



Aerospace, Defense and Government Services Quarterly Industry Update 2nd Quarter 2015

Industry News Quarterly Summary

- In April and June, OPM discovered two separate but related network breaches that exposed the background investigation records and personal data of federal employees. OPM investigators concluded the cyber breach resulted in the theft of 4.2 million individuals' personal data, 21.5 million Social Security Numbers, and approximately 1.1 million fingerprint records.¹ OPM is actively addressing potential network weaknesses and was midway through implementation of a redesigned, secure system when these attacks were made.
- On April 24th, BAE Systems announced plans to divest its services businesses, which operate within the US-based Intelligence and Security division. BAE will focus on strengthening its core combat platforms: Aerospace and Defense Electronics, Armored Vehicles, Naval Guns, Munitions, and Warship Modifications.
- Computer Sciences Corporation (CSC) announced in May that it will split into two independent publicly traded entities: one to serve global commercial and government clients and one to serve public US sector clients.
- Harris Corp. completed its \$4.8 billion acquisition of Exelis on May 29th. Following the completion, Harris released reorganization plans to structure the company around four business segments: Communication Systems, Critical Networks, Electronic Systems, and Space and Intelligence Systems.
- On June 15th, United Technologies Corp. (UTC) announced plans to sell Sikorsky Aircraft. UTC received interest from Airbus, Boeing, Textron, and Lockheed Martin. Shortly after Q2 close, Lockheed Martin announced a definitive agreement to acquire Sikorsky for \$9.0 billion.
- NASA's New Horizons probe reached Pluto on July 7th after a nine-year and three-billion-mile journey. The historic \$720 million Pluto mission will record enormous amounts of data around the uncharted world that will take 16 months to transmit back to researchers on Earth.
- On July 8th, SRA International filed for an IPO. SRA was taken private by Providence Equity Partners on July 2011 for \$1.9 billion.

Notable Quarterly M&A Activity

- Veritas Capital acquired StandardAero from Dubai Aerospace
- Global Defense & National Security Systems will acquire STG for \$165.5M
- PAE, a portfolio company of Lindsay Goldberg, acquired A-T Solutions from CI Capital Partners
- Ultra Electronics will acquire Kratos Electronic Products Division for \$265M
- TransDigm Group acquired Pexco for \$336M
- Marlin Equity Partners acquired Fidelis CyberSecurity Solutions from General Dynamics
- Lindsay Goldberg acquired an equity stake in ECS Federal

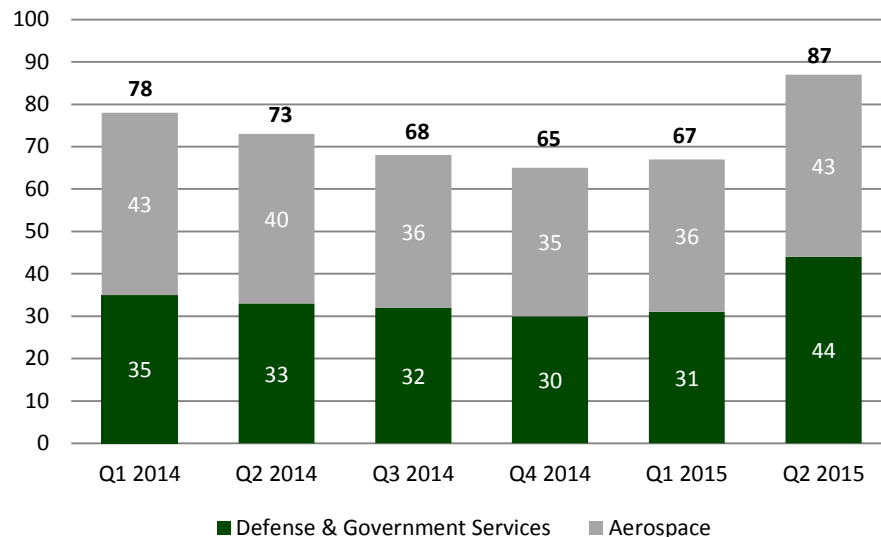
Capital Markets

	% Change		
	Q1 2015	Q2 2015	YTD 2015
Defense Prime Index	7.6%	(5.7%)	1.5%
Defense Systems Index	7.8%	(4.5%)	2.9%
Diversified Government Services Index	1.6%	(8.2%)	(6.8%)
Middle Market Government Services Index	0.6%	(8.4%)	(7.9%)
Large Cap Aerospace Index	5.8%	(4.8%)	0.8%
Mid Cap Aerospace Index	7.2%	(6.0%)	0.8%
Small Cap Aerospace Index	5.8%	(8.9%)	(3.7%)
International Aerospace Index	11.0%	(1.1%)	9.7%
S&P 500	0.4%	(0.2%)	0.2%

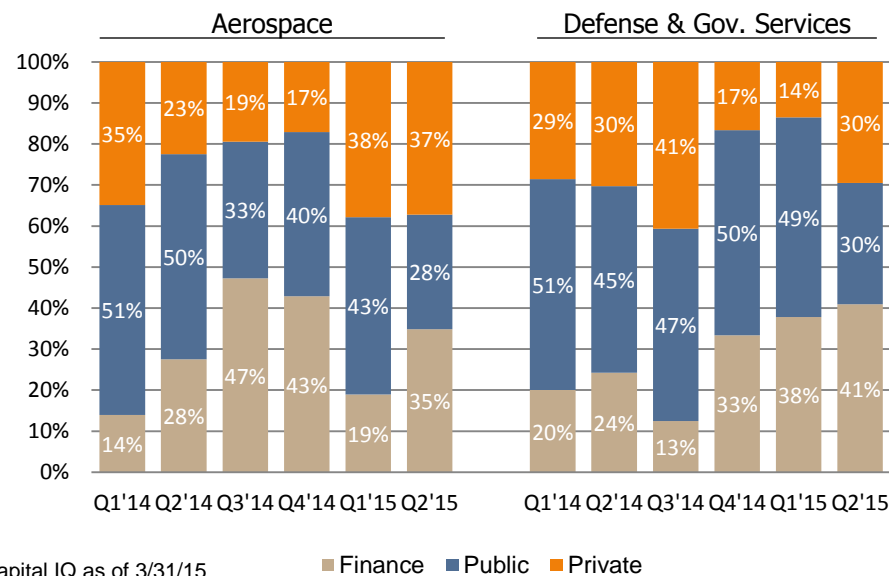
The McLean Group tracked 44 announced Defense and Government Services sector transactions during Q2 2015. The public buyer presence, which was evident over the past five quarters, diminished slightly in Q2 as buyers digested recent purchases and shaped portfolios. CSC announced that it will split into two companies targeting global commercial markets and the US public sector. Several other key companies announced divestitures including ManTech, Kratos and General Dynamics. Private equity companies represented the most active buyer category, accounting for 40% of the quarter's acquisitions, the largest of which was Charterhouse Capital Partners' purchase of Mirion Technologies for \$750 million. Other PE backed activity included The Constellis Group's purchase of The Olive Group and Marlin Equity's dual purchases of Fidelis Cybersecurity (from General Dynamics) and Resolution1 Security. Lindsey Goldberg announced an equity stake in ECS Federal which announced two acquisitions in Q2. Meanwhile the PE group's other platform, PAE, purchased A-T Solutions.

North American Aerospace M&A activity continued to increase during Q2, reaching 43 announced transactions. Private buyers were the most active acquirers in Q2 by volume representing approximately 37% of the buyer pool. Although decreasing as a percent of total transactions, public buyers' M&A activity remained steady, and was led by several notable acquisitions of PE portfolio companies including TransDigm's purchase of Pexco from Odyssey Investment Partners for \$336 million and L-3's purchase of CTC Aviation Group from Inflection Point Partners. While some PE groups exited, many more continued to build their aerospace portfolios. Carlyle Group backed Landmark Aviation continued its acquisition streak purchasing both ERA FBO and TWC Aviation in April, marking a total of six acquisitions in the past year. Riverside Company's H-D Advanced Manufacturing Company also made two new purchases while Veritas Capital acquired yet another aerospace platform, acquiring aircraft MRO provider StandardAero from Dubai Aerospace. The expansion of PE portfolios compliments firms' understanding of future demands as new generation aerospace technology is released.

