

Spring 2009

Aerospace & Defense Technology *MarketView*



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Introduction: Spring 2009 *MarketView*

KippsDeSanto & Co., an investment bank focused on leading middle-market defense and technology companies, is pleased to present the Spring 2009 issue of our Aerospace & Defense Technology (“A&DT”) *MarketView*, a newsletter providing strategic insight into key market dynamics, capital markets developments, and mergers and acquisitions trends impacting participants in the A&DT industry.

Topics covered in this newsletter include:

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

The current environment offers a unique period of change and challenge for the industry. We hope you find this information helpful.

Operational / Funding Environment

In a long-anticipated announcement, Secretary of Defense Gates released the DoD’s proposed FY 2010 budget in early April. The budget request calls for a modest (4%) increase in overall spending, but several big-ticket, high-profile programs were either scaled back or cancelled (see page 2) as the new Administration shifts strategic priorities. Many of the program decisions reinforced the prevailing procurement themes of adjusting capabilities to meet asymmetric threats and increasing accountability for program budgets that have spiraled out of control. For example, the proposed budget calls for the cancellation of the Presidential VH-71 helicopter, the Transformational Satellite, and the ground vehicle portion of Future Combat Systems.

Contrary to the view that the proposed budget would be one of all take and no give, certain programs and capabilities fared well. The F-35 Joint Strike Fighter was awarded additional funding to accelerate test aircraft and received a solid endorsement for full long-term production. The budget also calls for an additional \$2 billion for information, surveillance, and reconnaissance (“ISR”) capabilities in the form of UAVs and advanced sensors. Overall, the budget was not nearly the harbinger of doom that some industry observers had feared, and partially lifted a veil of uncertainty that had been shrouding the industry for the past several months. The release of the Quadrennial Defense Review this summer will further clarify the new Administration’s strategic defense priorities.



DDG-51



DDG-1000

In its FY 2010 request, DoD included funds for 3 DDG-51s (to be built by Northrop Grumman at Ingalls) and 3 DDG-1000s (to be built by General Dynamics at Bath). For more programs impacted by the FY 2010 budget request, see page 3.

Capital Markets and Public Market Valuation Trends

The shine has dulled on the halo worn by aerospace and defense stocks over the past several years, but certain sectors are still glimmering. Investors have come to appreciate that the halcyon days of consistently robust U.S. defense spending, a mainstay of the post-9/11 environment, have come to an end. As a result, defense company shares, which had consistently outperformed on an average annual basis since 2002, have begun to trade more in-line with the broader market (see page 4). For example, an index of defense primes beat the S&P 500 by an average of over 10 percentage points from 2002 to 2007, but has traded largely in-line with the market since the beginning of 2008.

Aerospace stocks have ridden an even steeper roller coaster. An index of aerospace suppliers bested the market by an average of nearly 30 percentage points per year from 2002 to 2007, but have trailed the market by 15 percentage points since the beginning of 2008 as economic conditions have taken a toll on aviation activity and aircraft delivery rates. Market valuations for companies with commercial aerospace and business jet exposure are not likely to recover firmly until the depths of the economic downturn and the floor on aircraft delivery rates have been established.

The result of the selloff in industry shares has been to bring industry trading multiples off of historically high levels. For example, an index of mid-cap defense systems suppliers now trades at approximately 7x LTM EBITDA, compared with approximately 10x in early 2008, owing to concerns over slower future defense spending.

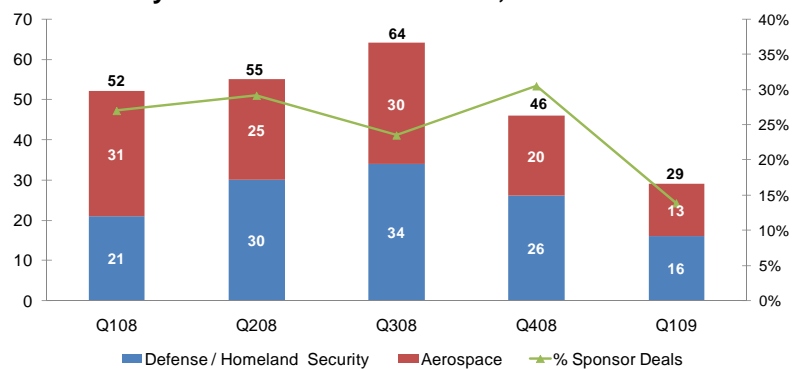
M&A Trends and Activity

An uncertain defense budget environment, the slide along the back-end of the aerospace cycle, tightened financing markets, and a certain degree of conservatism among corporate Boards have conspired to slow, but not halt, M&A activity in the industry (see page 7). In the first quarter of 2009, 29 transactions closed in the aerospace and defense industry. This compares to 52 transactions closed in the first quarter of 2008 and 46 in the fourth quarter of 2008.

