

FOCUS Government, Aerospace and Defense Group

Spring 2017 Report

Vol.10, No.2



FOCUS

Investment Banking

Strategic, Personal, Dedicated

Investment Banking and Advisory Services

FOCUS Investment Banking LLC provides a range of investment banking services tailored to the needs of government, aerospace, and defense companies.

These services include:

Mergers & Acquisition Advisory
Corporate Development Consulting
Strategic Partnering & Alliances
Capital Financing, Debt & Equity
Corporate Valuations

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Major Q1 2017 Deals in the GAD Sector

GOVERNMENT

STG Group, Inc. Acquisition of Preferred Systems Solutions, Inc.

On February 21, 2017, STG Group, Inc. acquired Preferred Systems Solutions, Inc. for \$119.5 million. Preferred Systems Solutions provides information technology, engineering, program management, intelligence, and staffing services to government clients. It offers enterprise resource planning, call center and help desk, system and application, and infrastructure services; system, storage, and network engineering services; PMO support, financial management, and acquisition services; information technology support services; right-to-hire, permanent placement, and long term consulting services; and Deltek partner solutions.

Phillip Lacombe, STG President, summarized the rationale behind the transaction: 1) Strengthens STG's position in national security and extends the company's reach into the intelligence community; 2) Adds new customers to STG and core capabilities in the departments of Homeland Security, Defense, and the FBI; 3) Allows for the integration of cyber, data, and software security backgrounds of both companies, enabling greater reach into high-priority areas of government policy and spending; and 4) Expands margin profile of the company and is expected to provide revenue synergies and cost efficiencies.

**CapIQ and STG Group press release (February 21, 2017)

AEROSPACE

GE Aviation Acquisition of Critical Technologies, Inc. (AirVault)

On March 27, 2017, GE Aviation, an operating subsidiary of General Electric, acquired Critical Technologies, Inc. for an undisclosed amount. Critical Technologies provides cloud-based records management solutions. The company offers AirVault Maintenance Records Management, a browser-based online service that manages aircraft maintenance records, as well as other services for business processes, logistics, etc, with digital information of nearly all types.

More than 40 major airlines and MROs trust Critical Technologies with their aircraft maintenance records, including the largest airlines in the world. Today, Critical Technologies manages the maintenance records for more than 50 percent of the North American commercial aircraft fleet for 4,400 aircraft tail numbers and 20 percent globally. Critical Technologies manages more than seven billion records in a private, secure cloud hosted at the company's fully redundant data centers for access by 40,000 users worldwide.

Jim Daily, VP and Chief Digital Officer for GE Aviation stated, "The acquisition of Critical Technologies combines some of the best people and records management capability with GE's domain expertise in flight analytics and engine diagnostics to bring disparate data together to drive operational efficiencies."

FOCUS Investment Banking advised Critical Technologies and its CEO, John Oldham, on the transaction. John Frick, Chairman of Critical Technologies commented, "The strategic fit [with GE Aviation] provided by this transaction is exceptional; our acquirer counts nearly every airline in the world in its customer base, which provides an exciting growth path for the business. The FOCUS team has been a valuable partner to us over the years, and we would not be celebrating this transaction without their help and guidance."

**CapIQ and General Electric press release (March 27, 2017)

DEFENSE

The KEYW Corporation Acquisition of Sotera Defense Solutions, Inc.

