Aerospace, Defence and Homeland Security

Corporate Finance update, First Quarter 2010

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2009: Surviving the turbulence

2009 will be remembered as a very difficult year for commercial aerospace suppliers. Although order books for commercial aircraft remained at record levels, airlines faced deteriorating passenger and freight traffic, which, combined with weak credit markets, created significant uncertainty about the robustness of delivery schedules. This uncertainty caused primes and their Tier 1 suppliers to reduce inventories of components and subsystems, thereby placing the entire supply chain under pressure.

Inevitably, those suppliers at the lower tiers of the supply chain were hit hardest. For several months during the first half of 2009, component suppliers were forced to slash their costs in response to evaporating orders. Those suppliers which had expanded their workforces in anticipation of the production ramp-ups of the next generation Airbus A380 and Boeing 787 'Dreamliner' were further impacted by significant delays to both programmes as well as lengthy strikes at Boeing. Many smaller companies survived merely because they were able to draw on liquidity reserves from previous buoyant years. However, the less fortunate, struggling under mountains of buyout debt, were forced to seek additional sponsor equity injections and pay substantial fees in return for covenant waivers and margin resets.

But it was not all doom and gloom in 2009. Suppliers of components and subsystems for the high volume single-aisle aircraft programmes such as the Boeing 737 and Airbus A320 will have been cushioned from the inventory correction elsewhere. These two aircraft accounted for the majority of deliveries in 2009. Larger companies with significant exposure to the defence sector also performed relatively well. The best placed included those supplying:

- 'urgent operational requirement' (UOR) equipment to military personnel in Iraq and Afghanistan
- systems used in homeland security applications
- equipment for the US Department of Defense and its prime contractors - the UK is the largest foreign supplier of equipment to the US military.

Besides large players such as BAe Systems, Cobham, Ultra and Qinetiq, many niche operators, including WFEL (tactical bridging systems) and Hortsman Defence Systems (suspension for armoured vehicles), continue to prosper.

Others, such as GKN and Chemring have taken advantage of the current market conditions to make strategic acquisitions which are expected to generate substantial returns in future years.

Capital markets activity

Corporate finance activity in 2009 largely mirrored the themes described above. Public companies, showing signs of stabilisation, saw share prices increase substantially over the past 12 months, from the depressed levels of late 2008. The majority of the companies in our UK Aerospace and Defence index (Table 1) comfortably outperformed the FTSE 100. US Aerospace and Defence share prices (Table 2) have shown similar levels of recovery.

In both the UK and the US, most companies in our samples are now trading at significantly higher forward EV/EBITDA multiples, indicating that the capital markets have a much higher level of confidence in future trading than they held 12 months ago.

Our sample UK companies (Table 3) are trading at 6.5x forward EBITDA compared to 5.3x one year ago, while the equivalent figures for the US sample companies (Table 4) are 9.8x and 5.8x, respectively.

During 2009 both UK and US public companies took advantage of opportunities to create additional liquidity through capital markets activity. During this time, most public companies raised additional debt or accessed existing credit facilities to bolster liquidity. GKN, like many other large UK and US public companies, raised additional funds through a £423 million rights issue.

