

Winter 2010

Aerospace / Defense and Government Services
MarketView



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Winter 2010 *MarketView*

KippsDeSanto & Co., an investment bank focused on middle-market defense and technology companies, is pleased to present the Winter 2010 issue of our Aerospace / Defense and Government Services *MarketView*, a newsletter providing strategic insight into key market dynamics, capital markets developments, and mergers and acquisitions trends impacting participants in the industry.

Topics covered in this newsletter include:

- Update on current aerospace / defense and government services market conditions
- Discussion of recent budget developments
- Public company valuations
- M&A activity and valuations

The current environment offers a unique period of change and challenge for the industry. We hope you find this information helpful and welcome the opportunity to have a more detailed discussion.

Operational / Funding Environment

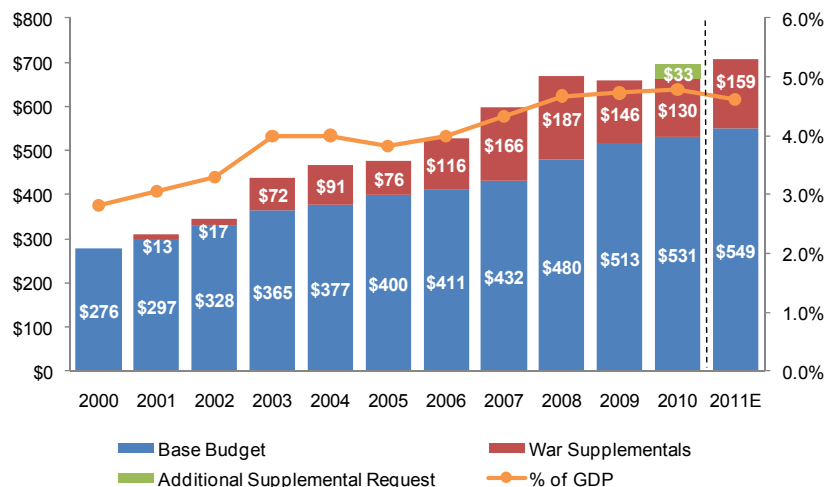
The 2011 Presidential Budget Proposal, released on February 1st, attempts to balance the need for budget deficit reduction while encouraging economic stabilization and growth. The Obama Administration announced a freeze on non-security domestic discretionary spending a week prior to its release, while also rejecting a call to freeze defense spending. The DHS received the largest year-over-year (“YoY”) budget increase of all agencies and the significant budget increase at the Veterans Administration (“VA”), to a total of \$57.0 billion, demonstrates a commitment to healthcare IT (“HIT”).

Along with the overall budget, Secretary of Defense Robert Gates and the Obama Administration released the budget request for the Department of Defense, as well as the Quadrennial Defense Review (“QDR”), which outlines the DoD’s high-level strategy over the next four years. As expected, the QDR emphasizes the need for operational flexibility to respond to a wide variety of existing and possible asymmetrical and unconventional threats.

The 2011 DoD budget request includes a \$548.9 billion base budget and \$159.3 billion supplemental for operations in Iraq and Afghanistan. The request also includes a \$33.0 billion addition to 2010 supplemental funding to support the 30,000 troops that President Obama announced in December would be deployed to Afghanistan, where the terrain is more rugged and U.S. efforts have thus far achieved only limited success. The Administration plans to fully deploy the troops by this summer and to begin withdrawing 18 months thereafter.

The budget request and QDR outline augmented funding to support 2,800 additional Special Operations personnel, increased helicopter procurement and modernization, an additional Stryker combat vehicle brigade, increased investment for riverine and coastal naval capabilities, and additional unmanned aerial systems and sensors. These priority areas reflect the ongoing shift to increasingly address asymmetric threats. The budget request once again eliminates \$2.5 billion in funding for C-17 transport aircraft and \$465 million for a second F-35 Joint Strike Fighter engine. Secretary Gates tried to cut both initiatives last year, but Congress continued to fund them, motivated in part by preventing job loss. Reflective of a broader insourcing trend in government agencies, the QDR also revealed a plan to increase the DoD’s acquisition personnel from 127,000 to 147,000 by 2015.

Defense Base Budget and War Supplementals⁽¹⁾



(1) Source: DoD and KippsDeSanto research.

Capital Markets and Public Market Valuation Trends

2009 was a volatile year for many companies in the aerospace & defense space, as well as for equity markets overall. Defense primes and defense system supplier stocks have performed well since September, when General Stanley McCrystal requested that 40,000 additional troops be deployed to Afghanistan. After a short reprieve, defense stocks continued to rise as it became clear that the Obama Administration would deploy more troops, leading up to the official announcement of 30,000 troops on December 1st. The release of the 2011 budget and QDR further removed uncertainty surrounding defense funding and consequently benefitted stocks.

Government services stocks were relatively steady through 2009 as they remain much less cyclical than many other sectors of the market. Global Defense Technology and Systems, Inc. (NASDAQ: GTEC), a provider of technology-based systems and services for the DoD, DHS, and Intelligence Community, priced its IPO on November 19th and began trading at \$13.00, below its expected range of \$14 to \$16. The IPO priced at an implied multiple of approximately eight times trailing EBITDA and raised \$36.3 million of net proceeds. It was the first successful IPO in the space since Stanley and SAIC in October 2006, and was the 6th government services IPO in the past five years.

M&A Trends and Activity

M&A activity in the aerospace & defense markets remained relatively flat in the second half of 2009 and into 2010, with overall activity well below 2008. Notably, financial sponsor activity as a percentage of total deal volume has increased since 1Q09. This trend reflects thawing credit markets and financial buyers eager to take advantage of the lower volatility of the defense and government services sectors, as well as the recovering aerospace market.

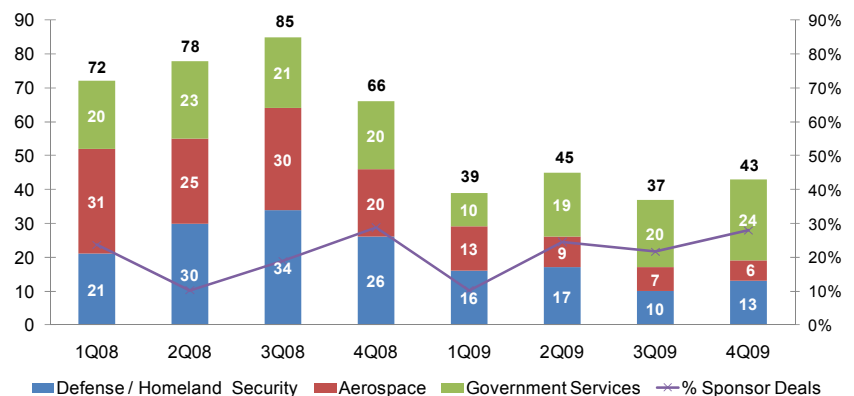
Although 2009 aerospace & defense M&A activity was approximately half of the 2008 total, there are several signs that the M&A

markets are poised for a significant uptick. Companies will look to augment organic growth amid a tightening budget environment. Also, strategic acquisitions in priority markets, such as Goodrich's acquisition of J.F. Lehman & Company portfolio company Atlantic Inertial Systems, will allow companies to re-align and bolster their capability sets to address new focus areas laid out in the recent budget request and QDR. Finally, an increase in deal activity in the second half of 2010 is also possible as owners push to close sales in advance of potential 2011 tax rate changes.