Recent Transaction Activity by Quarter



Quarterly Transactions by Buyer Type



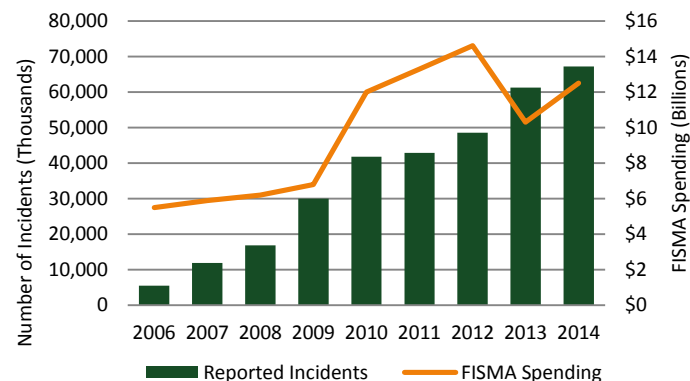
In May the Office of Personnel Management (OPM) announced that it was hacked by foreign agents, exposing the personal information of more than 21 million federal employee and applicant files.¹ This is only the latest of many recent federal data breaches – NSA, IRS, USPS, Healthcare.gov – and further highlights government IT infrastructure vulnerabilities as the number of reported cyber security incidents climb.² Consequently, IT and cybersecurity modernization is a rapidly growing federal priority. Agencies hope not only to modernize the systems, but also cut costs, especially in traditional IT services. Cost savings are expected to free up funds for specialized services such as cybersecurity and advanced analytics. Additional strategic priority shifts are driven by the Defense Department's light footprint strategy which relies heavily on superior defense and communications systems. The new strategy's technical demands are motivating contractors to realign core capabilities focusing on these systems' requirements which will provide greater long-term growth and margins.

M&A activity shows large prime contractors already executing on this strategy, building capabilities in cyber and defense systems while exiting the more traditional IT and professional services. The largest acquisition representing this trend is Harris Corp's purchase of Exelis for \$4.7 billion. Completed in May, Exelis provides Harris with significant synergy opportunities, especially across C4ISR. Raytheon's purchases of Blackbird Technologies for \$420 million and Websense for \$1.7 billion exemplify a cyber security focus. In April, BAE announced plans to divest large parts of its Intelligence Community services business, using the proceeds to develop aerospace and defense products. BAE will retain its cybersecurity arm and Systems Applied Intelligence. Shortly after Q2 close, Lockheed Martin disclosed similar plans, announcing its intention to acquire Sikorsky for \$9 billion while exploring sale options for its Information Systems & Global Solutions (IS&GS) division, but retaining its specialized cybersecurity capabilities.

Converse to Raytheon's foray into commercial cyber with its purchase of Websense, Lockheed intends to exit its commercial cyber position. A move proceeded by both General Dynamics and ManTech which divested commercial cybersecurity positions in Q2. Despite synergy potential, commercial and public sector cybersecurity capabilities prove difficult to integrate, causing contractors to refine focus on public sector cyber. Both ManTech and CACI demonstrated this in Q2 with public sector cybersecurity acquisitions. Also indicative of this challenge is CSC's announced split which will result in two publicly traded companies, one focused on Global Commercial customers and the other on the US Public Sector.

Going forward prime contractors will likely focus on further refining portfolios to stay ahead of specific government technology and cyber security modernization and acquisition priorities. Further divestitures are expected along with targeted mid-market acquisitions of small, high margin companies offering specialized services and capabilities.

Reported FISMA Security Incidents and Spending²



Large Prime Contractor Portfolio Restructuring

Company	Strategic Actions	Sector	Value / Size
Raytheon	Acquired	Blackbird	Cybersecurity / A&D \$420M EV
	Acquired	Websense	Cybersecurity \$1.7B EV
	Will Divest	IC Solutions Div.	Gov. Services & IT \$1.7B Rev
BAE SYSTEMS	Will Retain	Applied Intell.	Cybersecurity NA
	Reinvesting in	Land Systems	A&D NA
LOCKHEED MARTIN	Will Acquire	Sikorsky	A&D \$9.0B EV
	Will Divest	IS&GS	Gov. Services & IT \$6B Rev
	Will Divest	Commercial Cyber	Commercial Cyber NA
	Will Retain	Gov. Cybersecurity	Gov. Cybersecurity NA
QinetiQ	Divested	QinetiQ N.A.	Gov. Services & IT \$780M Rev
	Retained	Cyveillance	Cybersecurity \$20M Rev
ManTech International Corporation	Acquired	STG	Gov. Cybersecurity \$166M EV
	Acquired	KSG	Cybersecurity NA
	Divested	MCSI	Commercial Cyber NA
GENERAL DYNAMICS	Divested	Fidelis	Commercial Cyber NA
HARRIS	Acquired	Exelis	A&D \$4.7B
CACI	Acquired	LTC Engineering	Cybersecurity \$16M
CSC	Split	Dividing into US Public Sector and Global Commercial	

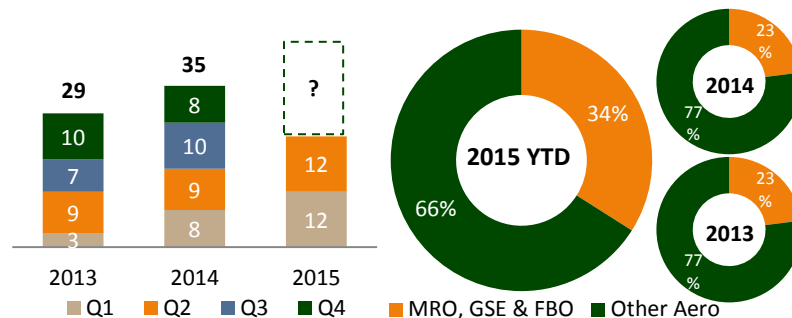
Global airline traffic grew 6% in 2014 (the fourth consecutive year above 5%), and is projected to grow another 35-40% over the next decade.¹ Increased air traffic, evolving next generation aircraft requirements and an expanding business jet fleet are creating opportunities for Maintenance, Repair and Overhaul (MRO), Ground Support Equipment (GSE) and Fixed Base Operations (FBO) businesses. Consequently, MRO and FBO companies are the largest Aerospace M&A categories based on transaction volume, representing nearly a quarter of all TMG tracked aerospace deals in 2013 and 2014, and already more than a third of 2015 transactions.

As the unprecedented commercial aircraft backlog continues to drive strong valuations for quality supply chain businesses, strategic investors often have had an advantage. Accordingly, MRO, FBO and ground support services and equipment may represent a more accessible entry point to an attractive market. Furthermore, a level of fragmentation persists among companies serving these areas and offers opportunity to build scale. Private equity groups that are building platforms include The Carlyle Group with Landmark Aviation's six FBO acquisitions, Arlington Capital with MB Aerospace in MRO, and most recently Veritas Capital with its platform acquisition of StandardAero, one of the world's largest independent providers of aircraft MRO.

Meanwhile, strategic buyers are actively shaping portfolios to capitalize on growing market demand for ground services and equipment. Signature Flight Support acquired five FBO operations over the last two years. AAR is building out its Aviation Services division with three acquisitions, while shedding Telair Cargo and positioning to sell its Precision Systems Manufacturing operations. Wencor expanded its international MRO position with two acquisitions that added specialty capabilities in cargo and interior systems. Textron added to its Specialized Vehicles division, acquiring two GSE companies that will complement its existing brands E-Z-GO, Cushman and Bad Boy Buggies. In addition to MRO, FBO and GSE, other growing areas of strategic M&A interest include software and data analytics capabilities that capitalize on rapidly expanding data outputs to maximize efficiency and drive operations and systems design.