Table 1: UK Aerospace and Defence Index
Source: FactSet

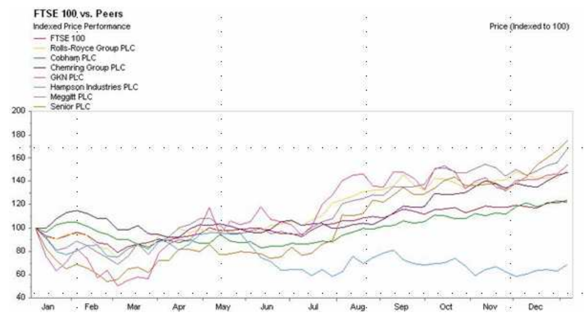


Table 2: US Aerospace and Defence Index
Source: FactSet

Table 3: Trading performance for sample UK companies
Source: FactSet

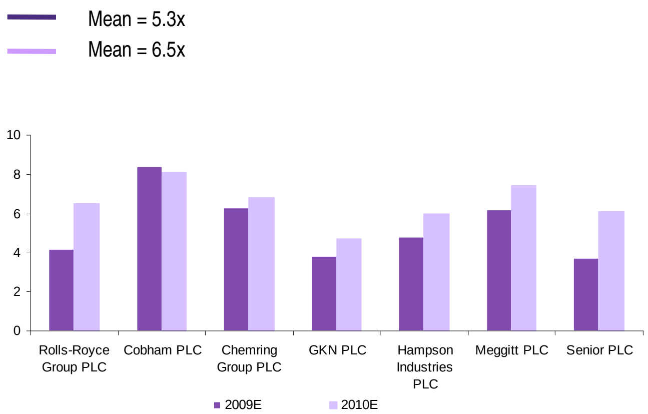
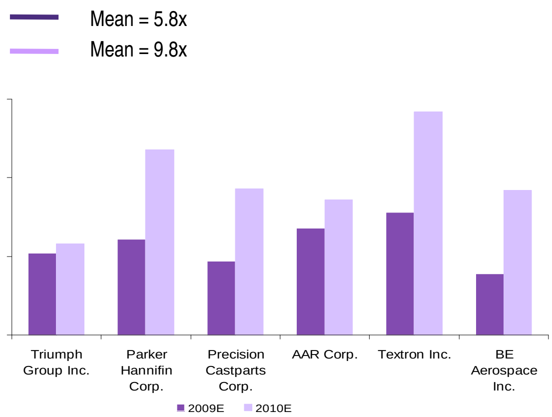


Table 4: Trading performance for sample US companies
Source: FactSet



M&A trends

In common with most other sectors in 2009, the aerospace and defence M&A market was relatively quiet. Our listing on pages 7-10 lists 151 deals worldwide. In a typical year, we would expect to see in excess of 200 completed transactions. For many companies, a global credit famine combined with an internal focus on cost reductions and working capital control, forced acquisition plans firmly onto the 'back burner'. Our key observations about M&A activity in 2009 are as follows:

Absence of Prime or Tier 1 consolidation activity
There were no significant strategic transactions among the commercial aerospace Tier 1s or defence contractors.

Only one billion-dollar deal
The largest arms-length transaction (i.e. excluding the reorganisation of AVIC in China) of 2009 was Boeing's $1 billion acquisition of Vought's troubled South Carolina facility which produces fuselage sections for the 787.

Where are the sponsors?
The private equity community, which drove much of the M&A activity in recent years, retreated in 2008 and has yet to return in a meaningful way. The most notable among only a handful of 2009 financial sponsor transactions was Darwin's acquisition of Hampson Aerospace Machining for £23.7 million.

Reorganisation activity
The military-industrial complexes of Russia and China continue to evolve through internal mergers and restructuring activities. During 2009, most of the 22 internal transactions in Russia involved the combination of state-controlled entities.

Fewer cross-border deals
The 40 cross border deals in 2009 represented 26% of the total, compared to 35-40% in a typical year. We suspect this is due to the high volume of internal restructuring of state controlled entities through mergers referenced above.

2010: Meltdown or recovery?

Although we expect 2010 to be a year of 'mixed fortunes' we do not anticipate the sector wide pressures we experience in 2009. We believe that many of the themes evident in 2009 will continue during 2010. Overall, we expect a steady year for defence with further potential disruption in the commercial aerospace sector, particularly for suppliers operating at Tiers 2 and 3. Specific themes are outlined below.

Risk of reduction in narrow-body delivery rates

We are concerned that Airbus and Boeing's position that single-aisle (A320 and Boeing 737) aircraft production will not be affected by the current downturn may be overly optimistic, given the continuing weakness of major airlines and the still tenuous condition of traditional providers of aircraft financing.

