

Appendix 6B. Major arms industry acquisitions, 2008

SAM PERLO-FREEMAN

Table 6B.1 lists major acquisitions in the arms industries of member states of the Organisation for Economic Co-operation and Development (OECD) that were announced or completed between 1 January and 31 December 2008. It is not an exhaustive list of all acquisition activity but gives a general overview of strategically significant and financially noteworthy transactions.

Table 6B.1. Major acquisitions in the OECD arms industries, 2008

Figures are in US \$m., at current prices. North American companies are US-based unless indicated otherwise.

Buyer company (country)	Acquired company (country)	Seller (country) ^a	Deal value (\$ m.) ^b	Revenue/employees ^c
<i>Within North America</i>				
Hewlett-Packard	EDS	Publicly listed	13 900	\$22 134 m.
L-3 Communications	Electro-optics business units	Northrop Grumman	175	\$190 m.
Ceradyne	SemEquip	Privately owned	125	..
General Dynamics	AxleTech	Carlyle Group	..	\$300 m. (2005)
Boeing	Insitu	Privately owned	..	\$150 m.
Lockheed Martin	Eagle Group International	Privately owned	..	1 350 employees
Cubic Corp.	Omega Training Group	Privately owned	..	790 employees
Curtiss-Wright Corp.	VMETRO	Publicly listed	80	..
L-3 Communications	International Resources Group	Privately owned	..	\$100 m.
L-3 Communications	Chesapeake Sciences Group	Privately owned	..	\$70 m.
Goodrich	TEAC Aerospace Holdings	Privately owned	..	\$50 m.
SAIC	SM Consulting	Privately owned	..	460 employees
Teledyne Technologies	Storm Products	Privately owned	..	\$45.7 m.
Boeing	Tapestry Solutions	Privately owned	..	\$43.3 m. (2006)
SRA International	Era Corp.	Privately owned	..	300 employees

Buyer company (country)	Acquired company (country) Revenue/employees ^c	Seller (country) ^d	Deal value (\$ m.) ^b
Goodrich	Recon/Optical	Privately owned	\$27 m.
CAE (Canada)	Bell Alliant DSA (Canada)	Bell Alliant (Canada)	..
Moog	CSA Engineering	Privately owned	25
ManTech International Corp.	EWA Services	Electronic Warfare Associates	14.8
Boeing	FSG	Privately owned	..
ManTech International Corp.	Emerging Technologies Group	Privately owned	..
<i>Transatlantic: West European acquisitions of companies based in North America</i>			
Fimmeccanica (Italy)	DRS Technologies	Publicly listed	5 200
BAE Systems (UK)	MTC Technologies	Publicly listed	450
Cobham (UK)	M/A-COM	Tyco Electronics	425
Serco (UK)	SI International	Publicly listed	423
Cobham (UK)	Sparta	Employee-owned	407
Cobham (UK) ^d	US surveillance and attack businesses	BAE Systems (UK)	240
Fincantieri (Italy)	Manitowoc Marine	Manitowoc	120
QinetiQ (UK)	DTRI	Publicly listed	104.5
Kongsberg Gruppen (Norway)	Hydroid LLC	Privately owned	80
VT Group (UK)	AEPCCO	Privately owned	70
Chemring (UK)	Martin Electric	Publicly listed	70
Ultra Electronics (UK)	ProLogic	Publicly listed	63
Chemring (UK)	Scot Inc.	SMS Industries	40
Chemring (UK)	NIITEK	Privately owned	40
Cobham (UK)	S-TEC	Meggitt (UK) ^d	38
Ultra Electronics (UK)	Weed Instruments	Privately owned	31.6
Cobham (UK)	GMS	Allied Defense Group	26
Ultra Electronics (UK)	MISL (Canada)	Privately owned	22
Kongsberg Gruppen (Norway)	GlobalSim	Privately owned	18.9

