

FOCUS Government, Aerospace and Defense Group

Q1 2014 Report

Vol. 7, No. 1



FOCUS

Investment Banking

Seasoned, Systematic, SuccessfulSM

Investment Banking and Advisory Services

The FOCUS Investment Banking LLC government, aerospace, and defense practice provides three highly tailored investment banking services to emerging middle market and larger GAD sector firms:

Sellside Engagements
Buyside Engagements
Capital Formation

In this Issue

- 2 Introduction
- 3 Performance: S&P 500 vs. GAD
- 3 GOVERNMENT Sector Q4 2013
- 4 AEROSPACE Sector Q4 2013
DEFENSE Sector Q4 2013
- 5 M&A Activity in the GAD Sector Q3 2012-Q3 2013
- 6 Selected GAD Transactions Q3 and Q4 2013
- 11 Recent FOCUS GAD Transactions
- 13 FOCUS Government, Aerospace, and Defense Team

FOCUS Government, Aerospace, and Defense Group

GAD Report

By Manan Shah, Partner and Government, Aerospace and Defense Group Team Leader, FOCUS Investment Banking LLC

FOCUS GAD Team

The FOCUS GAD team consists of seven former C-level operators and professionals who leverage years of experience in the government, aerospace, and defense sector—both domestically and abroad—to personally manage your transaction from inception to a successful close.

The FOCUS GAD team is uniquely qualified to help you meet your objectives because, unlike most government, aerospace, and defense specialty groups, we:

- Offer strategic advisory services that enhance shareholder value
- Supply a proven transaction methodology for delivering results
- Devote significant C-level resources with operating expertise in the GAD sector to executing transactions

- Deliver the most exact, comprehensive research to help close a deal, deploying a team of research professionals dedicated to producing precise analysis
- Leverage years of experience in the middle market to maximize opportunities for a successful transaction
- Have a national presence with global reach—regional offices ensure that all clients receive personalized service throughout every phase of a transaction

Members of the FOCUS GAD team attend many conferences and meetings both in the U.S. and internationally. We are always delighted to receive introductions to innovative companies in the industry. We hope to see you at one of these events, and look forward to exploring your capital market needs as you continue to grow your enterprise.

FOCUS Represents Forgentum, Inc. in its Acquisition by Fulcrum IT Services

Forgentum was founded in 2007 by individuals that spent most of their professional careers in and around military health. Forgentum complements and expands Fulcrum's healthcare services including direct support to the Department of Defense (DoD) Military Health Systems (MHS) Healthcare Artifact and Image Management Solution (HAIMS) as well as the Defense Health Clinical System (DHCS) that provides information management and solutions that capture, manage, and share healthcare data for the military's worldwide Electronic Health Record (EHR).

Fulcrum is a leading technology company based in Centreville, Virginia that provides pivotal solutions and services primarily for federal customers in the defense, intelligence, education and healthcare sections leveraging Software and Systems Development, Cloud Computing, Data Management, CyberSecurity, Data Fusion, and Advanced Technology and Research.

The acquisition adds to Fulcrum's current portfolio of key clients including the TRICARE Management Activity (TMA), EHR Core (formerly DHIMS), and the Enterprise Infrastructure (formerly MCiS). Forgentum provides direct experience with the majority of DoD healthcare solutions including AHLTA, CHCS, and HAIMS as well as current work supporting interfaces to the VA's Veterans

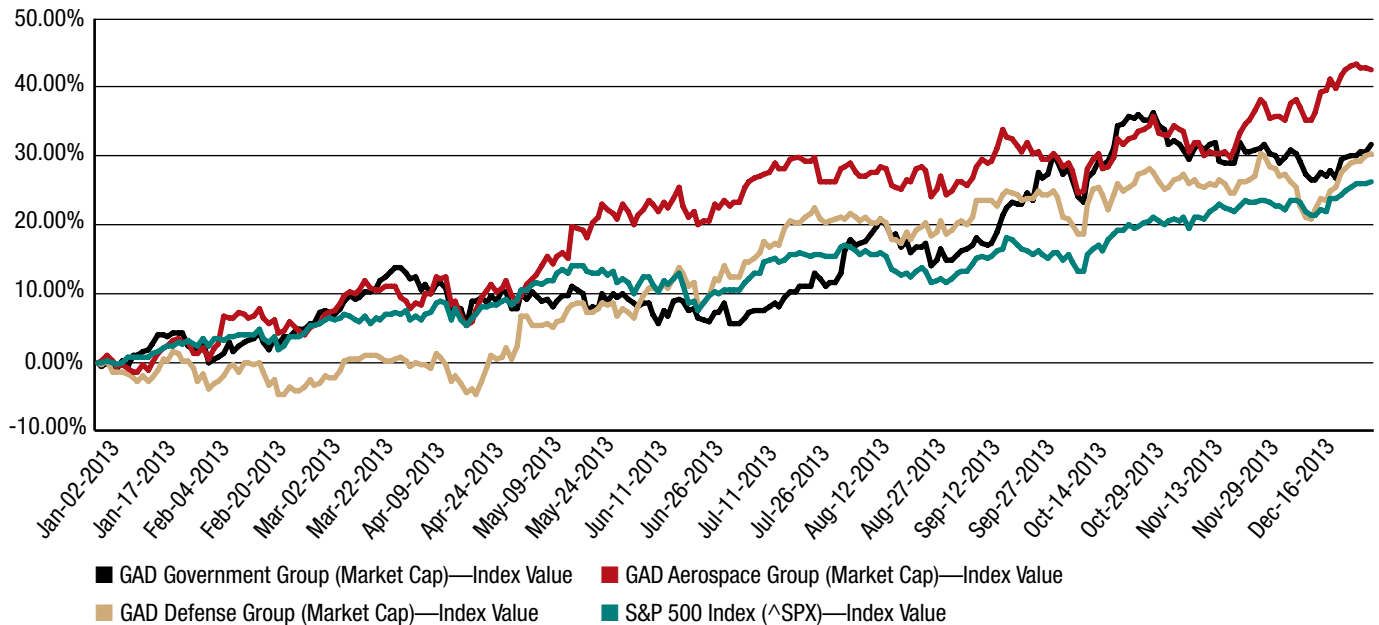
Health Information Systems and Technology Architecture (VistA).

