



ARONSON

CAPITAL PARTNERS

OCTOBER DEFENSE TECHNOLOGY & GOVERNMENT SERVICES MARKET UPDATE

Aronson Capital Partners, LLC
805 King Farm Boulevard, Suite 300
Rockville, Maryland 20850
Tel: (301) 231-6200
Fax: (301) 231-7630

Larry A. Davis
Partner

Tel: (301) 231-6225

ldavis@aronsoncapitalpartners.com

Philip J. McMann
Partner

Tel: (301) 231-6202

pmmann@aronsoncapitalpartners.com

Timothy P. Schmitt
Vice President

Tel: (301) 222-8285







tschmitt@aronsoncapitalpartners.com

Performance Gap Between Tier 1 and Mid-Tiers Widens Following Q3 Earnings

During the last two weeks of October and first two weeks of November, all major Tier 1 and Mid-Tier Defense and Government Services contractors reported calendar Q3 results. This was good news for our Tier 1 index, who all reported Earnings Per Share (“EPS”) ahead of analyst expectations and raised full year 2013 EPS guidance. The market responded positively to the news, as four of six companies in our index experienced share price increases the day following the release of Q3 results. However, our Mid-Tier index did not fare as well, as over half of the companies lowered either revenue or EPS guidance (or both). Eight of 11 contractors in our Mid-Tier index experienced share price drops following the release of their Q3 earnings.

Based on calendar Q3 results, it appears continuing sequestration has impacted the Mid-Tier index more significantly than the Tier 1 index. We believe this imbalance was the result of two key factors demonstrated in calendar Q3, which are likely to continue into calendar Q4 2013 and 2014:

- Because of their smaller size, firms in the Mid-Tier index do not have as large of a capacity to realize cost efficiencies from their existing SG&A structure. Therefore, the Mid-Tiers are not able to maintain profitability following revenue contractions as efficiently as their Tier 1 counterparts.
- KEYW President and CEO Leonard E. Moodispaw addressed the second factor on KEYW’s Q3 earnings call: “The biggest problem we had was when the government shut down, they shut the doors. And so the government employees weren’t allowed to go in and our people weren’t allowed to go in.” In general, the Mid-Tiers are less diversified and have a higher concentration of government customer services-based revenue that relies on billing man-hours. Therefore, the government shutdown in October, as well as the ongoing risk of a shutdown in calendar Q1 2014, impacts the Mid-Tier more dramatically than their Tier 1 counterparts.

Tier 1 Index	Quarter Actual		Street Estimate		Share Price Change	Guidance
	Rev (\$Ms)	EPS	Rev (\$Ms)	EPS		
 BOEING	\$ 22,130	\$ 1.80	\$ 21,685	\$ 1.54	5.3%	Maintained 2013 revenue and raised EPS guidance
 GENERAL DYNAMICS	\$ 7,796	\$ 1.84	\$ 7,751	\$ 1.68	-2.2%	Maintained 2013 revenue and raised EPS guidance
 L3 communications	\$ 2,996	\$ 1.97	\$ 3,068	\$ 1.95	1.6%	Maintained 2013 revenue and raised EPS guidance
 LOCKHEED MARTIN	\$ 11,347	\$ 2.57	\$ 11,137	\$ 2.26	3.8%	Maintained 2013 revenue and raised EPS guidance
 NORTHROP GRUMMAN	\$ 6,106	\$ 1.97	\$ 5,953	\$ 1.81	4.0%	Raised 2013 revenue and EPS guidance
 Raytheon	\$ 5,842	\$ 1.51	\$ 5,813	\$ 1.33	-0.5%	Raised 2013 revenue and EPS guidance











Source: <http://www.nasdaq.com/earnings/report/>

Despite \$37B of sequestration cuts having gone into effect and potentially impacting performance, a variety of factors enabled these companies to beat analysts’ earnings expectations for the quarter:

- Contractors are benefitting from substantial SG&A cuts and productivity initiatives implemented over the past 12 months. Layoffs have been widely publicized across the community, and Q3 profitability shows the aftermath of those changes. Going forward, it will be interesting to see how much more efficiency contractors can manage.

- The initial wave of sequestration cuts was less than what defense contractors had projected. As noted in our September newsletter, the ability of government customers to use prior year unexpended funds dampened the magnitude of the mandated cuts. Meanwhile, many programs were extended (vs. recompleted) or awards were protested, enabling the incumbent contractors to enjoy the historical higher margins for another quarter.
- Growth in the international and longer-cycle aviation business units, which are typically higher margin, are outweighing the lagging government services divisions. Boeing and General Dynamics in particular had strong results in their respective Aerospace divisions, while Raytheon executives identified successes in executing the company's international strategy to drive long-term growth.