Government services M&A activity was up in the fourth quarter with 24 closed transactions, compared to 20 in both third quarter 2009 and fourth quarter 2008. YoY deal activity in 2009 was down, totaling 73 transactions, compared to 84 in 2008. Cybersecurity and Intelligence Community focused sellers represented 10 of the 24 transactions in 4Q09 and increased as a percentage of total 2009 transaction volume, representing 38% of all deals in 2009 compared to 30% in 2008. These two areas continue to command considerable buyer interest and premium pricing as a common acquisition priority across the government services space.

The number of announced government services deals spiked in December at nine, foreshadowing the strong M&A activity seen in 2010. Thus far, 17 transactions have been closed through February, a level not reached in 2009 until mid-Q2. This strong pace is expected to continue as buyers reposition given the changing contracting environment, funding trends, and priorities. For example, increasingly funding for HIT has driven acquisition interest as Harris Corp. recently acquired Patriot Technologies to expand its presence in VA HIT, while the more commercially-focused Molina Healthcare acquired Unisys Corporation's Health Information Management Business. The relatively limited number of government HIT transactions to date signified the dearth of compelling acquisition targets, a function of contractors' critical but more limited role assisting as the promoter of HIT and healthcare reform while large implementation has previously resided within commercial markets.

M&A Transaction Volume, 1Q2008 to 4Q2009⁽¹⁾



(1) Figures represent closed transactions.

Source: Company filings, press releases, and KippsDeSanto research.

Defense Update

2009 Defense Stock Price Performance⁽¹⁾

	Stock Price Performance			EV / LTM EBITDA Multiple		
	1/2/2009	12/31/2009	% Change	1/2/2009	12/31/2009	Change
Defense Primes						
BAE SYSTEMS	\$5.49	\$5.81	5.9%	7.0x	6.0x	(13.7%)
BOEING	42.80	54.13	26.5%	5.1x	NM	NM
GENERAL DYNAMICS	57.76	68.17	18.0%	5.7x	6.8x	20.7%
LOCKHEED MARTIN	74.72	86.95	16.4%	7.2x	7.4x	2.1%
NORTHROP GRUMMAN	84.34	75.35	(10.7%)	6.1x	5.6x	(9.0%)
Raytheon	45.71	55.85	22.2%	5.1x	5.6x	10.4%
Median	51.19	51.52	0.6%	7.3x	6.2x	(15.7%)
Defense Systems						
ATK	\$85.20	\$88.27	3.6%	7.8x	6.5x	(16.7%)
AEROVIRONMENT	37.33	29.08	(22.1%)	16.9x	27.4x	62.3%
COBHAM	2.99	4.06	36.1%	9.3x	10.0x	7.9%
CUBIC	27.25	37.30	36.9%	9.8x	7.7x	(21.6%)
FLIR	30.34	32.73	7.9%	14.9x	12.1x	(18.5%)
Rockwell Collins	39.25	55.36	41.0%	6.2x	8.9x	42.0%
TELEDYNE TECHNOLOGIES	44.62	38.36	(14.0%)	7.8x	8.4x	6.6%
Median			7.9%	9.3x	8.9x	(4.7%)
Overall Median			12.1%	7.3x	7.4x	1.4%

DEFENSE STOCKS EXPERIENCED PRICE GAINS WITH FLAT VALUATIONS IN 2009

Despite budget concerns, defense primes and systems providers enjoyed stock price gains in 2009. Boeing's stock price jumped as the company finally gained traction on the oft-delayed 787 Dreamliner, despite significant one-time costs. Lockheed Martin lagged its peers as many of its platforms are suffering cuts from the new budget priorities, including the F-22 Raptor, CSAR-X, and VH-71 Presidential Helicopter.

While stock prices increased, valuation multiples remained flat as earnings grew with enterprise values. AeroVironment finished the year strong, following a sharp drop in early 2009 as a result of lower than expected funding for unmanned aerial systems. Rockwell Collins' efforts to move upstream into higher value-add technologies have resulted in an increased multiple for the company.

Quadrennial Defense Review⁽²⁾

	OVERVIEW	INCREASED INVESTMENT	DECREASED INVESTMENT
 2010 Pres. Barack Obama Sec. Def. Robert Gates	<ul style="list-style-type: none"> Field forces that are versatile and in aggregate can undertake missions across the full range of plausible challenges Cyber as a new combat domain Remove the burden of diminishing returns on investment 	<ul style="list-style-type: none"> Institutionalize the force for irregular warfare and stability ops Strengthen the U.S. defense industrial base Shift to more Stryker teams Additional funding for coastal patrol aircraft and Naval Riverine Squadron 	<ul style="list-style-type: none"> "Exquisite" systems that present significant cost or schedule risk overruns <ul style="list-style-type: none"> F-22 CSAR-X VH-71 TSAT
 2006 Pres. George W. Bush Sec. Def. Donald Rumsfeld	<ul style="list-style-type: none"> Institutionalized "lean and agile" defense force – smaller yet more capable First QDR presented concurrently with budget 	<ul style="list-style-type: none"> Broader scope of investment <ul style="list-style-type: none"> Language training Stability operations UAVs for persistent surveillance Homeland defense 	<ul style="list-style-type: none"> Army force structure reductions couched as "rebalancing the force" Facility and international commitment reductions through Global Posture Review
 2001 Pres. Bill Clinton Sec. Def. William Cohen	<ul style="list-style-type: none"> First QDR in the post-9/11 world Introduced "4-2-1" strategy <ul style="list-style-type: none"> Deter aggression in four global regions Swiftly defeat two adversaries Decisively defeat one 	<ul style="list-style-type: none"> Led to introduction of net-centric warfare and the Future Combat Systems (FCS) Instrumental in transforming SOCOM from a "supporting" to a "supported" command 	<ul style="list-style-type: none"> Few reductions as political support existed for substantial increases to procurement accounts
 1997 Pres. Bill Clinton Sec. Def. William Cohen	<ul style="list-style-type: none"> Introduced the concept of "decisive defeat" in two simultaneous major theater wars Initiated return of defense investment after the "procurement holiday" of the 1990s 	<ul style="list-style-type: none"> New investment focus on C4ISR and advanced platforms <ul style="list-style-type: none"> Joint Strike Fighter (JSF) MV-22 Osprey Missile defense 	<ul style="list-style-type: none"> Reduced force structure across all services Cut Naval fleet by 30+ ships Reduced F-22 procurement

(1) Source: Company filings.

(2) Source: DoD and KippsDeSanto research.

