



Aerospace, Defense and Government Services Quarterly Industry Update 2nd Quarter 2014

Industry News Quarterly Summary

- Shortly after Q2 closed, AECOM announced it will acquire URS Corporation in a deal valued at \$6.0 billion. The combined company will have nearly 100,000 employees in 150 countries with 2013 pro forma revenue of \$19.0 billion and EBITDA of \$1.3 billion. The acquisition, which comes on the heels of the announced \$5.0 billion Orbital Sciences and ATK Aerospace & Defense merger and \$1.5 billion acquisition of Aeroflex by Cobham, is a part of a growing trend in large, high value Aerospace, Defense & Government Services transactions that may be reflective of a forthcoming consolidation.
- B/E Aerospace announced June 10 that it will split into two separate publicly-traded companies, Manufacturing Co. and Services Co. both under the B/E Aerospace brand. Manufacturing Co., with sales of \$2.2 billion in 2013, nearly two-thirds of the Company's total revenue, will focus on producing aircraft-cabin-interior equipment. Services Co., with 2013 revenue of about \$1.6 billion on a pro forma basis, will be a logistics and technical-services company serving the aerospace and oil and gas markets.
- The conflict in Ukraine continues to escalate with heavily armed pro-Russian separatists holding several cities and large territories of eastern Ukraine. The separatists are widely believed to be well supplied by the Russian government. At the time of this publication a Malaysian Airlines 777 headed from Amsterdam to Kuala Lumpur crashed into pro-Russian controlled territory, allegedly shot down by separatists using an advanced surface-to-air missile capable of hitting the plane at 30,000ft and killing all 298 people aboard.
- The civil war in Syria has fully spilled over into Iraq with the militant Islamist group ISIS (Islamic State of Iraq and Syria) taking control of large sections of eastern Syria and northern Iraq and declaring a caliphate (an Islamic state). The group has captured stockpiles of weapons as well as banks and oil/gas fields securing hundreds of millions in funding and arms.

Notable Quarterly M&A Activity

- ATK Aerospace & Defense and Orbital Sciences announced a merger valued at \$5.0 billion
- The SI Organization acquired QinetiQ North American Services and Solutions Group
- Cobham will acquire Aeroflex Holding for \$1.5 billion
- Google will acquire Skybox Imaging for \$500.0 million
- Warburg Pincus acquired Wencor Group from Odyssey Investment Partners
- Parsons acquired Secure Mission Solutions

Capital Markets

	% Change		
	Q1 2014	Q2 2014	YTD 2014
Defense Prime Index	2.4%	0.1%	2.5%
Defense Systems Index	8.9%	(1.4%)	7.4%
Diversified Government Services Index	(0.8%)	2.2%	1.3%
Middle Market Government Services Index	18.4%	(9.9%)	6.7%
Large Cap Aerospace Index	(1.8%)	(0.2%)	(2.0%)
Mid Cap Aerospace Index	(7.6%)	3.2%	(4.7%)
Small Cap Aerospace Index	9.1%	(3.9%)	4.8%
International Aerospace Index	(5.8%)	(3.5%)	(9.1%)
S&P 500	1.3%	4.7%	6.1%

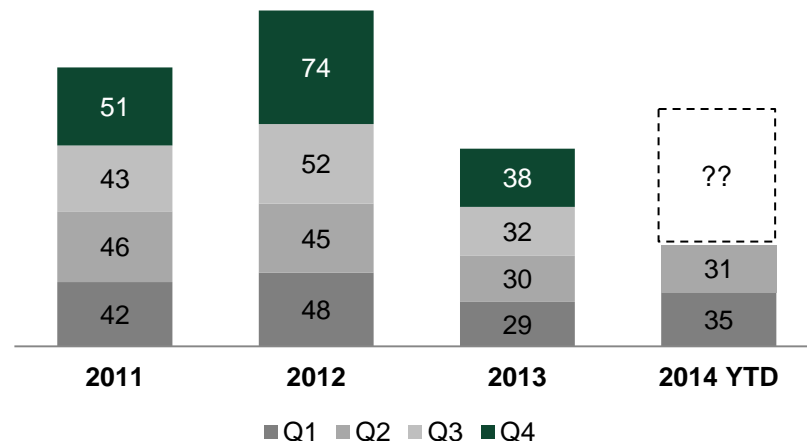
M&A Analysis

The McLean Group tracked 31 announced Defense and Government Services sector transactions during Q2 2014. Transaction activity fell slightly, declining to 2013 levels. However, increased public buyer activity observed in Q1 continued with publicly-traded companies acting as the buyers in 14 announced transactions, or 45% of total Q2 volume. The re-appearance of mega mergers and consolidation amongst large industry players has grabbed industry headlines following their near disappearance in 2013. Notably large transactions in Q2 2014 include Cobham's \$1.5 billion purchase of Aeroflex and Analogue Devices' \$2.0 billion purchase of Hittite. Additionally, it was announced shortly after the Q2 close that AECOM will acquire competitor URS Corporation in a deal valued at \$6.0 billion. These announcements follow on the heels of two additional billion dollar acquisitions in Q1, RF Micro Devices' \$1.5 billion acquisition of TriQuint and Global Digital Solutions' \$1.1 billion purchase of Freedom Group, Inc.

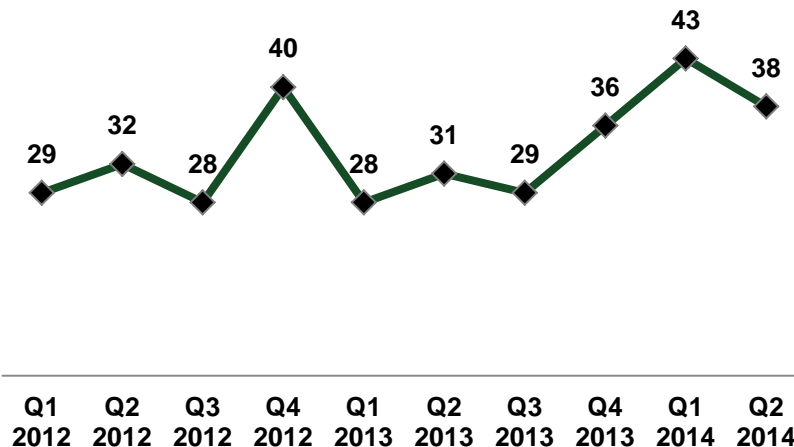
North American Aerospace M&A activity remained high in Q2 with 38 total transactions announced. The largest announced deal was a \$5.0 billion merger of Orbital Sciences Corp and ATK Aerospace & Defense (ATK also announced the divestiture of its Sporting Group). Google advanced into the market confirming its rumored purchase of UAV maker Titan Aerospace in April and turned heads again in June with a \$500.0 million purchase of satellite company Skybox Imaging. Boeing and Lockheed Martin both also made a pair of acquisitions. B/E Aerospace made dual acquisitions and shortly thereafter announced that it will split into two companies. GE Aerospace divested another asset, selling its Aviation, Hydraulic Actuation Business to Triumph Group for \$70.0 million. Private equity activity increased in Q2, representing more than 20% of both sellers and acquirers. Notable PE acquisitions and exits include Warburg Pincus' acquisition of Wencor Group from Odyssey Investment Partners, Oak Hill Capital's \$2.8 billion sale of Firth Rixson to Alcoa, and Arlington Capital-backed MB Aerospace's purchase of Norbert Industries.

Second Quarter 2014

Defense and Government Services Transaction Activity



Quarterly Aerospace Transaction Activity



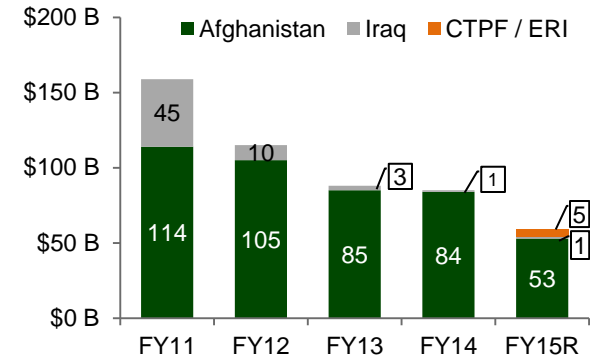
Industry Trends (Defense and Gov. Services)

The conflicts in Ukraine, Syria and Iraq intensified during Q2; meanwhile the US continued to scale back its military forward operating presence. The Syrian conflict's spillover into Iraq and intensified sectarian violence caused by the military success of the Islamic State of Iraq and Syria (ISIS) underscores the likelihood of long-term, violent regional instability. Despite the escalation, the Obama administration remains committed to reducing US military presence in Afghanistan and the Middle East. This position is evident in the continued decline of Overseas Contingencies Operations (OCO) funding and flat defense spending. However, in May President Obama called on Congress to support a new \$5.0 billion initiative, the Counterterrorism Partnerships Fund and European Reassurance Initiative (CTPF / ERI). The fund would allow the US to address emerging threats in and bolster support to North Africa, the Middle East, and Eastern Europe. CTPF / ERI complements the US transition to what the White House calls a "light footprint" approach to foreign policy, allowing the US to respond and react to emerging threats without deploying troops on the ground. The requested funding will be allocated into three categories: 63% to Counterterrorism Support, 25% to Syria Regional Stabilization Initiative, and 13% to Crisis Response. As boots on the ground operations in Iraq and Afghanistan decline, this new initiative aims to effectively combat current and future terrorist threats and crises across the globe.