Many acquirers view the current environment as an opportunity to expand into strategically important sectors or gain additional capabilities while some buyers are temporarily on the sidelines. For example, Triumph Group closed four acquisitions in the first quarter alone, adding niche capabilities and products to its growing portfolio. Moreover, most companies' balance sheets are in good shape, with low leverage levels and ample cash. Those strategic buyers that do remain active are increasingly selective about the companies they are pursuing, and paying premium valuations for companies perceived as being "wheat" rather than "chaff" – i.e., those companies with positions on long-term, well-funded platforms, significant technology or R&D, discriminating engineering or manufacturing capabilities, and identified growth prospects.

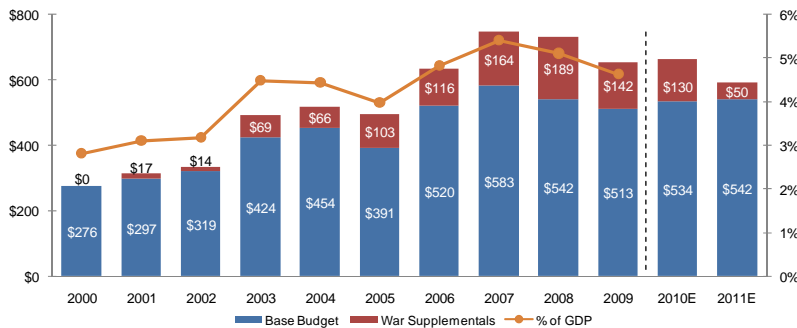
Unsurprisingly due to the paucity of available financing, private equity M&A activity in the industry has slowed considerably. Only 4 transactions backed by financial sponsors closed in the first quarter of 2009, compared with 59 for all of 2008. Private equity interest in the industry remains robust, however, and equity firms are sitting on vast amounts of unused capital that they are anxious to put to work. Transactions involving sponsor buyers are likely to rebound strongly once the financing markets loosen.

Quarterly M&A Transaction Volume, Q1 2008 – Q1 2009



Defense Update

Defense Budget Authority, 2000 – 2011E⁽¹⁾
(\$ in billions)



FY 2010 base budget request is \$533.7 billion, up from the \$513.3 billion appropriated by Congress for FY 2009 (an increase of 4%).

Second FY 2009 supplemental request garners an additional \$75.5 billion for DoD, with an additional \$130 billion requested for FY 2010 supplemental funding. However, the new administration has signaled that the days of supplementals acting as an investment “gapfiller” are over.

Winners and Losers from Proposed FY 2010 Budget⁽²⁾

WINNERS



F-35

Funding to be increased in 2010 to \$11.2 billion to buy 30 jets, up from 14, and accelerate test aircraft.



LCS

Additional ship to be purchased, making 3 total, and SECDEF endorsed full production of 55 planned ships.



LOSERS



F-22

The F-22 Raptor is being discontinued after the 187 already ordered, with final delivery in late 2011.



CSAR-X

The new fleet of search and rescue helicopters is being cancelled, but joint rotorcraft capabilities were endorsed.



ISR / UAVs

Funding for UAVs and other ISR initiatives to be increased.



Theater Missile Defense

Additional funding of \$700 million proposed for theater missile defense systems.



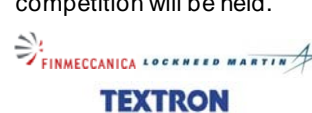
VH-71

The new Marine One is being cancelled for being over budget and late; a new competition will be held.



FCS

The \$87 billion intended for FCS ground vehicles is being cancelled.

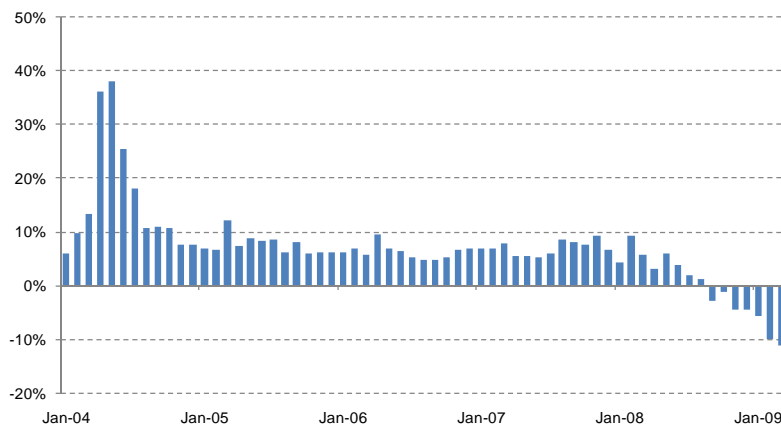


(1) Source: Department of Defense, IMF World Economic Outlook, April 2009, KippsDeSanto estimates.