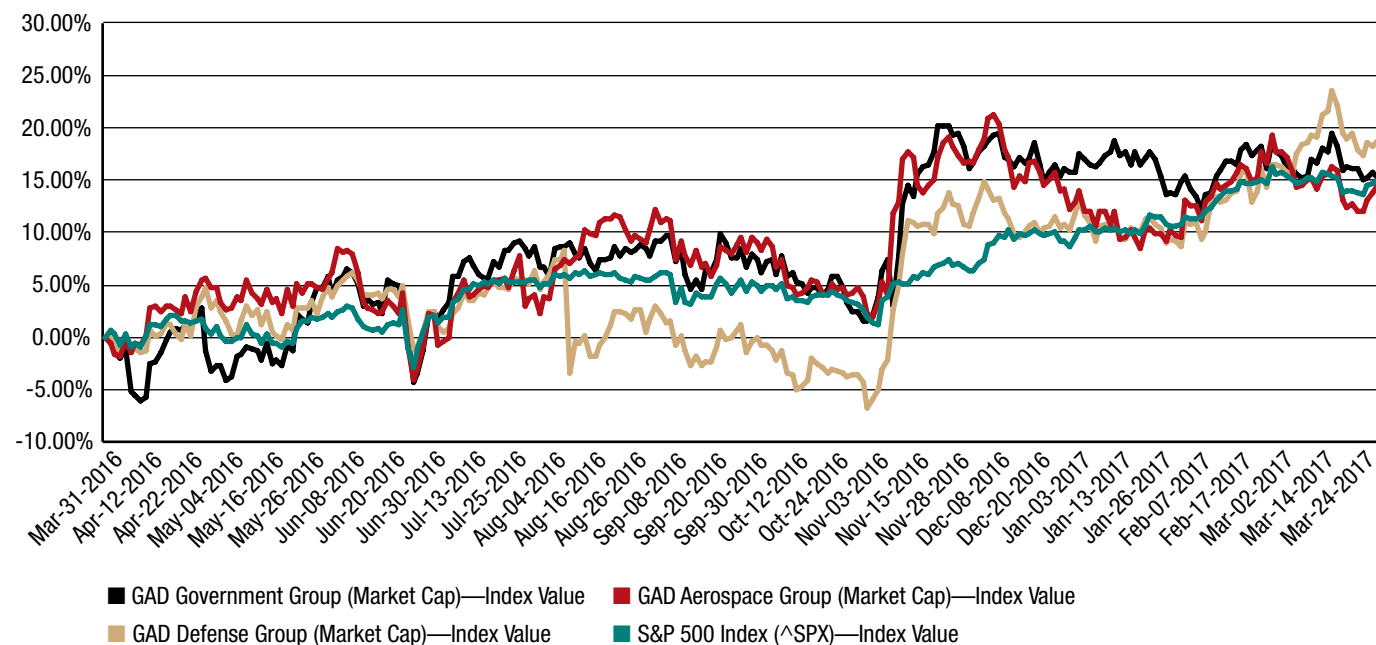
On March 8, 2017, The KEYW Corporation acquired Sotera Defense Solutions, Inc. for \$235 million. Sotera is a security technology company that provides technology-based systems, solutions, and services for national security agencies and programs of the U.S. government. It develops and implements essential counterterrorism, cyber systems and solutions, mission-focused information technology (IT) applications, data analytics and visualization, C4ISR, and force mobility and modernization solutions. The company offers solutions to support the critical missions of the Intelligence Community, Department of Defense, Department of Homeland Security, and federal law enforcement agencies in the United States.

The transaction is expected to be immediately accretive to KeyW's 2017 adjusted EPS (GAAP EPS, excluding transaction expenses) and significantly accretive to 2018 GAAP EPS. Under the terms of the agreement, Sotera will become a wholly-owned subsidiary of The KeyW Corporation following the transaction.

Together, KeyW and Sotera will deliver an advanced portfolio of solutions, including cyber, geospatial, cloud and data analytics, engineering, analysis and operations, and machine learning. On a pro-forma basis, the combined company is expected to generate approximately \$535 million in revenue and more than \$55 million in adjusted EBITDA in 2017 before synergies.

**CapIQ and The KeyW Corporation press release (March 8, 2017)

Performance: S&P 500 vs. GAD (3/31/2016 – 3/31/2017)



Source: Capital IQ

GOVERNMENT Sector Q1 2017

| 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) |
| CACI International Inc. (NYSE:CACI) | 4,154.8 | 4,222.0 | 371.7 | 1.0x | 11.2x | Dec-31-2016 |
| Engility Holdings, Inc. (NYSE:EGL) | 2,029.3 | 2,076.4 | 190.7 | 1.0x | 10.6x | Dec-30-2016 |
| MAXIMUS, Inc. (NYSE:MMS) | 4,115.3 | 2,454.2 | 380.4 | 1.7x | 10.8x | Dec-31-2016 |
| NCI, Inc. (NasdaqGS:NCIT) | 202.8 | 322.4 | 28.7 | 0.6x | 7.1x | Dec-31-2016 |
| NIC Inc. (NasdaqGS:EGOV) | 1,221.8 | 317.9 | 83.3 | 3.8x | 14.7x | Dec-31-2016 |
| The KEYW Holding Corporation (NasdaqGS:KEYW) | 551.6 | 288.0 | 26.1 | 1.9x | 21.1x | Dec-31-2016 |
| Versar Inc. (AMEX:VSR) | 36.3 | 167.9 | (1.5) | 0.2x | N/A | Jul-01-2016 |
| Summary Statistics | | | | | | |
| High | \$4,154.8 | \$4,222.0 | \$380.4 | 3.8X | 21.1X | |
| Low | \$36.3 | \$167.9 | (\$1.5) | 0.2X | 7.1X | |
| Mean | \$1,758.8 | \$1,407.0 | \$154.2 | 1.5X | 12.6X | |
| Median | \$1,221.8 | \$322.4 | \$83.3 | 1.0X | 11.0X | |