According to Lyn Hurd, Forgentum CEO and co-founder, "We are very excited about this new chapter. Fulcrum's culture and history of performance in DoD application development, integration, and operational support are well known. Joining Fulcrum will open additional opportunities for our employees and will allow us to expand our solutions. We are thankful for FOCUS' advice and support in making this transition run as smoothly as it did."

Eric Oganessoff, FOCUS Managing Director comments, "The acquisition of Forgentum provides Fulcrum with a key player in building the largest electronic health records system in the world through the work Forgentum is doing to help integrate the Defense Department and Veteran Affairs systems."

Manan Shah, FOCUS Partner and Government, Aerospace, and Defense Team Leader, comments, "Healthcare IT continues to be one of the most active areas within government contractors from the M&A perspective. While the larger players have been active acquirers for a while in this sector, mid size players such as Fulcrum are also stepping up their efforts, presenting more opportunities for other healthcare IT firms."

Performance: S&P 500 vs. GAD (1/1/13-12/31/13)



The line graph above compares a year of S&P 500 activity with the performance of three custom indexes compiled by FOCUS to track public market valuation trends in the government, aerospace, and defense sectors. The three charts that follow for Q4 2013—Government (below) and Aerospace and Defense (page 4)—list the companies that comprise the summary line graph shown above.

Going into 2013, all three sectors tracked fairly closely with the S&P 500. Government activity spiked near the end of Q1 2013, was relatively flat in Q2 2013, and began climbing near the end of Q3 with gains continuing through Q4 2013.

During Q3 and Q4 2013, Aerospace activity continued rising, tracking well above the S&P 500 and reaching new heights by the end of the year. While not as robust as Aerospace, the Defense sector continued performing above the S&P 500, ending the year trending upward.

GOVERNMENT Sector Q4 2013

Stock Price Date	2/14/14		GOVERNMENT			
Company Name	Total Enterprise Value Latest (\$ million)	LTM Total Revenue (\$ million)	LTM EBITDA (\$ million)	TEV/Total Revenues LTM—Latest	TEV/EBITDA LTM—Latest	LTM Period Date (Used for LTM Figures)
American Science & Engineering Inc. (NasdaqGS:ASEI)	\$365.9	\$167.0	\$23.1	2.2X	15.8X	12/31/13
CACI International Inc. (NYSE:CACI)	\$3,067.3	\$3,577.6	\$329.7	0.9X	9.2X	12/31/13
MAXIMUS, Inc. (NYSE:MMS)	\$3,036.1	\$1,451.6	\$240.4	2.1X	12.6X	12/31/13
NCI, Inc. (NasdaqGS:NCIT)	\$121.3	\$332.3	\$19.5	0.4X	6.2X	12/31/13
NIC Inc. (NasdaqGS:EGOV)	\$1,134.6	\$249.3	\$66.0	4.6X	17.2X	12/31/13
The KEYW Holding Corporation (NasdaqGS:KEYW)	\$748.3	\$298.7	\$20.8	2.5X	35.9X	12/31/13
Versar Inc. (AMEX:VSR)	\$35.9	\$113.3	\$5.7	0.3X	6.3X	12/27/13
Summary Statistics						
High	\$3,067.3	\$3,577.6	\$329.7	4.6X	35.9X	
Low	\$35.9	\$113.3	\$5.7	0.3X	6.2X	
Mean	\$1,215.6	\$884.3	\$100.7	1.9X	14.7X	
Median	\$748.3	\$298.7	\$23.1	2.1X	12.6X	

Source: Capital IQ; stock prices as of 2/14/2014

AEROSPACE Sector Q4 2013

Stock Price Date	2/14/14		AEROSPACE			
Company Name	Total Enterprise Value Latest (\$ million)	LTM Total Revenue (\$ million)	LTM EBITDA (\$ million)	TEV/Total Revenues LTM—Latest	TEV/EBITDA LTM—Latest	LTM Period Date (Used for LTM Figures)
AAR Corp. (NYSE:AIR)	\$1,584.5	\$2,129.2	\$188.4	0.7X	8.1X	11/30/13
Astronics Corporation (NasdaqGS:ATRO)	\$1,201.9	\$339.9	\$58.3	3.5X	20.6X	12/31/13
CPI Aerostructures Inc. (AMEX:CVU)	\$152.1	\$89.1	\$14.6	1.7X	10.4X	9/30/13
Esterline Technologies Corp. (NYSE:ESL)	\$3,850.8	\$1,969.8	\$351.2	2.0X	11.0X	10/25/13
Gilat Satellite Networks Ltd. (NasdaqGS:GILT)	\$213.2	\$331.8	\$20.8	0.6X	10.2X	9/30/13
HEICO Corp. (NYSE:HEI)	\$3,612.2	\$1,008.8	\$220.4	3.6X	16.4X	10/31/13
LMI Aerospace Inc. (NasdaqGS:LMIA)	\$473.0	\$388.1	\$48.1	1.2X	9.8X	9/30/13
Orbital Sciences Corp. (NYSE:ORB)	\$1,586.5	\$1,365.3	\$155.0	1.2X	10.2X	12/31/13
Triumph Group, Inc. (NYSE:TGI)	\$5,018.0	\$3,813.1	\$588.8	1.3X	8.5X	12/31/13
ViaSat Inc. (NasdaqGS:VSAT)	\$3,489.7	\$1,316.2	\$165.1	2.7X	21.1X	1/3/14
Summary Statistics						
High	\$5,018.0	\$3,813.1	\$588.8	3.6X	21.1X	
Low	\$152.1	\$89.1	\$14.6	0.6X	8.1X	
Mean	\$2,118.2	\$1,275.1	\$181.1	1.9X	12.6X	
Median	\$1,585.5	\$1,162.5	\$160.1	1.5X	10.3X	