Most analysts are predicting that the peak-to-trough decline for the current cycle will be a mere 16% compared to an historical average of 50% and 35% for the 1999-2003 cycle. We believe that the decline could be closer to 20%. Even a modest decline in narrow-body aircraft production rates in 2010 will cause further ripples through an already fragile supply chain, resulting in further casualties.

Aftermarket suppliers could have a decent year

If our thesis is correct, airlines and MRO service providers, having de-stocked aggressively in 2009, may soon unleash substantial demand for replacement parts as the gradual improvement in air traffic flows continue through 2010. While the OE segment will undoubtedly generate lower revenues in 2010, the aftermarket segment could see growth of up to 10%. Companies such as Honeywell, Meggitt, Goodrich and Transdigm, which derive substantial revenues from aftermarket sales, are likely to be among the main beneficiaries.

Supply chain rationalisation will finally begin to gain momentum

It will not surprise anyone to hear that the primes and Tier 1s have for some time sought to reduce supply chain complexity and to develop long-term partnerships with a smaller number of 'strategic supply partners'. However, we have recently begun to notice certain primes and Tier 1s paying much closer attention to the capabilities and, in some cases, the financial viability of critical component suppliers. In recent months, we have become aware of certain work packages being reassigned or the threat of reassignment being used as a threat to elicit improvements.

Although moving significant processes from one supplier to another can take many months (and in some cases years), we believe that primes are increasingly willing to consider doing so and are likely to move away from sole-sourcing for certain components. The impact in 2010 will be relatively modest, yet significant as primes and Tier 1 suppliers use the current market conditions to create greater urgency to implement much needed changes. The process of reshaping the supply chain is evolutionary, but we believe that primes are now beginning to mimic the behaviour of automotive suppliers 15-20 years ago.

Major defence spending reviews on the horizon

The two big events for the defence community in 2010 will be the Strategic Defence Review in the UK and the US Quadrennial Defence Review. Both countries' governments are tasked with realigning defence spending to reflect both the changing nature of conflict and a redefinition of each nation's global aspirations. This process is being conducted against the backdrop of major deployments in the Middle East and the worst budget deficits since WWII.

We expect the larger 'future capable' programmes (e.g. UK Trident replacement, US F-22) to come under scrutiny, whilst flexible multi-role platforms such as F-35 Joint Strike Fighter and Type 45 frigates to remain high priority platforms (although numbers may be curtailed). The future of the pan-European A400M military transport hangs in the balance and the fate of this programme will directly impact the prospects of many UK suppliers. Notwithstanding the major decisions facing politicians on both sides of the Atlantic in 2010, given lead times involved in these multi-billion dollar programmes, we do not foresee a meaningful reduction in spending until at least 2011.

As in 2009, we expect spending on equipment and upgrades for use in Afghanistan in 2010 to remain a priority, although in the UK, there is likely to be a lively debate as to whether this should be met by the Treasury contingency or from the core defence budget.

Increased focus on homeland security

The recent attempt to bring down a passenger aircraft over Detroit has highlighted the need for more effective threat detection and intelligence management systems. In addition to increased deployment of millimetre wave scanners and spectrometry-based systems and the application of computed tomography at airports and other high risk locations, we anticipate growing investment in surveillance and cyber-warfare, aimed at identifying and tackling potential threats before they are initiated.

Emerging powers forging ahead

China's aerospace and defence establishment is expected to continue to execute its two key themes of 2009:

- the continued reorganisation of state-controlled assets into national champions AVIC
- the acquisition of Western aerospace and defence companies.

In December, Fischer Advanced Composite Components, the Austrian composites group was acquired by Xian Aircraft Industry. Chinese companies have made other attempts to acquire technology and process capabilities in recent months, including a bid to buy the Filton Wing facility from EADS. Clearly, China views aerospace as a strategic industry and is looking to become a global leader as domestic demand for aircraft grows at an impressive rate. In addition to establishing Western aircraft assembly facilities (in June, Airbus rolled out the first A320 aircraft assembled at its Tianjin factory), China's COMAC is developing its own home-grown single aisle passenger jet, the C919. Also making progress in developing advanced passenger aircraft is Russia's long-established aerospace industry. The most promising programme is Sukhoi's Superjet 100, which although initially targeting domestic demand, could ultimately represent a competitive threat to Embraer and Bombardier in international markets.