(2) Source: Department of Defense, KippsDeSanto research.

Aerospace Update

Revenue Passenger Mile YoY Growth, 2004 – Q1 2009⁽¹⁾



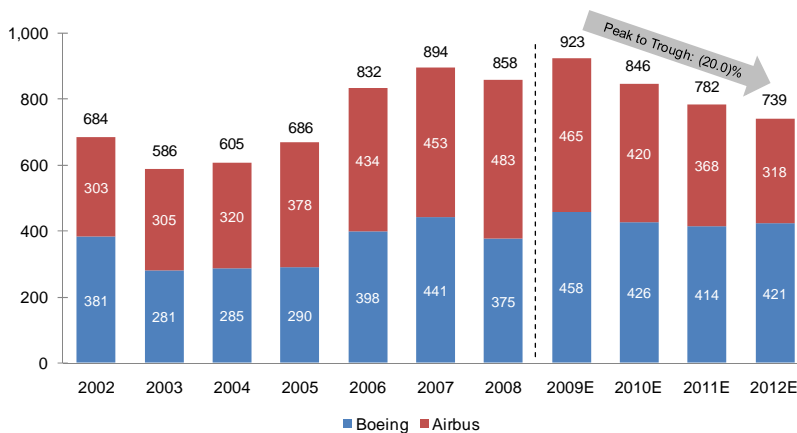
AEROSPACE MARKET FACING DECREASED PASSENGER DEMAND

Air traffic demand in the second half of 2008 began to slow significantly, as the effects from the global economic downturn began to take hold.

Industry forecasters are now predicting global air traffic to decline by 5% – 6% in 2009, down from the 0% – 3% decline projected as recently as December.

By way of comparison, traffic declined 6% in the most recent aerospace downturn in 2002.

Commercial Aircraft Deliveries, 2002 – 2012E⁽²⁾

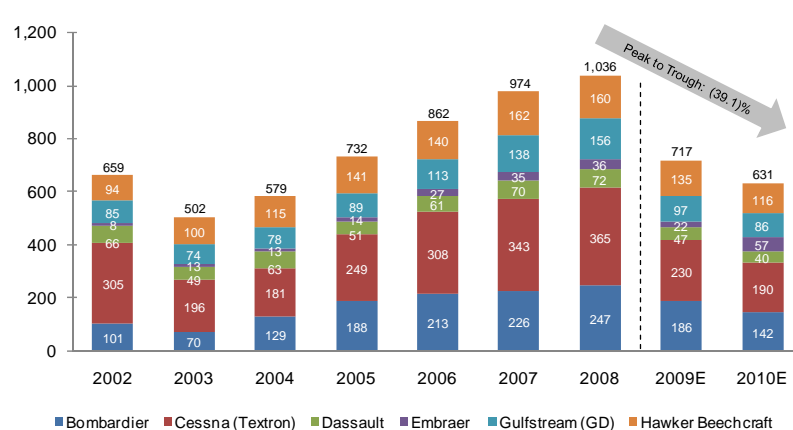


COMMERCIAL JET DELIVERIES FACING HEADWINDS

Production delays, decreased availability of financing for aircraft purchases, order cancellations, and declining passenger and cargo traffic demand have led to greatly reduced aircraft delivery forecasts.

Overall market conditions remain tenuous, presenting significant downside risk with respect to production of large commercial aircraft.

Business Jet Deliveries, 2002 – 2012E⁽³⁾



BUSINESS JET MARKET REACHES END OF STRONG CYCLE

After more than doubling from 2003 – 2008, total deliveries are expected to plummet in 2009. Weak economic conditions, anemic corporate profits, and intense public scrutiny surrounding corporate spending have greatly slowed this once-flourishing market.

The deterioration of the biz jet market has been rapid and steep – as recently as the 2008 NBAA conference, industry analysts were estimating nearly twice the number of deliveries in 2009 and 2010.