Source: Capital IQ; stock prices as of 2/14/2014

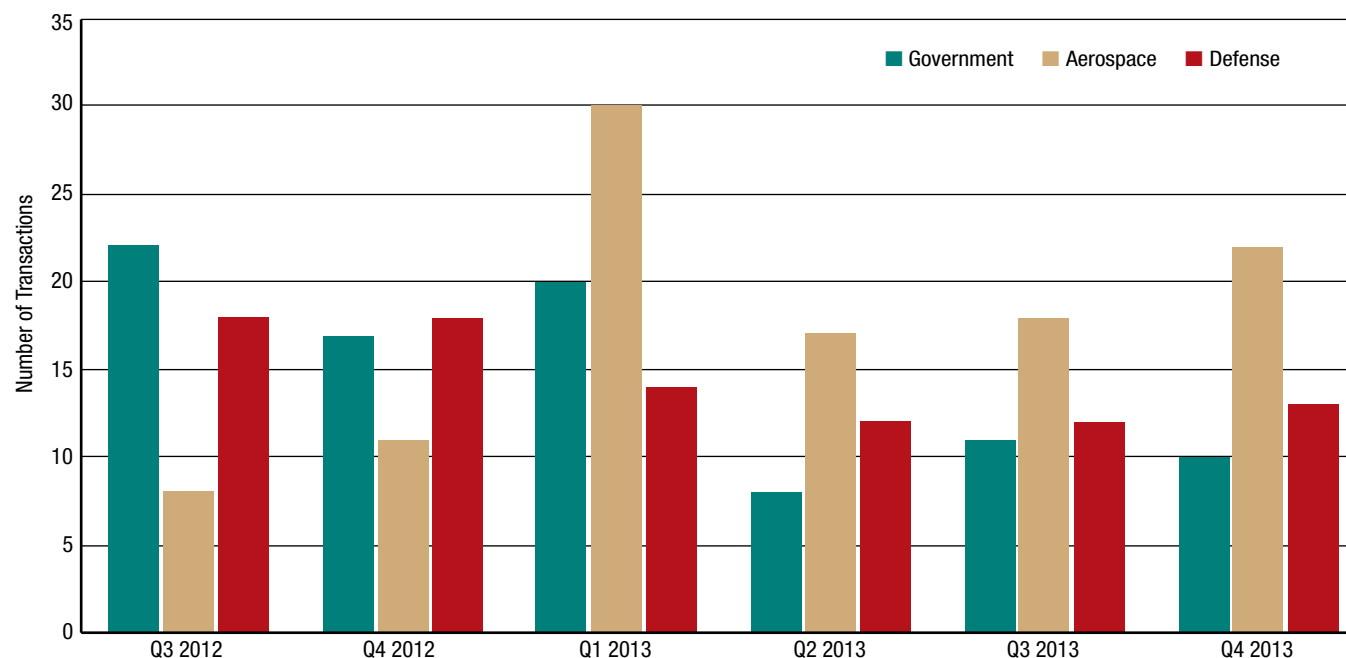
DEFENSE Sector Q4 2013

Stock Price Date	2/14/14		DEFENSE			
Company Name	Total Enterprise Value Latest (\$ million)	LTM Total Revenue (\$ million)	LTM EBITDA (\$ million)	TEV/Total Revenues LTM—Latest	TEV/EBITDA LTM—Latest	LTM Period Date (Used for LTM Figures)
AeroVironment, Inc. (NasdaqGS:AVAV)	\$556.5	\$210.2	-\$0.7	2.6X	NM	10/26/13
Breeze-Eastern Corporation (AMEX:BZC)	\$88.6	\$79.6	\$9.4	1.1X	9.5X	12/31/13
Cubic Corporation (NYSE:CUB)	\$1,309.8	\$1,360.7	\$119.4	1.0X	11.0X	9/30/13
Ducommun Inc. (NYSE:DCO)	\$572.1	\$742.6	\$81.8	0.8X	7.0X	9/28/13
Dynamics Research Corporation (NasdaqGM:DRCO)	\$201.9	\$286.7	\$27.6	0.7X	7.3X	9/30/13
GenCorp Inc. (NYSE:GY)	\$1,655.7	\$1,383.1	\$92.8	1.2X	17.8X	11/30/13
Kratos Defense & Security Solutions, Inc. (NasdaqGS:KTOS)	\$1,050.6	\$978.5	\$84.1	1.1X	12.5X	9/29/13
ManTech International Corporation (NasdaqGS:MANT)	\$1,001.8	\$2,440.4	\$144.8	0.4X	5.7X	9/30/13
Summary Statistics						
High	\$1,655.7	\$2,440.4	\$144.8	2.6X	17.8X	
Low	\$88.6	\$79.6	-\$0.7	0.4X	5.7X	
Mean	\$804.6	\$935.2	\$69.9	1.1X	10.1X	
Median	\$787.0	\$860.6	\$83.0	1.1X	9.5X	

Source: Capital IQ; stock prices as of 2/14/2014

M&A Activity in the GAD Sector

GAD M&A Transactions by Quarter (Q3 2012 to Q4 2013)



Government M&A Activity: The average across the quarters shown (Q3 2012—Q4 2013) was 15 transactions, with Q4 2013 (10) coming in 33% lower than the average. The number of M&A transactions in Q4 2013 was 41% lower than in the same quarter of 2012 (17) and less than 1% lower than Q3 2013.