The light footprint approach necessitates an agile, responsive and technologically superior military force able to react to world events. Amidst the push to reduce size and spending, the Pentagon aims to rapidly modernize its capabilities, retire unneeded weapons systems, and build a more agile military force better equipped to respond to modern threats as well as shifting US foreign policy. Leadership has communicated that to accomplish this, spending will be concentrated on modernizing, acquiring and adopting new technology. Examples include the Army's plans to retire its aging Kiowa Warrior helicopters and replace them with upgraded Apache helicopters teamed with unmanned aerial vehicles; the Navy's plans to temporarily decommission select cruisers and return them to service after significant modernization overhauls; and the Air Force's plan to retire the A-10 warthog and its demonstrated commitment to the F-35. This spending trend is helping drive market premiums for innovative companies providing specialized products, services and technologies as well as encouraging consolidation amongst larger and more traditional industry players.

Second Quarter 2014

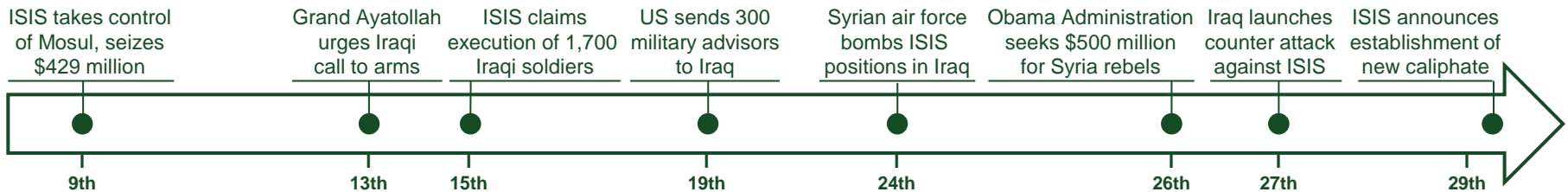
OCO Funding 2011 – 2015 Requested



ISIS Footprint June 2014



Escalating Conflict in the Middle East – June 2014



Innovations and advances in the space sector are bringing changes to an industry long dominated by large government-backed companies. Reductions in satellite size and lower launch costs thanks to the successful entrance of such innovative private companies as SpaceX, are making space transport more affordable. SpaceX is deep in developing a reusable rocket that will further reduce launch costs and in April filed a lawsuit protesting the award of an \$11.0 billion Air Force contract to United Launch Alliance (ULA). SpaceX founder Elon Musk, stated in his congressional testimony that each ULA launch cost the Air Force an averaged of \$380.0 million in its last budget year while each SpaceX launch would cost well below \$100.0 million. Further adding to the debate, is ULA's reliance on the Russian-made RD-180 engine, which could be threatened by sanctions as US-Russia tensions continue to grow. Meanwhile, Orbital Sciences, which produces and launches small and medium class space and rocket systems, announced in April that it will merge with Alliant Techsystems (ATK) Aerospace & Defense Groups to form Orbital ATK which will be valued at \$5.0 billion. Both ATK and Orbital are regular launch industry partners with ATK having provided 400 rocket motors for launch vehicles built by Orbital.

Space M&A Activity

April 29, 2014



\$5B merger

June 10, 2014



ACQUIRES



EV \$500M

Innovations in satellite technology are helping to drive demand for space transport. Industry pioneers and startups such as Skybox Imaging and Planet Labs are making strides in reducing satellite size. Skybox, which builds satellites and specializes in processing the increasingly massive quantities of satellite data, was purchased by Google for \$500.0 million in cash. Skybox satellites are 20x smaller, 10x cheaper than traditional satellites and visual acuity is generated from its software rather than optics. Meanwhile, Skybox' BusBoy framework is based on open source technologies enabling rapid production deployment of future algorithms against its satellite data. The transaction grabbed industry attention as a major liquidity event for a venture-backed space company and because of Google's longtime partnership with Skybox' industry competitor and traditional satellite company, DigitalGlobe. Also boosting the value of satellite technology advances in Q2 was the US Government's decision to relax restrictions on commercial sale of higher-resolution images. DigitalGlobe received approval in June to sell images with a resolution of 40 cm immediately and up to 25 cm by August following the launch of its Worldview 3 satellite. DigitalGlobe estimates this move will unlock \$400 million in additional market opportunities.

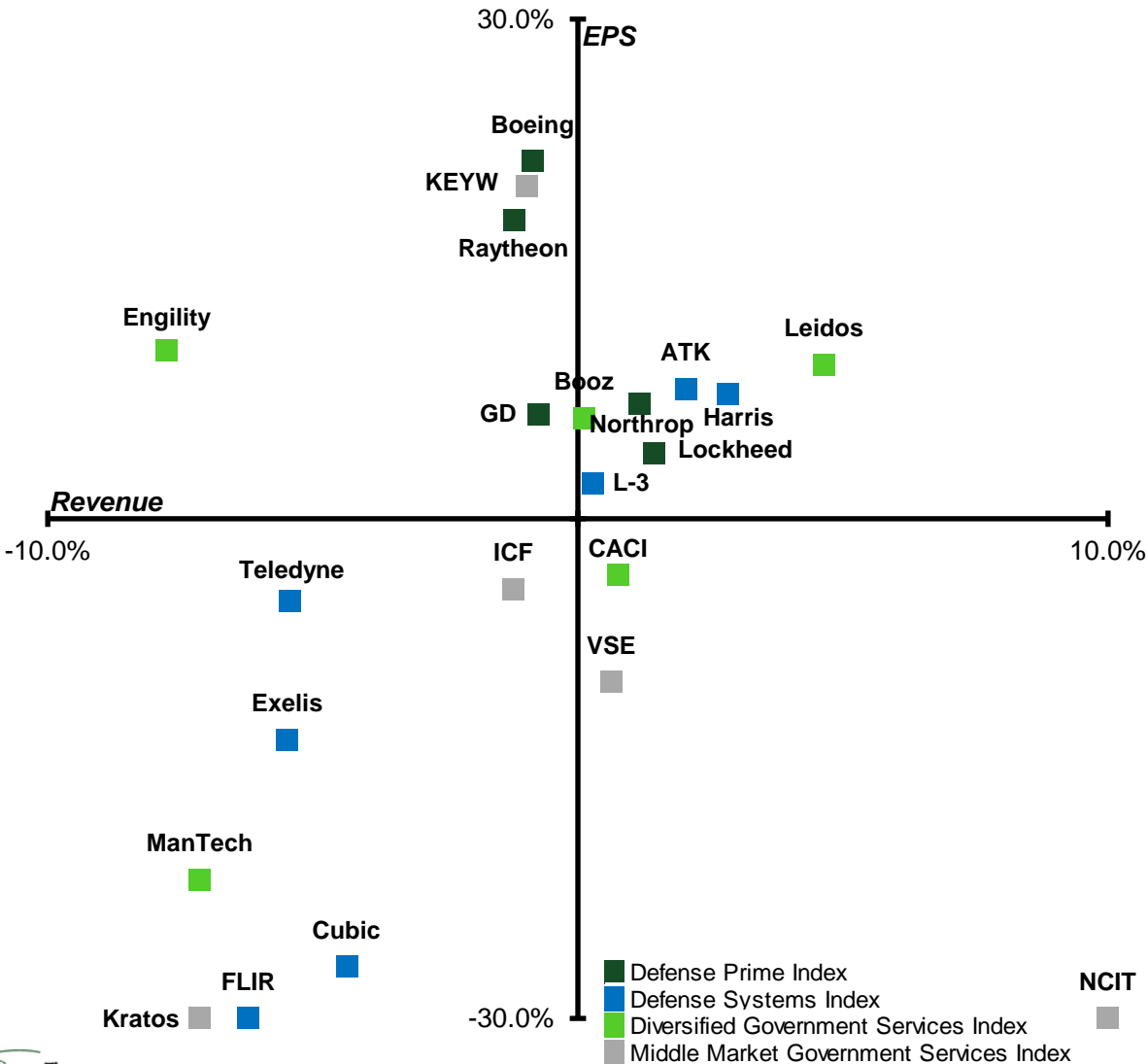
Total backlog for Boeing and Airbus grew by 1% (108 aircraft) to 10,675 aircraft. Boeing continued to beat out Airbus in 2014, booking 553 orders and delivering 342 aircraft year-to-date. Meanwhile, Airbus delivered 303 jetliners compared with 295 in the same period last year. Taking cancellations and conversions into account, Airbus' net bookings for the first half of 2014 was 290 aircraft.