Aerospace Update

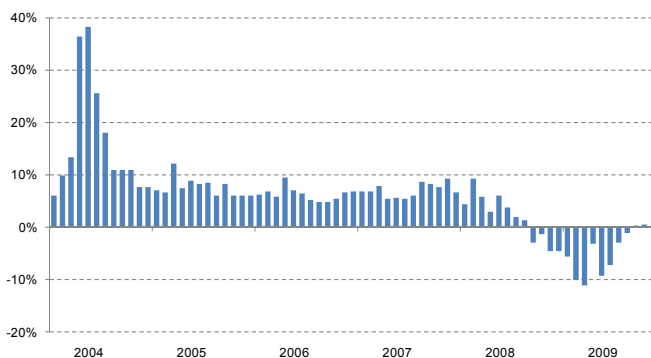
2009 Aerospace Stock Price Performance⁽¹⁾

	Stock Price Performance			EV / LTM EBITDA Multiple		
	1/2/2009	12/31/2009	% Change	1/2/2009	12/31/2009	Change
Aerospace Systems Suppliers						
AAR	\$18.24	\$22.98	26.0%	5.8x	7.6x	31.4%
Boeing	7.80	23.50	201.3%	5.0x	8.9x	78.5%
Visteon	33.24	31.32	(5.8%)	7.2x	7.7x	6.5%
GOODRICH	37.35	64.25	72.0%	4.7x	7.2x	54.0%
HEICO	39.04	44.33	13.6%	9.5x	12.5x	32.3%
MEGGITT	2.31	4.20	81.4%	7.0x	8.6x	22.7%
TRANSDIGM	33.62	47.49	41.3%	8.6x	9.5x	9.8%
ThyssenKrupp Group, Inc.	42.06	48.25	14.7%	5.4x	6.1x	13.5%
Median			33.6%	6.4x	8.1x	26.8%
Aerospace Structures Suppliers						
PCC	\$60.30	\$110.35	83.0%	4.9x	9.3x	89.2%
Spirit AeroSystems	10.18	19.86	95.1%	3.2x	7.5x	132.3%
HEXCEL	7.41	12.98	75.2%	5.2x	9.3x	80.3%
Ducommun Technologies	17.01	18.71	10.0%	4.2x	6.4x	51.5%
LADISH CO., INC.	13.88	15.05	8.4%	5.7x	12.1x	111.5%
LMI AEROSPACE, INC.	11.36	13.30	17.1%	4.0x	6.4x	62.0%
Median			46.1%	4.6x	8.4x	83.2%
Overall Median			33.6%	5.3x	8.1x	53.2%

Business Jet Flight Operations, 2005 to 2010⁽²⁾



Traffic – Revenue Passenger Mile Growth⁽²⁾



AEROSPACE STOCK PRICES AND VALUATIONS BOUNCE BACK IN 2009

Aerospace stock prices and valuations troughed in the first quarter of 2009, but finished the year up significantly. Commercial aerospace companies suffered the greatest declines as the economy soured and have correspondingly rebounded the most as many believe the worst has past.

Leading gainers include aftermarket players BE Aerospace and Goodrich. Aftermarket suppliers have surged as airlines delayed new aircraft deliveries and instead worked to extend the lives of their existing fleets. In addition, Boeing supplier Spirit AeroSystems enjoyed gains as the 787 Dreamliner finally gained traction following a two year delay resulting from supplier, union, and technical issues. However, the Company lowered 2010 earnings guidance in February.

BOTTOM IN BUSINESS JET MARKET MAY BE APPROACHING

The business jet market is in the midst of a cyclical downturn, but there is a growing sense that bottom may be approaching. Business jet flight operations have returned to flat year-over-year growth following significant declines. Flight operations fell year-over-year for 25 consecutive months, but the rate of decline appears to have bottomed out in early 2009.

OE delivery rates in 2010 are expected to be nearly half those achieved in the peak year of 2008. More recently, comments at NBAA and from OEMs have exhibited signs of incipient optimism; however, it will be several years before build rates rebound to levels seen before the downturn.

PASSENGER TRAFFIC TRENDS SHOW TAILWINDS IN AEROSPACE INDUSTRY

Commercial air traffic demand in the second half of 2008 began to slow significantly, as the effects from the global economic downturn began to take hold. This trend continued into 2009 as the year was the worst on record, with a 3% decline in traffic. Following twelve consecutive months of year-over-year declines, traffic growth turned positive in September 2009 and industry forecasters are now predicting global air traffic to increase by 3.7% in 2010. This stronger activity bodes well for aftermarket-focused aerospace suppliers.

(1) Source: Company filings.

(2) Source: FAA, IATA, and KippsDeSanto research.

Government Services Update

2009 Government Services Stock Price Performance⁽¹⁾

	Stock Price Performance			EV / LTM EBITDA Multiple		
	1/2/2009	12/31/2009	% Change	1/2/2009	12/31/2009	Change
CAI	\$45.15	\$48.85	8.2%	8.8x	7.8x	(11.5%)
DC	7.49	10.61	41.7%	5.4x	5.5x	3.1%
DynCorp	15.20	14.35	(5.6%)	7.4x	4.9x	(34.4%)
ICF	24.50	26.80	9.4%	6.3x	11.7x	85.6%
ManTech	54.86	48.34	(11.9%)	11.9x	8.8x	(25.7%)
NCI	30.15	27.65	(8.3%)	14.2x	10.5x	(26.2%)
QinetiQ	2.27	2.62	15.3%	8.4x	9.4x	11.6%
SAIC	19.47	18.94	(2.7%)	10.0x	8.0x	(19.9%)
SRA	17.24	19.10	10.8%	7.2x	8.2x	12.9%
STANLEY	35.63	27.41	(23.1%)	15.4x	9.3x	(39.9%)
Median			2.7%	8.6x	8.5x	(1.7%)

GOVERNMENT SERVICES FIRMS REMAIN RELIABLE DURING TURBULENT 2009

While government services companies have lagged broader market performance, they often outperform while experiencing less volatility. The defense primes have benefited from a strong rebound off 1Q09 lows, while government services remained steady. With services revenues less tied to big ticket platforms, Wall Street remains generally optimistic on the government services model's high free cash flow generation and ability to reposition to meet changing priorities faster than defense primes.

ICF has been a leader in the index given positioning in the Administration's focus areas and the realization of benefits from several strategic acquisitions.

FY2010 vs. FY2011 Presidential Budget Analysis⁽²⁾ (\$ in billions)




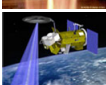

Department	2010 Budget	2010 YoY Growth	2011 Budget	2011 YoY Growth
DHS	\$39.4	-6%	\$43.6	+11%
Energy	26.4	+2%	28.4	+8%
VA	53.1	+12%	57.0	+7%
Education	46.8	+1%	49.7	+6%
State	55.2	+13%	56.8	+3%
Treasury	13.6	+8%	13.9	+2%
Transportation	76.0	+8%	77.6	+2%
NASA	18.7	+5%	19.0	+2%
HHS	82.0	+6%	81.3	-1%
Agriculture	27.0	+13%	26.7	-1%
Interior	12.2	+8%	12.0	-2%
Labor	14.3	+11%	14.0	-2%
EPA	10.3	+36%	10.0	-3%
HUD	43.6	+9%	41.6	-5%
Justice	27.5	+6%	24.1	-12%
Commerce	13.9	+48%	8.9	-36%

LARGEST BUDGET TO DATE REFOCUSSES FUNDING PRIORITIES

The 2011 Budget Proposal process faced calls to balance needs for budget deficit reduction while also encouraging economic stabilization and growth. The Obama Administration announced a freeze on non-security domestic discretionary spending and smaller one-off spending reductions, as opposed to the more publicized cancellation of "big ticket" items.

Drivers for the four largest agencies budget increases include (i) mission expansion as outlined in the first-ever Quadrennial Homeland Security Review, (ii) focus on energy research / development and nuclear energy, (iii) expansion of medical care / mental health programs, and (iv) Obama's proposal for wholesale revamp of current educational testing standards.