Aerospace M&A Activity: Quarterly activity for aerospace M&A averaged 18 transactions per quarter over the six quarters shown—22% lower than the 22 transactions recorded in Q4 2013. However, Q4 2013 represents a positive uptick from the 18 transactions in the previous quarter—and a 100% gain from Q4 2012 (11).

Defense M&A Activity: After beginning 2013 with two quarters of slightly declining performance—Q3 2013 transactions (12) remained at exactly the same level as the previous quarter, declining 20% from the five-quarter average (15). In Q4 2013, transactions remained relatively flat at 13.

M&A Activity in the GAD Sector

*Selected GAD Transactions Q3 and Q4 2013**

GOVERNMENT

IMPLAN Acquired by Management

The management of IMPLAN Group LLC, the provider of impact analysis for planning economic impact modeling systems, has acquired the company in a management buyout transaction, backed by Boathouse Capital, the private equity firm, from Scott Lindall and Doug Olson, private individuals, for an undisclosed consideration. (July 10, 2013)

TWD ESS Services Acquires Security Division of Clear Government Solutions

The Security Division of Clear Government Solutions, Inc. was acquired by TWD ESS Services, LLC. Security Division of Clear Government Solutions, Inc. includes the business division which offers security solutions and services. It includes Schedule 84 contracts, an acquisition tool for procuring solutions for law enforcement, security, facilities management, fire, rescue, clothing, marine craft and emergency and disaster response. (July 15, 2013)

Riverside Partners Completes Majority Equity Investment in AMCAD

Riverside Partners, LLC (Riverside), the private equity firm, has acquired a majority stake in American Cadastre, LLC (AMCAD), the company engaged in providing software solutions and services, for an undisclosed consideration. (Sept. 16, 2013)

Accenture Federal Services Acquires ASM Research

Accenture Federal Services LLP, the provider of consultancy services to US government defense and a subsidiary of Accenture plc, the listed Ireland based management consulting, technology and outsourcing company, has acquired ASM Research, Inc., the provider of healthcare related information technology solutions to government clients, for an undisclosed consideration. The acquisition will help ASM to expand its business in the military health market. (Sept. 17, 2013)

CertiPath Acquired by Two Strategic Investors

CertiPath, the trusted authority for high assurance identities, has been acquired by two strategic investors. The acquisition will provide increased stability and capital to expand CertiPath's product and service offerings. CertiPath is looking forward to offering an integrated suite of enabling products to its existing and future government, aerospace and defense customers. (Oct. 13, 2013)

Acentia Acquires InSysCo

Acentia, the company engaged in providing technology and management solutions, has acquired InSysCo, the company providing software development and support services to the Federal Civilian institutions, from UNICOM Global, Inc., the company engaged in providing information technology solutions, for an undisclosed consideration. (Nov. 12, 2013)

CACI Acquires Six3 Systems Inc.

CACI International Inc. has acquired Six3 Systems Inc. from GTCR, LLC. CACI, a listed company headquartered in Arlington, Virginia, is a multinational professional services and information technology company. Six3 Systems Inc. is a company headquartered in McLean, Virginia. The purchase price is \$820m, subject to the net working capital adjustment. (Nov. 15, 2013)

Premier Alliance Acquires Root9B

Premier Alliance Group, Inc., a leading provider of business performance, compliance and energy management solutions, has acquired Root9B LLC, a cyber-security company that supports Federal Government and commercial companies globally. Premier Alliance purchased the company in a cash and stock transaction. With offices in Colorado and Texas, Root9B is an internationally recognized leader in all areas of cyber-security assessment. (Nov. 25, 2013)

Eagle Ray Acquires Kore Federal

Eagle Ray, Inc., the company engaged in providing IT consulting and management services, has acquired Kore Federal, Inc., the company engaged in offering IT and federal government transformation solutions, for an undisclosed consideration. (Dec. 4, 2013)

Wasserstein & Co. Acquires Globecom Systems

Globecom Systems Inc., a leading communications solutions provider, announced that an investor group led by Wasserstein & Co. has successfully completed the acquisition of Globecom in a deal valued at \$334.72m. (Dec. 11, 2013)

DataCard Acquires Entrust

DataCard Corporation has acquired Entrust, Inc. from Thoma Bravo, LLC. DataCard Corporation, the company headquartered in Minnetonka, Minnesota, and engaged in developing and marketing secure identification and card personalization solutions. Entrust, Inc., the company headquartered in Dallas, Texas, is engaged in securing digital identities and information. The deal is estimated to be valued at \$500m. (Dec. 31, 2013)

AEROSPACE

Hancock Park Associates and Next Point Capital Acquire Sheffield Manufacturing

Hancock Park Associates and Next Point Capital Corporation, the private equity firms, have acquired Sheffield Manufacturing, Inc., a company providing precision machining, sheet metal, and welding products to the aerospace industry, for an undisclosed consideration. (July 8, 2013)

United Performance Metals Acquires Vulcanium Metals

United Performance Metals Inc. (UPM), the company engaged in supplying of stainless steel sheets, coils, and plates and a subsidiary of O'Neal Industries Inc., the holding company that also operates as a metal service company, has acquired Vulcanium Metals Inc., the supplier of titanium metals for aerospace, from Vulcanium Inc., for an undisclosed consideration. (July 12, 2013)

EDAC Technologies Acquires Parkway Aerospace & Defense

EDAC Technologies Corporation (EDAC), the listed company engaged in the design and manufacture of engineering components, has acquired Parkway Aerospace & Defense, the company manufacturing aerospace composites, from Parkway Products, Inc. for an undisclosed consideration. (July 15, 2013)

ELG Utica Alloys Acquires Metal Management Aerospace

Sims Metal Management Ltd. has sold recycling firm Metal Management Aerospace Inc. to ELG Utica Alloys Inc. for an undisclosed amount. Metal Management Aerospace, based in Hartford, Connecticut, specializes in recycling titanium alloys and high temperature metals. Sims Metal said the aerospace operations did not fit with its core business. (July 18, 2013)

SIFCO Industries Acquires MW General, Inc.