MRO, GSE and FBO Transaction Activity

Total Subsector Transactions As a % of Total Aerospace M&A



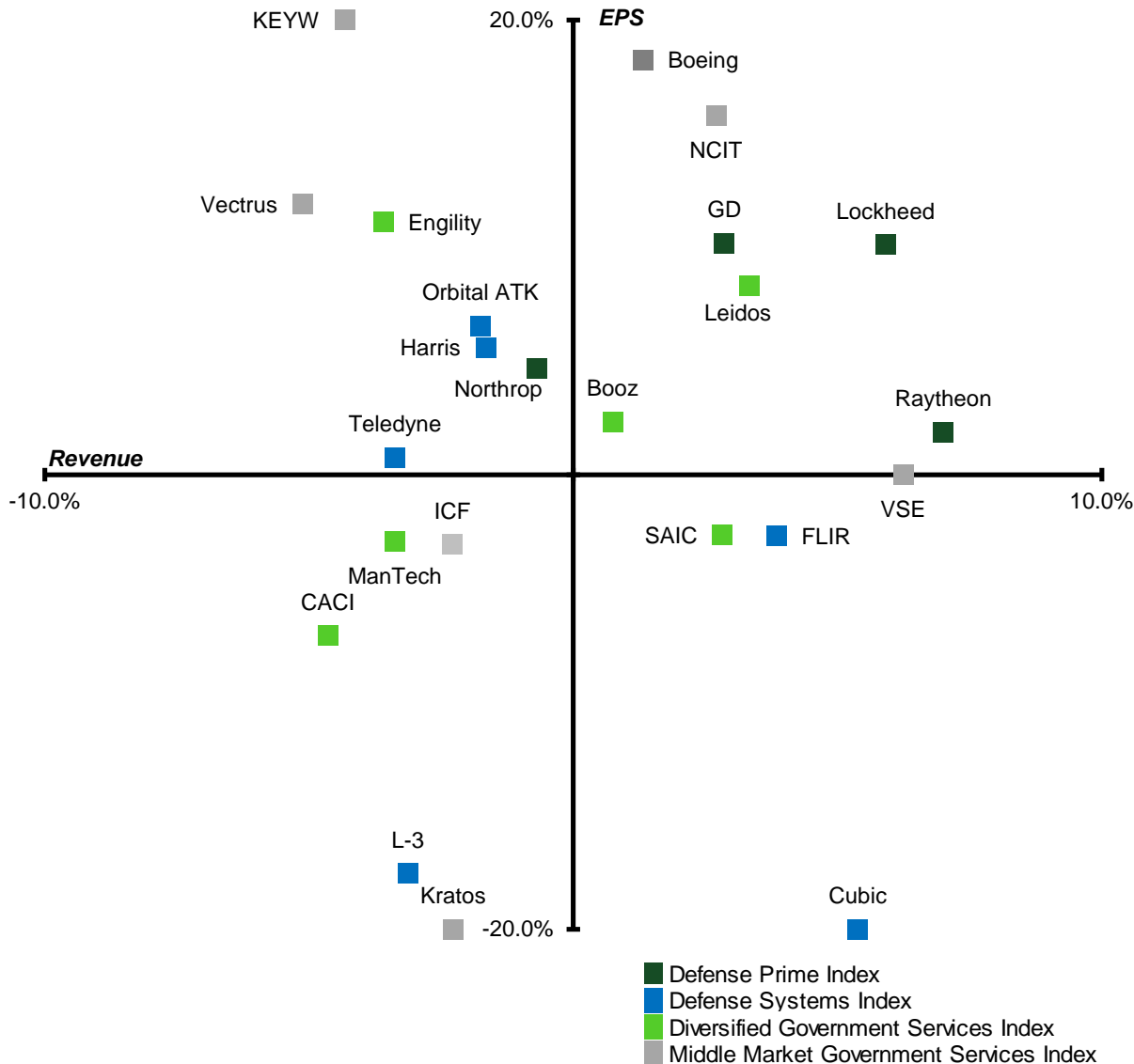
Notable Acquisitions and Consolidations

Buyer	Target	EV	Announced
LANDMARK AVIATION	ERA FBO, LLC	NA	4/8/2015
	TWC Aviation, Inc.	NA	4/3/2015
THE CARLYLE GROUP	Ellington & Southwest Airport Services	NA	2/19/2015
	Island City Flying Service, Inc.	NA	2/4/2015
	Atlantic Aero, Inc.	NA	6/30/2014
	Ross Aviation, LLC	NA	4/23/2014
Signature FLIGHT SUPPORT BBA Aviation	Wiggins Airways FBO assets	\$16.2M	10/8/2014
	FBO 2000 Antigua Limited	\$5.6M	8/5/2014
	Landmark Aviation Scottsdale AirCenter	\$55.8M	8/4/2014
	Maguire Aviation	\$69.0M	8/27/2013
AAR	Starlink Aviation Inc., FBO Montreal	\$4.0M	6/26/2013
	Cool Containers, LLC	NA	8/27/2014
	Sabena Technics Brussels	NA	3/20/2014
	PFW Aerospace, Cargo Loading System	NA	12/2/2013
	Norbert Industries	NA	4/1/2014
MB AEROSPACE	Delta Industries	NA	6/2/2013
	Douglas Equipment Limited	NA	1/13/2015
TEXTRON	TUG Technologies Corp	NA	5/3/2014
	PHS/MWA Aviation Services	NA	4/6/2015
WENCOR	XTRA Aerospace	NA	4/9/2014
	LLCP / Tronair	Wasp, Inc., Commercial Towbar & Tailstand	NA
Veritas Capital	Standard Aero	NA	5/26/2015

Most Recent Quarterly Financial Results (Defense and Gov. Services)

Second Quarter 2015

Most Recent Quarterly Earnings Surprise¹



Most Recent Quarterly Earnings Surprise¹

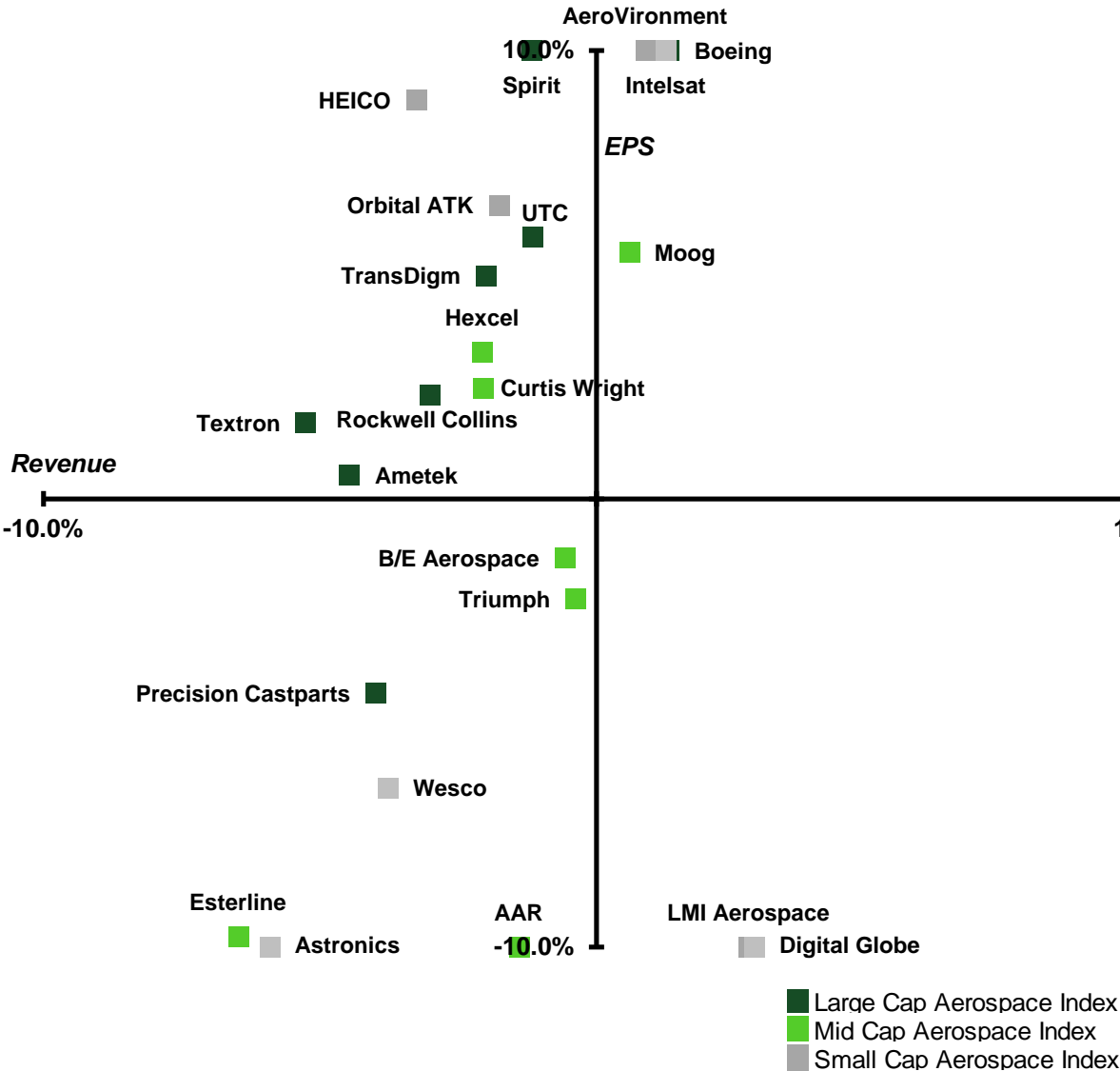
Company	Quarter Ending	Revenue	EPS
BOEING	6/30/15	1.3%	18.2%
GENERAL DYNAMICS	7/5/15	2.9%	10.2%
LOCKHEED MARTIN	6/28/15	5.9%	10.1%
NORTHROP GRUMMAN	6/30/15	-0.7%	4.7%
Raytheon	6/30/15	7.0%	1.9%
CUBIC	3/31/15	5.4%	-195.3%
FLIR	6/30/15	3.9%	-2.7%
HARRIS	4/3/15	-1.7%	5.6%
L3	6/26/15	-3.1%	-17.5%
TELEDYNE TECHNOLOGIES INCORPORATED	6/28/15	-3.4%	0.8%
Booz Allen Hamilton	6/30/15	0.7%	2.3%
CACI	3/31/15	-4.6%	-7.1%
ENGILITY	3/31/15	-3.6%	11.1%
leidos	4/3/15	3.3%	8.3%
ManTech International Corporation	6/30/15	-3.4%	-2.9%
SAIC	5/1/15	2.8%	-2.7%
ICF	6/30/15	-2.3%	-3.1%
KEYW	3/31/15	-4.3%	60.0%
KRATOS DEFENSE & SECURITY SOLUTIONS	3/29/15	-2.3%	-25.0%
nci	6/30/15	2.7%	15.8%
VECTRUS	3/27/15	-5.1%	11.9%
VSE CORPORATION	6/30/15	6.2%	0.0%
Orbital ATK	3/31/15	-1.8%	6.5%