Major Commercial Aircraft Backlog							
Company	as of	Unfilled Orders by Aircraft Model					Totals
BOEING	06/30/14	737	747	767	777	787	5,237
		3,931	50	48	339	869	
AIRBUS	06/30/14	A320 Family		A330/A340/A350	A380		5,546
		4,372		985	189		

Most Recent Quarterly Earnings Surprise¹

Most Recent Quarterly Earnings Surprise¹

Company	Quarter Ending	Revenue	EPS
BOEING	6/31/2014	-0.8%	21.5%
GENERAL DYNAMICS	6/31/2014	-0.7%	6.2%
LOCKHEED MARTIN	6/29/2014	1.4%	3.9%
NORTHROP GRUMMAN	6/30/2014	1.2%	6.9%
Raytheon	3/31/2014	-1.2%	17.9%
ATK	3/31/2014	2.0%	7.8%
CUBIC	3/31/2014	-4.4%	-26.9%
ITT EXELIS	3/31/2014	-5.5%	-13.3%
FLIR	3/31/2014	-6.2%	-30.0%
HARRIS	3/28/2014	2.8%	7.5%
L3	3/28/2014	0.3%	2.1%
TELEDYNE TECHNOLOGIES	3/30/2014	-5.4%	-4.9%
Booz Allen Hamilton	3/31/2014	0.1%	6.1%
CACI	3/31/2014	0.8%	-3.4%
ENGILITY	3/31/2014	-7.8%	10.1%
leidos	5/2/2014	4.6%	9.3%
ManTech International Corporation	3/31/2014	-7.1%	-21.7%
ICF	3/31/2014	-1.2%	-4.2%
KEYW	3/31/2014	-1.0%	20.0%
KRATOS DEFENSE & SECURITY SOLUTIONS	3/30/2014	-7.1%	-30.0%
nci CORPORATION	3/31/2014	10.0%	-30.0%
VSE CORPORATION	3/31/2014	0.6%	-9.8%

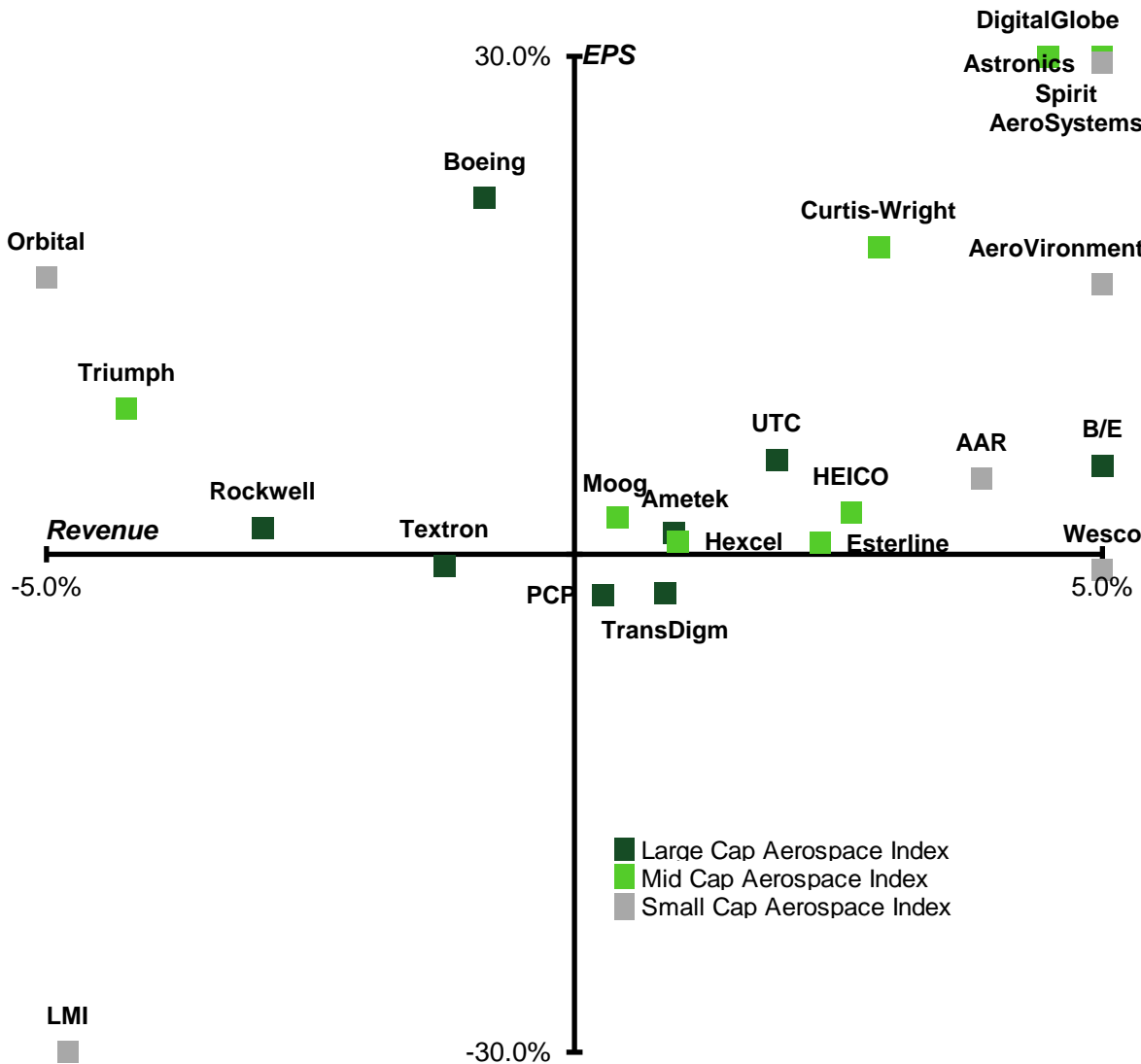


¹Earnings Surprise is calculated as the difference of a Company's most recent quarterly financial results from Capital IQ analyst consensus estimates

Most Recent Quarterly Financial Results (US Aerospace)

Second Quarter 2014

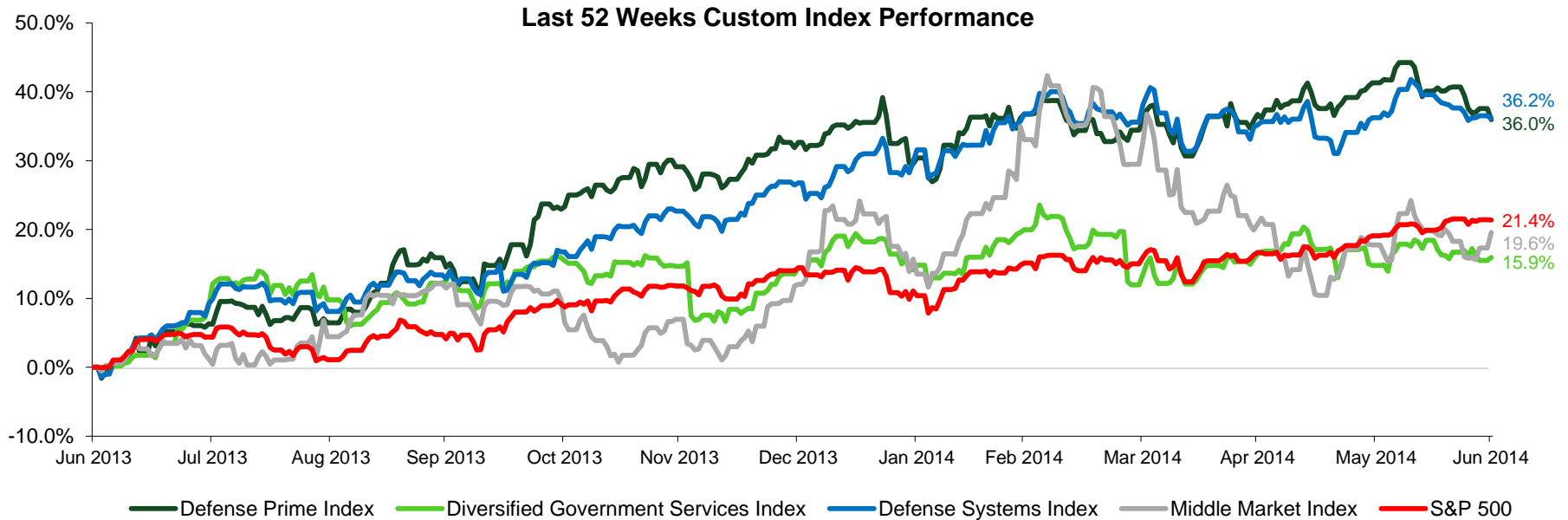
Most Recent Quarterly Earnings Surprise¹