Looking forward, the Tier 1's pointed to a reasonably positive outlook for 2014, even though they are planning for sequestration to continue. Raytheon Chairman & CEO William Swanson stated that 2014 will likely be a lot like 2013: "Revenue should be down just slightly, driven by domestic. I think the margins should continue to be strong, and the company is expected to have strong cash generation." L3 published formal 2014 guidance that was generally positive with strong cash conversion projected, and Lockheed Martin's management team expressed confidence in the 2014 outlook with only a slight year-over-year revenue decline forecasted.

Mid-Tier Index	Quarter Actual		Street Estimate		Share Price Change	Guidance
	Rev (\$Ms)	EPS	Rev (\$Ms)	EPS		
 Booz Allen Hamilton	\$ 1,378	\$ 0.47	\$ 1,362	\$ 0.38	1.1%	Lowered revenue and maintained EPS guidance
 CACI EVER VIGILANT	\$ 864	\$ 1.74	\$ 879	\$ 1.25	-0.3%	Maintained revenue and EPS guidance
 DRC DYNAMICS RESEARCH CORPORATION	\$ 68	\$ 0.13	\$ 70	\$ 0.13	0.3%	N/A: no guidance previously provided
 ENGILITY Your Mission. Our Commitment.	\$ 339	\$ 0.80	\$ 355	\$ 0.71	-0.8%	Lowered revenue and maintained EPS guidance
 EXELIS	\$ 1,141	\$ 0.41	\$ 1,248	\$ 0.41	-4.6%	Lowered revenue and maintained EPS guidance
 ICF INTERNATIONAL	\$ 244	\$ 0.55	\$ 245	\$ 0.52	-5.1%	Lowered revenue and EPS guidance
 KEYW™	\$ 74	\$ (0.02)	\$ 79	\$ (0.05)	-6.5%	Maintained revenue and EPS guidance
 ManTech International Corporation	\$ 567	\$ 0.48	\$ 580	\$ 0.52	-2.4%	Lowered revenue and EPS guidance
 nci	\$ 78	\$ 0.11	\$ 73	\$ 0.10	11.1%	Raised revenue and EPS guidance
 VSE CORPORATION Integrity • Ability • Value	\$ 111	\$ 1.00	\$ 114	\$ 0.81	-6.9%	N/A: no guidance given

Source: <http://www.nasdaq.com/earnings/report/>

ManTech CFO and EVP Kevin Phillips summarized a few of the factors that significantly impacted contractors in calendar Q3 and affected revenue and margin guidance for calendar Q4: "Many intelligence customers who have previously been immune to furloughs or shutdowns were closed the entire 16-day period, temporarily ceasing their sensitive missions. The second factor is the continued slowdown in awards and startups on awards due to the shutdown. There were some rush-to-obligate year-end funds and procurements, but not at the same volume as in previous years or it has been slowed so far in the fourth quarter as the shutdown has exacerbated delays in RFPs and contract awards."

Selected M&A Transactions

Integrated Mission Solutions, LLC, a portfolio company of DC Capital Partners, completes acquisition of Michael Baker Corporation

Ten months after its first announcement in December 2012, Integrated Mission Solutions, LLC (portfolio company of DC Capital Partners) closed its acquisition of Michael Baker Corporation on October 11, 2013. Michael Baker provides engineering, design, planning, and construction services for its clients in areas such as architecture, defense, aviation, and homeland security.

Chairman of IMS and Founder of DC Capital, Thomas J. Campbell, stated: “This is a significant step for both companies. The combination of Michael Baker and IMS will create a company with over \$1.0 billion in revenue, approximately 5,000 employees, and a platform with global reach. This geographic footprint in support of our customers in growth areas such as infrastructure, development, intelligence, and technology combined with Michael Baker’s complementary capabilities, highly certified, security cleared workforce and distinctive North American presence will greatly enhance our collective ability to manage and execute larger projects.

The transaction implies an enterprise value of \$313.3 million, which represents a 0.5x multiple of trailing twelve months revenue, and a 9.5x multiple of trailing twelve months EBITDA. Following the transaction, IMS became Michael Baker International, LLC, with Michael Baker Corp. becoming a wholly owned subsidiary.

Falls Church-based CSC to acquire ServiceMesh

On October 31, 2013, Computer Sciences Corp. (CSC) announced it has signed a definitive agreement to acquire ServiceMesh. Based in Santa Monica, ServiceMesh is a provider of enterprise cloud management platforms through its Agility Platform. Through this platform, they automate the deployment and management of enterprise services applications and platforms across private, public and hybrid cloud environments. Noted on ServiceMesh’s website, “this strategic acquisition enables CSC to continue its transformation into a next-generation IT Company that helps its clients migrate their applications into cloud computing environments.”