Continuing focus on the 'green agenda'

The aviation industry has pledged to cut carbon dioxide emissions in half by 2050. During 2010 will see ongoing investment by airframe integrators, engine manufacturers and systems companies in technologies aimed at meeting the aviation sector's ambitious commitments. Key areas of focus will include:

- new engine technologies
- sustainable bio-fuels
- greater use of lighter composite materials
- technologies to support more efficient use of air space.

Innovative companies targeting these areas in 2010 are poised to attract significant investment and media attention.

No transformational M&A deals this year

Having enjoyed several years of profitable growth, aerospace and defence suppliers have amassed substantial acquisition firepower.

However, it is unlikely that 2010 will see any major consolidation of the US defence sector. President Obama has made it abundantly clear that he considers the historical relationship between the Pentagon and the defence establishment to have been too cosy. Specifically, the current administration is seeking greater accountability and increased competition among US defence primes. It is therefore unlikely that any M&A deals in excess if $1 billion would be approved. However, 2010 could see further consolidation in the commercial aerospace supply chain or a major defence deal outside the US. In addition, a weak dollar makes mid-tier defence contractors potentially attractive targets for European defence players seeking to expand their US footprint.

Overall, although we are not expecting any 'mega-deals', in other respects, we expect 2010 to be a more typical year, bringing a combination of mid-sized (below $500 million) strategic acquisitions, a number of smaller (sub-$100 million) PE exits and several transactions involving distressed companies. We may also see a continuation of mergers among state-controlled entities in Russia and China and modest reshaping of the French defence industry, with several potential asset swaps already mooted.

Reasons to be cheerful?

Although 2010 is likely to be another challenging year, we believe that the medium term outlook for the UK aerospace and defence sector is promising:

1. **The global stimulus initiatives appear to be working** - a near-term catastrophe has been averted; governments now face the competing priorities of fiscal prudence and the need for ongoing economic stimulus.

2. **Worldwide airline traffic flows are slowly improving** - recent data indicate that both passenger and freight volumes are showing slow but steady growth.

3. **The financing environment is 'on the mend'** - liquidity is slowly returning to the global credit markets which should begin to benefit the airlines and their aircraft financing activities.

4. **Commercial airliner backlogs remain at record levels** - over the next 20 years, commercial airliner purchases are projected to exceed $3 trillion.

5. **The US base defence budget is unlikely to be cut** - 30,000 additional troops are committed to Afghanistan and the Obama administration recognises the need to modernise capabilities.

6. **Large scale defence equipment upgrades from the developing world** - a number of emerging nations, including India, Brazil and Taiwan are currently involved in major equipment procurement programmes.

7. **The environmental catalyst** - increased focus on the 'green agenda' will drive investment in new technologies including composites, propulsion, bio-fuels and ATC infrastructure.

8. **A global powerhouse** - the UK aerospace and defence sector is the second largest worldwide and is well-positioned to take advantage of a gradual recovery.

9. **Restructuring activities** - continuing reorganisation of the sector across many countries, ranging from Russia and China to France (e.g. Airbus 'Power8', Thales, SAFRAN, etc) will create opportunities for acquisitions and strategic alliances.

10. **Increasing outsourcing of airline MRO and defence support services** - will offer new opportunities to private sector companies such as VT Group and Serco.