NASA Funding: FY2010 vs. FY2011 Budget Proposals⁽²⁾

Funding Area	Δ	FY2011 Funding Summary
 Constellation Systems	\$(3,643.3)	• Orion crew vehicle and Ares launch vehicles cut • \$9b investment in Constellation to date • \$1.9b in close out costs
 Advanced Capabilities	1,830.1	• \$0.7b for critical technology projects • \$0.6b for heavy-lift and propulsion R&D • \$0.1b for robotic precursor missions • 42% increase in human research
 Space Technology	572.2	• New funding for next-gen tech • Focus on communications, sensors, robotics, materials, and propulsion • Will utilize new funding methods (e.g., prizes)
 Earth Science	301.7	• Focus on climate observation, other earth systems • Funds new satellite development and operation of current assets
 Int'l Space Station	231.6	• Aims to extend ISS lifetime to at least 2020 • Funds research and system upgrades

CONSTELLATION TO MAKE WAY FOR NEW NASA PROGRAMS

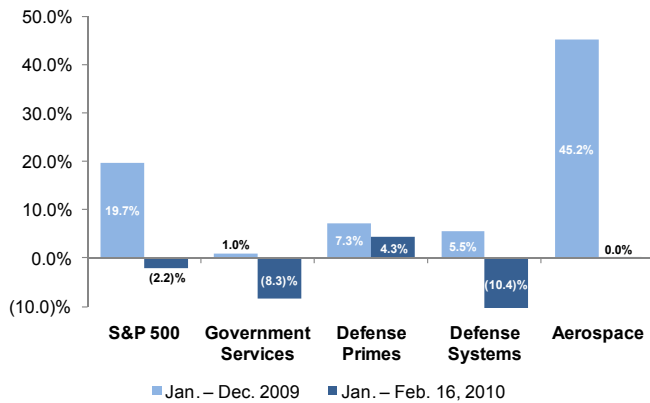
The Obama Administration's plan for NASA has starkly shifted from the relatively concessionary 2010 NASA budget. The Constellation Program to return humans to the moon was cancelled amid the backdrop of cost overruns and program delays, and the impact will be felt at several NASA facilities across the country. In its stead is a new vision for NASA whereby the private sector plays a key role in space operations, helping create jobs and control costs. The Budget Proposal allocates \$6 billion of the freed Constellation funds to bold approaches and more capable alternatives to space exploitation (e.g., heavy-lift rocket systems, robotic precursor missions).

(1) Source: Company filings.

(2) Source: 2011 Presidential Budget Proposal. 2010 YoY Growth is based on actual 2009 spending.

Public Company Performance and Market Valuation Trends

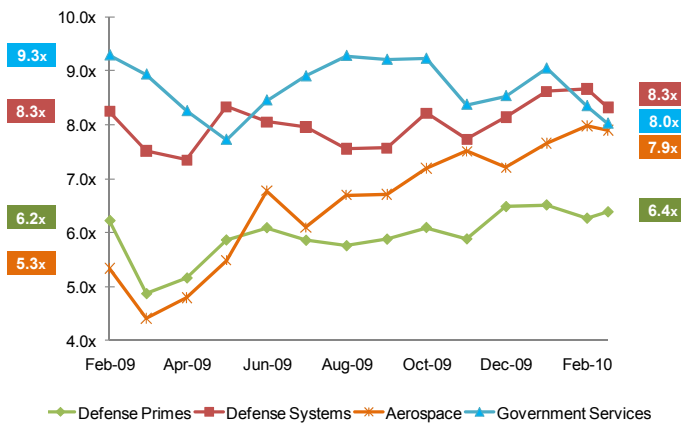
Indexed Stock Price Performance, 2009 and YTD 2010⁽¹⁾



MIXED STOCK PERFORMANCE DUE TO BUDGET AND OVERALL ECONOMY

In 2009, government and defense stocks experienced modest gains amid the overall market rebound due to the low volatility in these sectors, just as they outperformed the S&P during the market downturn. The cyclical aerospace sector bounced back in 2009, however, in 2010 most sectors were not immune to the recent market downturn sparked by global concerns and the continuing government financial crises overseas. Government and defense stocks have also been dogged by the potential discretionary spending freeze and the specter of a flat defense budget over the intermediate term.

Public Market Valuation Trends: EV / LTM EBITDA⁽¹⁾

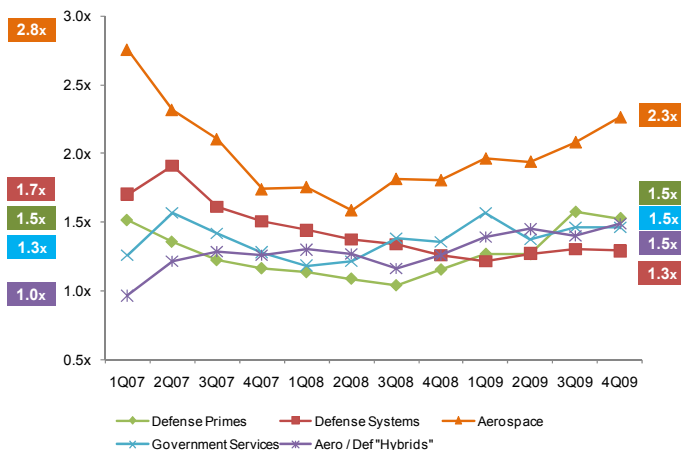


AEROSPACE MULTIPLES EXPAND AS FEARS SUBSIDE

Aerospace multiples expanded as investors believe that the worst may be over and there is light at the end of the tunnel. Not only was the trough in the aerospace market more shallow than expected, it was smaller than those of downturns in the past, and the cyclical space has bounced back with the market.

While overall market trends have affected the government and defense spaces, the multiples in the sectors have been driven mainly by funding uncertainties. The 2011 budget is the largest in history, however political pressure to cut the deficit in coming years through decreased spending has weighed on the multiples in these two sectors.

Quarterly Debt-to-EBITDA, 2007 to 2009⁽¹⁾
(\$ in billions)



STRONG BALANCE SHEETS AVAILABLE AS INDUSTRY DYNAMICS CHANGE

Aerospace & defense companies have maintained clean balance sheets through the financial crisis. Coming into the downturn, many firms paid down debt and sat on the sidelines. In addition, steady government budgets allowed primes to stockpile dry powder. As the economy rebounds, these companies will be more willing to proactively use their balance sheets to increase shareholder value. M&A activity is expected to be robust in 2010 as firms look to bolster organic growth. In addition, public companies will consider share buybacks to reduce their cost of capital and dividends to directly distribute cash to the shareholders.

(1) Source: Company filings and KippsDeSanto research.