Most Recent Quarterly Earnings Surprise¹

Company	Quarter Ending	Revenue	EPS
AMETEK	3/31/2014	0.9%	1.3%
BOEING	6/30/2014	7.7%	21.5%
PCC	3/31/2014	0.3%	2.1%
<i>Rockwell Collins</i>	6/30/2014	-3.0%	1.6%
TEXTRON	6/28/2014	-1.2%	-0.7%
<i>TRANS DIGM GROUP INC.</i>	3/29/2014	0.9%	-2.3%
United Technologies	6/30/2014	1.9%	5.7%
CURTIS WRIGHT	3/31/2014	2.9%	18.5%
DigitalGlobe	3/31/2014	4.5%	116.7%
Esterline	5/2/2014	2.3%	0.7%
HEICO	4/30/2014	2.6%	2.5%
HEXCEL	6/30/2014	1.0%	0.8%
MOOG	3/29/2014	0.4%	2.2%
SPIRIT AEROSYSTEMS	4/3/2014	8.4%	61.1%
<i>Triumph Group, Inc.</i>	3/31/2014	-4.2%	8.8%
AAR	5/31/2014	3.9%	4.6%
AV	4/30/2014	5.6%	16.3%
ASTRONICS	3/29/2014	8.2%	29.6%
Gilat	3/31/2014	NA	NA
GENCORP	5/31/2014	-0.3%	NA
LMI AEROSPACE INC.	3/31/2014	-4.8%	-64.5%
Orbital	6/30/2014	-11.1%	16.7%
Wesco Aircraft	3/31/2014	17.3%	-0.9%

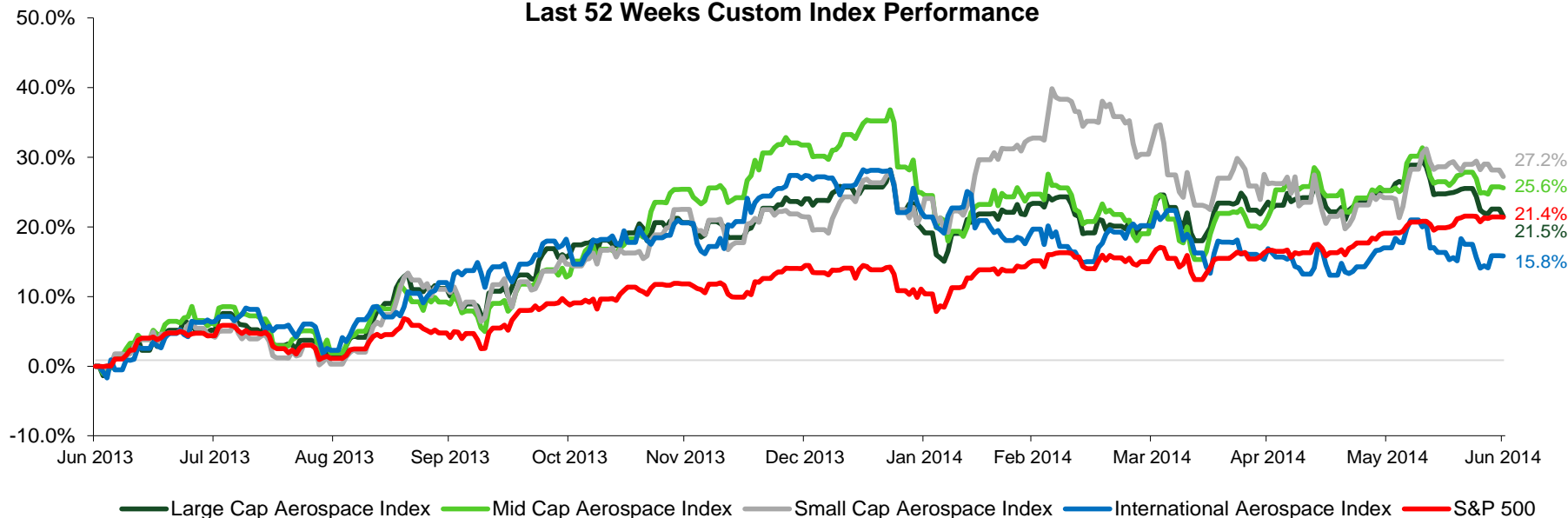
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Index Constituents and Stock Price as a % of 52 Week High

Defense Prime Index						
	88%	96%	95%	95%	90%	
Defense Systems Index						
	85%	78%	79%	93%	95%	95%
Diversified Government Services Index						
	84%	87%	83%	78%	94%	97%
Middle Market Index						
	80%	54%	85%	68%	100%	

Last 52 Weeks Custom Index Performance

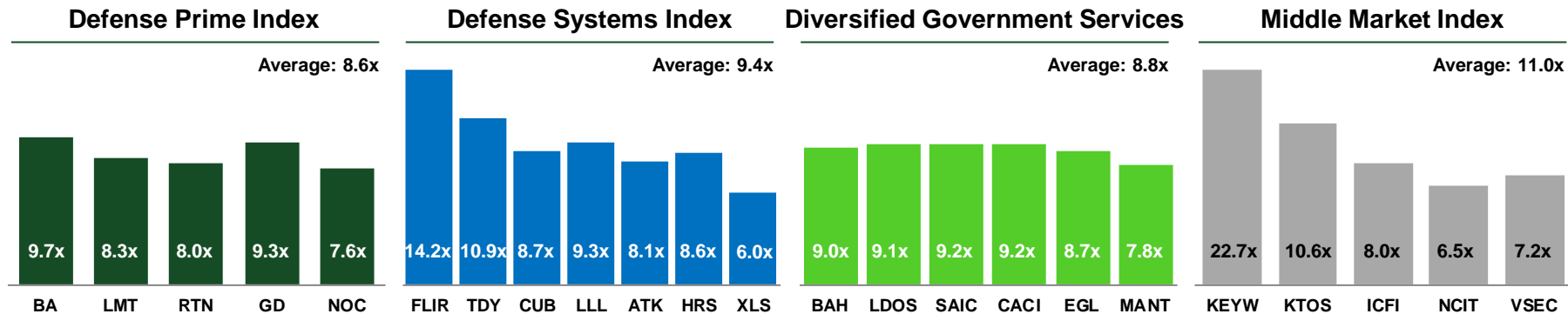


Index Constituents and Stock Price as a % of 52 Week High

Large Cap Aerospace Index	84%	91%	88%	92%	93%	84%	96%	
Mid Cap Aerospace Index	93%	64%	94%	80%	88%	97%	94%	82%
Small Cap Aerospace Index	87%	76%	77%	97%	76%	63%	87%	86%
International Aerospace Index	85%	69%	92%	94%	88%	83%	88%	88%