Aerospace and Defence transactions 2009

Date	Acquirer		Target		Description	Deal Value (£m)
Dec	TVTS Rostvertol	RU	OKB Rostov-Mil'	RU	Provides repair and maintenance services	-
Dec	Boeing Co	US	Global Aeronautica LLC	US	Provides fuselage assembly services	-
Dec	Curtiss-Wright Corp	US	Skyquest Systems Ltd	UK	Manufactures aircraft equipment such as video displays, recorders and video / radar converters	10
Dec	Knorr-Bremse AG	DE	Sydac Pty Ltd	AU	Provides simulation engineering services	5.5
Dec	Mahindra & Mahindra Ltd	IN	Aerostaff Australia Pty Ltd	AU	Manufactures aircraft components	23.1
Dec	Mahindra & Mahindra Ltd	IN	Gippsland Aeronautics Pty Ltd	AU	Manufactures aircrafts	-
Dec	Corpfin Capital SCR SA	ES	Sinaer Plus SL	ES	Manufactures and wholesales aircraft engines and parts	-
Dec	RLJ Equity Partners LLC	US	LAI International Inc	US	Manufactures precision-engineered parts	-
Dec	Arrow Electronics Inc	US	AE Petsche Co	US	Wholesales interconnect products	-
Dec	Aerospace Turbine Rotables Inc	US	Kelly Aerospace Turbine	US	Manufactures and wholesales aircraft parts	-
Dec	Xian Aircraft Ind (Grp)Co Ltd	CN	FACC AG	AT	Manufactures aircraft parts and equipment	-
Dec	NPO Saturn	RU	PAO Inkar	RU	Manufactures fuel systems	-
Dec	Investor Group	FR	Mecachrome International Inc	CA	Manufacture aircraft parts	59.5
Dec	IEC Electronics Corporation	US	General Technology Corporation	US	Manufactures military and defence customized electronics	8.6
Dec	Saturn Nauchno-Proizvodstvennoe Obyedinenie OAO	RU	Permskoe Agregatnoe Obyedinenie Inkar OAO	RU	Provides electroplating, foundry engineering and press forging services. Manufactures turbojet and turboprop engines and parts	-
Dec	Piedmont Propulsion Systems LLC	US	Limco-Piedmont Inc.'s propeller overhaul repair business	US	Provides aerospace propeller repair services	-
Dec	Xian Aircraft Industry (Group) Co., Ltd Advanced Treasure Limited	CH, HK	Fischer Advanced Composite Components AG	AU	Manufactures fibre reinforced lightweight systems for the aviation industry	-
Nov	3D Systems Corp	US	AdvaTech Manufacturing	US	Services to aerospace and defence	-
Nov	GMP ATIM Technologies SAS	FR	SMP SAS	FR	Manufactures high-precision equipment	0.1
Nov	E-Green Technologies Inc	US	21st Century Airships Inc	CA	Develops and manufacture airships	-
Nov	Chemring Group PLC	UK	Hi-Shear Technology Corp	US	Develops and manufacturers energetic solutions for defence and space applications	79.4
Nov	AMETEK Inc.	US	Ameron Global Inc.'s pressurised gas systems business	US	Manufacture, wholesale and maintenance of aircraft safety equipment	-
Nov	Corpfin Capital SA de Capital Riesgo	ES	Sinaer Inversiones SL	ES	Maintenance of aircraft services and aircraft spare parts supplier	
Nov	Finmeccanica SpA, CAI Compagnia Aerea Italiana SpA and Manutenzioni Aereonautiche Srl	IT	Atitech SpA	IT	Aircraft repair and maintenance service operator	11.1
Nov	Airbus SAS, Airspace Infrastructure Pvt Ltd and Airlogic Ltd Sti	FR, IN & TR	Spares Support Solutions India Pvt Ltd	IN	Aftermarket customer support JV in India	-
Nov	Obedinennaya Aviastroitelnaya Korporatsiya OAO	RU	Taganrogskaya Aviatsiya OAO	RU	Manufacturer of aircraft and helicopter	-
Nov	Zhuhai Gree Group Corporation, Aviation Industry Corporation of China and Guangdong Hengjian Investment Holding Co., Ltd	CN	AVIC General Aircraft Co., Ltd	CN	Aviation equipment manufacturer	874.6
Oct	OAK	RU	MiG Russian Aircraft Corp	RU	Manufactures aircraft	-