SIFCO Industries, Inc., a leading supplier of forged components to the aerospace and energy industries, has acquired substantially all the operating assets and operations of MW General, Inc. (DBA General Aluminium Forgings) ("GAF"). GAF is an aerospace component supplier located in Colorado Springs, Colorado, principally supplying precision aluminum forgings to the commercial aerospace industry. Specific terms were not disclosed. (July 23, 2013)

Bel Fuse Acquires Array Connector

Bel Fuse Inc. has acquired privately-held Array Connector Corporation, a manufacturer of aerospace and mil-spec connector products for more than 20 years. Miami-based Array Connector had revenue of approximately \$10m for 2012. (Aug. 21, 2013)

Precision Castparts Acquires Exacta Aerospace

Exacta Aerospace, a privately held family-owned Wichita supplier to the aerospace industry, has been acquired by Precision Castparts Corporation, a publicly traded maker of metal components and products based in Portland, Oregon. Exacta builds components, sheet-metal details, kits, and assemblies for the commercial, military and business jet markets. (Aug. 23, 2013)

The Loar Group Acquires Terry's Machine & Manufacturing

The Loar Group has acquired Terry's Machine & Manufacturing, Inc., a manufacturer of precision components for the aerospace and defense industry, and merged Terry's into the Loar Group's newly formed subsidiary Terry's Precision Products LLC. (Sept. 11, 2013)

HCI Equity Partners Acquires Polygon Aerospace

HCI Equity Partners has acquired Polygon Aerospace, Inc. Headquartered in Houston, Texas, Polygon provides studs, washers, clamps, nuts, bolts, pins and collars, seals, screws, lead bonds, and rivets for the aerospace manufacturing and maintenance industry. (Sept. 2013)

Sandvik Acquires Remaining Shares in Precorp

Sandvik has acquired the remaining 51% of the shares in Precorp Inc., a company based in Spanish Fork, Utah. Precorp Inc. will be consolidated into Sandvik Machining Solutions. Sandvik has been the minority share owner (49%) of Precorp Inc. since 2008. The company serves customers worldwide, primarily within the aerospace and automotive segments. (Oct. 1, 2013)

Astronics Acquires AeroSat

Astronics Corporation, the listed supplier of products to the aerospace and defense industries, has acquired AeroSat Corporation, the company engaged in designing and manufacturing fuselage and tail-mounted antenna systems for commercial transport, business jet, and military aircraft customers, for a consideration of \$17m. (Oct. 1, 2013)

Curtiss-Wright Acquires Parvus Corporation

Curtiss-Wright Corporation has acquired 100% of the shares of Parvus Corporation (Parvus), a business unit of Eurotech S.p.A., for \$38m in cash. Parvus is a leading designer and manufacturer of rugged small form factor computers and communications subsystems for the aerospace, defense, homeland security and industrial markets. The acquired business will operate within Curtiss-Wright's Controls segment. (Oct. 1, 2013)

Greenpoint Technologies Acquires Jet Works Air Center Management

Jet Works Air Center Management, LLC has been acquired by Greenpoint Technologies, Inc. Jet Works Air Center Management, based in Denton, Texas, offers aircraft maintenance and interior modification services. (Oct. 4, 2013)

China's Meijing Group Acquires Mooney Aviation

The Mooney Aviation Company has been acquired by the Meijing Group of China for an undisclosed sum. The company ceased production Nov. 5, 2008. The company has remained in business as a parts supplier to its existing fleet. Mooney is now planning a return to production of the M20 aircraft series. For the Meijing Group, this is a move to diversify and its first foray into the aerospace field. (Oct. 9, 2013)

LongueVue Capital Acquires Ascent Aviation Services

LongueVue Capital, LLC, the private equity firm, has acquired Ascent Aviation Services Corporation, the provider of maintenance, repair, and overhaul services for multiple platforms of narrow body aircraft, from Victory Park Capital Advisors, LLC, for an undisclosed consideration. (Oct. 14, 2013)

Aerospace Products International Acquires Avionics International Supply

Aerospace Products International, Inc., the company distributor of aircraft parts and accessories and a portfolio company of Resilience Capital Partners LLC, the private equity firm, has acquired Avionics International Supply, Inc., the company engaged in the wholesale distribution and repair services of avionics parts, for an undisclosed consideration. (Oct. 21, 2013)

TriMas Acquires Mac Fasteners

TriMas Corp. has acquired Mac Fasteners Inc. for \$34m. Mac Fasteners manufactures and distributes stainless steel aerospace fasteners used by equipment manufacturers, aftermarket repair companies, and commercial and military aircraft producers. (Oct. 28, 2013)

Air Industries Acquires Miller Stuart

Air Industries Group has acquired Miller Stuart Inc. of Hauppauge, New York. Founded in 1966 Miller Stuart is a manufacturer of aerospace components whose customers include major aircraft manufacturers and the US Military. Miller Stuart specializes in electromechanical systems, harness and cable assemblies, electronic equipment and printed circuit boards. (Nov. 7, 2013)

Indigo Partners Acquires Frontier Airlines

Indigo Partners has completed the acquisition of Frontier Airlines from Republic Airways Holdings. Final terms of the transaction, which was first announced on October 1, 2013, are not being disclosed. Indigo Partners and its principals have considerable experience in successful, airline-related investments. Frontier will remain headquartered in Denver, Colorado. (Dec. 3, 2013)