President and CEO of CSC, Mike Lawrie, stated at the time of the announcement: “ServiceMesh allows us to catalogue enterprise applications and orchestrate those applications dynamically to run in different clouds based on the characteristics of the applications. From our unique position as an independent global technology company, we will integrate those workloads for our clients through our portfolio of services and technologies.”

The purchase price includes \$158 million of firm consideration at closing, plus an additional \$137 million of potential earn-out, for a total purchase price of \$295 million. Earnings metrics for ServiceMesh were not disclosed.

Delta Information Systems, Inc. Acquires Acroamatics, Inc.

On October 10th, Delta Information Systems announced its acquisition of Santa Barbara, Ca.–based Acroamatics, Inc. Acroamatics is involved in the design and manufacture of advanced digital signal processing products; its primary expertise is in the development of integrated low latency telemetry processing systems, a key element of flight test range safety, space launch and tracking operations. President of Delta Information Systems, Gary Thom, stated at the time of announcement: “We are very excited about our new relationship with Acroamatics. Acroamatics has been supporting the telemetry community for over 40 years and brings a wealth of technical and market knowledge to Delta. (...) We expect this acquisition to help position us to provide Best-of-Breed solutions across the range of telemetry ground station products from signal acquisition and distribution to engineering data processing and visualization.”

