



Expanding Enterprise Management Capabilities Through Strategic Acquisitions

A World Energy interview with Rodger Smith, president of Black & Veatch's Enterprise Management Solutions Division

In January of 2005, Black & Veatch completed the dual acquisitions of Lukens Energy Group, Inc. (Lukens) of Houston, Texas, and R.J. Rudden Associates, Inc. (Rudden) of Hauppauge, New York. Rudden is a strategic, economic and management consulting company specializing in the energy and utility industries. Lukens is a management consulting company that serves senior management in the energy industry in strategy, risk mitigation, valuation and regulatory matters. The acquisitions broaden Black & Veatch's capability under its Enterprise Management Solutions Division to deliver customized business advisory services to the energy and water sectors.

World Energy: What do you see happening in the marketplace? Why make these acquisitions at this time?

Smith: We believe the transactions are timely. Black & Veatch serves a variety of utilities. Essentially, our clients are focused on identifying and implementing strategies that will keep pace with their shifting markets, improve their bottom line, enhance shareholder value and effectively manage risk. Acquiring Lukens and Rudden was a strategic decision to deepen and broaden Black & Veatch's consulting capabilities so that we could better deliver the total solutions our clients seek.

World Energy: What impact do you expect Lukens and Rudden to have on your business?

Smith: For decades, Black & Veatch has sustained a successful advisory business. Nonetheless, the acquisitions of Lukens and Rudden significantly enhance our ability to deliver a full range of solutions that address clients' long-term business interests and needs. Each company offers industry-leading skill sets, blue-chip clients and a reputation for client-centered services. They have executive-level

experience that, combined with their superior analytic capabilities, enables them to independently advise energy providers in the evaluation of energy market complexities. With Lukens and Rudden on board, Black & Veatch is uniquely positioned to deliver integrated strategic, process and technology solutions to better resolve our clients' key challenges.

World Energy: How are Lukens and Rudden being integrated into Black & Veatch? What can clients expect?

Smith: Lukens and Rudden will operate under their own names as Black & Veatch companies for the foreseeable future. In terms of our clients, the synergies created by the acquisitions should provide significant value. Our clients have a real need for competent, expert consulting assistance that integrates business, financial, economic, regulatory and engineering capabilities. This need will grow sharply as the energy market recovers from its recent slump. To better serve their clients' needs, Lukens and Rudden will add value to their solutions by drawing on the global technical resources of Black & Veatch.

Energy



Water



Information



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**Custom strategies. Proven processes.
High-value results.
We bring it all together.**

World Energy: You mention a recovering energy market. What other changes do you anticipate happening in the industry over the next few years?

Smith: We foresee significant investment in liquefied natural gas and related infrastructure. The market for coal-fueled power generation is also primed for growth, as is the business of air-quality control. Renewables will continue to have a role in the industry. Merger and acquisition activities will quicken. Fuel price volatility will remain an issue. Our business is to accurately anticipate and understand diverse market developments and provide superior executive-level guidance on the associated opportunities and risks.

World Energy: Looking ahead, how will you know that the acquisitions have been successful?

Smith: Three years from now, if Black & Veatch is viewed as one of the top management consulting companies working in the energy industry, the acquisitions will have to be considered successful ventures. We have the resources and the commitment from our professionals to make it happen.

World Energy: What will make clients view Black & Veatch as one of the top management consulting companies in the energy industry?

Smith: In addition to our services, it will stem from our approach. At Black & Veatch, our clients are at the center of everything we do. We apply our global resources, proven processes and integrity of service to deliver solutions that result in improved operations, cost savings, new revenue streams and greater customer loyalty.

We bring it all together – all for the greater purpose of optimizing our clients' assets and maximizing value for their stakeholders.

About Black & Veatch

**Custom strategies. Proven processes.
High-value results.**

We bring it all together.

Black & Veatch's Enterprise Management Solutions team brings together uniquely tailored strategic, process and technology solutions to help clients achieve sustainable business success. Along with its preeminent consulting companies, Lukens Energy Group and R.J. Rudden Associates, Black & Veatch delivers solutions that result in improved operations, cost savings, new revenue streams and greater customer loyalty. All for the greater purpose of optimizing assets and maximizing shareholder value.

Black & Veatch Corporation is a leading global engineering, consulting and construction company specializing in infrastructure development in the fields of energy, water, government and information. Founded in 1915, Black & Veatch serves its clients with conceptual and preliminary engineering services, engineering design, procurement, construction, financial management, asset management, information technology, environmental consulting, security design and consulting, and management consulting services. The employee-owned company has more than 90 offices worldwide. Black & Veatch is ranked on the Forbes "500 Largest Private Companies in the U.S." listing for 2004. The company's Web site address is www.bv.com.



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