Public Company Trading Analysis⁽¹⁾ (\$ in millions, except per share amounts)

Defense Primes	Stock Price 2/16/10	% of 52 Week High	Market Cap	Enterprise Value	CY 2009			CY 2010			EV / CY 2009		EV / CY 2010	
					Revenue	EBITDA	Margin	Revenue	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Boeing Co.	\$61.26	96.6%	\$46,372.3	\$48,170.3	\$67,849.0	\$6,466.8	9.5%	\$64,995.3	\$6,583.5	10.1%	0.7x	7.4x	0.7x	7.3x
Lockheed Martin Corporation	76.03	87.3%	28,351.6	31,012.6	45,147.4	5,306.0	11.8%	46,925.3	5,289.4	11.3%	0.7x	5.8x	0.7x	5.9x
General Dynamics Corp.	69.85	97.7%	26,941.5	28,542.5	32,481.6	4,183.2	12.9%	33,947.6	4,375.2	12.9%	0.9x	6.8x	0.8x	6.5x
Raytheon Co.	54.50	99.1%	20,885.3	20,684.3	24,845.2	3,414.7	13.7%	26,239.2	3,314.9	12.6%	0.8x	6.1x	0.8x	6.2x
BAE Systems plc	5.43	83.1%	19,233.4	19,324.4	33,566.5	4,114.3	12.3%	34,752.4	4,202.5	12.1%	0.6x	4.7x	0.6x	4.6x
Northrop Grumman Corporation	59.56	98.6%	18,033.0	18,994.0	34,935.0	3,378.6	9.7%	34,504.2	3,613.8	10.5%	0.5x	5.6x	0.6x	5.3x
L-3 Communications Holdings Inc.	87.60	96.9%	10,181.3	13,370.3	15,529.7	1,831.3	11.8%	16,000.8	1,927.9	12.0%	0.9x	7.3x	0.8x	6.9x
Median		96.9%	\$20,885.3	\$20,684.3	\$33,566.5	\$4,114.3	11.8%	\$34,504.2	\$4,202.5	12.0%	0.7x	6.1x	0.7x	6.2x

Defense Systems	Stock Price 2/16/10	% of 52 Week High	Market Cap	Enterprise Value	CY 2009			CY 2010			EV / CY 2009		EV / CY 2010	
					Revenue	EBITDA	Margin	Revenue	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Rockwell Collins Inc.	\$54.13	93.9%	\$8,510.3	\$8,898.3	\$4,547.3	\$997.0	21.9%	\$4,843.4	\$1,037.1	21.4%	2.0x	8.9x	1.8x	8.6x
Cobham plc	3.57	89.5%	4,095.4	4,789.5	3,169.9	613.2	19.3%	3,365.0	650.6	19.3%	1.5x	7.8x	1.4x	7.4x
FLIR Systems, Inc.	26.64	79.9%	4,043.5	3,679.4	1,139.0	394.3	34.6%	1,237.5	405.4	32.8%	3.2x	9.3x	3.0x	9.1x
Alliant Techsystems Inc.	77.35	84.6%	2,553.7	3,569.6	4,722.9	616.3	13.0%	4,979.2	668.4	13.4%	0.8x	5.8x	0.7x	5.3x
Ultra Electronics Holdings plc	20.25	91.5%	1,385.1	1,492.0	1,064.0	162.7	15.3%	1,129.6	179.8	15.9%	1.4x	9.2x	1.3x	8.3x
Teledyne Technologies Inc.	37.81	88.2%	1,362.3	1,588.3	1,760.0	216.1	12.3%	1,801.4	234.1	13.0%	0.9x	7.3x	0.9x	6.8x
Cubic Corporation	33.22	78.2%	888.0	650.8	1,030.8	101.8	9.9%	1,082.0	106.2	9.8%	0.6x	6.4x	0.6x	6.1x
AeroVironment, Inc.	24.47	61.9%	527.0	402.3	238.4	32.8	13.8%	354.4	66.6	18.8%	1.7x	12.3x	1.1x	6.0x
Median		86.4%	\$1,969.4	\$2,579.0	\$1,449.5	\$305.2	14.5%	\$1,519.5	\$319.8	17.3%	1.5x	8.4x	1.2x	7.1x

Defense Communications / Electronics	Stock Price 2/16/10	% of 52 Week High	Market Cap	Enterprise Value	CY 2009			CY 2010			EV / CY 2009		EV / CY 2010	
					Revenue	EBITDA	Margin	Revenue	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Harris Corp.	\$45.59	91.8%	\$5,963.4	\$6,871.6	\$4,914.5	\$1,058.0	21.5%	\$5,512.9	\$1,122.1	20.4%	1.4x	6.5x	1.2x	6.1x
ViaSat Inc.	29.69	90.1%	1,078.2	1,426.5	674.3	94.1	14.0%	855.6	168.3	19.7%	2.1x	15.2x	1.7x	8.5x
Comtech Telecommunications Corp.	31.24	77.8%	882.2	582.2	565.2	82.6	14.6%	853.3	161.0	18.9%	1.0x	7.0x	0.7x	3.6x
Argon ST, Inc.	24.88	93.9%	543.7	518.3	380.7	48.9	12.9%	397.3	56.1	14.1%	1.4x	10.6x	1.3x	9.2x
Applied Signal Technology, Inc.	18.43	68.5%	245.2	201.5	212.1	26.2	12.4%	226.7	30.3	13.4%	1.0x	7.7x	0.9x	6.6x
CPI International, Inc.	12.87	88.9%	214.1	383.4	340.8	53.5	15.7%	368.8	62.1	16.8%	1.1x	7.2x	1.0x	6.2x
Herley Industries Inc.	12.94	89.4%	177.1	183.5	174.9	22.8	13.0%	186.8	29.0	15.5%	1.0x	8.0x	1.0x	6.3x
Integral Systems Inc.	9.15	84.3%	159.2	150.8	163.0	6.0	3.7%	178.3	18.9	10.6%	0.9x	NM	0.8x	8.0x
Median		89.2%	\$394.5	\$450.9	\$360.7	\$51.2	13.5%	\$383.1	\$59.1	16.2%	1.1x	7.7x	1.0x	6.5x

Homeland Security	Stock Price 2/16/10	% of 52 Week High	Market Cap	Enterprise Value	CY 2009			CY 2010			EV / CY 2009		EV / CY 2010	
					Revenue	EBITDA	Margin	Revenue	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Mine Safety Appliances Co.	\$24.03	81.2%	\$864.2	\$930.6	\$914.9	\$94.1	10.3%	\$949.7	\$110.1	11.6%	1.0x	9.9x	1.0x	8.5x
L-1 Identity Solutions Inc.	8.44	88.8%	727.5	1,167.3	654.5	96.6	14.8%	738.9	110.7	15.0%	1.8x	12.1x	1.6x	10.5x
American Science & Engineering Inc.	75.19	89.0%	676.6	527.3	250.8	56.9	22.7%	247.8	67.9	27.4%	2.1x	9.3x	2.1x	7.8x
OSI Systems, Inc.	28.16	86.4%	504.5	515.5	603.6	42.8	7.1%	650.1	61.2	9.4%	0.9x	12.0x	0.8x	8.4x
Analogic Corporation	39.15	93.2%	504.1	344.6	390.3	32.7	8.4%	431.2	54.0	12.5%	0.9x	10.5x	0.8x	6.4x
Federal Signal Corp.	6.59	70.9%	321.3	538.7	764.7	48.4	6.3%	766.9	64.0	8.3%	0.7x	11.1x	0.7x	8.4x
ICx Technologies, Inc.	6.30	60.1%	217.3	194.9	182.9	5.5	3.0%	214.0	15.2	7.1%	1.1x	NM	0.9x	12.8x
Median		86.4%	\$504.5	\$527.3	\$603.6	\$48.4	8.4%	\$650.1	\$64.0	11.6%	1.0x	10.8x	0.9x	8.4x

(1) Source: Company filings and KippsDeSanto research.