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 2015

Most Recent Quarterly Earnings Surprise¹

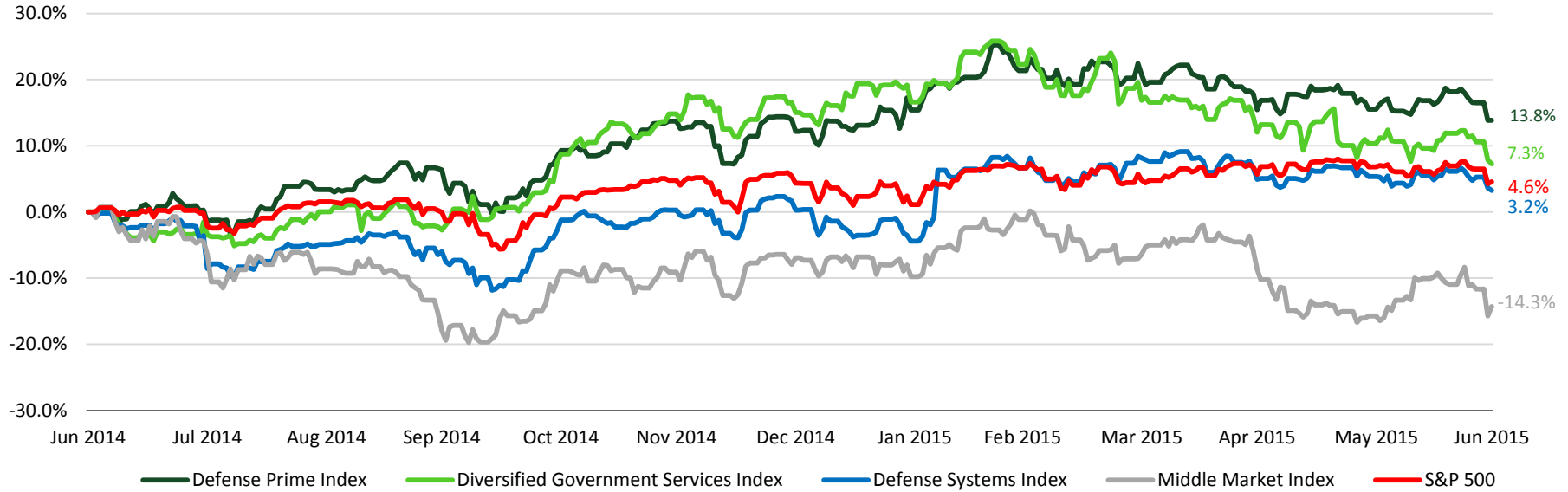


Most Recent Quarterly Earnings Surprise¹

Company	Quarter Ending	Revenue	EPS
AMETEK	3/31/2015	-4.5%	0.5%
BOEING	6/30/2015	1.3%	18.2%
POC	6/28/2015	-4.0%	-4.3%
Rockwell Collins	6/30/2015	-3.0%	2.3%
SPIRIT	7/2/2015	-1.2%	12.4%
TEXTRON	7/4/2015	-5.2%	1.7%
TRANSDIGM GROUP INC.	3/28/2015	-2.0%	5.0%
United Technologies	6/30/2015	-1.2%	5.8%
ESTERLINE	6/30/2015	-0.6%	-1.3%
CURTIS WRIGHT	6/30/2015	-2.0%	2.5%
Esterline	5/1/2015	-6.5%	-9.8%
HEICO	4/30/2015	-3.3%	8.9%
HEXCEL	6/30/2015	-2.1%	3.3%
MOOG	7/4/2015	0.6%	5.5%
Orbital ATK	3/31/2014	-1.8%	6.5%
Triumph Group, Inc.	6/30/2015	-0.4%	-2.2%
AAR	5/31/2015	-1.4%	-1160.0%
AIV	4/30/2015	0.9%	77.8%
ASTRONICS	4/4/2015	-5.9%	-34.7%
DigitalGlobe	6/30/2015	2.9%	-550.0%
INTELSAT	6/30/2015	1.3%	84.2%
LMI AEROSPACE INC.	3/31/2015	2.8%	-58.3%
Wesco Aircraft	3/31/2015	-3.8%	-6.5%
Orbital ATK	3/31/2014	-1.8%	6.5%

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

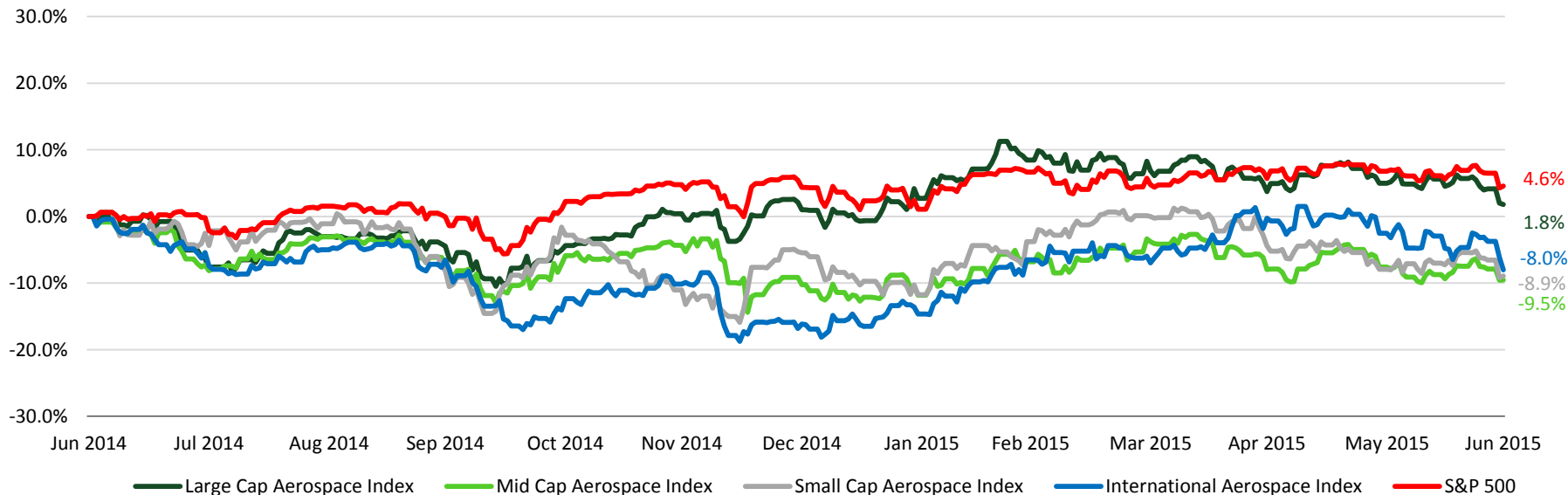
Last 52 Weeks Custom Index Performance



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

Defense Prime Index						
	87%	96%	90%	92%	84%	
Defense Systems Index						
	85%	87%	93%	85%	52%	96%
Diversified Government Services Index						
	81%	88%	51%	86%	82%	94%
Middle Market Index						
	80%	65%	77%	79%	74%	64%

Last 52 Weeks Custom Index Performance



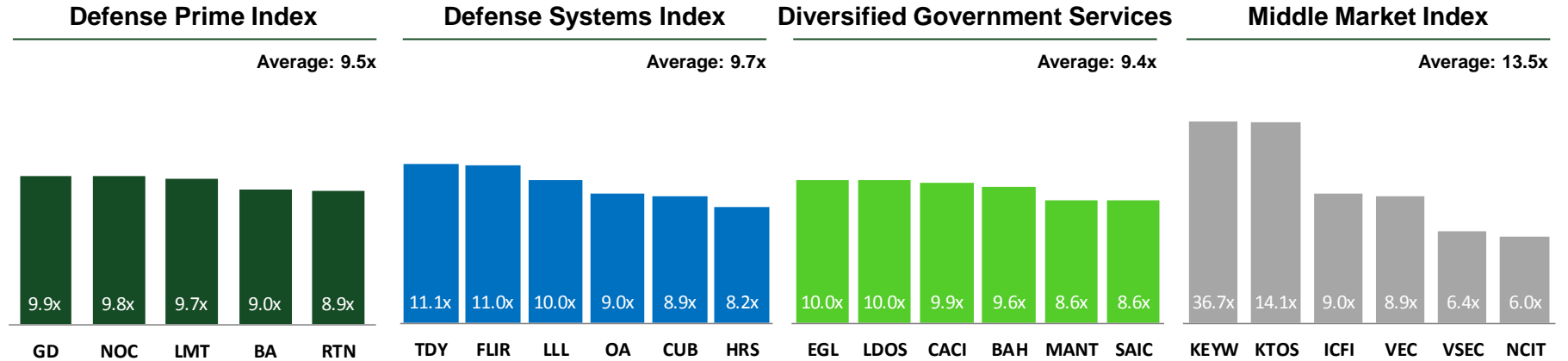
Index Constituents and Stock Price as a % of 52 Week High

Large Cap Aerospace Index								
	99%	87%	76%	93%	97%	95%	97%	89%
Mid Cap Aerospace Index								
	57%	93%	79%	91%	94%	89%	52%	93%
Small Cap Aerospace Index								
	93%	72%	92%	77%	82%	49%	65%	75%
International Aerospace Index								
	88%	51%	75%	91%	79%	80%	86%	93%

Due to the February Orbital / ATK Aerospace & Defense merger, OA is temporarily excluded from the Mid Cap Aerospace index calculations. We continue to regularly track the New Company's progress.

