firm in 2003. The company currently works with power utilities that serve over 45 million customers across 22 states.

In May 2007, the firm's senior management partnered with Falfurrias Capital to buy Synergetic Design. The deal marked Falfurrias Capital's first acquisition after raising a \$100-million fund. The private equity group specializes in

middle-market acquisitions and investments. Former Bank of America executives Hugh McColl Jr. and Marc Oken founded the group in 2006.

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About

In 2008, Synergetic Design Inc. and Utility Consultants Inc. merged to combine power delivery and telecommunications expertise, uniquely positioning them to be leading providers of engineering and consulting services in their respective fields. The merger also positioned the companies to provide design and implementation of a smart grid. With over 800 workers in 28 states and a combined revenue of \$60 million, the companies serve telecommunications and cable TV companies, as well as investor-owned utilities, municipalities and electric cooperatives. Services include distribution, transmission and substation engineering design, as well as telecommunications engineering design, planning and technical consulting, emergency services, professional development and field services.

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