Public Company Trading Analysis, cont.⁽¹⁾
(\$ in millions, except per share amounts)

Aerospace Systems Suppliers	Stock Price 2/16/10	% of 52 Week High	Market Cap	Enterprise Value	CY 2009			CY 2010			EV / CY 2009		EV / CY 2010	
					Revenue	EBITDA	Margin	Revenue	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Goodrich Corp.	\$64.17	95.5%	\$8,031.8	\$9,279.1	\$6,705.9	\$1,199.7	17.9%	\$7,084.2	\$1,191.8	16.8%	1.4x	7.7x	1.3x	7.8x
Meggitt plc	4.08	91.2%	2,796.6	4,201.9	1,961.4	541.9	27.6%	1,942.7	563.3	29.0%	2.1x	7.8x	2.2x	7.5x
BE Aerospace Inc.	25.82	98.2%	2,610.1	3,546.9	1,918.2	343.2	17.9%	1,883.4	357.1	19.0%	1.8x	10.3x	1.9x	9.9x
TransDigm Group Incorporated	48.57	93.6%	2,381.3	3,996.8	774.7	367.9	47.5%	823.5	403.4	49.0%	5.2x	10.9x	4.9x	9.9x
Curtiss-Wright Corp.	29.93	81.6%	1,365.2	1,765.2	1,801.5	246.2	13.7%	1,821.6	257.3	14.1%	1.0x	7.2x	1.0x	6.9x
HEICO Corp.	43.54	94.2%	987.2	1,125.2	549.5	106.8	19.4%	583.0	120.9	20.7%	2.0x	10.5x	1.9x	9.3x
AAR Corp.	23.05	88.4%	897.4	1,121.7	1,418.1	151.3	10.7%	1,420.3	156.8	11.0%	0.8x	7.4x	0.8x	7.2x
Triumph Group, Inc.	50.78	87.1%	846.4	1,205.7	1,283.3	201.2	15.7%	1,266.1	205.7	16.2%	0.9x	6.0x	1.0x	5.9x
Median		92.4%	\$1,873.2	\$2,656.1	\$1,609.8	\$294.7	17.9%	\$1,621.0	\$307.2	17.9%	1.6x	7.7x	1.6x	7.6x

Aerospace Structures Suppliers	Stock Price 2/16/10	% of 52 Week High	Market Cap	Enterprise Value	CY 2009			CY 2010			EV / CY 2009		EV / CY 2010	
					Revenue	EBITDA	Margin	Revenue	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Precision Castparts Corp.	\$110.60	93.2%	\$15,669.6	\$15,743.2	\$6,155.1	\$1,642.8	26.7%	\$5,965.9	\$1,725.9	28.9%	2.6x	9.6x	2.6x	9.1x
Spirit AeroSystems Holdings Inc	18.55	80.4%	2,610.6	3,135.9	4,123.1	490.0	11.9%	4,141.7	551.2	13.3%	0.8x	6.4x	0.8x	5.7x
Hexcel Corp.	10.87	76.9%	1,053.8	1,336.0	1,099.5	157.7	14.3%	1,099.8	160.6	14.6%	1.2x	8.5x	1.2x	8.3x
Ladish Co. Inc.	17.55	99.7%	279.1	349.2	351.4	25.8	7.3%	371.5	41.3	11.1%	1.0x	13.5x	0.9x	8.5x
Ducommun Inc.	17.05	79.5%	178.2	224.7	437.2	48.6	11.1%	456.7	53.4	11.7%	0.5x	4.6x	0.5x	4.2x
LMI Aerospace Inc.	13.38	94.8%	155.8	184.0	243.9	27.8	11.4%	258.5	30.3	11.7%	0.8x	6.6x	0.7x	6.1x
Median		86.8%	\$666.5	\$842.6	\$768.4	\$103.1	11.6%	\$778.3	\$107.0	12.5%	0.9x	7.5x	0.8x	7.2x

Government Services	Stock Price 2/16/10	% of 52 Week High	Market Cap	Enterprise Value	CY 2009			CY 2010			EV / CY 2009		EV / CY 2010	
					Revenue	EBITDA	Margin	Revenue	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
SAIC, Inc.	\$19.00	95.1%	\$7,522.4	\$7,637.4	\$10,892.7	\$992.2	9.1%	\$11,596.6	\$1,079.4	9.3%	0.7x	7.7x	0.7x	7.1x
ManTech International Corporation	45.30	76.4%	1,626.2	1,574.3	2,013.9	198.5	9.9%	2,416.0	232.2	9.6%	0.8x	7.9x	0.7x	6.8x
CACI International Inc.	46.65	93.1%	1,406.0	1,792.9	2,834.5	237.6	8.4%	3,181.6	258.5	8.1%	0.6x	7.5x	0.6x	6.9x
QinetiQ Group Plc	1.92	68.1%	1,265.1	1,990.9	2,583.4	227.8	8.8%	2,606.7	305.0	11.7%	0.8x	8.7x	0.8x	6.5x
SRA International Inc.	18.11	78.3%	1,027.9	1,046.6	1,560.6	134.2	8.6%	1,698.2	155.3	9.1%	0.7x	7.8x	0.6x	6.7x
DynCorp International Inc.	11.00	49.9%	619.1	1,114.4	3,375.0	228.9	6.8%	3,701.1	237.2	6.4%	0.3x	4.9x	0.3x	4.7x
Stanley, Inc.	22.33	67.7%	537.7	672.9	848.9	86.4	10.2%	913.8	93.1	10.2%	0.8x	7.8x	0.7x	7.2x
ICF International Inc.	23.62	76.1%	443.9	644.7	668.2	60.2	9.0%	756.9	73.7	9.7%	1.0x	10.7x	0.9x	8.8x
NCI, Inc.	27.05	79.0%	364.6	397.3	468.8	40.4	8.6%	531.8	47.6	9.0%	0.8x	9.8x	0.7x	8.3x
Global Defense Technology & Systems, Inc.	13.97	82.7%	126.2	165.0	212.1	18.9	8.9%	246.0	19.6	8.0%	0.8x	8.8x	0.7x	8.4x
Dynamics Research Corp.	10.26	71.6%	101.8	138.5	275.7	24.1	8.7%	286.5	27.9	9.7%	0.5x	5.8x	0.5x	5.0x
Median		76.4%	\$619.1	\$1,046.6	\$1,560.6	\$134.2	8.8%	\$1,698.2	\$155.3	9.3%	0.8x	7.8x	0.7x	6.9x

Diversified IT	Stock Price 2/16/10	% of 52 Week High	Market Cap	Enterprise Value	CY 2009			CY 2010			EV / CY 2009		EV / CY 2010	
					Revenue	EBITDA	Margin	Revenue	EBITDA	Margin	Rev.	EBITDA	Rev.	EBITDA
Computer Sciences Corporation	\$52.19	89.4%	\$8,017.2	\$9,956.2	\$16,028.0	\$2,345.1	14.6%	\$16,772.0	\$2,479.7	14.8%	0.6x	4.2x	0.6x	4.0x
CGI Group, Inc.	13.94	95.5%	4,038.9	3,977.9	3,275.7	647.7	19.8%	3,745.5	684.8	18.3%	1.2x	6.1x	1.1x	5.8x
MAXIMUS, Inc.	56.13	99.7%	976.0	849.0	762.9	103.7	13.6%	862.5	119.9	13.9%	1.1x	8.2x	1.0x	7.1x
Tyler Technologies, Inc.	19.18	89.1%	670.9	671.1	291.6	55.9	19.2%	322.0	64.0	19.9%	2.3x	12.0x	2.1x	10.5x
CIBER, Inc.	3.39	75.3%	235.7	284.3	1,039.8	46.2	4.4%	1,061.5	52.4	4.9%	0.3x	6.1x	0.3x	5.4x
Median		89.4%	\$976.0	\$849.0	\$1,039.8	\$103.7	14.6%	\$1,061.5	\$119.9	14.8%	1.1x	6.1x	1.0x	5.8x

(1) Source: Company filings and KippsDeSanto research.