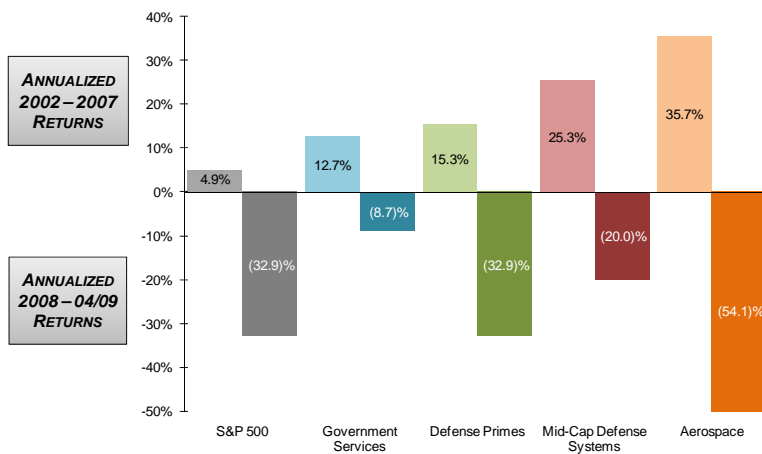
(1) Source: IATA.

(2) Source: Airbus, Boeing, KippsDeSanto estimates.

(3) Source: Company websites, KippsDeSanto estimates.

Public Company Performance and Market Valuation Trends

Stock Price Performance, 2002 – 2007 vs. 2008 – 04/30/09⁽¹⁾

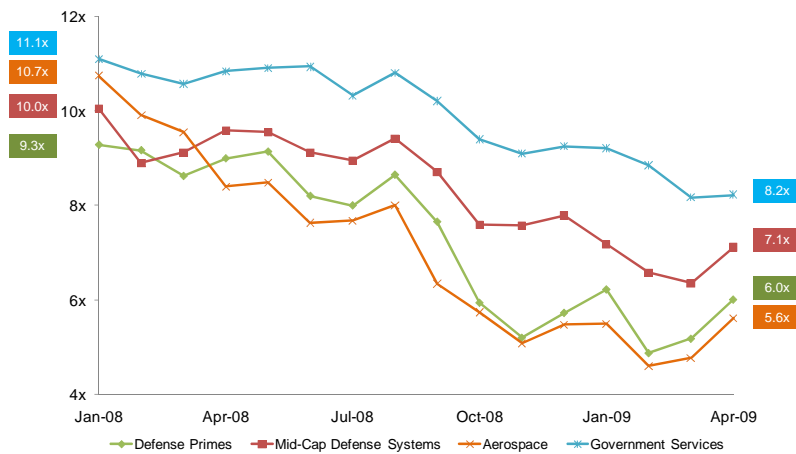


SHINE COMES OFF OF AEROSPACE/DEFENSE SHARES

Several years of robust defense spending and the upswing of the aerospace cycle led to returns far in excess of the broader market for defense, aerospace, and government services companies.

Since the beginning of 2008, however, share prices of defense primes and aerospace suppliers have traded in-line or lagged the broader market, due to uncertainty over big-ticket defense programs and the rapid deterioration of aerospace build rates.

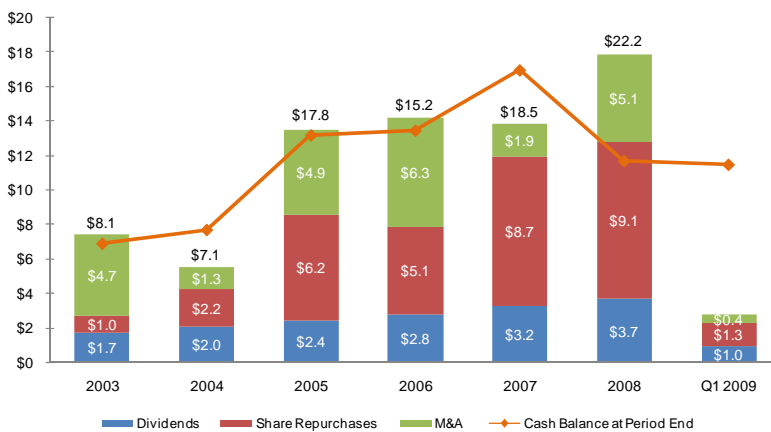
Public Market Valuation Trends: EV / LTM EBITDA⁽²⁾



VALUATIONS OF PUBLICLY TRADED COMPANIES HAVE CONTRACTED

Market valuations of defense and aerospace companies have declined steadily since the beginning of 2008. An index of mid-cap defense systems suppliers, for example, tumbled from approximately 10x LTM EBITDA in early 2008 to approximately 7x currently, a level more in-line with historical norms.