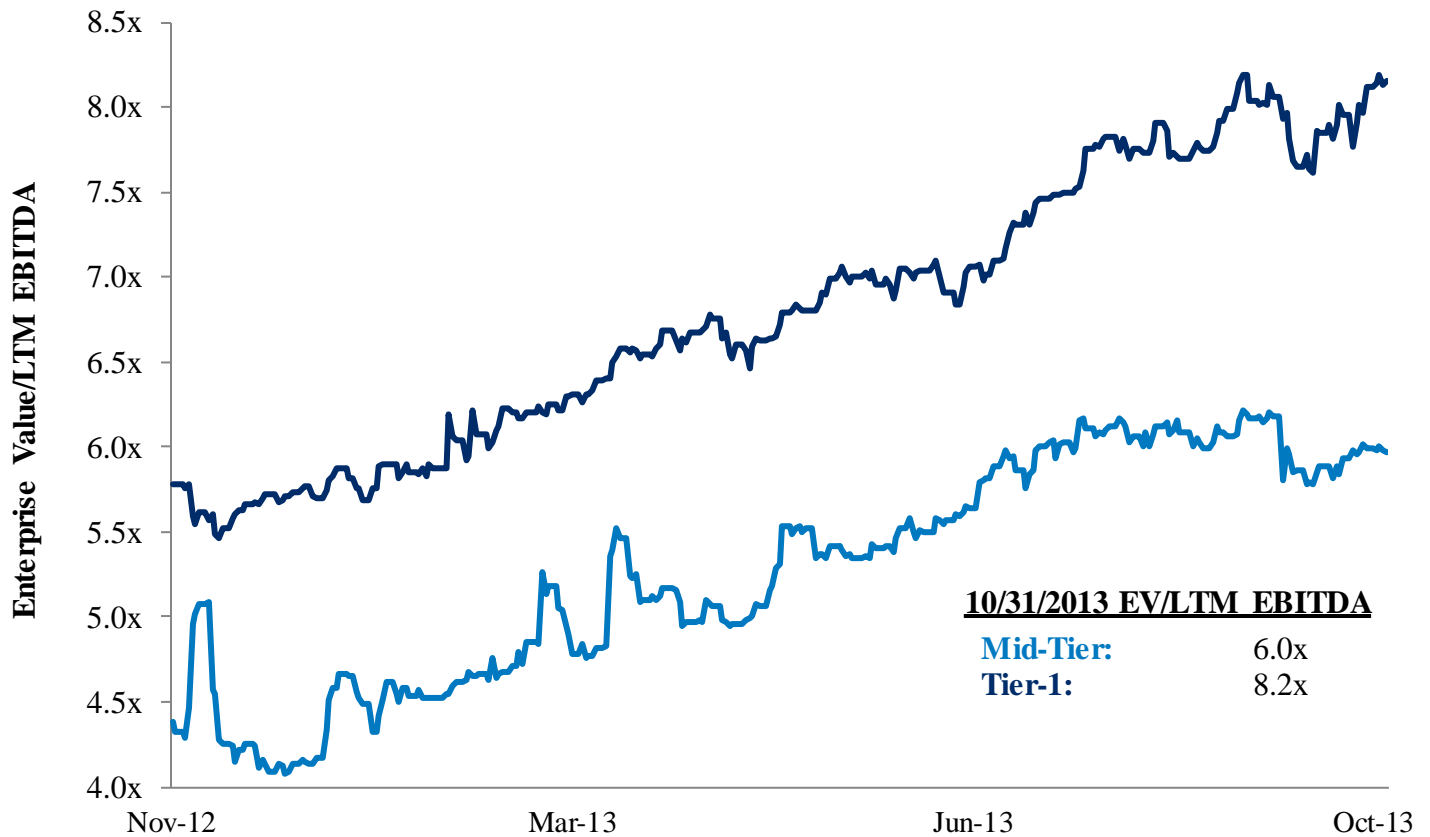
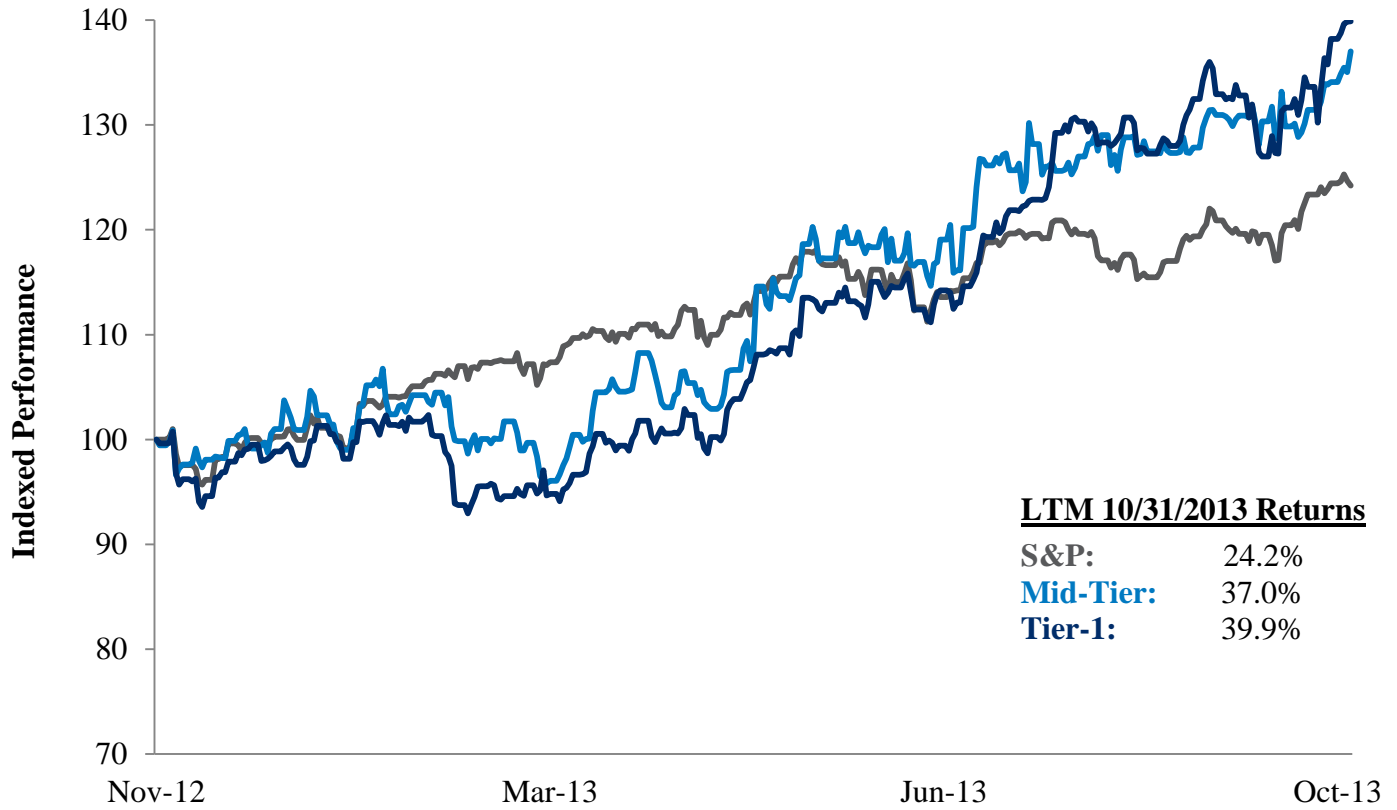
Terms of the deal were not disclosed.

Technical and Project Engineering, LLC (TAPE) acquires Strong Point Research

On October 7th, 2013, Technical and Project Engineering, LLC (a provider of technological, management/program support, and training solutions to government agencies) announced its acquisition of Strong Point Research, a government contracting firm providing modeling, simulation, and training services to government, military, and commercial organizations. TAPE’s announcement states that Strong Point Research’s “experience in providing mission-critical systems, applications, and engineering services compliments TAPE’s systems engineering expertise in the areas of management, professional, and technical services.” TAPE’s CEO and president, Louisa Jaffe, also mentioned: “This move is part of TAPE’s new strategic alignment and will enable us to enhance our training capabilities by providing customers with a broader range of training services.”