Source: Capital IQ; stock prices as of 3/31/2017

AEROSPACE Sector Q1 2017

| 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) | 1,259.1 | 1,707.6 | 130.8 | 0.7x | 9.6x | Feb-28-2017 |
| Astronics Corporation (NasdaqGS:ATRO) | 1,055.0 | 633.1 | 98.9 | 1.7x | 10.7x | Dec-31-2016 |
| CPI Aerostructures Inc. (AMEX:CVU) | 90.7 | 81.3 | (3.6) | 1.1x | N/A | Dec-31-2016 |
| Esterline Technologies Corp. (NYSE:ESL) | 3,125.2 | 2,008.9 | 290.0 | 1.6x | 10.8x | Dec-30-2016 |
| HEICO Corporation (NYSE:HEI) | 5,937.6 | 1,413.5 | 347.8 | 4.2x | 17.1x | Jan-31-2017 |
| LMI Aerospace Inc. (NasdaqGS:LMIA) | 418.2 | 346.2 | 34.3 | 1.2x | 12.2x | Dec-31-2016 |
| Triumph Group, Inc. (NYSE:TGI) | 2,899.9 | 3,670.7 | (196.1) | 0.8x | N/A | Dec-31-2016 |
| ViaSat Inc. (NasdaqGS:VSAT) | 4,243.6 | 1,514.9 | 251.4 | 2.8x | 16.9x | Dec-31-2016 |
| Summary Statistics | | | | | | |
| High | \$5,937.60 | \$3,670.70 | \$347.80 | 4.2X | 17.1X | |
| Low | \$90.70 | \$81.30 | (\$196.10) | 0.7X | 9.6X | |
| Mean | \$2,378.66 | \$1,422.03 | \$119.19 | 1.8X | 12.9X | |
| Median | \$2,079.50 | \$1,464.20 | \$114.85 | 1.4X | 11.5X | |