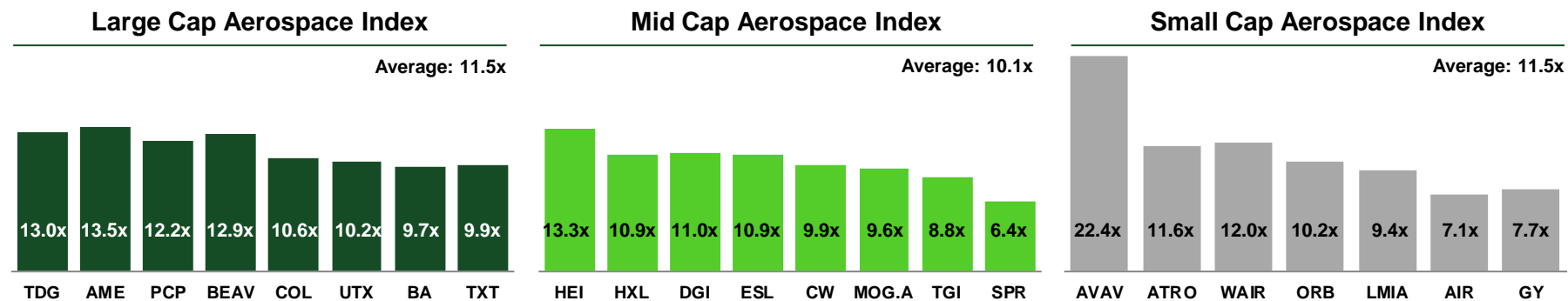
Defense and Government Services

Average: 9.4x
Median: 8.7x

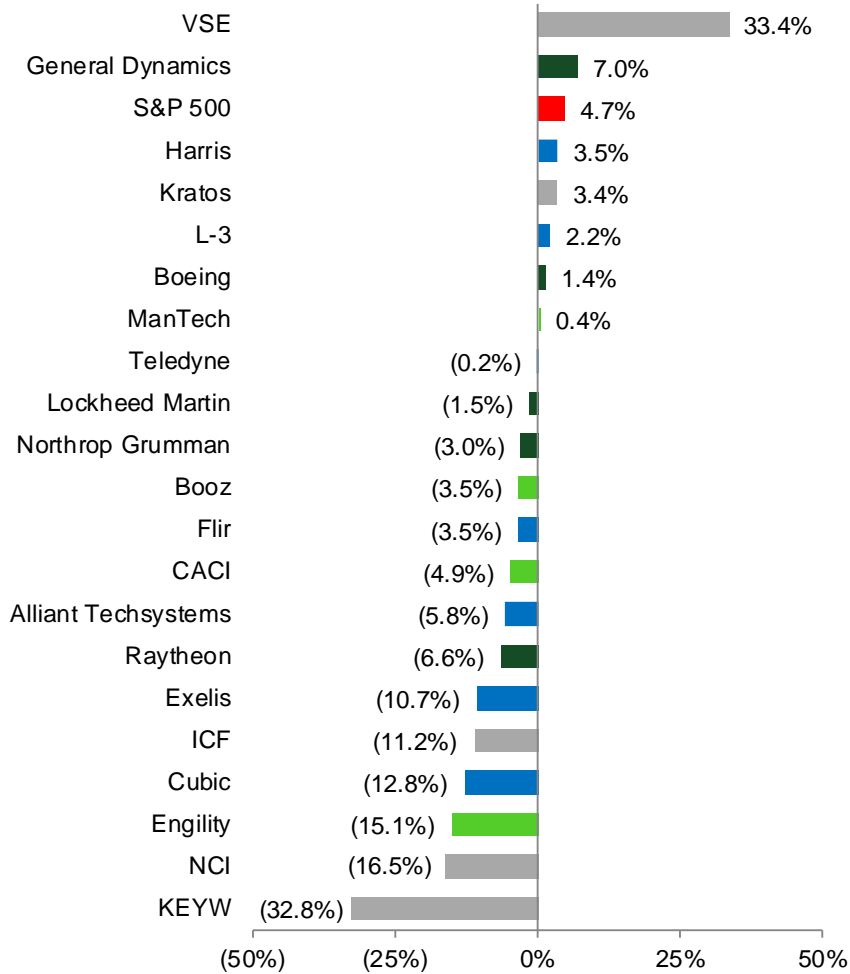


Aerospace

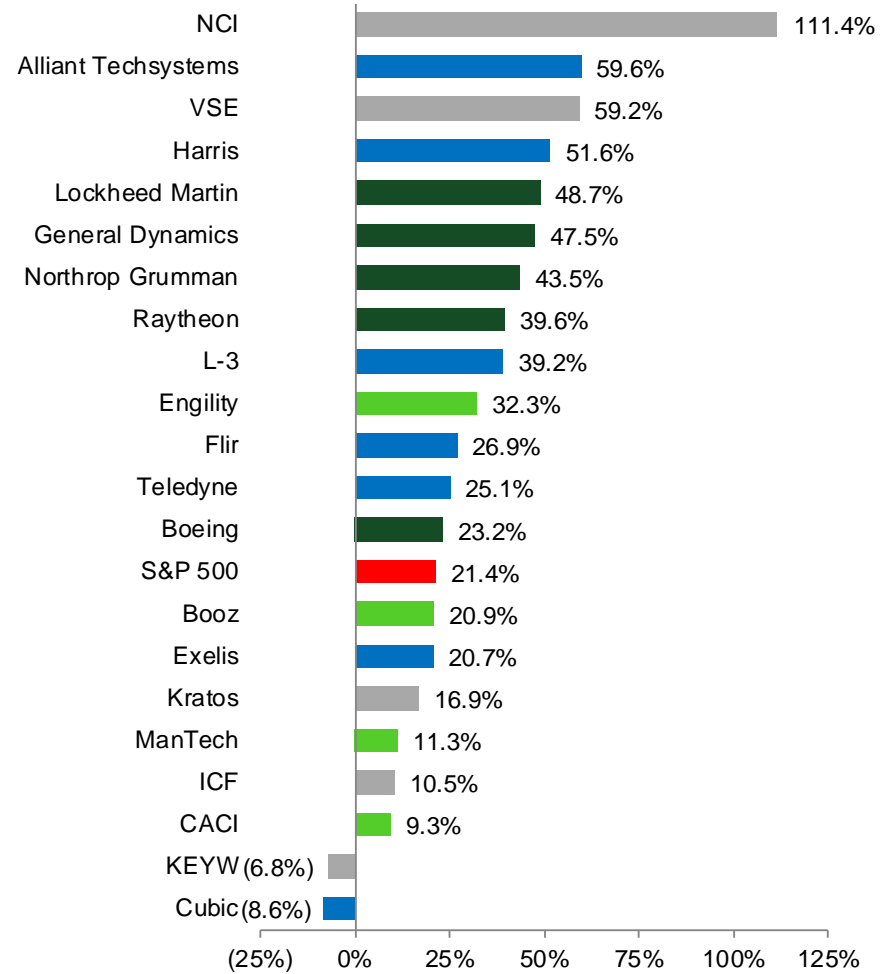
Average: 11.0x
Median: 10.6x



First Quarter 2014

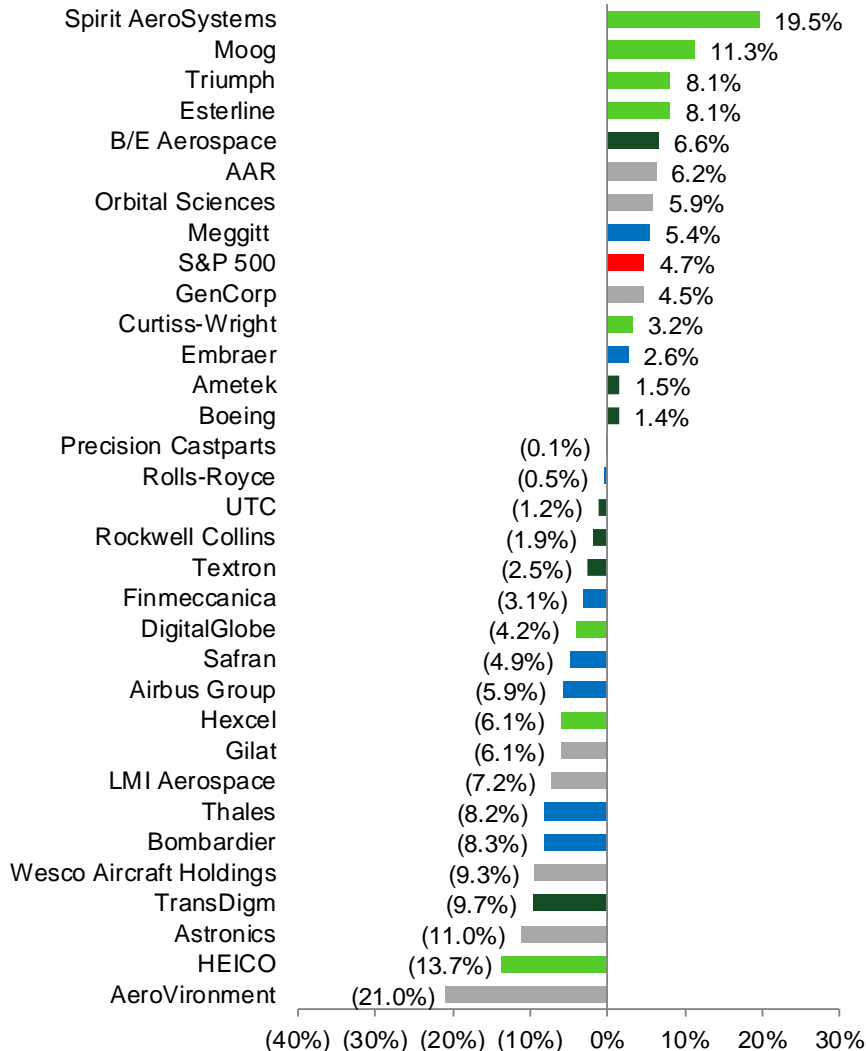


Last 52 Weeks

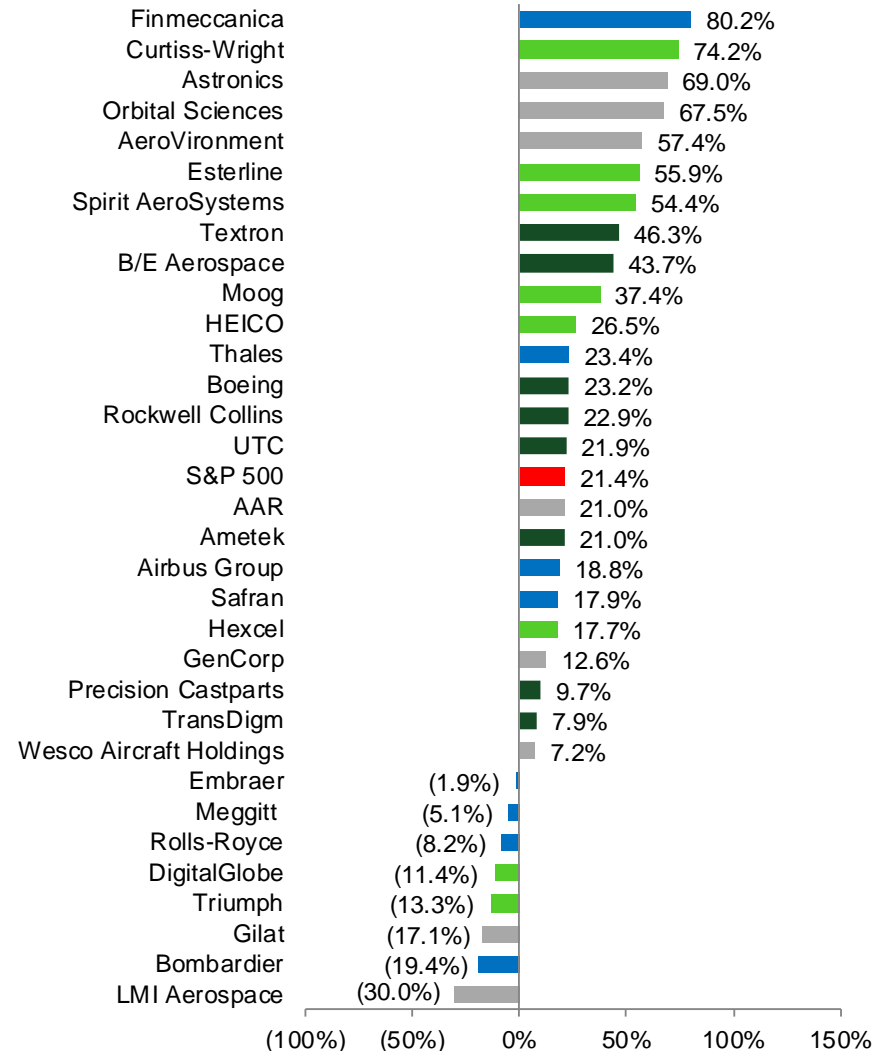


■ Defense Prime Index
 ■ Defense Systems Index
 ■ Diversified Government Services Index
■ Middle Market Government Services Index
 ■ S&P 500 Index

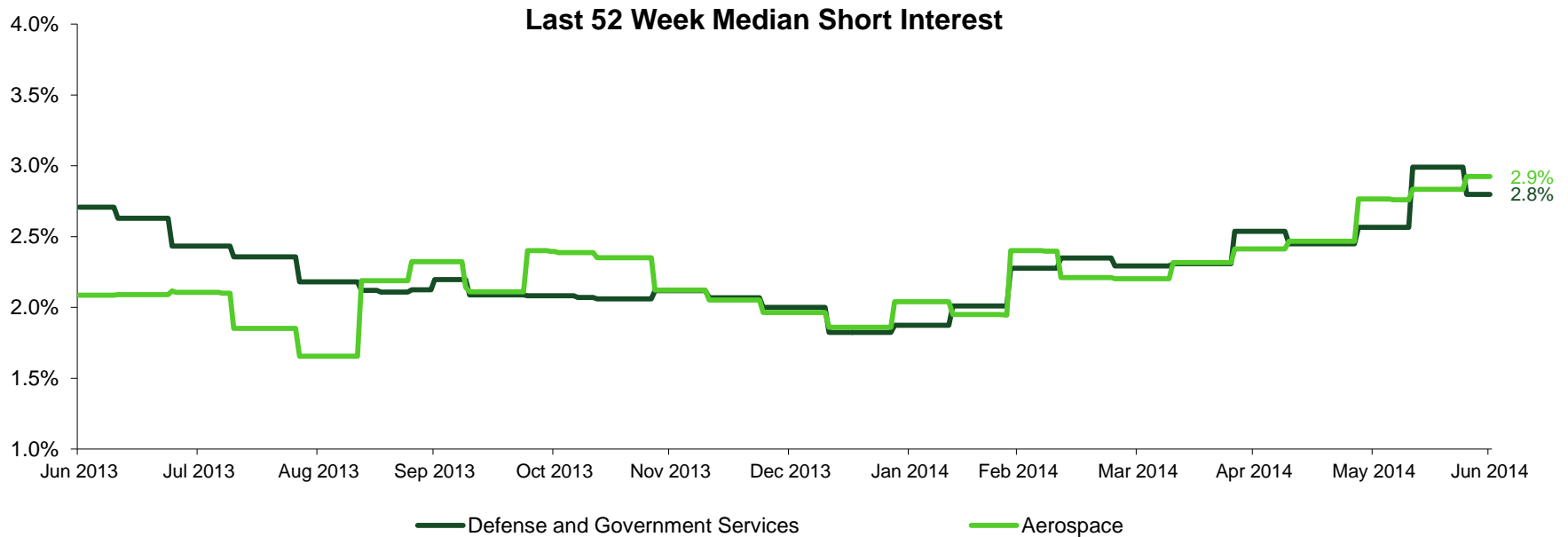
Second Quarter 2014



Last 52 Weeks



■ Large Cap Aerospace ■ Mid Cap Aerospace ■ Small Cap Aerospace ■ International Aerospace ■ S&P 500



Short Interest as of June 30, 2014

Defense and Government Services

BOEING 1.7%	GENERAL DYNAMICS 2.9%	LOCKHEED MARTIN 2.0%	NORTHROP GRUMMAN 2.2%	Raytheon 1.3%	Booz Allen Hamilton 2.1%	CACI 18.9%	ENGILITY 4.0%
leidos 4.3%	ManTech International Corporation 8.3%	SAIC 3.9%	ICF 2.3%	KEYW 31.4%	KROTOS DEFENSE & SECURITY SOLUTIONS 8.2%	nci 0.1%	VSE CORPORATION 2.1%
ATK 5.1%	CUBIC 3.5%	ITT EXELIS 1.5%	FLIR 3.1%	HARRIS 1.1%	L3 2.8%	TELEDYNE TECHNOLOGIES 1.7%	

Aerospace






AMETEK 0.8%	DigitalGlobe 1.2%	BOEING 1.7%	PCC 1.2%	Rockwell Collins 4.4%	TEXTRON 3.0%	TRANSDIGM GROUP INC. 3.2%	United Technologies 0.7%
CURTISS WRIGHT 3.2%	Esterline 2.9%	HEICO 3.4%	HEXCEL 0.8%	MOOG 1.8%	SPIRIT AEROSYSTEMS 0.7%	Triumph Group, Inc. 3.2%	
AAR 7.2%	AIV aerointelligence 3.4%	ASTRONICS CORPORATION 4.5%	Gilat 0.2%	GENCORP 26.6%	LMI AEROSPACE, INC. 9.8%	Orbital 2.5%	Wesco Aircraft 2.0%

Dry Powder Calculations (Defense and Gov. Services)








Second Quarter 2014

(\$ millions)







Defense Prime Index