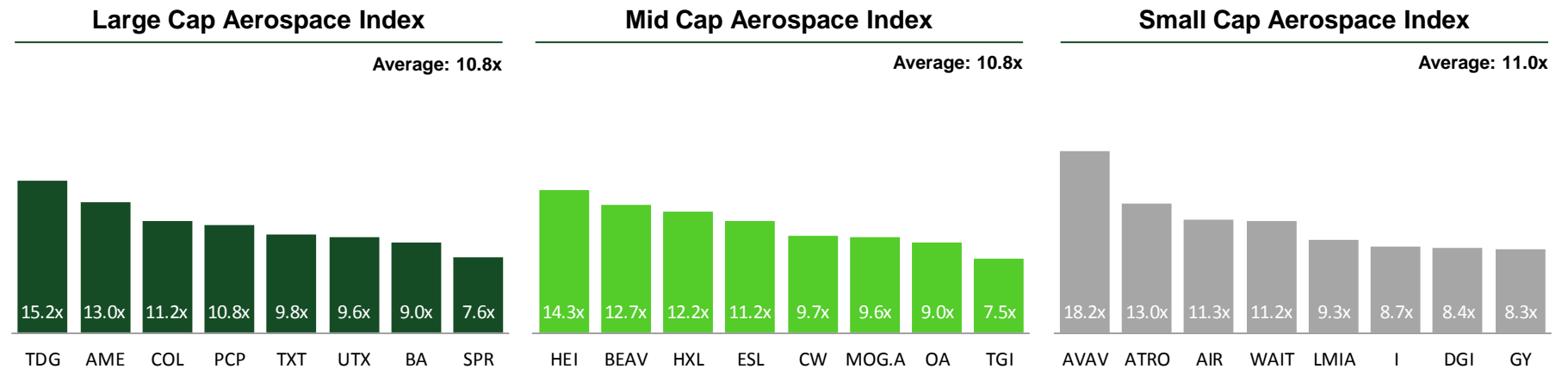
Defense and Government Services

Average: 10.6x
Median: 9.6x

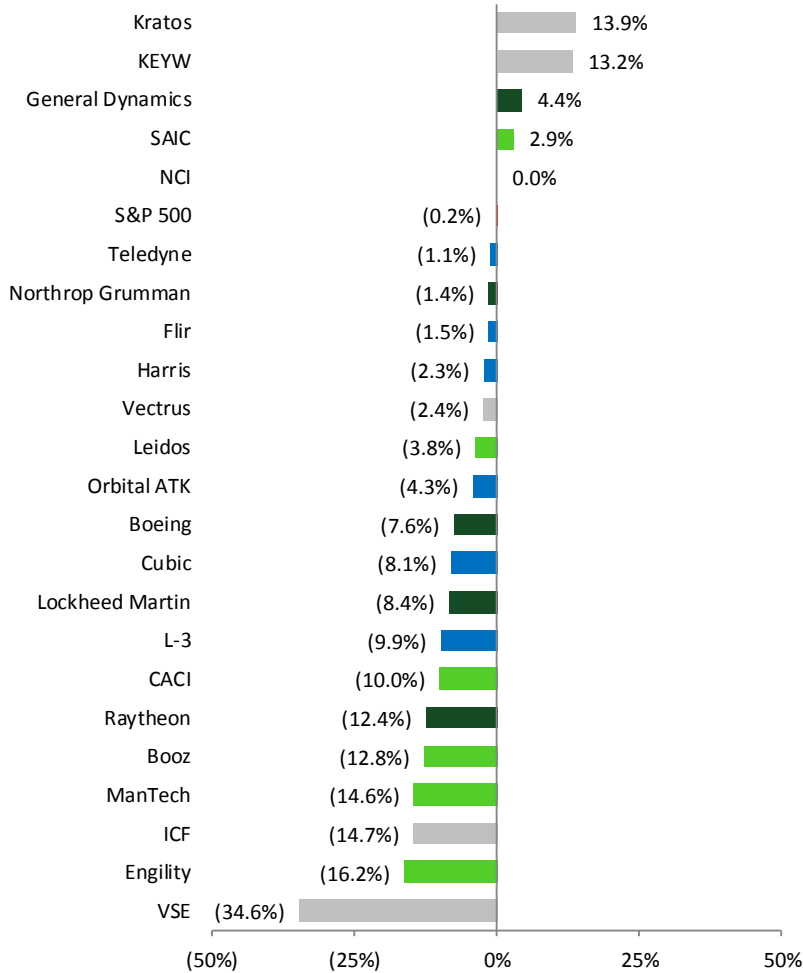


Aerospace

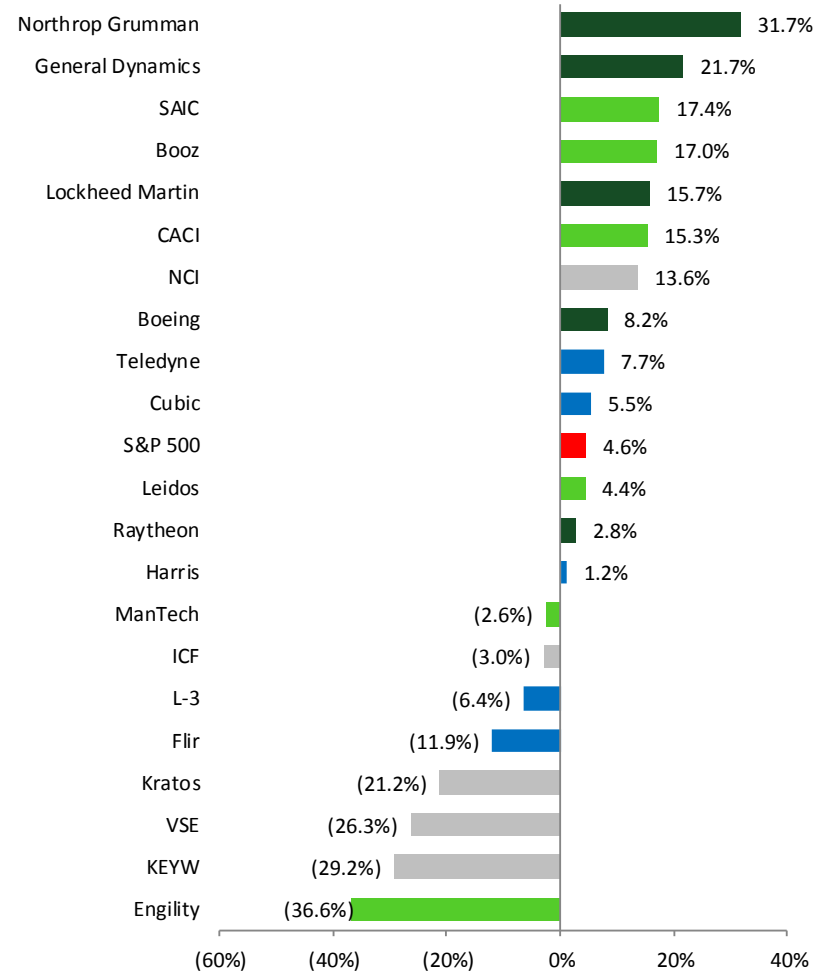
Average: 10.9x
Median: 10.3x



Second Quarter 2015

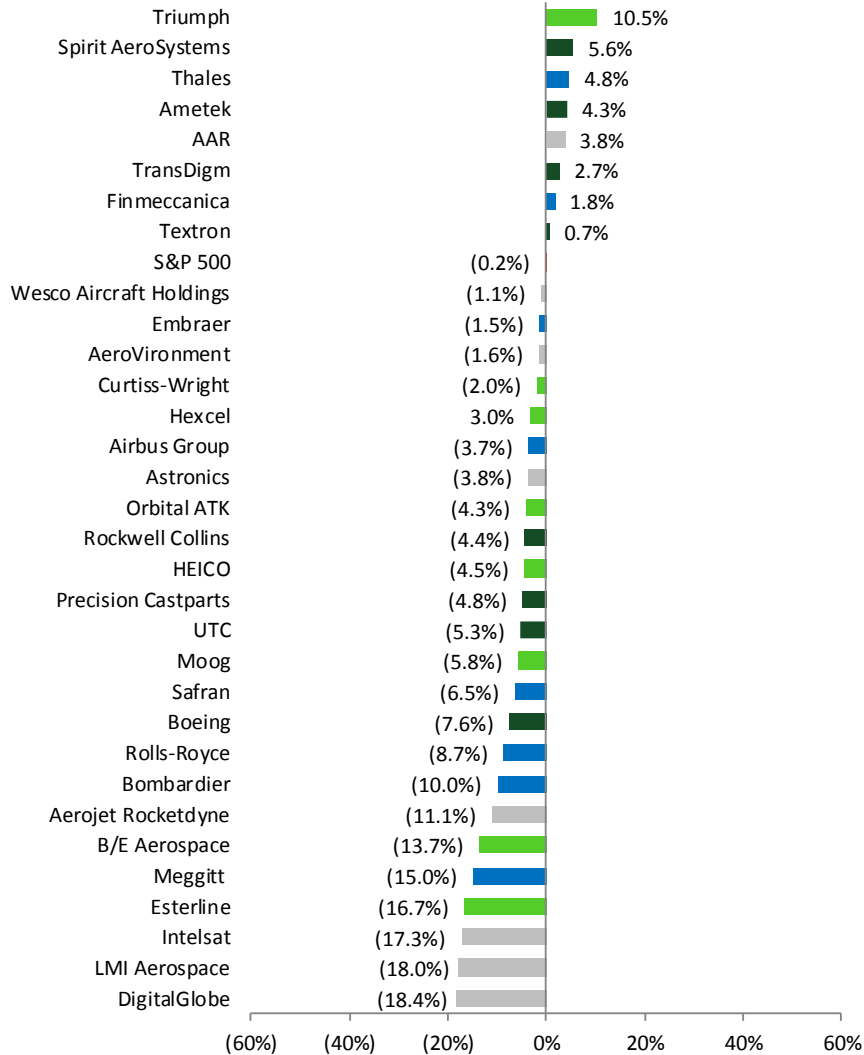


Last 52 Weeks

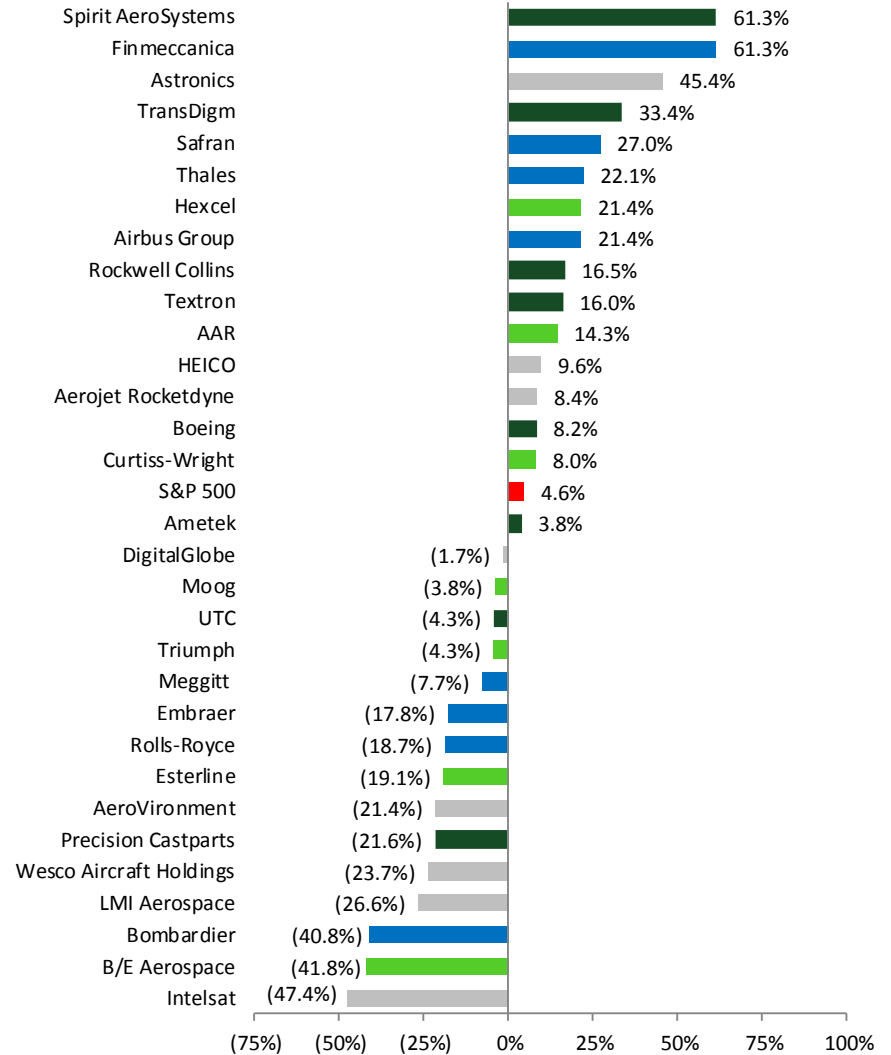


■ Defense Prime Index
 ■ Defense Systems Index
 ■ Diversified Government Services Index
■ Middle Market Government Services Index
 ■ S&P 500 Index

Second Quarter 2015

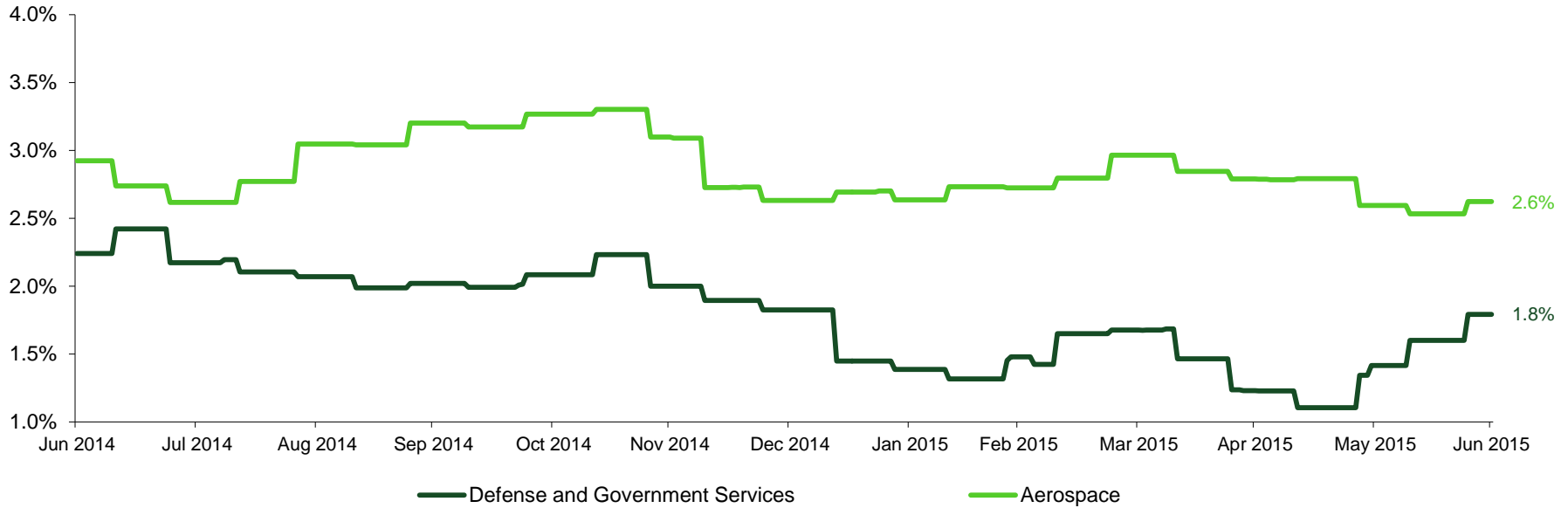


Last 52 Weeks



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

Last 52 Week Median Short Interest



Short Interest as of June 30, 2015

Defense and Government Services