Cash Deployment by Defense Primes, 2003 – Q1 2009⁽³⁾
(\$ in billions)



COMPANIES ACTIVELY DEPLOYING CASH FLOW

Defense prime contractors have actively managed cash balances over the past several years, through a combination of share repurchases, dividends, and M&A activity. From 2003 to Q1 2009, primes deployed over \$24 billion of cash in acquisitions. With nearly \$12 billion in cash on their balance sheets as of Q1 2009, and continued strong cash flow generation, M&A activity by these companies is likely to remain healthy.

(1) Source: Capital IQ.
(2) Source: Capital IQ and company filings.
(3) Source: Capital IQ and company filings.

Public Company Trading Analysis⁽¹⁾

(\$ in millions, except price per share)

Defense Primes	Stock Price 4/30/09	% of 52 Week High	Market Cap	Enterprise Value	CY 2009			CY 2010			EV / CY 2009		EV / CY 2010	
					Revenue	EBITDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Lockheed Martin Corporation	\$78.53	65.3%	\$31,078.4	\$32,499.4	\$45,389.3	\$5,554.0	12.2%	\$48,369.6	\$6,035.3	12.5%	0.7x	5.9x	0.7x	5.4x
Boeing Co.	40.05	45.4%	28,271.4	33,246.4	67,565.3	6,834.6	10.1%	66,720.8	6,635.2	9.9%	0.5x	4.9x	0.5x	5.0x
General Dynamics Corp.	51.67	54.3%	20,558.4	22,961.4	32,277.8	4,059.1	12.6%	33,217.2	4,140.4	12.5%	0.7x	5.7x	0.7x	5.5x
BAE Systems plc	5.30	72.8%	18,727.7	19,041.3	30,478.5	3,802.4	12.5%	31,876.0	3,965.8	12.4%	0.6x	5.0x	0.6x	4.8x
Raytheon Co.	45.23	68.3%	18,190.3	18,503.3	24,777.2	3,356.2	13.5%	26,015.7	3,442.4	13.2%	0.7x	5.5x	0.7x	5.4x
Northrop Grumman Corporation	48.35	62.4%	15,730.3	18,748.3	34,849.8	3,469.9	10.0%	36,444.4	3,768.8	10.3%	0.5x	5.4x	0.5x	5.0x
L-3 Communications Holdings Inc.	76.15	67.1%	9,153.7	13,098.7	15,661.5	1,859.4	11.9%	16,411.6	1,994.7	12.2%	0.8x	7.0x	0.8x	6.6x
Median		65.3%					12.2%			12.4%	0.7x	5.5x	0.7x	5.4x

Defense Systems	Stock Price 4/30/09	% of 52 Week High	Market Cap	Enterprise Value	CY 2009			CY 2010			EV / CY 2009		EV / CY 2010	
					Revenue	EBITDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Alliant Techsystems Inc.	\$79.65	69.7%	\$2,612.3	\$3,913.6	\$4,580.7	\$574.1	12.5%	\$4,846.0	\$619.0	12.8%	0.9x	6.8x	0.8x	6.3x
Teledyne Technologies Inc.	31.93	48.2%	1,166.0	1,484.0	1,862.3	220.6	11.8%	1,965.6	251.0	12.8%	0.8x	6.7x	0.8x	5.9x
Cubic Corp.	28.71	88.4%	796.9	730.7	971.2	92.6	9.5%	1,030.9	100.1	9.7%	0.8x	7.9x	0.7x	7.3x
Axsys Technologies, Inc.	41.91	52.6%	497.7	471.6	284.0	55.3	19.5%	318.9	63.4	19.9%	1.7x	8.5x	1.5x	7.4x
AeroVironment, Inc.	23.66	57.4%	481.4	357.9	278.0	41.6	15.0%	320.5	50.4	15.7%	1.3x	8.6x	1.1x	7.1x
Ducommun Inc.	17.32	51.3%	187.9	215.1	439.2	48.6	11.1%	465.4	51.4	11.1%	0.5x	4.4x	0.5x	4.2x
Median		55.0%					12.2%			12.8%	0.8x	7.4x	0.8x	6.7x