	 BOEING	 GENERAL DYNAMICS	 LOCKHEED MARTIN	 NORTHROP GRUMMAN	 Raytheon
3x LTM EBITDA	\$24,639.0	\$12,852.0	\$16,875.0	\$11,109.0	\$10,245.0
Less LT Debt	8,935.0	3,911.0	6,152.0	5,929.0	4,735.0
Plus Cash	6,942.0	4,296.0	3,264.0	3,885.0	3,036.0
Dry Powder	\$22,646.0	\$13,237.0	\$13,987.0	\$9,065.0	\$8,546.0






Middle Market Defense & Government Services Index

	 ATK	 CUBIC	 ITT EXELIS	 FLIR	 HARRIS	 L3	 TELEDYNE TECHNOLOGIES INCORPORATED
3x LTM EBITDA	\$2,167.0	\$292.7	\$1,920.0	\$943.1	\$3,314.1	\$4,494.0	\$1,013.4
Less LT Debt	2,093.0	132.7	649.0	384.9	1,658.5	3,643.0	559.9
Plus Cash	266.6	125.3	280.0	584.1	349.6	227.0	73.7
Dry Powder	\$340.7	\$285.3	\$1,551.0	\$1,142.4	\$2,005.2	\$1,078.0	\$527.2

Middle Market Defense & Government Services Index









	 Booz Allen Hamilton	 CACI	 ENGILITY	 leidos	 ManTech International Corporation	 SAIC
3x LTM EBITDA	\$1,598.8	\$985.4	\$358.6	\$1,056.0	\$464.9	\$741.0
Less LT Debt	1,658.9	1,318.6	380.1	1,333.0	200.0	503.0
Plus Cash	260.0	48.4	11.2	183.0	275.6	237.0
Dry Powder	\$199.9	-\$284.8	-\$10.2	-\$94.0	\$540.5	\$475.0

Middle Market Index









	 ICF	 KEYW	 KROTOS DEFENSE & SECURITY SOLUTIONS	 nci	 VSE CORPORATION
3x LTM EBITDA	\$261.1	\$49.3	\$200.4	\$54.1	\$195.7
Less LT Debt	127.2	85.3	642.0	0.0	103.1
Plus Cash	20.2	0.1	53.6	0.2	0.4
Dry Powder	\$154.1	(\$35.9)	(\$388.0)	\$54.3	\$93.0

(\$ millions)









Large Cap Aerospace Index

								
3x LTM EBITDA	\$2,887.6	\$2,347.2	\$24,639.0	\$8,895.0	\$3,240.0	\$3,915.0	\$2,812.8	\$34,191.0
Less LT Debt	1,407.9	1,959.2	8,935.0	3,571.0	2,524.0	4,508.0	5,740.3	20,043.0
Plus Cash	265.3	384.7	6,942.0	361.0	410.0	680.0	475.7	4,477.0
Dry Powder	\$1,745.1	\$772.7	\$22,646.0	\$5,685.0	\$1,126.0	\$87.0	(\$2,451.7)	\$18,625.0