BOEING 2.0%	GENERAL DYNAMICS 1.2%	LOCKHEED MARTIN 1.1%	NORTHROP GRUMMAN 1.6%	Raytheon 1.6%	Booz Allen Hamilton 2.5%	CACI 3.3%	ENGILITY 2.3%
leidos 1.8%	ManTech International Corporation 1.5%	SAIC 1.8%	ICF 2.2%	KEYW 31.6%	KROTOS 7.4%	nci 0.1%	VECTRUS 0.7%
VSE CORPORATION 1.7%	CUBIC 1.3%	FLIR 2.0%	HARRIS 1.0%	L3 1.8%	Orbital ATK 1.3%	TELEDYNE TECHNOLOGIES INCORPORATED 2.3%	

Aerospace






AMETEK 2.1%	BOEING 2.0%	PCC 2.3%	Rockwell Collins 3.5%	SPIRIT AEROSYSTEMS 2.0%	TEXTRON 1.7%	TRANSDIGM GROUP INC. 3.0%	United Technologies 1.7%
CMTI 4.8%	CURTISS WRIGHT 1.6%	Esterline 3.9%	HEICO 4.3%	HEXCEL 1.6%	MOOG 1.7%	Orbital ATK 1.3%	Triumph Group, Inc. 4.3%
AAR 5.8%	AEROJET ROCKETDYNE 11.2%	AVI environment 3.6%	ASTRONICS CORPORATION 2.0%	DigitalGlobe 8.1%	INTELSAT 4.9%	LMI AEROSPACE, INC. 5.4%	Wesco Aircraft 2.1%