Defense Communications / Electronics	Stock Price 4/30/09	% of 52 Week High	Market Cap	Enterprise Value	CY 2009			CY 2010			EV / CY 2009		EV / CY 2010	
					Revenue	EBITDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Harris Corp.	\$30.58	45.8%	\$4,059.5	\$4,741.2	\$5,061.2	\$1,019.1	20.1%	\$5,661.7	\$1,138.5	20.1%	0.9x	4.7x	0.8x	4.2x
Comtech Telecommunications Corp.	33.47	65.4%	966.5	839.0	655.5	102.6	15.7%	795.5	158.0	19.9%	1.3x	8.2x	1.1x	5.3x
ViaSat Inc.	22.99	81.9%	737.0	677.1	685.2	100.0	14.6%	754.1	NA	NA	1.0x	6.8x	0.9x	NA
Argon ST, Inc.	20.39	73.4%	452.9	449.3	394.1	49.7	12.6%	435.8	58.5	13.4%	1.1x	9.0x	1.0x	7.7x
Applied Signal Technology, Inc.	19.76	88.6%	263.2	220.9	205.9	24.4	11.9%	225.4	27.8	12.3%	1.1x	9.1x	1.0x	7.9x
CPI International, Inc.	10.95	68.4%	181.3	374.2	357.4	73.4	20.5%	363.6	NA	NA	1.0x	5.1x	1.0x	NA
Herley Industries Inc.	10.34	50.8%	136.7	144.8	164.3	19.3	11.7%	NA	NA	NA	0.9x	7.5x	NA	NA
Median		70.9%					13.6%			13.4%	1.1x	7.8x	1.0x	7.7x

Homeland Security	Stock Price 4/30/09	% of 52 Week High	Market Cap	Enterprise Value	CY 2009			CY 2010			EV / CY 2009		EV / CY 2010	
					Revenue	EBITDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Mine Safety Appliances Co.	\$24.65	58.2%	\$907.5	\$1,016.4	\$982.1	\$119.7	12.2%	\$1,032.5	\$145.2	14.1%	1.0x	8.5x	1.0x	7.0x
L-1 Identity Solutions Inc.	7.32	42.5%	637.8	1,100.2	719.5	101.4	14.1%	821.8	117.0	14.2%	1.5x	10.8x	1.3x	9.4x
American Science & Engineering Inc.	60.26	72.4%	552.4	430.9	256.2	62.3	24.3%	265.2	51.7	19.5%	1.7x	6.9x	1.6x	8.3x
Analogic Corporation	36.40	47.3%	459.9	312.0	449.8	44.6	9.9%	NA	NA	NA	0.7x	7.0x	NA	NA
OSI Systems, Inc.	18.75	71.7%	309.4	341.8	629.4	47.5	7.6%	NA	NA	NA	0.5x	7.2x	NA	NA
ICx Technologies, Inc.	3.74	40.5%	144.0	113.9	198.2	(1.0)	(0.5%)	251.6	25.0	9.9%	0.6x	NM	0.5x	4.6x
Median		52.8%					11.1%			14.1%	0.9x	7.2x	1.2x	7.7x

(1) Source: Company filings, press releases, Capital IQ and KippsDeSanto research.

Public Company Trading Analysis, cont.⁽¹⁾

(\$ in millions, except price per share)

Aerospace Systems Suppliers	Stock Price 4/30/09	% of 52 Week High	Market Cap	Enterprise Value	CY 2009			CY 2010			EV / CY 2009		EV / CY 2010	
					Revenue	EBITDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Goodrich Corp.	\$44.28	62.9%	\$5,577.2	\$6,834.5	\$6,916.3	\$1,252.9	18.1%	\$6,932.9	\$1,251.6	18.1%	1.0x	5.5x	1.0x	5.5x
TransDigm Group Incorporated	35.14	78.9%	1,765.8	2,973.6	775.1	357.8	46.2%	803.6	377.0	46.9%	3.8x	8.3x	3.7x	7.9x
Curtiss-Wright Corp.	31.97	57.0%	1,464.1	1,920.1	1,905.1	289.6	15.2%	2,029.0	316.7	15.6%	1.0x	6.6x	0.9x	6.1x
BE Aerospace Inc.	10.79	24.8%	1,049.6	2,004.7	1,973.9	353.7	17.9%	2,001.4	374.8	18.7%	1.0x	5.7x	1.0x	5.3x
HEICO Corp.	28.71	52.8%	791.1	910.9	577.6	118.3	20.5%	NA	NA	NA	1.6x	7.7x	NA	NA
Triumph Group Inc.	41.33	56.0%	712.0	1,072.0	1,328.3	207.3	15.6%	1,314.9	211.4	16.1%	0.8x	5.2x	0.8x	5.1x
AAR Corp.	15.07	60.4%	586.3	992.9	1,477.1	186.3	12.6%	NA	NA	NA	0.7x	5.3x	NA	NA
Median		57.0%					17.9%			18.1%	1.0x	5.7x	1.0x	5.5x