Aerospace and Defence transactions 2009

Date	Acquirer		Target		Description	Deal Value (£m)
Oct	Gosudarstvennyi Kosmicheskiy	RU	Proton-PM	RU	Manufactures aeronautic products	-
Oct	New Century Cos Inc.	US	Precision Aerostructures Inc.	US	Manufactures aircraft components	-
Oct	Obedinennaya Aviastroitelnaya Korporatsiya OAO	RU	Finansovaya Lizingovaya Kompaniya OAO	RU	Manufacturer of aircraft and ships and provides leasing services	-
Oct	Obedinennaya Aviastroitelnaya Korporatsiya OAO	RU	Nizhegorodskii Aviastroitelnyi Zavod Sokol OAO	RU	Aircraft manufacturer	-
Oct	AeroMechanical Services Ltd	CA	Wingspeed Corporation's assets	US	Composite systems developer to aircraft fleet operators	0.1
Oct	Xian Aircraft Industry (Group) Co., Ltd	CN	Fischer Advanced Composite Components AG	AT	Fibre reinforced lightweight systems for the aviation industry	-
Oct	Carlisle Companies Inc.	US	Electronic Cable Specialists Inc.	US	Electrical instruments, electrical wire and cable manufacturer for aviation, medical and industrial markets	-
Sep	Military Parts Exchange LLC	US	Dynatech International Corp.	US	Distributor of military aircraft engine components, supply chain management and logistics	-
Sep	Moog Inc	US	GE Aviation Systems Ltd's Flight Control actuation unit	UK	Manufactures actuarian systems for commercial and military aircrafts	56.3
Sep	Uzma Bhd	MY	Uzma Teras Sdn Bhd	MY	Aviation engineering services	-
Sep	OPK Oboronprom	RU	Motorostroitel	RU	Manufactures aircraft engines and parts	-
Sep	Investor Group	NL	Heli-One Components BV	NL	Manufactures aircraft components	-
Sep	Axis-IT&T Ltd	IN	CADES Digitech Pvt Ltd	IN	Provides engineering services	-
Sep	DRS Technologies Inc	US	Soneticom Inc	US	Manufactures defence electronic equipment	-
Aug	TransDigm Group Incorporated	US	HR Textron	US	Motion control systems and components for commercial and military aircraft, helicopters, missiles, spacecraft, marine craft and ground vehicles	29
Aug	OAO TVTS Rostvertol	RU	OKB Rostov-Mil'	RU	Repair and maintenance services	-
Aug	Ranger Aerospace LLC	US	US Logistics Inc	US	Repair and maintenance services	-
Aug	Darwin Private Equity LLP	UK	Bromford Industries (formally Hampson Aerospace Machining Ltd)	UK	Manufactures aircraft parts and equipment	23.7
Aug	Investor Group	RU	Zavod Aerodromnogo Oborudovani	RU	Manufactures aircraft parts	-
Aug	Aviation Acquisitions Inc.	CA	Telford Services Group Inc	CA	Aircraft services to oil and gas companies	-
Aug	TSI Group Inc	US	JA Reinhardt & Co Inc	US	Manufactures thermal, mechanical products used in aerospace and defence industries	-
Aug	Interfast Inc	CA	Burwood Fastener Products Ltd	UK	Wholesales aircraft components	-
Aug	NAFTAA	CA	Weatherly Aircraft NE Inc-Mnfg	US	Manufactures aircraft	-
Aug	Blue Star Capital Plc	UK	Pegasus Bridge Defence-Assets	UK	Assets of Pegasus Bridge Defence	1.5
Aug	OHB Technology AG	DE	Carlo Gavazzi Space SpA	IT	Aircraft manufacturer and aerospace technology services	-
Aug	SGI Aviation Services BV	HL	Thrust Aerospace Services Inc	US	Aviation and aerospace industry business support and software developer	-
Aug	Fuel Systems Solutions Inc	US	Teleflex Inc.'s power systems business	US	Manufactures Aircraft parts	8.6
Jul	Boeing Co	US	Vought Aircraft-Facility,SC	US	Manufactures wholesale aerostructures	608.3