Source: Capital IQ; stock prices as of 3/31/2017

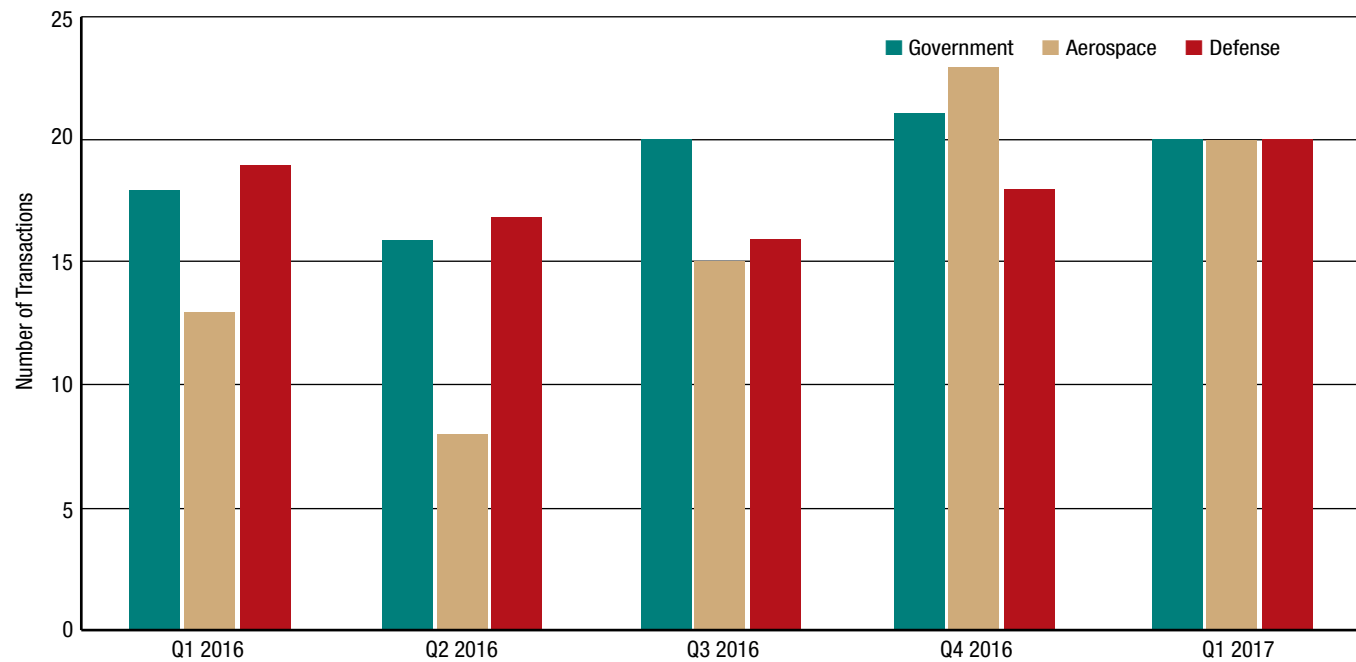
DEFENSE Sector Q1 2017

| 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) |
| Aerojet Rocketdyne Holdings, Inc. (NYSE:AJRD) | 1,873.5 | 1,761.3 | 161.3 | 1.1x | 11.6x | Dec-31-2016 |
| AeroVironment, Inc. (NasdaqGS:AVAV) | 449.6 | 224.3 | (7.0) | 2.0x | N/A | Jan-28-2017 |
| Cubic Corporation (NYSE:CUB) | 1,694.7 | 1,482.5 | 82.2 | 1.1x | 20.6x | Dec-31-2016 |
| Ducommun Inc. (NYSE:DCO) | 481.9 | 550.6 | 52.5 | 0.9x | 9.2x | Dec-31-2016 |
| Kratos Defense & Security Solutions, Inc. (NasdaqGS:KTOS) | 1,023.3 | 668.7 | 16.2 | 1.5x | 63.2x | Dec-25-2016 |
| ManTech International Corporation (NasdaqGS:MANT) | 1,277.0 | 1,601.6 | 122.7 | 0.8x | 10.4x | Dec-31-2016 |
| Orbital ATK, Inc. (NYSE: OA) | 7,172.6 | 4,455.3 | 669.6 | 1.6x | 10.7x | Dec-31-2016 |
| Summary Statistics | | | | | | |
| High | \$7,172.6 | \$4,455.3 | \$669.6 | 2.0X | 63.2X | |
| Low | \$449.6 | \$224.3 | (\$7.0) | 0.8X | 9.2X | |
| Mean | \$1,996.1 | \$1,534.9 | \$156.8 | 1.3X | 20.9X | |
| Median | \$1,277.0 | \$1,482.5 | \$82.2 | 1.1X | 11.2X | |

Source: Capital IQ; stock prices as of 3/31/2017

M&A Activity in the GAD Sector

GAD M&A Transactions by Quarter (Q1 2016 to Q1 2017)



M&A Activity in the GAD Sector

Selected GAD Transactions Q1 2017

GOVERNMENT

Puglia Engineering Inc. Acquires BAE Systems San Francisco Ship Repair Inc.

Puglia Engineering Inc. has acquired BAE Systems San Francisco Ship Repair Inc. for an undisclosed amount. BAE Systems San Francisco Ship Repair provides repair, maintenance, modernization, conversion, and overhaul services for ships and vessels to U.S. Navy and government agencies. The company was founded in 1992 and is based in San Francisco, California. (January 20, 2017)

Veritas Capital Acquires Harris Corporation's Government IT Services Business

Veritas Capital has acquired Harris Corporation's Government IT Services Business for \$690 million. The Government IT Services Business division provides IT and engineering managed services to U.S. government agencies, including supporting NASA's Space Communications Network and Deep Space Network programs. The division is based in Herndon, Virginia. (January 27, 2017)