Transatlantic: North American acquisitions of companies based in Western Europe

Kaman	Brookhouse Holdings (UK)	Privately owned	85	\$54.9 m.
Teledyne Technologies	TSS International (UK)	Privately owned	57.7	\$24 m.
AMETEK ^e	Muirhead Aerospace (UK)	Esterline Technologies (USA)	..	\$54 m.
Vector Aerospace (Canada)	Rotary & component maintenance units	DARA (UK)	33.5	..
Teledyne Technologies	Defence electronics business	Filtronic (UK)	24.3	\$29 m.
FLIR Systems	Ifara Technologies (Spain)	Privately owned	11	..
<i>Within Western Europe</i>				
Candover (UK)	Stork (Netherlands)	Publicly listed	2 160	\$2 959 m.
Dassault Aviation (France) ^f	20.8% share of Thales (France)	Alcatel-Lucent	2 200	\$16 825 m.
GKN (UK)	Airbus Filton plant (UK)	Airbus (EADS, W. Europe)	243	\$734 m.
Babcock International Group (UK)	Weir Strachan & Henshaw (UK)	Weir Group (UK)	130	\$103.6 m.
RUAG (Switzerland)	Saab Space (Sweden)	Saab (Sweden)	56	\$104 m.
EADS Astrium (EADS, W. Europe)	80% share of Surrey Satellite Technology Services (UK)	Privately owned	..	230 employees
Cobham (UK)	MMI Research (UK)	Privately owned	33.1	..
Ultra Electronics (UK)	Blue Sky Group (UK)	Privately owned	19	..
Meggitt (UK)	Ferroperm (Denmark)	Privately owned	17.4	..
QinetiQ (UK)	CDL (UK)	Privately owned	16.6	..
<i>Other</i>				
BAE Systems (UK)	Tenix Defence (Australia)	Tenix Group (Australia)	679	\$554 m.
QinetiQ (UK)	Ball Solutions (Australia)	Ball Aerospace (Australia)	10.9	\$24 m.

^a 'Publicly listed' means that the company's shares were publicly traded on a stock exchange of its home country, with no single majority shareholder. 'Privately owned' means the company was owned by one or more private shareholders, with its shares not traded on any stock exchange.

^b In cases where the deal value is not available in US dollars, currency conversion has been made using the International Monetary Fund average exchange rate for the calendar month in which the transaction was made. Companies do not always disclose the values of transactions.

^c Where deal values are not known, the acquired company's annual revenue is listed where known (either actual revenue for 2007 or expected revenue for 2008 or 2009). Where revenue is not available in US dollars, currency conversion has been made using the International Monetary Fund average exchange

rate for the appropriate year. Where information is not available for either the deal value or the acquired company's revenue, the acquired company's number of employees is shown, where known. Within each regional category, acquisitions are listed first in order of deal size where known, then in order of the acquired company's revenue where known. Where only employee numbers are known, the acquisitions are listed according to a conservative estimate of the likely range of revenues of the acquired company.

^d Although in this case both the buyer and seller companies are from the UK, this is classified as a transatlantic deal because the acquired operations are in the USA. It is therefore an acquisition of US-based operations by a European company.

^e Although in this case both buyer and seller companies are from the USA, this is classified as a transatlantic deal because the acquired operations are based in Europe (the UK). It is therefore the acquisition of European operations by a North American company.

^f An agreement was reached on 19 Dec. 2008 for Dassault Aviation to acquire the 20.76% stake held in Thales by Alcatel-Lucent. Another 5.16% of Thales's shares are held by Dassault Aviation's parent company, Groupe Dassault. It is understood that Dassault Aviation will acquire this stake as well, for a total stake of 25.93%. Another 27.05% of Thales's shares are held by the French Government or companies owned by the French Government. The remaining shares are publicly traded. More information on Thales's share structure is available at <<http://www.thalesgroup.com/Investors/Holding-Thales-shares.html>>.