Terms of the deal were not disclosed.

Government Services Industry Performance



Source: CapIQ

Mid-Tier Index: BAH, CACI, DRCO, EGL, ICFI, KEYW, LDOS, MANT, NCIT, VSEC, XLS

Tier-1 Index: BA, GD, LLL, LMT, NOC, RTN

Public Company Comparables

(USD in Millions, excluding share prices)

Company	Price 10/31/2013	Annual High	Annual Low	% of High	Equity Market Value	Enterprise Value	LTM Revenue	LTM EBITDA	EV as a Multiple of				EBITDA Margin		Revenue Growth		
									LTM		NTM		CY12A	CY13P	CY12A	CY13P	
									Revenue	EBITDA	Revenue	EBITDA					
Mid-Tier Federal Service Providers																	
Leidos Holdings, Inc.	\$47.09	\$64.36	\$43.56	73.2%	\$4,035	\$4,908	\$10,764	\$822	0.5x	6.0x	0.5x	6.3x	8.0%	6.2%	6.4%	(12.8%)	
Booz Allen Hamilton	19.80	22.27	12.51	88.9%	2,855	4,117	5,744	582	0.7x	7.1x	0.8x	7.6x	9.0%	10.0%	(1.0%)	(1.3%)	
Exelis Inc.	16.49	16.77	10.08	98.4%	3,105	3,495	5,158	681	0.7x	5.1x	0.7x	5.4x	12.9%	12.1%	(5.4%)	(9.2%)	
CACI International Inc.	71.98	72.42	49.54	99.4%	1,685	2,201	3,615	321	0.6x	6.9x	0.6x	6.8x	9.0%	8.9%	(0.9%)	(4.6%)	
ManTech International Corporation	27.94	30.21	22.88	92.5%	1,039	980	2,440	176	0.4x	5.6x	0.5x	6.4x	8.7%	7.1%	(10.0%)	(9.3%)	
Engility Holdings, Inc.	30.97	35.21	18.01	88.0%	533	822	1,544	118	0.5x	7.0x	0.6x	6.2x	7.8%	9.2%	(20.1%)	(10.2%)	
ICF International Inc.	34.62	36.18	18.38	95.7%	684	754	945	89	0.8x	8.5x	0.8x	7.9x	9.6%	9.6%	11.5%	2.6%	
The KEYW Holding Corporation	11.52	16.45	10.82	70.0%	422	501	304	24	1.6x	20.9x	1.6x	15.7x	11.9%	8.7%	27.8%	24.3%	
VSE Corp.	43.80	49.94	20.55	87.7%	234	365	486	64	0.8x	5.7x	0.8x	5.9x	13.4%	13.1%	(5.9%)	(13.4%)	
Dynamics Research Corporation	7.40	7.69	4.84	96.2%	77	159	287	28	0.6x	5.8x	0.6x	6.8x	9.8%	8.9%	(1.7%)	(12.9%)	
NCI, Inc.	5.70	6.40	4.02	89.1%	74	75	342	20	0.2x	3.8x	0.3x	5.0x	4.8%	5.9%	(34.0%)	(12.4%)	
									Mean	0.7x	7.5x	0.7x	7.3x	9.5%	9.1%	(3.0%)	(5.4%)
									Median	0.6x	6.0x	0.6x	6.4x	9.0%	8.9%	(1.7%)	(9.3%)
Tier 1 Prime Contractors																	
The Boeing Company	\$130.50	\$131.88	\$69.30	99.0%	\$98,065	\$91,912	\$85,140	\$8,281	1.1x	11.1x	1.0x	10.1x	9.6%	10.0%	18.9%	4.2%	
Lockheed Martin Corporation	133.34	134.96	85.88	98.8%	42,470	45,965	45,924	5,551	1.0x	8.3x	1.0x	7.8x	10.5%	12.7%	1.5%	(4.4%)	
General Dynamics Corp.	86.63	89.94	61.70	96.3%	30,511	30,354	31,189	3,742	1.0x	8.1x	1.0x	7.1x	11.9%	13.7%	(3.6%)	(1.2%)	
Raytheon Co.	82.37	83.10	52.24	99.1%	26,315	27,321	24,275	3,330	1.1x	8.2x	1.2x	8.2x	13.7%	14.1%	(1.5%)	(2.7%)	
Northrop Grumman Corporation	107.51	108.86	62.80	98.8%	23,866	24,850	24,980	3,663	1.0x	6.8x	1.1x	8.0x	14.4%	14.4%	(4.5%)	(3.0%)	
L-3 Communications Holdings Inc.	100.45	100.89	71.91	99.6%	8,902	12,247	12,933	1,561	0.9x	7.8x	1.0x	8.7x	12.2%	11.6%	(0.1%)	(4.6%)	
									Mean	1.0x	8.4x	1.0x	8.3x	12.1%	12.8%	1.8%	(2.0%)
									Median	1.0x	8.2x	1.0x	8.1x	12.0%	13.2%	(0.8%)	(2.8%)
Defense System / Electronics Firms																	
