

Appendix 6B. Major arms industry acquisitions, 2007

SAM PERLO-FREEMAN

Table 6B.1 lists major acquisitions in the North American and West European arms industry that were announced or completed between 1 January and 31 December 2007. 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 North American and West European arms industry, 2007

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>				
URS Corp.	Washington Group International	Publicly listed	3 100	\$3398 m.
Carlyle Group	ARINC	Privately owned	..	\$918 m.
ITT	EDO Corp.	Publicly listed	1 700	\$715 m.
Veritas Capital	Aeroflex	Publicly listed	1 300	\$552 m.
Textron	United Industrial Corp.	Publicly listed	1 100	\$564 m.
Harris	Multimax	Privately owned	400	\$315 m.
Esterline Technologies	CMC Electronics (Canada)	ONCAP	335	\$295 m.
General Dynamics	SNC Technologies (Canada)	SNC Lavalin (Canada)	275	..
Alliant Techsystems	Swales Aerospace	Employee-owned	..	\$193 m.
Honeywell	Dimensions International	Privately owned	230	\$173.5 m.
ManTech International Corp.	SRS Technologies	Privately owned	>170 ^d	\$175 m.
CACI	Athena Innovative Solutions	Veritas Capital	..	\$110 m.
CACI	Wexford Group International	Employee-owned	..	\$100 m.
L-3 Communications	Global Communications Solutions	Privately owned	..	\$90 m.

Buyer company (country)	Acquired company (country)	Seller (country) ^a	Deal value (\$ m.) ^b	Revenue/employees ^c
Lockheed Martin	Management Systems	Employee-owned	..	600 employees
ManTech International Corp.	McDonald Bradley	Privately owned	76	\$50 m.
ViaSat	Intelligent Compression Technologies	Privately owned	54.6	..
Raytheon	Oakley Networks	Privately owned	..	200 employees
Moog	Quickset International	Privately owned	41	\$27 m.
Rockwell Collins	ITAC	Privately owned	38	..
Teledyne Technologies	D. G. O'Brien	Privately owned	36	\$26.2 m.
CAE (Canada)	Engenuity Technologies (Canada)	Publicly listed	20	..
ITT	Dolphin Technology	Privately owned	..	\$15 m.
L-3 Communications	Geneva Aerospace	Privately owned	..	\$12 m.
<i>Transatlantic: West European acquisitions of companies based in North America</i>				
BAE Systems (UK) ^e	Armor Holdings	Publicly listed	4 532	\$2 361 m.
Meggitt (UK) ^f	K&F Industries	Publicly listed	1 300	\$424 m.
Qinetiq (UK) ^g	Analex	Publicly listed	173	\$150.3 m.
GKN (UK)	TAMG	Teleflex Inc.	..	\$13.5 m.
Qinetiq (UK) ^g	ITS Corp.	Riordan, Lewis & Hayden	90	\$77 m.
Qinetiq (UK) ^g	3H Technologies	Privately owned	52	\$33 m.
Cobham (UK)	Patriot Antenna Systems	Privately owned	45	..
VT Group (UK) ^h	Milcom	Privately owned	42.5	\$100 m.
Nammo (Norway)	Talley Defense Systems	Privately owned	..	\$60 m.
Ultra Electronics (UK)	Criticom	Privately owned	33	\$19 m.
Qinetiq (UK) ^g	Allied Perception	Privately owned	9.2	..
Qinetiq (UK) ^g	Automatika	Privately owned	9.2	..
Rolls-Royce (UK)	Seaworthy Systems	Privately owned	..	58 employees

Transatlantic: North American acquisitions of companies based in Western Europe

General Electric	Smiths Aerospace (UK)	Smiths Group (UK)	4 800	\$2400 m.
United Technologies ^d	PZL Mielic (Poland)	Polish Government	84.1	..
ViaSat	JAST Antenna Systems (Switzerland)	Privately owned	6.5	..
<i>Within Western Europe</i>				
Thales (France)	67% of Alcatel Alenia Space (France) and 33% of Telespazio (Italy) ^e	Alcatel-Lucent (France)	895	\$841 m.
DCN (France)	Thales's naval operations (France)	Thales (France)	714 ^k	\$2000 m.
Babcock International Group (UK)	Devonport Management Ltd (UK)	KBR (USA)	699	\$835 m.
KH Finance (UK)	Smiths Marine Systems business (UK)	Smiths Group (UK)	109.4	..
Chemring Group (UK)	Simmel Difesa (Italy)	Publicly listed	102	\$53 m.
MBDA (W. Europe)	Bayern-Chemie (Germany)	EADS (W. Europe, 50%) and Thales (France, 50%)	66	\$53 m.
Cohort (UK)	Sea Group (UK)	Privately owned	51.7	\$33 m.
Qinetiq (UK)	Bolden James Holdings (UK)	ISIS Equity Partners (UK)	40	\$36 m.
Finmeccanica (Italy)	Datamat (Italy)	Publicly listed	30	\$28 m.
Mazel Group (Spain)	Engineering Services & Design Tehnology (Spain)	ITP Group (Spain)	..	\$28 m.
Saab (Sweden)	Seaye (UK)	Privately owned	25.6	\$22 m.
Chemring Group (UK)	Richmond Electronics & Engineering (UK)	Privately owned	23	\$11 m.
Ultra Electronics (UK)	Atkins & Partners (UK)	Privately owned	8	\$7 m.

^a 'Publicly listed' means 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 was 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 2006 or expected revenue for 2007). 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 According to ManTech, 'The Company used cash available and \$170 million in borrowings from its new senior secured \$300 million credit facility to finance the acquisition.' ManTech, 'ManTech completes the acquisition of SRS Technologies, Inc.', Press release, 8 May, 2007, <<http://www.mantech.com/news/>>.

^e BAE Systems completed its acquisition of Armor Holdings through its US subsidiary BAE Systems Inc. Armor Group was merged with BAE's Land Systems and Armaments division, based in Arlington, Virginia.

^f Meggitt completed its acquisition of K&F Industries through its US subsidiary Meggitt USA Inc.

^g QinetiQ completed its US acquisitions through its US subsidiary QinetiQ North America and its subsidiaries.

^h VT completed its acquisition of Milcom through its US subsidiary VT Services Inc.

ⁱ United Technologies acquired PZL Mielic through its Sikorsky subsidiary.

^j Alcatel Alenia Space and Telespazio were joint ventures between Alcatel-Lucent and Finmeccanica, who own the remainder of the shares (i.e. 33% of Alcatel Alenia Space and 67% of Telespazio). Together they now form the 'New Space Alliance' between Thales and Finmeccanica. Alcatel Alenia Space has been renamed Thales Alenia Space.

^k DCN acquired the following operations from Thales: Thales Naval France, a 50% stake in the Armaris naval company and a 35% stake in MOPA2, the prime contractor for PA2. France's planned new aircraft carrier. These operations were valued at €514 million (\$645 million). In return for these companies and a payment to DCN of €55 million (\$69 million), Thales acquired a 25% stake in DCN. DCN is now known as DCNS.