Dry Powder Calculations (Defense and Gov. Services)







Second Quarter 2015

(\$ millions)







Defense Prime Index

	 BOEING	 GENERAL DYNAMICS	 LOCKHEED MARTIN	 NORTHROP GRUMMAN	 Raytheon
3x LTM EBITDA	\$28,437.0	\$13,524.0	\$18,438.0	\$10,755.0	\$10,008.0
Less LT Debt	9,016.0	3,411.0	8,402.0	6,527.0	5,333.0
Plus Cash	9,157.0	4,412.0	3,202.0	1,907.0	1,828.0
Dry Powder	\$28,578.0	\$14,525.0	\$13,238.0	\$6,135.0	\$6,503.0







Defense Systems Index

	 CUBIC	 FLIR	 HARRIS	 L3	 Orbital ATK	 TELEDYNE TECHNOLOGIES INCORPORATED
3x LTM EBITDA	\$386.4	\$1,053.7	\$3,190.8	\$3,606.0	\$1,235.4	\$1,166.7
Less LT Debt	156.9	365.7	1,644.1	3,940.0	1,588.5	765.3
Plus Cash	208.1	560.2	487.7	353.0	139.3	61.3
Dry Powder	\$437.6	\$1,248.2	\$2,034.4	\$19.0	(\$213.9)	\$462.7

Diversified Government Services Index









	 Booz Allen Hamilton	 CACI	 ENGILITY	 leidos	 ManTech International Corporation	 SAIC
3x LTM EBITDA	\$1,522.5	\$919.6	\$355.0	\$1,254.0	\$366.9	\$786.0
Less LT Debt	1,616.7	1,092.0	1,195.9	1,166.0	52.6	487.0
Plus Cash	151.5	33.6	32.2	443.0	4.3	295.0
Dry Powder	\$57.2	(\$138.9)	(\$808.6)	\$531.0	\$318.6	\$594.0

Middle Market Index







	 ICF INTERNATIONAL	 KEYW	 KROTOS DEFENSE & SECURITY SOLUTIONS	 nci	 VECTRUS TAKE TO YOUR MISSION	 VSE CORPORATION
3x LTM EBITDA	\$307.1	\$9.2	\$165.6	\$75.6	\$135.3	\$187.2
Less LT Debt	360.0	125.6	663.0	19.5	152.2	266.1
Plus Cash	7.4	16.2	34.4	0.4	28.7	0.4
Dry Powder	(\$45.5)	(\$100.2)	(\$463.0)	\$56.5	\$11.8	(\$78.4)

(\$ millions)









Large Cap Aerospace Index

								
3x LTM EBITDA	\$3,115.5	\$28,437.0	\$8,484.8	\$3,585.0	\$3,087.0	\$4,695.0	\$3,286.2	\$37,074.0
Less LT Debt	1,672.7	9,016.0	4,586.0	2,412.0	1,145.3	3,845.0	7,602.5	22,443.0
Plus Cash	406.6	9,157.0	0.0	294.0	749.5	561.0	392.5	5,933.0
Dry Powder	\$1,849.4	\$28,578.0	\$3,898.8	\$1,467.0	\$2,691.2	\$1,411.0	(\$3,923.8)	\$20,564.0

Mid Cap Aerospace Index

								
3x LTM EBITDA	\$1,423.2	\$1,189.3	\$983.3	\$828.1	\$1,191.6	\$1,046.0	\$1,235.4	\$1,083.7
Less LT Debt	2,384.7	950.0	844.0	326.8	508.0	1,031.5	1,588.5	1,548.5
Plus Cash	326.3	245.0	172.6	20.7	35.3	261.7	139.3	39.7
Dry Powder	(\$635.2)	\$484.2	\$312.0	\$521.9	\$718.9	\$276.1	(\$213.9)	(\$425.2)

Small Cap Aerospace Index

								
3x LTM EBITDA	\$245.1	\$515.4	\$32.5	\$378.4	\$978.3	\$5,611.8	\$127.4	\$635.4
Less LT Debt	154.0	717.9	0.0	216.8	1,135.1	14,959.7	279.9	1,061.1
Plus Cash	54.7	253.5	143.4	22.6	135.0	114.4	2.6	102.2
Dry Powder	\$145.8	\$51.0	\$175.9	\$184.2	(\$21.8)	(\$9,233.5)	(\$149.9)	(\$323.5)



acquired



Closed

July 8, 2015

Notes

Dubai Aerospace Enterprise (DAE) Ltd sold 100% of StandardAero to Veritas Capital Fund V, LP for an undisclosed amount. StandardAero has approximately 3,400 employees and a global service network of 13 primary facilities in the United States, Canada, Europe, Singapore and Australia.



will acquire



Announced

June 22, 2015

Notes

UrtheCast Corp. entered into a definitive agreement to acquire Deimos Imaging and DOT Imaging, S.L.U for an aggregate price of \$84.54 million with \$78.62 million due at closing and \$5.92 million to be paid over the next five years. Based in Spain, Deimos Imaging, S.L. and DOT Imaging, S.L.U. own and operate satellites that offer Earth Observation imagery.



AirBoss of America

will acquire



IMMEDIATE RESPONSE TECHNOLOGIES

Announced

June 17, 2015

Notes

AirBoss of America Corp. announced that it entered into an agreement to acquire Immediate Response Technologies, LLC. Immediate Response Technologies is a provider of personal protection and safety products for Chemical-Biological-Radiological-Nuclear (CBRN) hazards, as well as communicable diseases and respiratory threats.

ManTech
International Corporation

acquired

KNOWLEDGEE
consulting groupup
KCGI

Closed

June 16, 2015

Notes

ManTech International Corp. acquired Knowledge Consulting Group, Inc. (KCGI), for an undisclosed amount. Knowledge Consulting Group is a rapidly growing cybersecurity advisor in both the public and private sectors focused on anticipating threats and implementing defensive countermeasures.

 **GLOBAL**™
GLOBAL STRATEGIES GROUP

will acquire

STG

Announced

June 9, 2015

Notes

Global Defense & National Security Systems Inc. announced it entered into an agreement to acquire STG, Inc. through a cash and stock transaction valued at approximately \$165.5 million. STG, Inc. is a specialist provider of cyber, software and intelligence solutions supporting more than 50 US federal agencies.

LINDSAY GOLDBERG

PAE

acquired

A-T Solutions
RELENTLESS

Closed

June 1, 2015

Notes

PAE, a portfolio company of private equity firm Lindsay Goldberg, acquired A-T Solutions Corporate Holdings Prime, Inc. for an undisclosed amount. A-T Solutions assists the US government and allied nations in investigating, preventing and defeating attacks by providing training and identity operations solutions, full lifecycle forensic and biometric support, identification and analysis of asymmetric threats, and data management solutions.



will acquire



Divestiture: Electronic Products Division

Announced

June 1, 2015

Notes

Ultra Electronics announced it entered into an agreement to acquire the Electronic Products Division (EPD) of Kratos Defense & Security Solutions, Inc. for a cash consideration of up to \$265 million, consisting of \$260 million in cash at closing, and up to another \$5 million in cash expected to be paid during the next 12 months.



acquired



Closed

May 27, 2015

Notes

L-3 Communications Corp. acquired CTC Aviation Group Ltd for approximately \$220 million. CTC Aviation Group is a high-quality, global airline pilot training and crew resourcing specialist that offers customized and innovative solutions to major airlines and retail customers globally. The company has approximately 265 employees in Southampton, United Kingdom.

TRIVE CAPITAL



acquired



Divestiture Operation of: San Carlos

Closed

May 19, 2015

Notes

Valence Surface Technologies, a portfolio company of Trive Capital, acquired Flextronics San Carlos for an undisclosed amount. Flextronics San Carlos provides a full range of surface treatments for the semiconductor, aerospace, laser, microwave, and medical device industries and operates a state of the art 30,000 square foot facility with more than 60 employees.



acquired



Closed

May 18, 2015

Notes

Magellan Aerospace Corp. acquired all of the outstanding ordinary shares of Euravia Engineering & Supply Co. Limited for total net consideration of approximately \$56.5 million, net of cash acquired of \$15.0 million. Euravia is an aviation company that provides maintenance, repair, and overhaul (MRO) solutions for a wide range of aircraft and helicopter gas turbine engines.



acquired



Closed

May 14, 2015

Notes

TransDigm Group, Inc. acquired Pexco LLC for \$336 million. Pexco Aerospace is a manufacturer of extruded plastic interior parts for use in the commercial aerospace industry. The company has approximately 300 employees in two locations in Yakima, Washington and Huntington Beach, California.