Rockwell Collins Inc.	\$69.83	\$75.25	\$53.18	92.8%	\$9,428	\$10,036	\$4,610	\$1,076	2.2x	9.3x	2.0x	8.7x	22.8%	23.4%	(2.1%)	(0.7%)	
Harris Corporation	61.96	62.81	41.08	98.6%	6,622	7,955	5,042	1,095	1.6x	7.3x	1.6x	7.5x	22.0%	20.1%	2.5%	(6.7%)	
Teledyne Technologies Inc.	88.82	91.52	59.61	97.0%	3,325	3,879	2,309	341	1.7x	11.4x	1.6x	10.2x	15.5%	14.3%	9.5%	10.1%	
Cubic Corporation	52.50	54.96	40.61	95.5%	1,404	1,290	1,378	138	0.9x	9.4x	0.9x	9.4x	10.3%	10.0%	3.8%	0.2%	
Kratos Defense & Security Solutions	8.48	9.16	4.08	92.6%	483	1,080	1,028	103	1.0x	10.5x	1.1x	8.8x	10.5%	11.6%	35.8%	0.8%	
Mercury Systems, Inc.	9.22	10.47	6.76	88.1%	306	266	213	3	1.2x	N/A	1.2x	15.7x	6.0%	6.8%	(4.7%)	(4.8%)	
									Mean	1.4x	9.6x	1.4x	10.0x	14.5%	14.4%	7.5%	(0.2%)
									Median	1.4x	9.4x	1.4x	9.1x	13.0%	12.9%	3.1%	(0.3%)
Foreign Contractors																	
EADS	\$68.80	\$68.91	\$32.97	99.8%	\$53,664	\$51,751	\$75,240	\$5,917	0.7x	8.7x	0.6x	6.3x	6.9%	9.3%	16.7%	7.7%	
BAESystems plc	7.30	7.56	4.83	96.5%	23,505	25,403	25,435	3,135	1.0x	8.1x	0.8x	6.7x	12.0%	12.8%	(2.3%)	11.5%	
Finmeccanica SpA	7.35	8.10	4.75	90.7%	4,248	12,080	22,466	1,725	0.5x	7.0x	0.5x	5.0x	8.0%	9.6%	1.2%	0.7%	
Thales SA	61.44	61.44	35.00	100.0%	12,396	11,853	18,484	1,636	0.6x	7.2x	0.6x	5.9x	8.6%	10.1%	10.3%	3.5%	
Cobham plc	4.63	5.02	2.99	92.2%	4,936	5,715	2,690	582	2.1x	9.8x	2.0x	9.2x	22.8%	21.8%	(1.5%)	0.3%	
Sercos Group plc	8.94	11.07	8.10	80.8%	4,369	5,585	7,783	588	0.7x	9.5x	0.7x	8.7x	7.7%	7.6%	10.4%	3.9%	
Ultra Electronics Holdings plc	31.05	32.16	23.78	96.6%	2,157	2,234	1,153	216	1.9x	10.3x	1.8x	10.1x	16.8%	17.5%	8.6%	1.3%	
QinetiQ Group Plc	3.18	3.45	2.85	92.2%	2,065	1,955	2,016	325	1.0x	6.0x	1.0x	7.5x	14.7%	13.5%	(6.6%)	(8.1%)	
									Mean	1.1x	8.3x	1.0x	7.4x	12.2%	12.8%	4.6%	2.6%
									Median	0.8x	8.4x	0.7x	7.1x	10.3%	11.5%	4.9%	2.4%
Commercial IT Firms																	
IBM	\$179.21	\$215.90	\$172.57	83.0%	\$194,596	\$220,634	\$101,356	\$25,939	2.2x	8.5x	2.2x	7.7x	25.7%	26.9%	(2.3%)	(3.9%)	
Accenture plc	73.50	84.23	64.30	87.3%	46,726	41,585	28,563	4,392	1.5x	9.5x	1.4x	8.5x	15.2%	16.4%	5.5%	2.1%	
Xerox Corporation	9.94	11.15	6.10	89.1%	12,166	19,242	22,282	3,066	0.9x	6.3x	0.9x	6.0x	13.1%	14.8%	(1.0%)	(3.8%)	
Computer Sciences Corporation	49.26	54.80	30.53	89.9%	7,252	7,897	14,278	2,147	0.6x	3.7x	0.6x	3.8x	12.1%	15.2%	(6.1%)	(8.5%)	
Navigant Consulting Inc.	17.35	17.61	9.47	98.5%	858	965	767	129	1.3x	7.5x	1.1x	7.9x	15.0%	14.5%	6.9%	10.7%	
Unisys Corporation	26.35	28.25	15.04	93.3%	1,150	804	3,440	226	0.2x	3.6x	0.2x	2.1x	10.1%	10.6%	(3.8%)	(7.9%)	
Kforce Inc.	19.69	20.00	11.15	98.5%	646	701	1,119	53	0.6x	13.3x	0.6x	9.9x	1.9%	5.1%	7.7%	6.3%	
Black Box Corporation	25.04	31.59	19.60	79.3%	402	548	983	84	0.6x	6.6x	0.5x	6.1x	8.1%	7.7%	(6.5%)	(3.3%)	
									Mean	1.0x	7.3x	0.9x	6.5x	12.6%	13.9%	0.1%	(1.0%)
									Median	0.7x	7.0x	0.7x	6.9x	12.6%	14.7%	(1.6%)	(3.5%)