Select Recent Aerospace / Defense M&A Transactions⁽¹⁾ (\$ in millions)

Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin	Revenue	EBITDA	EBITDA
02/19/10 (A)	L-3 Communications Holdings Inc.	Insight Technology Inc.	Develops and manufactures night vision and electro-optical equipment for the U.S. military, federal law enforcement agencies, and allied nations	NA	\$290.0	NA	NA	NA	NA	9.0x
02/02/10	Crane Co.	Merrimac Industries, Inc.	Designs and manufactures electronic radio frequency and microwave components and subsystems for commercial, military, and other high-reliability markets	\$51.3	31.6	\$6.9	21.7%	1.6x	7.5x	
02/01/10	Harris Corp.	OSI Geospatial Command and Control IP Assets	Provides computer-based command and control technology used by soldiers on the front lines of military operations	6.5	NA	NA	NA	NA	NA	NA
02/01/10	OM Group, Inc.	EaglePicher Technologies, LLC	Designs and manufactures batteries, battery management systems, and energetic devices for the defense, aerospace, and medical industries	171.9	125.0	NA	NA	1.4x	NA	
01/29/10 (A)	Warburg Pincus LLC	Survitec Group Ltd.	Provides shelters, pilot flight equipment, life rafts, and evacuation systems to the military, marine, aerospace, and homeland security markets	451.9	242.1	NA	NA	1.9x	NA	
01/29/10	Bel Fuse Inc.	Cinch Connectors, Inc.	Designs, manufactures, and supplies electrical connectors, harnesses, cables, and assemblies to military and commercial customers	37.5	60.0	NA	NA	0.6x	NA	
01/27/10	HDT International Holdings	Airborne Systems, Ltd	Offers parachutes and emergency, rescue, and survival equipment to the military, coastguard, and civilian aerospace markets	NA	NA	NA	NA	NA	NA	NA
01/20/10	API Technologies Corp.	Kuchera Industries and Kuchera Defense Systems	Specializes in sophisticated electronics and highly-engineered systems for the defense, aerospace, and communications industries	29.1	65.0	NA	NA	0.4x	NA	
01/18/10 (A)	Chemring Group plc	Allied Defense Group Inc.	Manufactures and distributes ammunition and ammunition-related products to the DoD and foreign governments	70.3	143.2	1.7	1.2%	0.5x	NM	
01/13/10 (A)	Sun Capital Partners, Inc.	Protective Products of America Inc.	Design, manufactures, and markets advanced products used to provide ballistic protection for personnel and vehicles in the military and law enforcement markets	24.4	44.3	(3.6)	NM	0.6x	NM	
01/13/10	Lincolnshire Management, Inc.	Aerosim Technologies, Inc.	Develops simulation-based training products for pilots as well as maintenance technicians in the aviation industry	NA	NA	NA	NA	NA	NA	NA
01/05/10	Versar, Inc.	Professional Protection Systems, Ltd.	Manufactures and sells proprietary personal protective equipment, including protective suits, decontamination showers, and emergency shelters	6.3	5.0	NA	NA	1.3x	NA	
01/04/10	Rockwell Collins, Inc.	Air Routing Group, Inc.	Provides flight management and planning services, aviation purchasing cards, fuel management services, and weather alerts for the business jet market	91.0	NA	NA	NA	NA	NA	NA
12/28/09	FLIR Systems Inc.	Directed Perception Inc.	Provides pan-tilt motion control systems to security and surveillance, maritime, military, robotics, and scientific instruments markets	20.0	NA	NA	NA	NA	NA	NA
12/21/09	Curtiss-Wright Corporation	Skyquest Systems, Ltd.	Supplies aircraft video displays, recorders, and video / radar converters for surveillance aircraft applications in the aerospace and defense markets	16.0	8.0	NA	NA	2.0x	NA	
12/21/09	Arrow Electronics, Inc.	A.E. Petsche Company, Inc.	Provides interconnect products, including specialty wire, cable, and harness management solutions, to aerospace and defense markets	170.1	220.0	NA	NA	0.8x	NA	
12/21/09	Goodrich Corporation	Atlantic Inertial Systems	Designs and produces inertial sensors, reference systems, and navigation systems for use in aviation, military, aircraft, satellite control, and space R&D	375.0	180.0	42.0	23.3%	2.1x	8.9x	
12/17/09	Defense Venture Group (J.F. Lehman)	Tactical Runflat Systems	Manufactures and markets runflat tire components and systems for the defense sector	NA	NA	NA	NA	NA	NA	NA
12/17/09	IEC Electronics Corporation	General Technology Corporation	Offers turnkey contract electronic manufacturing to the space, aerospace, medical, communications, and military markets	15.1	25.0	NA	NA	0.6x	NA	
12/02/09	Vectronix AG (Sagem)	Optics 1, Inc.	Specializes in opto-mechanics, electro-optics, and the design, production, and integration of precision optical systems for defense and commercial markets	NA	NA	NA	NA	NA	NA	NA
12/02/09	Electro Optic Systems Holdings Ltd	Recon / Optical's Remote Weapon Systems Business	Produces systems that allow ballistic weapons to be operated remotely, providing a protected environment for the gunner	3.0	NA	NA	NA	NA	NA	NA
12/02/09 (A)	TransDigm Group Inc.	Dukes, Inc. and GST Industries, Inc.	Manufactures fuel pumps, solenoids, pneumatic valves, and cabin pressure control systems for aerospace, marine, and space markets	96.0	36.0	NA	NA	2.7x	NA	
12/02/09	AMETEK, Inc.	Ameron Global's Pressurized Gas Systems	Manufactures highly engineered pressurized gas components and systems for commercial and military aerospace customers	NA	20.0	NA	NA	NA	NA	NA
11/25/09	Chemring Group PLC	Hi-Shear Technology Corp.	Designs and manufactures pyrotechnic, mechanical, and electronic products primarily for aerospace and defense markets	132.0	24.5	11.6	47.3%	5.4x	11.4x	
11/23/09	GE Aviation	Naverus, Inc.	Provides performance-based navigation, support programs, and training services for aircraft navigation	NA	NA	NA	NA	NA	NA	NA
11/19/09	Prophet Equity	CHIEF Corporation and Law Enforcement Supply	Offers apparel, uniforms, vehicle equipment, and other equipment to law enforcement, fire and rescue, military, and other professional customers	NA	NA	NA	NA	NA	NA	NA

(1) Source: Company filings and KippsDeSanto research.