Aerospace Structures Suppliers	Stock Price 4/30/09	% of 52 Week High	Market Cap	Enterprise Value	CY 2009			CY 2010			EV / CY 2009		EV / CY 2010	
					Revenue	EBITDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Spirit AeroSystems Holdings Inc.	\$12.75	40.5%	\$1,676.1	\$2,047.6	\$4,194.0	\$615.7	14.7%	\$4,099.8	\$573.2	14.0%	0.5x	3.3x	0.5x	3.6x
Hexcel Corp.	9.59	35.9%	910.4	1,254.1	1,261.4	199.0	15.8%	1,308.2	212.2	16.2%	1.0x	6.3x	1.0x	5.9x
Ladish Co. Inc.	7.57	22.6%	128.2	242.8	462.3	36.4	7.9%	481.1	50.7	10.5%	0.5x	6.7x	0.5x	4.8x
LMI Aerospace Inc.	6.59	25.2%	76.7	102.7	257.2	33.9	13.2%	256.6	31.3	12.2%	0.4x	3.0x	0.4x	3.3x
Median		30.5%					13.9%			13.1%	0.5x	4.8x	0.5x	4.2x

(1) Source: Company filings, press releases, Capital IQ and KippsDeSanto research.

YTD 2009 M&A Transactions⁽¹⁾

Select Defense M&A Transactions

(\$ in millions)

Date	Buyer	Target	Target Description	EV	Revenue	EBITDA	EV /	
							Revenue	EBITDA
04/30/09	Microsemi Corporation	Endwave Defense Systems, Inc.	Engages in the design and manufacture of radio frequency amplifier modules for defense, commercial radar, and homeland security applications	\$28.0	NA	NA	NA	NA
04/28/09	ShotSpotter, Inc.	QinetiQ NA's SECURES Acoustic Gunshot Detection System	Develops systems that detect, triangulate, and relay locations at which gunshot or explosive incidents occur	NA	NA	NA	NA	NA
04/24/09 (A)	SAFRAN	GE Homeland Protection (81%)	Provides equipment and services to protect airports, ports, borders and critical infrastructure	580.0	\$260.0	NA	2.2x	NA
04/16/09 (A)	Harris Corporation	Tyco Electronics Wireless Systems (fka M/A - COM)	Provides mission-critical wireless communications systems for law enforcement, fire and rescue, and public services organizations	675.0	467.0	\$82.0	1.4x	8.2x
04/07/09	Elbit Systems Ltd.	Kinetics Ltd. (remaining 49%)	Designs and produces armored fighting vehicle systems, as well as fluid power systems and components	110.0	NA	NA	NA	NA
04/03/09	Woodward Governor Company	HR Textron, Inc.	Designs and produces motion control systems and components for commercial and military aircraft, missiles, spacecraft, and other vehicles	365.0	260.0	41.0	1.4x	8.9x
04/1/09 (A)	Rockwell Collins, Inc.	DataPath, Inc.	Designs, integrates, manages and deploys satellite communication systems for military and commercial customers	130.0	NA	NA	NA	NA
04/01/09	Hunter Defense Technologies	Vertigo, Inc.	Invents, prototypes, and produces unique engineering solutions for the aerospace, defense and technology communities	NA	NA	NA	NA	NA
03/31/09	Alliant Techsystems Inc.	Eagle Industries Unlimited, Inc.	Manufactures individual operational nylon gear and equipment for military, homeland security, and law enforcement agencies	NA	NA	NA	NA	NA
03/20/09	Ultralife Corporation	SAIC's Tactical Communications Products Business	Develops and manufactures tactical communications products including amplifiers, cables, and power solutions	5.7	7.0	NA	0.8x	NA
03/12/09 (A)	BAE Systems, Inc.	Advanced Ceramics Research, Inc.	Produces small / mini tactical Unmanned Aircraft Systems and advanced ceramic materials for military and commercial aerospace applications	14.7	NA	NA	NA	NA
03/06/09	Curtiss-Wright Corporation	EST Group, Inc.	Provides engineered products and repair services for heat management and cooling systems utilized in the energy and defense markets	40.0	20.0	NA	2.0x	NA
03/02/09	Moog, Inc.	Fernau Avionics Limited	Designs and manufactures ground-based navigation aids for use by the military, civil aviation, harbour authorities, and coastguards	44.8	22.0	NA	2.0x	NA
02/24/09	Elbit Systems Ltd.	Shiron Satellite Communications Ltd.	Designs and develops satellite communications systems	16.0	NA	NA	NA	NA
02/20/09	Integral Systems Inc.	QinetiQ Group Plc, satID Product Line	Develops products used to geolocate the source of satellite interferers, jammers, and unauthorized users to ensure quality of satellite service	10.0	NA	NA	NA	NA
02/13/09	Moog, Inc.	Videolarm, Inc.	Supplies products for surveillance systems including integrated cameras, vandal resistant protective housings and networked solutions	45.0	19.5	NA	2.3x	NA
02/13/09	EMS Technologies, Inc.	Satamatics, Ltd.	Provides satellite-based communication products and services for telematics and micro telemetry applications	45.4	NA	4.0	NA	11.3x
01/30/09	Astronics Corporation	DME Corporation	Designs and manufactures weapons and communications test equipment, training and simulation devices and aviation safety solutions	48.6	86.0	10.1	0.6x	4.8x
01/30/09	L-3 Communications Holdings Inc.	Chesapeake Sciences Corporation	Develops, integrates, tests, and delivers sensor products and systems for the U.S. Navy, international navies, and other companies	NA	NA	NA	NA	NA
01/21/09 (A)	Swedish Space Corporation	Universal Space Network, Inc. (remaining 90%)	Provides space operations, and ground control and communications services	42.0	10.8	NA	3.9x	NA
01/09/09	EMS Technologies, Inc.	Formation, Inc.	Designs and manufactures hardware and software products and provides related engineering services	40.0	NA	6.0	NA	6.7x