Dynamic Precision Group Acquires Eight Aerospace Manufacturing Facilities

Global alternative asset manager The Carlyle Group has announced its portfolio company Dynamic Precision Group has acquired eight aerospace component fabrication and machining facilities located on three sites in the U.S., Canada, and the UK, which design, manufacture, and integrate components and systems for aircraft engines and airframes from Unison Engine Components, a subsidiary of GE Aviation. The transaction is expected to close by year end and terms were not disclosed. (Dec. 3, 2013)

Flexjet Acquires Bombardier Aerospace

Flexjet LLC, the investment holding company, and a subsidiary of Directional Aviation Capital, the principal investment firm focused on aviation industry, has acquired Bombardier Aerospace Corporation (BCA), the provider of whole aircraft ownership and management, fractional jet ownership, jet card, and charter brokerage services, from Bombardier, Inc., the listed Canada based manufacturer of equipment and systems. Total consideration is \$185m. (Dec. 5, 2013)

3P Equity, Silver Sail Acquire Visioneering

3P Equity Partners and Silver Sail Capital have acquired Visioneering Inc., a designer, manufacturer and installer of high-quality fabrication, assembly and automation tooling systems for the aerospace and defense industry. Visioneering was previously owned by Hammond, Kennedy, Whitney & Company. (Dec. 9, 2013)

TransDigm Acquires Airborne Systems from Metalmark Capital

TransDigm Group Inc, the listed designer, manufacturer, and supplier of aircraft and aerospace components, has acquired Airborne Systems Group Limited, the company engaged in manufacturing parachutes, from Metalmark Capital LLC, the private equity firm, for a cash consideration of \$250m. (Dec. 19, 2013)

NuMobile Acquires Private Jet Aviation Charter Company

NuMobile Inc. has acquired Priority One Jets, Inc. in an all stock transaction. In conjunction with the acquisition, NuMobile will change its name to Priority Aviation. Priority One Jets is a full service aviation company that provides on demand air charter, jet charter membership cards, and aircraft sales for business, leisure or government travel. (Dec. 19, 2013)

Esterline Technologies Acquires Joslyn Sunbank

Esterline Technologies Corporation, the listed manufacturing company principally serving aerospace and defense markets, has acquired Joslyn Sunbank Company, LLC, the company engaged in designing, manufacturing, and supplying connector accessories and conduit systems to aerospace, military, and commercial industries, from Meggitt plc, the listed global engineering group, for a cash consideration of \$50m. (Dec. 20, 2013)

Rockwell Collins Acquires ARINC

Rockwell Collins, Inc., the listed manufacturer of aviation electronics and communication equipment, has agreed to acquire ARINC Incorporated, the provider of communications, engineering, and systems integration support to the commercial aviation industry, from the Carlyle Group, LLC, the listed private equity firm, for a consideration of \$1.39bn. (Dec. 23, 2013)

DEFENSE

Data Device Acquires National Hybrid

Data Device Corporation, the company engaged in the design and manufacturing of data bus, motion control, and solid-state power controller products has acquired National Hybrid, Inc., the company engaged in the design and manufacture of microcircuits for military and aerospace industries, from API Technologies Corp., the listed provider of engineered systems, components and secure communications, for a cash consideration of \$32.5m. (July 8, 2013)

SELEX Sensors and Airborne Acquires Lasertel

SELEX Sensors and Airborne Systems (US) Inc., the provider of surveillance, protection, tracking, targeting, navigation and control and imaging systems for aircrafts, and arm of Selex Sensors and Airborne Systems SpA, the Italy based company in the same line as SELEX (US), has agreed to acquire Lasertel, Inc., the company that designs and manufactures semiconductor lasers, for a consideration of \$8m. (July 27, 2013)

TriQuint Acquires CAP Wireless and its Spatium Technology

TriQuint Semiconductor, Inc., a leading RF solutions supplier and technology innovator, announced it has acquired CAP Wireless (Newbury Park, California) and its patented Spatium™ RF power combining technology that replaces traveling wave tube amplifiers (TWTAs) in communications and defense systems. (Aug. 7, 2013)

Spry Methods Acquires James Secure Solutions

Spry Methods has acquired James Secure Solutions, Inc. (JSS). JSS, just ranked by Inc., as #98 on the Top 100 Government Services Companies nationwide, is a leading provider of Cyber Security, Information Assurance, and Continuous Monitoring services to the Intelligence Community, Department of Defense, and federal law enforcement agencies who sustain mission critical operational and developmental programs in support of our Nation's security. (Aug. 23, 2013)

Citidal Partners Acquires Loxel Imaging

Citidal Partners LTD, LLC the investment holding company having interest in companies designing and manufacturing of monochrome cathode ray tubes, has acquired Loxel Imaging Systems Inc., the company designing and manufacturing monochrome cathode ray tubes for military and commercial industries, from Video Display Corporation, for undisclosed consideration. (Sept. 23, 2013)

Safariland Group Acquires Tactical Command Industries

The Safariland Group, a leading global provider of a diverse range of safety and survivability products designed for the public safety, military, professional and outdoor markets, has acquired Tactical Command Industries, Inc., a communications integration business focused on tactical communications systems. (Oct. 1, 2013)

Heico Acquires Lucix

Heico Corporation, the listed manufacturer of defense and aviation products, has acquired Lucix Corporation, the manufacturer of commercial and military satellite, airborne, and ground systems, for an undisclosed consideration. The acquisition will enable Heico to expand its satellite and space component operations. (Oct. 3, 2013)

Polaris Industries Acquires Primordial

Polaris Industries Inc. has acquired Primordial Inc., a developer of software that plans fast and stealthy routes for soldiers. Its software products include Ground Guidance, used by U.S. Army soldiers to navigate dangerous off-road terrain, and Ooze, a crowd-sourced mapping application for businesses and government agencies. Primordial is a geographic information system (GIS) software company. (Nov. 4, 2013)