Select Recent Government Services M&A Transactions⁽¹⁾ (\$ in millions)

Date	Buyer / Investor	Target	Target Description	EV	Revenue	EBITDA	EBITDA		EV / LTM	
							Margin	Revenue	EBITDA	EBITDA
02/09/10	SAIC, Inc.	CloudShield Technologies, Inc.	Provides services management and infrastructure protection solutions to national governments and service providers, including advanced deep packet inspection	NA	NA	NA	NA	NA	NA	NA
02/03/10 (A)	International Business Machines Corporation	Initiate Systems, Inc.	Provides master data management and integrity software for healthcare and government customers	NA	NA	NA	NA	NA	NA	NA
02/01/10	CACI International, Inc.	SystemWare, Inc.	Provides radio frequency acquisition and data analysis systems to detect cybersecurity and physical security vulnerabilities	NA	\$16.0	NA	NA	NA	NA	NA
02/01/10	SAIC, Inc.	Forterra Systems, Interactive Virtual Product	Offers virtual world software platform and related technologies for collaboration and training for corporate, healthcare, and government customers	NA	NA	NA	NA	NA	NA	NA
02/01/10	SRA International, Inc.	Perrin Quarles Associates, Inc.	Provides environmental consulting, program development, and implementation to the EPA, state agencies, and international organizations	NA	NA	NA	NA	NA	NA	NA
01/25/10	DynCorp International Inc.	Casals & Associates	Supports USAID by providing conflict management, anti-corruption initiatives, democratic governance support, and other international development services	NA	NA	NA	NA	NA	NA	NA
01/20/10 (A)	International Business Machines Corporation	National Interests Security Company, LLC	Provides IT solutions, information management, and consulting services to IC, defense, and other federal customers	NA	NA	NA	NA	NA	NA	NA
01/18/10 (A)	Molina Healthcare Inc.	Unisys Corporation, Health Information Management	Provides health information management and business process outsourcing solutions to state governments for Medicaid administration	\$135.0	110.0	NA	NA	1.2x	NA	NA
01/15/10	World Wide Technology, Inc.	Performance Technology Group	Provides systems engineering and managed IT services for commercial, state, and federal customers	NA	NA	NA	NA	NA	NA	NA
01/15/10	ManTech International Corp.	Sensor Technologies, Inc. (STI)	Provides C4ISR services and solutions, including biometrics and human terrain systems capabilities, to U.S. Army and other DoD customers	242.0	340.0	NA	NA	0.7x	NA	NA
01/12/10 (A)	Symantec Corporation	Gideon Technologies Inc.	Provides standards-based information security solutions that automate and orchestrate IT security and risk management for federal customers	NA	NA	NA	NA	NA	NA	NA
01/08/10	Acquisition Solutions, Inc.	ICOR Partners LLC	Provides strategy, transformation, and business improvement consulting to VA and civilian government agencies	NA	NA	NA	NA	NA	NA	NA
01/07/10	FGM, Inc.	Edge Technologies' Enterprise Services Group	Provides high-end cybersecurity engineering services to IC and law enforcement agencies	NA	NA	NA	NA	NA	NA	NA
01/07/10	Iron Data, LLC	Versa Systems Ltd.	Provides regulatory software solutions and services, including licensing and case management, to government customers	NA	NA	NA	NA	NA	NA	NA
01/06/10	Presidio, Inc.	Coleman Technologies, Inc.	Provides IT, systems engineering services, and communications solutions to DoD customers	NA	NA	NA	NA	NA	NA	NA
01/05/10	Internet Capital Group Inc.	GovDelivery, Inc.	Provides government-to-citizen e-mail and wireless communication SaaS solutions to federal, state, and local agencies	22.1	9.0	NA	NA	2.5x	NA	NA
12/30/09	Stinger Ghaffarian Technologies Inc.	Master Solutions, LLC	Provides software engineering, systems engineering, and enterprise architecture services to Air Force Space Command and other DoD customers	NA	NA	NA	NA	NA	NA	NA
12/30/09	GP Strategies Corporation	PerformTech Inc.	Provides custom web-based and instructor-led training solutions to DHS and DOS, supporting focus areas including border protection and anti-terrorism	16.0	15.0	\$3.0	18.8%	1.1x	5.3x	NA
12/23/09	SafeNet Inc.	Assured Decisions LLC	Provides information and cybersecurity consulting services to the IC and DoD in various national security applications	NA	NA	NA	NA	NA	NA	NA
12/18/09	Jacobs Engineering Group Inc.	TYBRIN Corporation	Provides mission planning, systems engineering, software development, and modeling / simulation services to DoD and civilian government customers	NA	NA	NA	NA	NA	NA	NA
12/18/09	Six3 Systems / GTCR	BIT Systems, Inc.	Provides ISR services to the IC, including signal collection and processing, data analysis, and software development	NA	NA	NA	NA	NA	NA	NA
12/14/09	ActivIdentity Corporation	CoreStreet Ltd.	Provides distributed identity credential validation solutions, including public key infrastructure certification technology and distributed identity credential validation	18.8	6.2	NA	NA	3.0x	NA	NA
12/11/09	Secure Mission Solutions, Inc.	Sim-G Technologies, Inc.	Provides electronic security systems, as well as cybersecurity and systems engineering capabilities, to the DoD, IC, and other government agencies	NA	NA	NA	NA	NA	NA	NA
12/10/09	ICF International Inc.	Jacob & Sundstrom, Inc.	Provides cybersecurity and identity management services to the DoD, EPA, SSA, and other civilian and S&L agencies	NA	24.0	NA	NA	1.3x	NA	NA
11/30/09	The NQA, Inc. division of Nat'l Tech. Systems	Unitek Technical Services, Inc.	Provides supplier management and development services to DoD and commercial customers	1.5	NA	NA	NA	NA	NA	NA
11/23/09	Inmarsat plc	Segovia, Inc.	Provides secure internet protocol managed solutions for satellite and terrestrial networks to DoD	110.0	67.0	NA	NA	1.6x	NA	NA

(1) Source: Company filings and KippsDeSanto research.

Most Recent KippsDeSanto & Co. Transactions



OAO TECHNOLOGY SOLUTIONS

a portfolio company of

J.F. Lehman & Company

has been acquired by



January 2010



PERFORMTECH

has been acquired by



December 2009



Phoenix
CONSULTING GROUP, INC.

has been acquired by



DynCorp
INTERNATIONAL

October 2009



HSA
STRATEGIC SECURITY SOLUTIONS

has been acquired by



Six3 Systems

July 2009



LABAT
LABAT-ANDERSON INCORPORATED

has been acquired by



USIS

May 2009




PROJECT
performance
CORPORATION

has been acquired by




AEA
AEA TECHNOLOGY PLC

August 2008



Kadix
systems

has been acquired by



DRC
DYNAMICS
RESEARCH
CORPORATION

August 2008



GRAY RESEARCH, INC.
Technical Excellence • Customer Satisfaction

has been acquired by



MacB
MACAULAY-BROWN, INC.

July 2008



Oberon

has been acquired by



STANLEY

July 2008

About KippsDeSanto & Co.

KippsDeSanto is an investment banking firm focused on delivering strategic advice as well as M&A and financing expertise. Our solutions are focused on the technology sectors we know – Aerospace / Defense, Government Services, and Software and IT Services. We are recognized for our depth of industry experience, knowledge of sector-specific transaction drivers, and long-standing relationships with industry participants.

We welcome the opportunity to have a more detailed discussion of developments in our focus industries. For more information, please contact us:

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