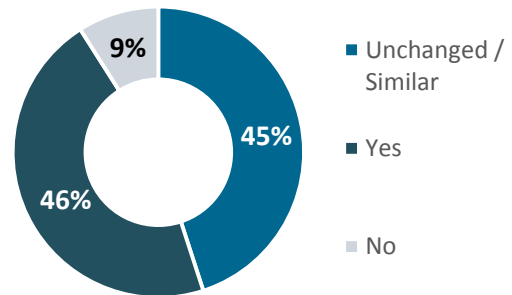


Baird Industrial Conference 2015 Survey Findings

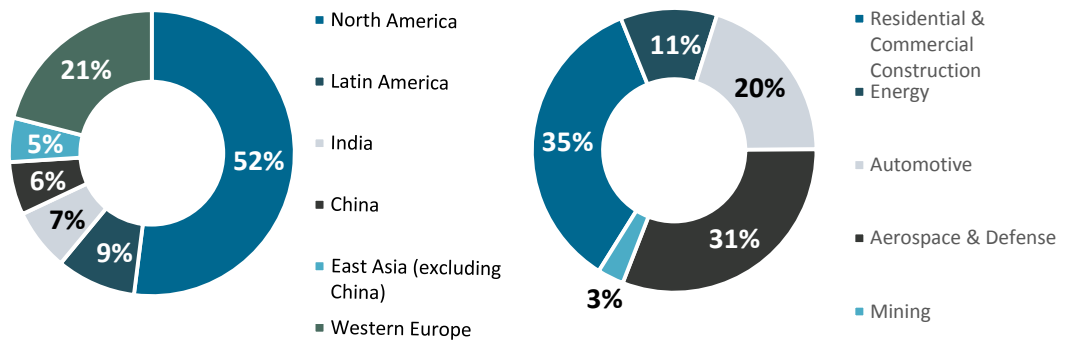
Investment Outlook for Industrials

When asked about plans for investment allocation or recommended allocation to industrials in 2016, nearly half of respondents said they planned to increase their investment levels (46%) in the year ahead, while 45% said their investment would remain consistent with activity from 2015.



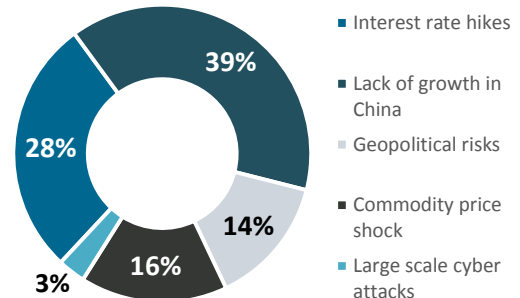
Growth Opportunities

More than half of respondents (52%) are most optimistic about opportunities for the industrial sector in North America, followed by Western Europe (21%). Looking at which end market will provide the strongest opportunities in the year ahead, 35% of respondents are most optimistic about residential and commercial construction, followed closely by aerospace and defense (31%).



Threat to Returns

Thirty nine percent of respondents believe that lack of growth in China represents the biggest threat to the industrial sector in 2016. This is followed by interest rate hikes (28%), commodity price shocks (16%) and geopolitical risks (14%).



Industrials Innovation

Factory automation continues to be an area of interest and curiosity for the industrial sector. According to the survey, 38% of respondents believe innovations related to factory automation will have the greatest impact on the industrial market in the next five years. This is followed by big data analytics (21%).