Booz Allen Hamilton Acquires Defense Systems Engineering & Support Division of ARINC

Booz Allen Hamilton, Inc., the consultancy firm, has agreed to acquire the Defense Systems Engineering & Support (DSES) division of ARINC, Inc., the transportation, communications, and systems engineering company, for a consideration of approximately \$154m in cash. (Nov. 30, 2013)

Sabtech CEO Buys Firm—Continues Focus on Military, Defense and Industrial Markets

Sabtech, an established leader in the Aerospace, Military, Defense, Industrial and Telecommunications industry, announced that CEO Michael Carter has acquired the privately held company. Mr. Carter acquired 100 percent of Sabtech stock. (Dec. 5, 2013)

Discovery Air Acquires Advanced Training Systems International

Discovery Air Defence Services Inc. (a wholly-owned subsidiary of Discovery Air) has acquired Advanced Training Systems International, Inc. ("ATSI"). (Dec. 17, 2013)

L-3 Acquires Mustang Technology Group, L.P.

L-3 Communications has acquired Mustang Technology Group, L.P. The business, now named L-3 Mustang Technology, develops and manufactures radar-based sensors and systems used in precision-guided weapons, electronic warfare, unmanned systems and other military applications. Headquartered in Plano, Texas, L-3 Mustang products are used by the U.S. military, government agencies and prime contractors. (Dec. 19, 2013)

Management of Tactical Micro Acquires Firm

The management of Tactical Micro, Inc., an engineering systems integration company developing range instrumentation and audio/video broadcasting and recording systems for use on military training ranges, has acquired the company backed by Secure Communication Systems, Inc. for an undisclosed consideration (Dec. 20, 2013)

**Source: mergermarket.com and Capital IQ*

Recent FOCUS GAD Transactions

This announcement appears as a matter of record only



Forgentum
Forging Momentum

has been sold to




fulcrum
PIVOTAL PERFORMANCE

The undersigned initiated this transaction, assisted in the negotiations and acted as financial advisor to Forgentum.




FOCUS
Investment Banking

This announcement appears as a matter of record only




EMBEE
INCORPORATED

has been acquired by



Triumph Group, Inc.

The undersigned initiated this transaction, assisted in the negotiations and acted as financial advisor to Embee, Inc.



FOCUS
Investment Banking

December 2012

This announcement appears as a matter of record only



TAKATA
Japan

has acquired

BAE Systems
Safety Products, Inc.
and
Schroth Safety
Products, GmbH,
subsidiaries of



BAE SYSTEMS
United Kingdom


The undersigned assisted in the negotiations and acted as financial advisor to Takata Corporation.



FOCUS
Investment Banking


March 2012

This announcement appears as a matter of record only




telesis
...Where We Exceed Expectations!

has acquired



endeavor
SYSTEMS, INC.


The undersigned initiated this transaction, assisted in the negotiations and acted as financial advisor to Telesis Corporation.



FOCUS
Investment Banking


February 2012

This announcement appears as a matter of record only




core180

has been acquired by




HARRIS

The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Core80.




FOCUS
Investment Banking

This announcement appears as a matter of record only




GCP Inc

has received a revolving
line of credit from



Access National Bank
progressive business banking

The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Global Computer Products, Inc.



FOCUS
Investment Banking

This announcement appears as a matter of record only



FI Holdings
SECURING GROWTH & VALUE

has acquired



A-TEK
INCORPORATED

The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to FI Holdings, Inc.



FOCUS
Investment Banking

This announcement appears as a matter of record only



NewtekInternational

has been acquired by



ZANTECH
Zantech IT Services, Inc.

The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Newtek International, Inc.



FOCUS
Investment Banking

This announcement appears as a matter of record only



avialec
INTERNATIONAL

has been sold to




KAPCO VALTEC

The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Avialec International.



FOCUS
Investment Banking


This announcement appears as a matter of record only




APSE
AEROSPACE PRODUCTS

has been acquired by

APSE HOLDINGS, LLC
an affiliate of




ACORN Growth Companies
and



C N B
Cherokee Nation Businesses

The undersigned initiated this transaction, assisted in the negotiations and acted as financial advisor to Aerospace Products S.E., Inc.



FOCUS
Investment Banking

"Cybersecurity has been a target area of growth for our firm and the Endeavor acquisition provides us the necessary skill sets and customer base through which we can offer these services to a wide range of defense and civilian agencies. FOCUS provided an outstanding service and with their help we were able to look at a number of potential candidates before finalizing Endeavor as the ideal fit." **Payal Tak, President and CEO, TELESIS**

Recent FOCUS GAD Transactions (continued)

“Through FOCUS and in particular Manan Shah’s efforts, we were very successful in creating a good deal of interest in our firm from a variety of buyers. Zantech management’s past experience in this sector and reputation was very comforting in my decision regarding this sale.” **R.K. Pillai, Founder and Owner, Newtek International**

This announcement appears as a matter of record only



has acquired



The undersigned originated this transaction, acted as financial advisor to and assisted with the negotiations as the representative of Cambridge Systems, Inc.



This announcement appears as a matter of record only


SiloSmashers, Inc.

received \$6,000,000 for working capital and debt acquisition financing from

Bank of America

FOCUS Partner Ed Stevens assisted in the negotiations as the representative of LabPostal.com.


This announcement appears as a matter of record only




has been sold to

ADAYANA®
Performance Through Learning


The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Vertex Solutions.




This announcement appears as a matter of record only



has acquired




The undersigned initiated the transaction, acted as financial advisor to, and assisted with the negotiations as the representative of Camber Corporation.




