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KippsDeSanto & Co. Advises Gray Research, Inc. on Its Sale to MacAulay-Brown, Inc.

KippsDeSanto & Co. is pleased to send you the attached press release announcing the acquisition of our client, Gray Research, Inc. by MacAulay-Brown, Inc. Gray Research, based in Huntsville, AL, is a leading provider of engineering and business solutions to the Department of Defense, Missile Defense Agency and NASA customers. KippsDeSanto & Co. acted as exclusive financial advisor to Gray Research in this transaction.

This transaction represents a number of key trends in defense and government services contracting M&A:

- Continued strong buyer demand for
 - local presence in highly strategic and well-funded contracting communities, especially BRAC beneficiaries (like Huntsville);
 - Critical mass, enhanced portfolio of technical capabilities and
 - complementary customer sets that facilitate cross-selling and exchange of operational best practices remain key M&A drivers for both mid-size buyers and sellers;
- Buyers and investors are becoming more sophisticated when evaluating
 - and structuring deals involving sellers with Small Business contracts; and
- The buyer universe for small to mid-size sellers has expanded to include
 - owners and executive teams (and even previous corporate owners) that previously sold and are "getting back in the game" following expiration of their hiring/competitive restrictions.

KippsDeSanto & Co. is an investment bank focused on delivering quality M&A and financing transaction results for leading, growth-oriented companies in IT, Defense, Communications, and Government Contracting. For more information on KippsDeSanto & Co., please visit www.kippsdesanto.com.

We welcome the opportunity to discuss how KippsDeSanto & Co. can help you achieve your strategic objectives. For more information on this particular transaction, please contact one of our senior professionals.



HAS BEEN ACQUIRED BY



KIPPSDESANTO & CO.
ACTED AS EXCLUSIVE
FINANCIAL ADVISOR TO GRAY
RESEARCH, INC.



MacAulay Brown, Inc. to acquire Gray Research, Inc.

July 16, 2008

MacAulay Brown, Inc. (MacB), a provider of technical services in information warfare, electronic combat and C4I systems, and management/logistics services to the U.S. Federal Government, announced today that it has acquired Gray Research, Inc. Gray Research is a leading provider of engineering and business solutions to the Department of Defense, Missile Defense Agency and NASA customers.

Founded in 1998, Gray Research delivers systems engineering and technical assistance and program management services in support of missile defense system and space exploration and science programs, directorates and program offices. The Company supports mission critical national defense organizations and technologies, primarily within the Missile Defense Agency, such as the Missile Defense Data Center, the Ground-Based Mid-Course Defense System and the Theater High Altitude Area Defense System. The Company also supports priority space exploration programs at NASA's Marshall Space Flight Center, such as the development and engineering of the Crew Exploration Vehicle and Crew Launch Vehicle and associated cutting edge science and space mission systems technologies. Gray Research is headquartered in Huntsville, AL, and has more than 175 employees.

"We are looking forward to merging forces with Gray Resarch and welcoming its highly talented professionals into the MacB team," said Charlie Schwegman, MacB's President. "This transaction is consistent with MacB's growth strategy that calls for expanding its customer relationships and the technical depth and breadth to provide them. In addition, Gray Research immediately enhances the critical mass of MacB's local presence in Huntsville, AL -- a robust contracting community for both the DoD and NASA with an even more attractive outlook given the expected Base Realignment and Closure process benefits. We also believe this acquisition will facilitate meaningful cross-selling opportunities and the exchange of operational best practices as we seek to continue our strong record of growth."

"MacB is an exceptional fit for Gray Research," said Ron Gray, President and co-founder of Gray Research. "We firmly believe that MacB's relatively small size, technical capabilities, and aggressive recruiting and business development infrastructure will be the perfect partner for us as we prepare for continued success for many years to come." Gray Research will operate as a subsidiary of MacB.

MacB is headquartered in Dayton, OH, and has offices in 15 locations and 1200 employees across the nation. With the addition of Gray Research, MacB's 2008 revenues will exceed \$200M and are expected to reach \$250M in 2009.

KippsDeSanto & Co. acted as exclusive financial advisor to Gray Research in this transaction.