Constellis Holdings, LLC Acquires Centerra Group, LLC

Constellis Holdings, LLC has acquired Centerra Group, LLC for an undisclosed amount. Centerra provides security, safety, and fire support services to federal government customers. It offers nuclear security protection programs for safeguarding federal government's critical assets and facilities, which include nuclear weapons program and infrastructure; emergency fuel storage; uranium enrichment facility; material storage for plutonium, uranium, and tritium; and scientific research and classified information. The company also provides federal security services; fire and emergency services that comprise emergency response, fire protection and fire prevention, fire protection engineering, and emergency management; and base operations support services to military facilities. The company was founded in 1960 and is based in Palm Beach Gardens, Florida. (March 13, 2017)

Deloitte Consulting LLP Acquires Day1 Solutions LLC

Deloitte Consulting LLP has acquired Day1 Solutions LLC for an undisclosed amount. Day1 Solutions provides cloud services and solutions for government contractors. It offers NetApp cloud solution that enables information technology professionals to govern their data; Cisco Intercloud for managing the lifecycle of hybrid environments (public and private clouds); Day1 Connect that extends Amazon Web service cloud to data centers; PrivateSTOR for S3, an on-premise open hybrid cloud storage solution; Continuous Monitoring as a Service solutions; and automated cloud migration and disaster recovery solutions for multi-tier, physical, and virtual production applications. The company was founded in 2012 and is based in Mclean, Virginia. (March 27, 2017)

AEROSPACE

Airborne Maintenance & Engineering Services, Inc. Acquires PEMCO World Air Services, Inc.

Airborne Maintenance & Engineering Services, Inc. has acquired PEMCO World Air Services, Inc. for an undisclosed amount. PEMCO provides aircraft maintenance, modification, and engineering services for air carriers in the U. S. and internationally. Its services include scheduled and unscheduled airframe maintenance, interior refurbishment and reconfiguration, structural modifications, avionics upgrades and installation, aging aircraft inspection, and manufacturing and parts fabrication. The company was founded in 1957 and is based in Tampa, Florida. (January 3, 2017)

Odyssey Investment Partners, LLC Acquires Avtron Aerospace, Inc.

Odyssey Investment Partners, LLC has acquired Avtron Aerospace, Inc. for an undisclosed amount. Avtron Aerospace provides aerospace test system technologies and products for aircraft componentry in commercial and military aviation markets. It offers automatic test equipment

for electronics, such as UnivATE, an automatic test set to test aircraft electrical control boxes and flight control units, as well as visExec, a visual executive for the K825B/UnivATE; generator test systems for component production and MRO testing; and aerospace hydraulic test stands, portable hydraulic ground support equipment, and data acquisition systems used in the testing of aircraft hydraulic flight components. The company was founded in 1953 and is based in Cleveland, Ohio. (January 11, 2017)

Jackson River Aviation, LLC Acquires Tempus Jets, Inc.

Jackson River Aviation, LLC has acquired Tempus Jets, Inc. for an undisclosed amount. Tempus Jets specializes in the corporate and special mission aircraft sales and leasing business. The company provides charter brokerage services for domestic and international private flights; and conducts flight operations in support of humanitarian and non-governmental organizations in remote, austere, and hostile areas. The company was founded in 2005 and is based in Scottsdale, Arizona. (February 9, 2017)

Harlow Aerostructures LLC Acquires Aerospace Holdings, Inc.

Harlow Aerostructures LLC has acquired Aerospace Holdings, Inc. for \$16 million. Aerospace Holdings provides product manufacturing services to the aerospace industry worldwide. It engages in the design, engineering, fabrication, and machining of complex, high-precision, and close-tolerance parts, assemblies, and tooling for aerospace and defense customers. It also provides custom manufacturing of precision machined parts, fabricated components, welded structures, intricate assemblies, and part modifications. The company was founded in 2010 and is based in New York, New York. (March 28, 2017)

DEFENSE

Macaulay-Brown, Inc. Acquires Enlighten IT Consulting Inc.

Macaulay-Brown, Inc. has acquired Enlighten IT Consulting Inc. for an undisclosed amount. Enlighten provides mission critical IT services to the Department of Defense (DoD), the intelligence community, and other government and commercial organizations. It offers Big Data Platform (BDP), an architecture that enables data-sharing, visualization, and analysis across the DoD; develops and deploys analytics for NetOps monitoring, cyber threat detection and mitigation, and insider threat identification across various agencies; and supplies solutions to help customers ingest, maintain, and store massive amounts of data. The company was founded in 2007 and is based in Linthicum Heights, Maryland. (January 3, 2017)

Salient CRGT, Inc. Acquires Information Innovators, Inc.