Aerospace and Defence transactions 2009

Date	Acquirer		Target		Description	Deal Value (£m)
Jul	Jiangxi Changhe Auto Co Ltd	CN	Lanzhou Wanli Aero Electro	CN	Manufactures aviation electronics and electronic products	-
Jul	Jiangxi Changhe Auto Co Ltd	CN	Shanghai Aviation Elec Co Ltd	CN	Manufactures aviation electronics and electronic products	-
Jul	Eurocopter Japan Co Ltd	JP	ANA AM-Heli Mainte	JP	Maintenance services	3.8
Jul	Ruag Holding AG	CH	Oerlikon Space AG	CH	Manufactures sub-systems & components for space	-
Jul	TransDigm Group Inc	US	Acme Aerospace Inc	US	Manufactures highly engineered aerospace components	-
Jul	TAT Technologies Ltd	IL	Limco-Piedmont Inc	US	Manufactures aerospace parts and provide a repair services	-
Jun	Rolls Royce plc	UK	Odim ASA	NO	Development of automated handling solutions for naval vessels and the defence industry	66
Jun	OPK Oboronprom	RU	Kazanskiy Vertoletnyi Zavod	RU	Manufactures helicopters	-
Jun	OAO U-UAZ	RU	OAO VIK	RU	Manufactures aircraft spare parts	-
Jun	Simplex Manufacturing Co Inc	US	Helipod International	NZ	Manufactures helicopter parts	-
Jun	RKK Energiya	RU	TeploRKK	RU	Manufactures spacecraft and equipment	-
Jun	OPK Oboronprom	RU	UZGA	RU	Engine repair services	-
Jun	Mundus Group Inc	US	AirStar International	US	Manufactures helicopters	-
Jun	OAO OPK Oboronprom	RU	OAO MMP im VV Chernysheva	RU	Manufactures aircraft engines	-
Jun	BAE Systems PLC	UK	Advanced Ceramics Research Inc	US	Manufactures advanced ceramic materials and unmanned aircraft systems	10.6
Jun	Court Square Capital Partners	US	Wyle Holdings Inc	US	Aerospace engineering and information technology services provider	-
Jun	Air France-KLM SA	FR	Aero Maintenance Group	US	Aircraft component repair and services provider	-
Jun	Alcoa Fastening Systems	US	Demicron SNC's certain assets	MA	Manufactures aerospace parts	-
Jun	Agentstvo Afina Pallada ZAO	RU	Pervomaiskii Mekhanicheskii Zavod ZAO	UA	Manufactures aircrafts, spacecrafts and vehicles	-
May	Atlas Elektronik UK	UK	QinetiQ plc (sonar business)	UK	Technical solutions to defence sector	24
May	Nagamas International Bhd	MY	Mas-be Travel Services Sdn Bhd	MY	Travelling and cargo services	0.1
May	Singapore Technologies	SG	Precision Products Singapore	SG	Manufactures castings	3.4
May	Lux Acquisition Corp	CA	Luxell Technologies Inc	CA	Manufactures flat panel displays	7.1
May	CAE Inc	CA	Bell Aliant Regional-Defence	CA	Develops simulation software	12.8
May	Mint Turbines LLC	US	Northstar Aerospace Turbine	US	Helicopter repair services	6.2
May	Smith Rothchild Financial	US	Irkutsk-10	RU	Manufactures whole aircraft and parts	-
May	Sberbank Inc	RU	Amur Shipbuilding Plant JSC	RU	Manufactures nuclear-powered and diesel-electric submarines	-
May	Edac Technologies Corp	US	MTU Aero Engines-Mnfg Asts	US	Manufactures aircraft engines	-
May	Ultra Electronics Holdings plc	UK	Tisys SA	FR	Airport-related computer consultancy services provider	-
May	Goodrich Corporation	US	Cloud Cap Technology Inc	US	Systems developer for flight management and unmanned aircraft systems	-
May	Imprimis Ltd	TH	Piper Aircraft Inc	US	Manufactures small aircraft parts	-
Apr	Microsemi Corp	US	Endwave Corp-Defense	US	Manufactures whole RF subsystems	19