Mid Cap Aerospace Index

								
3x LTM EBITDA	\$1,132.9	\$840.3	\$1,103.7	\$719.9	\$1,034.1	\$1,100.1	-\$568.2	\$1,804.9
Less LT Debt	1,009.1	1,141.4	667.2	436.6	354.8	706.2	1,234.4	1,550.4
Plus Cash	128.0	170.5	207.4	21.4	50.0	195.6	382.1	29.0
Dry Powder	\$251.8	(\$130.6)	\$643.9	\$304.7	\$729.3	\$589.6	(\$1,420.5)	\$283.5

Small Cap Aerospace Index

								
3x LTM EBITDA	\$664.6	\$74.7	\$225.1	\$360.3	\$31.4	\$129.3	\$410.1	\$573.3
Less LT Debt	634.0	0.0	268.5	783.0	33.4	285.8	138.8	1,137.6
Plus Cash	89.2	127.0	29.1	120.7	48.6	2.3	366.0	49.2
Dry Powder	\$119.8	\$201.6	(\$14.3)	(\$302.0)	\$46.5	(\$154.1)	\$637.4	(\$515.1)



acquired



Closed

July 10, 2014

Notes

Sierra Nevada Corporation completed its acquisition of Wisconsin-based Orbital Technologies Corporation (Orbitec). Orbitec engages in aerospace subsystem development and integration. Orbitec previously worked on the life support and thermal control systems for Sierra Nevada's Dream Chaser spacecraft.



acquired

Federal Network Systems

Closed

July 1, 2014

Notes

Jacobs Engineering Group acquired Federal Network Systems (FNS). Headquartered in Virginia, FNS provides system integration, communication, information technology, and data security solutions for the global market. FNS has a particular focus on supporting the Intelligence community, DoD and federal civilian customers.



acquired



Hydraulic Actuation Business

Closed

June 30, 2014

Notes

Triumph Aerosystems acquired the hydraulic actuation business of GE Aviation for \$70.0 million. The hydraulic actuation business provides complete landing gear actuation systems, door actuation, nose-wheel steering, hydraulic fuses, and flight control actuation for commercial and military aircraft.



will acquire



Announced

June 30, 2014

Notes

Lockheed Martin entered into an agreement to acquire Zeta Associates. Zeta provides software-based communications signals collection and processing systems to intelligence and defense communities worldwide. The transaction is expected to close in Q3 of 2014, at which time Zeta will become a wholly-owned subsidiary of Lockheed Martin.



acquired



Closed

June 27, 2014

Notes

Boeing acquired Ventura Solutions, the latest of a string of acquisitions that enhance Boeing's information and security capabilities. Ventura Solutions will be integrated into Boeing's Network and Space Systems division. Ventura engages in the research, design, development, integration and support of software and hardware engineering solutions to government clients.



will acquire



Announced

June 25, 2014

Notes

Alcoa will acquire Firth Rixson, a global aerospace jet components company, from Oak Hill Capital Partners for \$2.9 billion in cash and stock. Firth Rixson specializes in seamless rolled jet engine rings and specialized superalloys for industrial turbines and oil and natural gas equipment. The deal will aid in Alcoa's initiative to increase aerospace revenue by 20% and realize \$100.0 million in cost savings annually by 2019.

WARBURG PINCUS

acquired

WENCOR GROUP

Closed

June 19, 2014

Notes

Warburg Pincus LLC acquired Wencor Group from Odyssey Investment Partners for an undisclosed amount. Wencor manufactures and distributes aircraft parts for repair stations and aircraft operators worldwide.



SUMITOMO BAKELITE CO., LTD.

acquired

Vaupell

Closed

June 17, 2014

Notes

Private Equity firm H.I.G. Capital sold Vaupell Holdings to Sumitomo Bakelite for \$269.0 million. Seattle-based Vaupell has 750 employees and is a global leader in the development and production of thermoplastic interior solutions to the commercial aerospace industry. The purchase will boost Sumitomo Bakelite's stake in aerospace and medical molding.

EXELIS

acquired

Celestech
Transforming Technology into Capability™

Closed

June 12, 2014

Notes

Exelis acquired Celestech, a privately-held technology development and engineering firm. Celestech develops tailored technical solutions for its government and commercial customers. It provides engineering services and product development for next generation satellite and terrestrial wireless solutions. Additionally, Celestech's expertise in the realm of data analytics will support Exelis' current portfolio and growth platform.



will acquire



Announced

June 10, 2014

Notes

Google agreed to acquire Skybox Imaging from multiple venture capital firms for \$500.0 million cash. Skybox Imaging provides commercial high resolution satellite imagery, high-definition video, and analytics services. Skybox has built and launched the world's smallest high-resolution imaging satellite to-date.



will acquire



Announced

June 9, 2014

Notes

Analog Devices, a global provider of high-performance semiconductors for signal processing applications agreed to acquire Hittite Microwave Corporation for \$78.0 per share in cash, or \$2.4 billion. Hittite Microwave is an innovative designer and manufacturer of high performance integrated circuits, modules, subsystems and instrumentation for RF, microwave and mm wave applications.



will acquire



&

Fischer+Entwicklungen

Announced

June 2, 2014

Notes

On June 2, B/E Aerospace announced it will acquire two companies for \$470.0 million. EMTEQ is a Wisconsin-based provider of aircraft lighting systems and aircraft cabin management and power systems. Fischer + Entwicklungen manufactures seating for civilian helicopters.

 The McLean Group

noblis

acquired



Closed

June 2, 2014

Notes

Noblis, a leading provider of science, technology and strategic advisory services acquired National Security Partners (NSP). NSP is a provider of high-end strategic consulting, technology development and mission execution programs for the US Intelligence Community. The McLean Group advised Noblis on the transaction.

LOCKHEED MARTIN

will acquire



Announced

May 28, 2014

Notes

Lockheed Martin entered into an agreement to acquire Astrotech Space Operations from Astrotech Corporation for \$61.0 million in cash. Based in Titusville, FL, Astrotech Space Operations provides satellite launch processing services to government and commercial customers sending satellites into orbit.

ManTech
International Corporation

acquired



Closed

May 27, 2014

Notes

ManTech acquired 7Delta, a provider of technology management solutions to the civilian and defense sectors of the US government. 7Delta became a part of ManTech's Mission Solutions & Services Group upon closure of the acquisition.



acquired



North American Services & Solutions Group

Closed

May 23, 2014

Notes

The SI Organization acquired QinetiQ's North American Services and Solutions Group. QinetiQ North America develops technology solutions for US and international aerospace, defense, intelligence and civilian markets. The transaction forms a \$1.3 billion company focused on the design, development, integration and operation of complex, mission-critical information solutions across the government.



will acquire



Announced

May 20, 2014

Notes

Cobham announced it will acquire Aeroflex for \$1.5 billion, a premium of 28.4% to Aeroflex' volume-weighted average price over the prior 30 trading days. Aeroflex is a global provider of high performance microelectronics components and test and measurement equipment. The transaction is expected to close in Q3 of 2014.



acquired



Closed

May 15, 2014

Notes

Accenture acquired i4C Analytics, an advanced analytics software platform provider that specializes in helping clients solve complex business problems through analytics applications. The acquisition will strengthen Accenture's capabilities to offer quickly tailored, industry-specific analytics applications to clients. Accenture provides management consulting, technology and business process outsourcing services worldwide.



acquired



Closed

May 13, 2014

Notes

Ultra Electronics acquired Forensic Technology for an initial cash consideration of \$94.0 million with additional payments of up to \$6.0 million subject to earnings growth over the next two years. Forensic Technology pioneered automated ballistics identification more than 20 years ago and continues to be a leader in ballistics and firearms identification.



acquired



Closed

May 9, 2014

Notes

FireEye agreed to acquire nPulse Technologies, a network forensics and security analysis company. nPulse Technologies has the fastest solution available for high speed full packet capture and indexing. FireEye plans to use nPulse products to enhance their existing platform and build enterprise forensics capabilities that will enable incident investigation and remediation.



acquired



Closed

May 6, 2014

Notes

Ultra Electronics acquired ICE Corporation from private investors including the original founder for \$11.6 million. ICE provides design, manufacture, qualification and testing of aerospace electronics. ICE will continue to operate as a bolt-on acquisition for Ultra's Aircraft & Vehicle Systems Division.



acquired



Closed

May 2, 2014

Notes

E-Z-GO, a Textron subsidiary, acquired Georgia-based TUG Technologies Corporation from Jacobson Partners. TUG Technologies Corporation has more than 200 employees and manufactures ground support equipment servicing airlines, air-freight companies, ground handlers, government agencies and airports worldwide.



acquired



Closed

May 1, 2014

Notes

Pratt & Whitney acquired the remaining 51% stake in Blades Technology International. Israel-based Blades provides high quality components to major OEMs around the world.