“John Slater of FOCUS was instrumental in helping the parties work through a number of difficult issues, while preserving the positive personal relationships with the management team which were critical to the company’s ongoing success post closing.” **Jeff Davis, CEO, Acorn Growth Companies**

“It was time to put Avialec under the wing of a larger progressive organization with financial firepower to realize the many opportunities before us. Given their cross border transaction experience and broad U.S. coverage, FOCUS was the perfect firm to help us realize our goals. The transaction was managed in a timely manner with little disruption to our business. I could not have done it without them.” **Barrie Prescott, CEO, Avialec**


This announcement appears as a matter of record only



has been acquired by



The undersigned initiated the transaction, acted as financial advisor to, and assisted with the negotiations as the representative of Computer Networks and Software, Inc.



This announcement appears as a matter of record only




has acquired

Strategic Management Initiatives, Inc.


The undersigned initiated the transaction, acted as financial advisor to and assisted with the negotiations as the representative of CALIBRE Systems, Inc.




This announcement appears as a matter of record only



has acquired certain ownership interests in



The undersigned acted as financial advisor to, and assisted with the negotiations as the representative of Blue Canopy.



This announcement appears as a matter of record only



has acquired



The undersigned initiated the transaction, acted as financial advisor to, and assisted with the negotiations as the representative of Global Science & Technology, Inc.



“We spent more than a decade building our business and knew how to run it at a level of performance well above others in our industry, but had no experience selling a company. For that depth of expertise, we partnered with FOCUS because of their seasoned team, systematic approach, and track record of middle market M&A successes.” **Ray Daly, President and Co-Founder, VERTEX**

FOCUS Government, Aerospace and Defense Team



Manan K. Shah

Partner and Government, Aerospace and Defense Team Leader, Washington, DC

mshah@focusbankers.com
202-470-1980

Manan K. Shah has over eighteen years of consulting, management and M&A advisory experience in the government, aerospace, defense, business process outsourcing, software, and information technology sectors. Manan has represented numerous clients in the GAD sector ranging from multi-billion dollar corporations to small minority owned companies.



Brent Costello

Managing Director, Los Angeles

brent.costello@focusbankers.com
818-613-0096

Brent Costello has more than 30 years' experience as an investment banker and M&A and corporate finance lawyer, representing a wide range of clients. He holds a J.D. from Georgetown University Law Center; and he graduated with a B.A. (cum laude) from Yale University.



Eric Oganessoff

Managing Director, Washington, DC

eric.oganesoff@focusbankers.com
202-470-1969

Eric Oganessoff, during the past twenty-five years, has conducted over fifty M&A, debt and capital raise transactions in information technology, manufacturing, government contracting and wireless technologies. He received a White House appointment to NASA in 1983.



Paul K. Richey

Regional Managing Director, West, Los Angeles

paul.richey@focusbankers.com
213-426-2122

Paul Richey, a seasoned executive with more than 40 years in investment banking, has led M&A activities for privately held companies, several of which have annual revenues in excess of \$250 million.



John Slater

Partner, Memphis

john.slater@focusbankers.com
404-963-8255

John Slater, a M&A and capital raising veteran of twenty-three years, has managed more than 200 M&A and capital raising transactions with aggregate values in excess of \$3 billion.



Gerald Turner

Managing Director, Washington, DC

gerald.turner@focusbankers.com
202-470-1972

Gerald Turner has over twenty-five years of executive level experience in a wide range of sectors including building and roofing materials, diverse financial services, and commercial data base management.



Douglas E. Rodgers

Chief Executive Officer, Washington, DC

doug.rodgers@focusbankers.com
202-470-1961

Douglas E. Rodgers, CEO and Managing Partner of FOCUS since early 2002, has executive level management experience in software, information technology, aerospace, e-commerce, real estate and construction, manufacturing and distribution, serving both commercial and government clients. Mr. Rodgers is an Airline Transport rated pilot with over 7,000 flight hours.



Bruce J. Holmes, D.E.

Senior Advisor, Washington, DC

HolmesConsultingLLC@cox.net
757-207-0966

Dr. Bruce J. Holmes, after 33 years with NASA, is a consultant to industry, government, and universities in strategy, technology, aviation systems development, and public-private partnerships. He is known domestically and internationally for his strategic leadership in the engineering and technological transformation in air transportation.

About FOCUS Investment Banking LLC

FOCUS Investment Banking LLC provides a range of middle market investment banking services with an emphasis on mergers, acquisitions, divestitures and corporate finance. FOCUS is a national firm serving clients from offices in major cities across the United States. FOCUS specializes in business units with transactions or revenues in the \$5-300 million range, serving entrepreneurs, corporate owners and various types of investors across a broad range of industries, throughout the U.S. and worldwide. FOCUS bankers are seasoned operating and financial executives with extensive transaction experience. Securities transactions conducted by FOCUS Securities LLC, an affiliated company, registered Broker/Dealer and member FINRA/SIPC. For more information on FOCUS, visit www.focusbankers.com.

© 2014 FOCUS Investment Banking LLC

FOCUS

Investment Banking

MID-ATLANTIC REGION

FOCUS Investment Banking LLC
Headquarters
1133 20th Street, NW
Suite 200
Washington, DC 20036
202.785.9404
202.785.9413 (fax)

SOUTHEAST REGION

FOCUS Investment Banking LLC
Atlanta Office
3353 Peachtree Road, NE
Suite 1160
Atlanta, GA 30326
404.504.8620
404.814.9141 (fax)

WESTERN REGION

FOCUS Investment Banking LLC
Los Angeles Office
355 South Grand Avenue
Suite 2450
Los Angeles, CA 90071
213.943.1395
213.943.1397 (fax)

Securities transactions conducted by FOCUS Securities LLC, an affiliated company, registered Broker Dealer member FINRA/SIPC.