Riverside

H-D Advanced
Manufacturing

acquired

PrecisionAero



Closed

May 12, 2015

Notes

H-D Advanced Manufacturing Company, a portfolio company of private equity firm The Riverside Company, acquired Precision Aero Corporation for an undisclosed amount. Precision Aero manufactures high-precision machined products that are mostly used in the aerospace industry. The company is a leader in machined products for aerospace wheel and brake assemblies.



will acquire



Announced

May 7, 2015

Notes

Constellis Group, backed by Forte Capital USTC Holdings, LLC, announced that it entered into an agreement to acquire privately held Olive Group. Olive Group is a leading provider in mission-critical security, training and specialist services. Financial terms of the transaction were not disclosed.



acquired



Closed

May 4, 2015

Notes

Marlin Equity Partners acquired Fidelis CyberSecurity Solutions, Inc. from General Dynamics Corp. Fidelis Cybersecurity provides a robust, comprehensive portfolio of products, services, and expertise to help prevent and combat today's sophisticated cybersecurity threats. General Dynamics acquired Fidelis in 2012 for \$261 million.



acquired



Closed

May 1, 2015

Notes

SolAero Technologies acquired Alliance Spacesystems, LLC for an undisclosed amount. Alliance Spacesystems manufactures and designs composite structures for spacecraft and other high-tech applications where strength-to-weight ratio, superior stiffness and dimensional stability are key requirements. The combined company will employ about 400 professionals with revenue more than \$100 million from commercial and government customers worldwide.

The McLean Group



ESOP buyout financed for



Closed

April 28, 2015

Notes

Charlotte, NC-based Mosaic Capital Partners engaged in a successful leveraged Employee Stock Ownership Plan (ESOP) buyout of Linxx Global Solutions, Inc. Linxx is a rapidly growing global provider of highly-specialized training, security, information assurance, and program management services to US government customers. The McLean Group served as the transaction advisor for Linxx.



acquired



Closed

April 28, 2015

Notes

ManTech International acquired Welkin Associates for \$34 million in cash. Welkin delivers mission-centric services in high-end systems engineering and advanced national security technology and business services. The acquisition strategically positions ManTech to pursue large engineering and support opportunities throughout the Intelligence Community and DoD.



will acquire



Announced

April 28, 2015

Notes

Havelsan, Inc. announced it will acquire flight simulation business assets of Quantum3d, Inc. for an undisclosed amount. Quantum3d develops visual computing solutions for government and commercial applications. Quantum3d was founded in 1995 and has offices in San Jose, California and Orlando, Florida.



acquired



Closed

April 23, 2015

Notes

Sierra Nevada Corp. acquired Kutta Technologies for an undisclosed amount. Kutta develops mission-critical C2 UAS solutions aimed at improving situational awareness, forward operator safety, and communication links. Kutta also develops proprietary solutions to address manned/unmanned teaming.



Debt refinancing for



Closed

April 21, 2015

Notes

Imperatis Corp. completed a debt refinancing with Sandton Capital Partners to support ongoing working capital requirements and future growth initiatives. Imperatis specializes in delivering innovative and technical solutions in the areas of cyber security, advanced network infrastructure, C4ISR, information assurance, and intelligence analysis in support of national security initiatives. The McLean Group advised Imperatis Corp. in its recapitalization.

Source: Capital IQ and InfoBase as of 06/30/15

LINDSAY GOLDBERG



acquired



Closed

April 17, 2015

Notes

ECS Federal acquired Information Systems Worldwide Corporation (i_SW). Based out of Arlington, VA i_SW provides high-end advanced technical, integration, engineering and analysis solutions to the US Government and other customers.



acquired



Closed

April 16, 2015

Notes

SRA International, Inc. acquired Qbase, LLC for an undisclosed amount. Qbase, LLC is a software products and services company supporting customers in the intelligence, national security, government, healthcare, and energy arenas. The company has approximately 230 employees and operations in Springfield, Ohio.



acquired



Closed

April 14, 2015

Notes

Acorn Growth Company (AGC) acquired Aerospheres (UK) Ltd. for an undisclosed amount. Aerospheres is a chemical and composite repair supplier to the commercial airline and MRO markets. The UK-based firm will plug into Acorn's growing AGC Aerospace & Defense business.



acquired



Closed

April 9, 2015

Notes

Boeing acquired 2d3 Sensing, Inc. for \$24.8 million. 2d3 Sensing specializes in motion imagery processing of critical intelligence, surveillance and reconnaissance data generated from aerial platforms. 2d3 Sensing's software and services are used by the US Air Force and other government and commercial customers.

LINDSAY GOLDBERG

acquired an equity stake in



Closed

April 9, 2015

Notes

Lindsay Goldberg acquired an equity stake in ECS Federal for an undisclosed amount. ECS Federal provides technology solutions and engineering services to more than 30 Department of Defense and Federal Agencies. ECS has operations at more than fifty locations on five continents.



acquired



Closed

April 6, 2015

Notes

Wencor Group acquired PHS/MWA Aviation Services for an undisclosed amount. PHS/MWA Aviation Services is a certified FAA/EASA Repair Station and provider of aircraft repair solutions in cargo and interior systems, hydraulics, and power and controls. PHS is currently operating six internal repair shops with state-of-the-art testing facilities and offers onsite engineering support in Temecula, California.



acquired



Closed

April 2, 2015

Notes

CACI International, Inc. acquired LTC Engineering Associates, Inc. for an undisclosed amount. LTC is a highly specialized provider of technical engineering solutions and services to the Intelligence and Department of Defense communities in the areas of software engineering, cybersecurity, signals intelligence and communications intelligence, and digital signals processing. LTC employs approximately 50 employees.



MOTOROLA
SOLUTIONS

acquired



Closed

April 1, 2015

Notes

Motorola Solutions, Inc. acquired Public Engines, Inc. for an undisclosed amount. Public Engines is a provider of cloud-based solutions that deliver crime analysis, predictive policing and citizen engagement capabilities for law enforcement agencies, governments and other organizations. The company has more than 2,000 customers and is based out of Salt Lake City, Utah.



acquired



Closed

April 1, 2015

Notes

ITT Corp. acquired Hartzell Aerospace Group for an undisclosed amount. Hartzell Aerospace Group is a leading manufacturer of highly engineered and customized solutions for aerospace environmental control systems on a wide range of high-growth, next-generation aircraft platforms. The company was founded in 1948, and is located in Valencia and Perris, California.



acquired



Closed

April 1, 2015

Notes

TransDigm Group, Inc. acquired the aerospace business of Franke Aquarotter GmbH for approximately \$75 million. The Ludwigsfelde, Germany-based business manufactures proprietary faucets and related products for use on commercial transports and regional jets. Franke aquarotter GmbH has approximately 50 employees.

- 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
- 52 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



- As a core competency and complement to our M&A practice, The McLean Group provides formal business valuation services for a variety of transaction, financial reporting, litigation, and tax purposes.

Financial Reporting

- Purchase price allocations (ASC 805)
- Goodwill impairment tests (ASC 350)
- Analysis of long-lived assets (ASC 360)
- Stock option expense (ASC 718)
- Fresh start accounting (ASC 852)

Equity Incentive Plans & Tax Compliance

- Employee Stock Ownership Plans (ESOPs)
- Private company equity incentive plans
- Section 409A valuations
- S corporation conversions
- Estate and gift tax valuations

Litigation Support

- Dissenting/oppressed shareholders
- Lost profits and lost asset values
- Wrongful death and personal injury
- Buy/sell agreements and dispute resolution

Transaction Advisory

- Fairness opinions
- Valuation due diligence
- Business modeling and forecasting
- Exit planning





Development & Training Services, Inc.

acquired by



MAKING IT POSSIBLE

Federal Contracting
International Development



ESOP buyout
financed by



Federal Contracting



debt refinancing by



Defense and Government Services



acquired by



Federal Contracting



acquired by



a portfolio company of: CM EQUITY PARTNERS

Federal Contracting



acquired by



a portfolio company of: Arlington Capital Partners

Data Analytics



acquired by



a portfolio company of: Arlington Capital Partners

Signals Intelligence & Analysis



acquired by



a portfolio company of: the edgewater funds

Network Management & Security



has acquired



Company Of: FedCap Waud Capital


Federal Contracting




acquired by



Federal Contracting
Naval Technology Solutions



acquired by



Mobile Interoperability for
Mission-Critical Communications



has acquired



International Development Consultancy



received investment from



Federal Contracting
Satellite-Communications Solutions



has acquired



Federal Contracting
Financial IT Services



acquired by



Federal Contracting
IT, Staffing and Professional Services



acquired by



Federal Contracting
Digital Mapping Solutions



acquired by



Government Services
Cargo Security Solutions



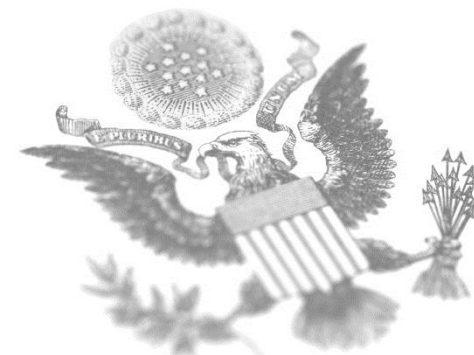
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