Source: Capital IQ

EV: Enterprise Value

LTM: Trailing Twelve Months

NTM: Next Twelve Months

Recent Industry M&A Transactions

Industry M&A Transactions						
Date	Buyer	Target	Target Business Description	EV(\$M)	EV/LTM Revenue	EV/LTM EBITDA
Pending	CACI International Inc.	Six3 Systems Inc.	Designs and develops intelligence, defense, and civilian solutions for national security agencies and critical missions in the United States	820.0	1.9 x	13.4 x
Pending	Rockwell Collins, Inc.	ARINC Inc.	Provides communications, engineering and integration solutions for the commercial aviation industry and government customers worldwide; ARINC broadly covers the entire aviation eco-system	1,390.0	2.3 x	11.6 x
Pending	Wasserstein & Co.	Globecomm Systems, Inc.	Leading communications solutions provider and offers end-to-end, value-added satellite-based communications infrastructure and services	277.0	0.8 x	8.5 x
Pending	Aurora Capital Group	National Technical Systems, Inc.	Provides of engineering services to the aerospace, defense, telecommunications, automotive and high technology markets, including life-cycle support, offering world class design engineering, compliance, testing, certification, and program management	307.0	1.7 x	13.5 x
Oct-13	Computer Sciences Corporation	ServiceMesh	Proprietary enterprise cloud management platform that automates the deployment and management of enterprise applications and platforms across private, public and hybrid cloud environments	295.0	N/A	N/A
Oct-13	Delta Information Systems, Inc.	Acroamatics, Inc.	Designs and manufactures advanced digital signal processing products; primary expertise is in the development of integrated low latency telemetry processing systems	N/A	N/A	N/A
Oct-13	Integrated Mission Solutions (DC Capital Partners)	Michael Baker Corp.	Provides engineering, design, planning and construction services for in areas such as architecture, aviation, defense, environmental, geospatial, homeland security, municipal & civil, oil & gas	312.0	0.5 x	9.5 x
Oct-13	Cisco Systems, Inc.	Sourcefire, Inc.	Leader in intelligent cybersecurity solutions, transforming the way global large- to mid-size organizations and government agencies manage and minimize security risks to their dynamic networks, endpoints, mobile devices and virtual environments	2,700.0	7.5x	37.6x
Oct-13	Technical and Project Engineering, LLC (TAPE)	Strong Point Research	Provider of mission-critical systems, applications, and engineering services to the US Army	N/A	N/A	N/A
Sep-13	Tangible Software, Inc.	N2 Net Security, Inc.	Specializes in penetration testing, secure product development, SIEM implementation, and PCI compliance	N/A	N/A	N/A
Sep-13	Accenture Ltd.	ASM Research, Inc.	Provides expertise in healthcare IT, information solutions and services, data analytics, cloud, data warehousing, human capital management and benefit solutions and agile software development	N/A	N/A	N/A
Sep-13	Riverside Partners LLC	AMCAD Cadastre, LLC	Provider of records, data management, and enterprise software solutions to state, county, and local governments	N/A	N/A	N/A
Sep-13	Lockheed Martin Corporation	Amor Group	Provider of IT solutions for energy, transportation, and public services sectors	N/A	N/A	N/A
Sep-13	Versar, Inc.	Geo-Marine, Inc.	Provider of engineering design, construction management, environmental planning and programming, and other services in support of government, industry, and commercial clients	N/A	N/A	N/A
Jul-13	Smartronix, Inc.	Telemetry and Data Systems unit (Wyle Laboratories)	Producer of telemetry data processing equipment; systems and applications include RF receivers, data recorders/reproducers, data processors, data processing software, and data mining software	N/A	N/A	N/A
Jul-13	Caltius Partners	SM&A, Inc.	Provider of high-end management consulting and competitive strategy consulting services, integrated proposal management services, and program support services	N/A	N/A	N/A
Jul-13	Social & Scientific Systems	Health Sciences Research business (SRA International)	Focuses on the design, execution, and analysis of public health studies; epidemiology; survey research and evaluation; and statistics and bioinformatics for HHS and VA	N/A	N/A	N/A
Jun-13	Altamira Technologies (Columbia Capital & Razor's Edge)	Invertix Corp	Merged with Near Infinity to promote free and open source software (FOSS) as a way to rapidly deploy capabilities in a cost-efficient manner	N/A	N/A	N/A
Jun-13	Raytheon	Visual Analytics, Inc.	Provider of data analytics, decision support, and information sharing solutions for investigating money laundering, financial crimes, narcotics trafficking, terrorism, and border security	N/A	N/A	N/A
Jun-13	Quantum Research Intl	J2 Technologies	Specializes in aviation and missile defense architecture, defense technology assessments, software and prototypes development and integration support for the U.S. government and DoD	N/A	N/A	N/A
Jun-13	Subsystems Technology	Alapko, Inc.	Provider of technology solutions and program support to the Intelligence Community	N/A	N/A	N/A
Jun-13	Information Innovators	GoldBot Consulting	Known for its DoD/IC acclaimed geospatial predictive technology, data mining, and information analytics	N/A	N/A	N/A
May-13	The SI Orngaization	Applied Communication Sciences	Provider of applied research, technical consulting and technology solutions to U.S. defense and intelligence agencies, U.S. civil government organizations, and commercial customers	N/A	N/A	N/A