Salient CRGT, Inc. has acquired Information Innovators, Inc. for an undisclosed amount. Information Innovators provides information technology services and solutions for the Department of Defense and other civilian agencies of the federal government. It offers enterprise services, including infrastructure build-out, data and application migration/consolidation, asset management, application and systems development and integration, operations and maintenance, and cloud hosting solutions; and information assurance (IA) and security management services, which include security design and configuration, IA vulnerability management, certification and accreditation, and security monitoring and support services. The company was founded in 2001 and is based in Springfield, Virginia. (February 6, 2017)

Gowanda Components Group Acquires Microwave Circuits Inc.

Gowanda Components Group has acquired Microwave Circuits, Inc. for an undisclosed amount. Microwave Circuits designs and manufactures microwave components for commercial and military applications. It offers RF filters, diplexers and multiplexers, and equalizers, as well as bandpass, lowpass, highpass, and notch filters. The company also provides electronic design and manufacturing services, including concept stage product development, rapid response prototyping, and manufacturing and distribution services for technology innovators. The company was founded in 1994 and is based in Lynchburg, Virginia. (February 12, 2017)

Inneos LLC Acquires Zephyr Photonics, Inc.

Inneos LLC has acquired Zephyr Photonics, Inc. for an undisclosed amount. Zephyr Photonics provides optoelectronic technology solutions for the Department of Defense and other intelligence community customers. It offers harsh-environment optical interconnects, such as sensor interconnects, control interconnects, and low-speed data communications for control, sensor, and datacom applications in harsh environments. The company was founded in 1987 and is based in Zephyr Cove, Nevada. (March 20, 2017)

Source: Transaction material sourced from S&P Capital IQ Database

Recent FOCUS GAD Transactions

This announcement appears as a matter of record only

Critical Technologies, Inc.
dba

AirVAULT
has been acquired by

GE Aviation

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

FOCUS
Investment Banking

Securities transactions conducted by FOCUS Securities LLC, an affiliated company, registered broker-dealer and member FINRA/SIPC

This announcement appears as a matter of record only

SC STRENGTH CAPITAL
has acquired

UNIVERSAL AEROSPACE CO., INC.

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

FOCUS
Investment Banking

Securities transactions conducted by FOCUS Securities LLC, an affiliated company, registered broker-dealer and member FINRA/SIPC

This announcement appears as a matter of record only

ARCH GLOBAL PRECISION
has acquired

LRID-LOM Precision Manufacturing

The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to ARCH Global Precision, LLC.

FOCUS
Investment Banking

Securities transactions conducted by FOCUS Securities LLC, an affiliated company, registered broker-dealer and member FINRA/SIPC

This announcement appears as a matter of record only

SM SMITHS MACHINE
has been acquired by

ARCH GLOBAL PRECISION

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

FOCUS
Investment Banking

Securities transactions conducted by FOCUS Securities LLC, an affiliated company, registered broker-dealer and member FINRA/SIPC

This announcement appears as a matter of record only

INFORMATION SECURITY SOLUTIONS
has been acquired by

ais

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

FOCUS
Investment Banking

Securities transactions conducted by FOCUS Securities LLC, an affiliated company, registered broker-dealer and member FINRA/SIPC

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

Securities transactions conducted by FOCUS Securities LLC, an affiliated company, registered broker-dealer and member FINRA/SIPC

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 Embree, Inc.

FOCUS
Investment Banking

Securities transactions conducted by FOCUS Securities LLC, an affiliated company, registered broker-dealer and member FINRA/SIPC

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

EMERGING SOLUTIONS
has been acquired by

emtec

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

FOCUS
Investment Banking

Securities transactions conducted by FOCUS Securities LLC, an affiliated company, registered broker-dealer and member FINRA/SIPC

"While I've had a number of approaches over the years from potential acquirers, I was always concerned about the impact of a sale on our employees and customers. FOCUS helped me see that ARCH presented an opportunity to not only preserve the team, but also to provide them with opportunities for career growth." **John Rider, CEO and sole owner, Rid-Lom**