Select Aerospace M&A Transactions

(\$ in millions)

Date	Buyer	Target	Target Description	EV	Revenue	EBITDA	EV /	
							Revenue	EBITDA
03/31/09	Triumph Group, Inc.	The Mexmil Company, LLC	Designs, manufactures and repairs thermal-acoustic insulation systems for commercial aerospace applications	NA	NA	NA	NA	NA
03/31/09	Triumph Group, Inc.	Kongsberg Automotive's Aviation Assets	Designs and manufactures cable control systems for commercial and military aircraft	\$25.3	\$11.4	NA	2.2x	NA
03/23/09	General Electric Co.	Airfoil Technologies International, LLC (51% of JV owned by Teleflex, Inc.)	Provides repair technologies and services for commercial flight and ground-based turbines	300.0	250.0	NA	1.2x	NA
03/13/09	Triumph Group, Inc.	Saygrove Defence & Aerospace Group, Ltd	Provides all-electric actuation, motion control systems for use in civil and military aircraft and UAVs	NA	NA	NA	NA	NA
03/13/09	Triumph Group, Inc.	Merritt Tool Company, Inc.	Specializes in CNC milling, turning, grinding, and assembly services for commercial and military aircraft	NA	NA	NA	NA	NA
03/03/09	Nogales Investors Management, LLC	DR Technologies, Inc.	Develops and manufactures advanced composite structural products for aerospace and defense applications	NA	NA	NA	NA	NA
01/21/09	LMI Aerospace, Inc.	Integrated Technologies, Inc. (Intec)	Offers advanced materials testing, manufacturing, and design services to the aerospace and defense industries	NA	7.0	NA	NA	NA
01/20/09	AMETEK, Inc.	High Standard Aviation, Inc.	Provides electrical and electromechanical, hydraulic and pneumatic repair services to the aerospace industry	NA	31.0	NA	NA	NA
01/08/09	Air Transport Group Holdings, Inc.	Technical Aero Services Inc.	Supplies aftermarket aircraft parts to aircraft operators	2.5	NA	NA	NA	NA
01/07/09	Synchronous Aerospace, Inc.	Helicomb International, Inc.	Provides commercial and military composite repair services	NA	NA	NA	NA	NA
01/06/09	Vaisala, Inc.	Aviation Systems Maintenance, Inc.	Provides maintenance of non-federal NAVAID installations	3.2	2.6	NA	1.2x	NA

(1) Select closed and / or announced transactions through 04/30/09.

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

Selected Aerospace & Defense Technology Transactions⁽¹⁾



has been acquired by



*has acquired through
a reverse merger*



has been acquired by



has been acquired by



has been acquired by



has acquired



has been acquired by



has been acquired by



has been acquired by



has been acquired by



has been acquired by



has been acquired by



(1) Some transactions advised upon by current KippsDeSanto & Co. professionals under prior employment.

About KippsDeSanto & Co.

KippsDeSanto is an investment bank focused on delivering high-level strategic advice and merger and acquisition execution expertise. Our solutions are focused on the sectors we know – Aerospace & Defense Technology, Government Services, and Commercial IT Services and Enterprise Software. We are recognized for our industry experience, knowledge of sector-specific transaction drivers, and long-standing relationships with industry participants – buyers, sellers, and capital providers.

We welcome the opportunity to have a more detailed discussion of the A&DT markets. For more information, please contact us:

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