Source: Company Press Releases; Capital IQ; Infobase

EV: Enterprise Value

LTM: Last Twelve Months

Representative ACP Transactions

<p>Advised</p>  <p>Portfolio company of the edgewater funds on its acquisition of</p> 	<p>Advised</p>  <p>on its sale to</p> 	<p>Advised</p>  <p>on its sale to</p>  <p>Portfolio company of</p>  <p>NEW MOUNTAIN CAPITAL</p>	<p>Advised</p>  <p>on its sale to</p> 	<p>Advised</p>   <p>on their sale to</p> 
<p>Advised</p>  <p>on its sale to</p>  <p>Portfolio company of</p> 	<p>Advised</p>  <p>on its sale to</p>  <p>Portfolio company of</p>  	<p>Advised</p>  <p>on its sale to</p>  <p>DEFENSE SOLUTIONS</p>	<p>Advised</p>  <p>on its acquisition of</p> 	<p>Advised</p>  <p>on its sale to</p>  <p>Quality In Everything We Do</p>
<p>Advised</p>  <p>on its sale to</p>  <p>Portfolio company of</p>  <p>NEW MOUNTAIN CAPITAL</p>	<p>Advised</p>  <p>on its sale to</p>  <p>Portfolio company of</p>  <p>NEW MOUNTAIN CAPITAL</p>	<p>Advised</p>  <p>on its sale to</p>  <p>A wholly owned subsidiary of W. Paring, Inc.</p>	<p>Advised</p>  <p>on its sale to</p>  <p>Portfolio company of</p> 	<p>Advised</p>  <p>on its sale to</p> 
<p>Advised</p>  <p>on its sale to</p> 	<p>Advised</p>  <p>on its sale to</p>  <p>Portfolio company of</p> 	<p>Advised</p>  <p>on its sale to</p> 	<p>Advised</p>  <p>on its sale to</p> 	<p>Advised</p>  <p>on its sale to</p>  <p>Portfolio company of</p> 

WHO IS ARONSON CAPITAL PARTNERS?

Aronson Capital Partners is a leading financial advisor to government services and technology firms. We exercise our special domain expertise in the Defense, Intelligence, and Federal Civilian markets to achieve exceptional results for our clients. In addition to completing more than 100 transactions in the federal sector, our principals have decades of executive level, hands-on experience in the industry – a key differentiator that leads to success.

Mergers & Acquisitions:

- Sell-Side M&A
- Buy-Side M&A
- Private Equity Platform Acquisitions
- Management & Leveraged Buyouts
- Divestitures
- Asset Sales
- ESOP

Corporate Finance:

- Recapitalizations & Restructurings
- Common & Preferred Equity
- Senior Debt
- Subordinated Debt
- Convertible Debt
- Private Equity Investments
- Minority Equity Investments

Financial Advisory:

- Internal Capital Transaction Advisory
- Independent Corporate Valuations
- Fairness Opinions
- Strategic Alternatives Assessments