Aerospace & Defense

will merge with



Announced

April 29, 2014

Notes

Alliant Techsystems (ATK) Aerospace & Defense announced it will enter into a merger of equals with Orbital Sciences in deal valued at \$5.0 billion. Both companies have a history of past performance in the space launch industry and have partnered on previous programs. The merger allows the companies to penetrate new markets— Orbital Sciences will provide entry to more satellite work, and ATK will provide access to missile systems and defense electronics.



acquired



Closed

April 24, 2014

Notes

Mecar, a world-wide supplier of weapons systems and ammunition was acquired by Nexter. The transaction will allow Nexter to strengthen its ammunition division and establish its position among other European leaders in the industry.



will acquire



Announced

April 21, 2014

Notes

Cross Match Technologies, backed by Francisco Partners, and DigitalPersona announced a definitive merger agreement that will combine the two companies. The combined Company will have global presence in government, financial, retail, defense and corporate markets. Cross Match manufactures multimodal biometric identity management solutions while Digital Persona provides biometric technology solutions for digital identity protection.



acquired



Closed

April 18, 2014

Notes

Parsons acquired Secure Mission Solutions, a provider of critical asset protection and cybersecurity services to the national security and defense community. The acquisition will expand Parsons' reach into the cybersecurity market and build upon its capabilities in critical asset delivery, sustainment and protection.



acquired



Closed

April 14, 2014

Notes

Google acquired New Mexico-based Titan Aerospace. The 20 person start up develops solar powered, jet-sized drones intended to fly nonstop for years, serving as atmospheric satellites operating just outside of commercial airspace. The technology could be used to collect images and offer internet access to remote areas at a cost significantly cheaper than satellites.



24/6
& Capital
Partners

acquired



Closed

April 10, 2014

Notes

RFE Investment Partners and 24/6 Capital Partners acquired Connecticut-based PCX Aerostructures for \$62.0 million. PCX manufactures highly engineered, precision, flight critical and other essential components for rotorcraft and fixed wing aerospace platforms serving the military and commercial markets.



acquired

Norbert Industries Inc.

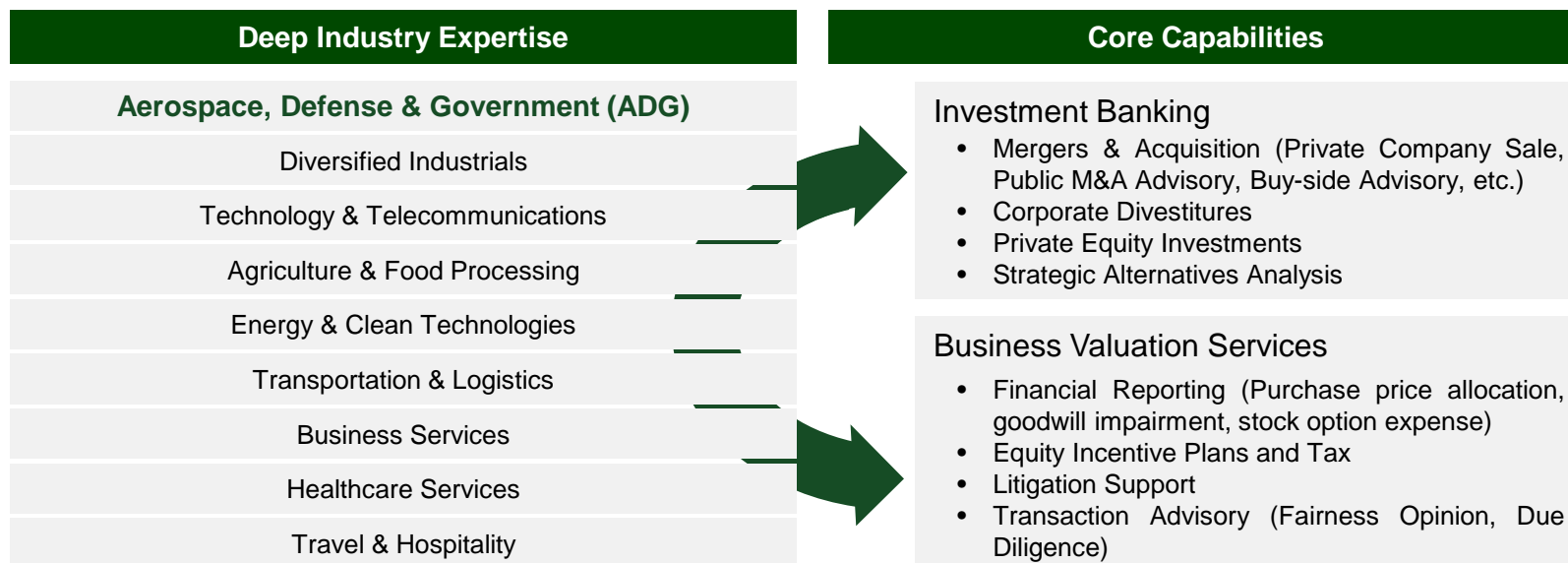
Closed

April 1, 2014

Notes

MB Aerospace, a portfolio company of Arlington Capital, acquired Michigan-based Norbert Industries. Norbert manufactures machined components for aerospace, automotive, machine tool, defense and robotic industries. The multi-million dollar deal gives MB Aerospace control of new operations in Michigan, USA, and Rzeszow, Poland.

- An independent, industry-focused investment bank with deep expertise in mergers and acquisitions, corporate finance, capital raises, and business valuations.
 - Founded in 1997
 - Headquartered in McLean, Virginia with 20 locations nationwide; more than 60 dedicated professionals
 - The McLean Group is a licensed broker/dealer and all M&A professionals hold FINRA/SEC licenses
 - Through our dedicated industry groups, we bring extensive domain and transactional expertise to every client engagement
 - Largest valuation practice in the mid-Atlantic area, outside the Big 4 accounting firms



- The McLean Group's Aerospace, Defense & Government (ADG) industry group is one of the largest, most experienced, and most capable investment banking teams focused exclusively on the defense and government services industry

Deep Government Market Expertise

Aerospace Hardware & Services

C4ISR

Cyber Security Products & Services

Defense Electronics

Healthcare IT

Intelligence Community

IT, Software & Consulting Services

Logistics & Training

Technical & Professional Services

Discriminators

- One of the largest ADG teams in the country – 15 bankers that cover the sector
- Leadership team averages more than 10 years of exclusive focus on the sector
- Longstanding relationships with virtually every strategic and financial buyer in the sector
- 42 closed transactions in the government sector since 2010
- As an independent investment bank, we avoid potential conflicts of interest and are able to provide honest advice to best support our clients

Recent
Representative
Buyers / Clients



noblis
has acquired

National Security Partners

A Portfolio Company Of: **FedCap** **Waud Capital**

Cyber Security & Intelligence

As M&A Advisors **McLean Group**

3PHOENIX
acquired by

Ultra ELECTRONICS

Federal Contracting
Naval Technology Solutions

As M&A Advisors **McLean Group**

DAI
has acquired

HTSPE

International Development Consultancy

As M&A Advisors **McLean Group**

UltiSat
Received Investment From

LLRpartners

Federal Contracting
Satellite-Communications Solutions

As M&A Advisors **McLean Group**

TWISTEDPAIR
acquired by

MOTOROLA SOLUTIONS

Mobile Interoperability for
Mission-Critical Communications

As M&A Advisors **McLean Group**

ACENTIA
has acquired

INSYS CO

Federal Contracting
Financial IT Services

As M&A Advisors **McLean Group**

GP SOLUTIONS
acquired by

Tallasi Technology

Federal Contracting
IT, Staffing and Professional Services

As M&A Advisors **McLean Group**

TERRASIM
has been acquired by

Bohemia Interactive SIMULATIONS

Federal Contracting
Digital Mapping Solutions

As M&A Advisors **McLean Group**

GLOBALTRAK
has been acquired by

ORBCOMM

Government Services
Cargo Security Solutions

As M&A Advisors **McLean Group**

COMPSEC
acquired by

DC CAPITAL PARTNERS

Intelligence Community
IT Solutions

As M&A Advisors **McLean Group**

the engle group
has been acquired by

TWD

Federal Contracting
Training and IT Program Management

As M&A Advisors **McLean Group**

CORBIN COMPANY
has been acquired by

FULCRUM IT

Federal Contracting
IT & Professional Services

As M&A Advisors **McLean Group**

XPECT SOFTWARE
acquired by

ISS
Intelligent Software Solutions

Government Services

As M&A Advisors **McLean Group**

RedBlack
An **ULTRALIFE** company
has been acquired by

BCF solutions

Federal Contracting

As M&A Advisors **McLean Group**

iLuMinA SOLUTIONS inc.
has been acquired by

ECS

Federal Contracting
ERP Program Management

As M&A Advisors **McLean Group**

PARAGON TECHNOLOGY GROUP INC.
has been acquired by

LLRpartners

Federal Contracting
IT & Professional Services

As M&A Advisors **McLean Group**

VETS
Management Buyout

Federal Contracting
IT & Professional Services

As M&A Advisors **McLean Group**

InSysCo
has been acquired by

gtSi

Federal Contracting
Data Management and IT Solutions

As M&A Advisors **McLean Group**



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