Recent FOCUS GAD Transactions (continued)

| | | | |
|--|--|--|--|
| <p>This announcement appears as a matter of record only</p> <p>core180</p> <p>has been acquired by</p> <p>HARRIS</p> <p>The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Core180.</p> <p>FOCUS Investment Banking</p> | <p>This announcement appears as a matter of record only</p> <p>GCP Inc</p> <p>has received a revolving line of credit from</p> <p>Access National Bank progressive business banking</p> <p>The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Global Computer Products, Inc.</p> <p>FOCUS Investment Banking</p> | <p>This announcement appears as a matter of record only</p> <p>FiHoldings SECURING GROWTH & VALUE</p> <p>has acquired</p> <p>A-TEK INCORPORATED</p> <p>The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to FI Holdings, Inc.</p> <p>FOCUS Investment Banking</p> | <p>This announcement appears as a matter of record only</p> <p>nextek Tosconex's Technology for Today's Products.</p> <p>has secured term and working capital financing of \$6,419,000 from</p> <p>ColeTaylor BusinessCapital A Division of Cole Taylor Bank</p> <p>The undersigned initiated this transaction, assisted in the negotiations and acted as financial advisor to Nextek, Inc.</p> <p>FOCUS Investment Banking</p> |
| <p>This announcement appears as a matter of record only</p> <p>NewtekInternational</p> <p>has been acquired by</p> <p>ZANTECH Zantech IT Services, Inc.</p> <p>The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Newtek International, Inc.</p> <p>FOCUS Investment Banking</p> | <p>This announcement appears as a matter of record only</p> <p>BSI</p> <p>has been recapitalized by</p> <p>Islington Capital Partners, LLC</p> <p>We initiated the transaction, acted as financial advisor to, and assisted with the negotiations as the representative of Library Systems and Services, LLC</p> <p>FOCUS Investment Banking</p> | <p>This announcement appears as a matter of record only</p> <p>APSE AEROSPACE PRODUCTS</p> <p>has been acquired by</p> <p>APSE HOLDINGS, LLC an affiliate of</p> <p>Acorn Growth Companies and</p> <p>C N B Cherokee Nation Businesses</p> <p>The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Aerospace Products S.E., Inc.</p> <p>FOCUS Investment Banking</p> | <p>This announcement appears as a matter of record only</p> <p>avialec INTERNATIONAL</p> <p>has been sold to</p> <p>KAPCO VALTEC</p> <p>The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Avialec International.</p> <p>FOCUS Investment Banking</p> |


"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**

Recent FOCUS GAD Transactions (continued)


This announcement appears as a matter of record only



has been sold to



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.



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




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 Cambridge Systems, Inc.




Securities transactions conducted by FOCUS Securities LLC, an affiliate company, registered broker dealer and member FINRA/SIPC.


This announcement appears as a matter of record only




has been acquired by



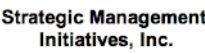
The undersigned initiated the transaction, acted as financial advisor to, and assisted with the negotiations as the representative of Computer Networks and Software, Inc.




This announcement appears as a matter of record only




has acquired



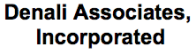
The undersigned initiated the transaction, acted as financial advisor to and assisted with the negotiations as the representative of CALIBRE Systems, Inc.




This announcement appears as a matter of record only



has acquired



The undersigned initiated the transaction, acted as financial advisor to SiloSmashers, Inc. and assisted in arranging capital financing for the acquisition.



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.



"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**

FOCUS Government, Aerospace, and Defense Group

FOCUS GAD Team

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

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 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

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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.



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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.



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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.



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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.



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Dr. Paul A. Robinson has over 25 years as an aerospace professional, working in research and development, product commercialization, and strategic planning. He joined NASA to develop and test systems to detect wind shear, and from this work received an R&D Magazine Award for one of the 100 most significant new products of the year. After leaving NASA, Dr. Robinson founded AeroTech Research, developing turbulence detection systems for aircraft.



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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.



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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.



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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.

About FOCUS Investment Banking LLC

With more than three decades of experience, FOCUS Investment Banking is a trusted name in M&A advisory services worldwide. FOCUS works to understand each client's strategic and financial objectives, craft the best plan to achieve these goals, and deliver success. Whether helping to sell, buy, or raise capital, FOCUS strives to maximize the value of every transaction to the benefit of its clients.

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