Aerospace and Defence transactions 2009

Date	Acquirer		Target		Description	Deal Value (£m)
Apr	ShotSpotter Inc	US	Planning Systems Inc	US	Acoustic gunshot detection system	-
Apr	Safran SA	FR	GE Security Inc	US	Develops tomography based detection systems	395
Apr	Mubadala Development Co	UAE	SR Technics Group	CH	Technological and maintenance services	-
Apr	LANDTEC North America	US	VIASPACE Inc-Humidity Sensor	US	Manufactures defence technology products	0.1
Apr	OAO RKK Energiya Imeni SP	RU	ZAO Belrossat	RU	Manufactures spacecraft and equipment	-
Apr	Preferred Systems Solutions	US	Integrated Network Services	US	Information technology services	-
Apr	Innovative Media Solutions Inc	US	Flight Deck Resources Inc	US	Develop flight deck management system	-
Apr	Woodward Governor Co	US	HR Textron Inc	US	Manufactures whole motion control system	255.1
Apr	Ionix Holdings Ltd	UK	Volex Wiring Systems Ltd	UK	Manufactures whole harnesses	-
Apr	Cardinal Growth Equity	US	Malabar International	US	Manufactures aircraft ground equipment	-
Apr	Hunter Defense Technologies	US	Vertigo Inc	US	Manufacture decelerators	-
Apr	Hunter Defense Technologies	US	Vertigo Inc	US	Manufacture decelerators	-
Apr	Cobham plc	UK	Argotek Inc	US	Provider of information assurance systems	25
Apr	Companhia Brasiliera de Cartuchos	BZ	Sellier & Bellot	CZ	Ammunition producer	-
Apr	Acorn Growth Companies	US	Integrated Composites Inc	US	Manufactures aircraft components	-
Mar	Ornge	CA	Canadian Helicopters Ltd-	CA	Provides helicopter transport services	16.7
Mar	Crossflo Systems Inc	US	Kratos Defense-Vigilys Prod	US	National defence and security services	-
Mar	Triumph Group Inc	US	Mexmil Co LLC	US	Manufactures aerospace insulation	-
Mar	Optex Systems Holdings Inc	US	Optex Systems Inc	US	Manufactures optical sighting system	-
Mar	Cerion LLC	US	Precision Parts International	US	Manufacture high-precision metals	-
Mar	Equus Resources Inc	US	Quasar Aerospace Industries	US	Provides aviation services	-
Mar	Tecnobit SL	ES	Retemsa	ES	Develops electronic system	-
Mar	Triumph Group Inc	US	Merritt Tool Inc	US	Manufactures industrial equipment and machinery	-
Mar	Triumph Group Inc	US	Saygrove Ltd	UK	Manufactures actuation and motor controls	-
Mar	Valeriy Savelyev	RU	OAO UZGA	RU	Engine repair services	-
Mar	Magellium SAS	FR	Generale d'Infographie-Defense	FR	Information technology services	-
Mar	CIRCOR International Inc	US	Bodet Aero	FR	Manufactures electro-mechanical and fluidic controls	-
Mar	Moog Controls Inc	US	Fernau Avionics Ltd	UK	Manufactures navigation equipment	32

Contact us

For further information please contact:

Ian Wilson
Partner
Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester
M3 3EB

T: +44(0)161 953 6482
E: ian.p.wilson@gtuk.com

Grant Thornton