

Appendix 9B. Major arms industry acquisitions, 2006

EAMON SURRY

Table 9B.1 lists major acquisitions in the North American and West European arms industry that were announced or completed between 1 January and 31 December 2006. It is not an exhaustive list of all acquisition activity but gives a general overview of strategically significant and financially noteworthy transactions.

Table 9B.1. Major acquisitions in the North American and West European arms industry, 2006

Figures are in US\$ m., rounded to the nearest million, at current prices.

Buyer company (country)	Acquired company (country)	Seller company (country) ^a	Deal value ^b (\$ m.)
<i>Within North America (between US-based companies unless indicated otherwise)</i>			
Armor Holdings	Stewart & Stevenson Services	..	755
Armor Holdings	Integrated Textile Systems	..	..
Boeing	Aviall	..	1 700
CACI International	AlphaInsight	Privately held	..
CACI International	Information Systems Support	..	..
Curtiss-Wright	Swantech	..	4
EDO	CAS	..	176
EDO	Impact Science & Technology	..	124
General Dynamics	CMC Scranton division	Duchossois Industries	..
General Dynamics	SNC Technologies	SNC-Lavalin Group	275
L-3 Communications	CyTerra	..	..
L-3 Communications	Nova Engineering	..	45
L-3 Communications	SafeView	..	..
L-3 Communications	SSG Precision Optronics	..	..
Lockheed Martin	Aspen Systems	Employee owned	..
Lockheed Martin	ISX	Privately held	..
Lockheed Martin	Management Systems Designers	Employee owned	..
Lockheed Martin	Pacific Architects and Engineers	..	..
Lockheed Martin	Savi Technology	Infolink Systems	..
Northrop Grumman	Essex	..	580
Raytheon	Houston Associates	Privately held	..
Raytheon	Virtual Technology	..	..
Rockwell Collins	Anzus	Privately held	..
Rockwell Collins	IP Unwired (Canada)	..	..
SAIC	Applied Ordnance Technology	..	..

Buyer company (country)	Acquired company (country)	Seller company (country) ^a	Deal value ^b (\$ m.)
SAIC	Applied Marine Technology	..	..
SAIC	bd Systems	..	..
SAIC	Cornerstone Industry	..	..
Teledyne Technologies ^c	Assets of KM Microwave	..	..
Teledyne Technologies ^c	CollaborX	..	18
Teledyne Technologies ^c	Ocean Design	..	30
United Industrial Corp.	McTurbine	..	31
United Industrial Corp.	Symtx	..	34
<i>Within Western Europe</i>			
Cinven (W. Europe) ^d	Avio (Italy)	Carlyle Group (USA)	3 400
Kongsberg (Norway)	Navtek (Norway)	..	..
Norwegian Government and Patria (Finland) ^e	Nammo (Norway)	Saab (Sweden)	..
Saab (Sweden)	Ericsson Microwave Systems (Sweden)	Ericsson (Sweden)	550
Thales (France)	Alcatel's satellite unit (France)	Alcatel (France)	825
VT Group (UK)	Hotel and Catering Training Company (UK)	ECI Partners (UK)	18
VT Group (UK)	Lex Vehicle Solutions (UK)	RAC (UK)	156
QinetiQ (UK)	Graphics Research (UK)	..	2
<i>Transatlantic: West European acquisitions of companies based in North America</i>			
BAE Systems (UK)	National Sensor Systems (USA)	..	9
GKN (UK)	Stellax Aerostructures (USA)	Carlyle Group (USA)	..
Meggitt (UK) ^f	Firearms Training Systems (USA)	..	..
Rolls Royce (UK) ^g	Data Systems & Solutions (USA)	SAIC (USA)	59
ThyssenKrupp Services (Germany)	Alcoa's Aerospace Service Business (USA)	..	..
<i>Transatlantic: North American acquisitions of West European-based companies</i>			
Esterline Technologies (USA)	Wallop Defence Systems (UK)	Cobham (UK)	59
Lockheed Martin (USA) ^h	HMT Vehicles (UK)	Privately held	..
L-3 Communications (USA)	Advanced System Architectures (UK)	..	..
L-3 Communications (USA)	Magnet-Motor (Germany)	..	..
L-3 Communications (USA)	Nautronix Defence Group (UK)	Nautronix Holdings (UK)	65
L-3 Communications (USA)	TRL Electronics (UK)	..	169

^a In the 'Seller company' column, '.' indicates that the ownership of the acquired company was not specified in available sources. The company may have been either privately held or publicly listed.

^b In cases where the deal value was not available in US dollars, currency conversion was 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 value of transactions.

^c Teledyne Technologies completed the acquisition of assets of KM Microwave, CollaborX and Ocean Design through its subsidiaries Teledyne Wireless, Teledyne Brown Engineering and Teledyne Instruments, respectively.

^d Cinven is an investment firm with offices in London, Frankfurt, Milan and Paris. Prior to this acquisition, Avio was jointly owned by the Carlyle Group (70%) and Finmeccanica (30%). As part of the transaction, Finmeccanica agreed to reinvest in Avio, maintaining a 15% stake with an option to increase this to 30%.

^e Saab transferred its 27.5% share in Nammo to the Norwegian Government and Patria. This increased the share owned by the Norwegian Government from 45% to 50% and the share owned by Patria from 27.5% to 50%.

^f Meggitt completed the acquisition of Firearms Training Systems through its US subsidiary Meggitt USA.

^g Data Systems and Solutions, headquartered in the USA, was established in 1999 as a joint venture between SAIC and Rolls Royce. Rolls Royce acquired SAIC's 50% share of their former joint venture in Mar. 2006.

^h HMT Vehicles was acquired by Lockheed Martin UK Holdings, a subsidiary of Lockheed Martin.

Source: The SIPRI Arms Industry Files on mergers and acquisitions.