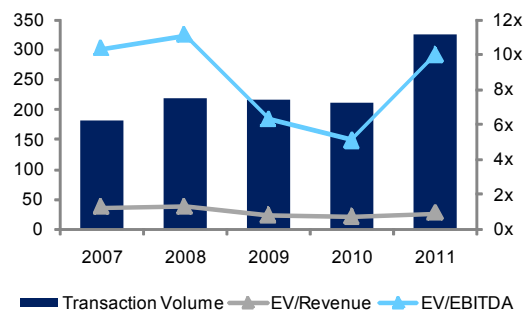


Overall M&A activity within the Aerospace & Defense sector rebounded by 54.5% over the last twelve months ending June 30, 2011 with 326 deals reported compared to 211 deals completed during the same period last year. Median Enterprise Value (“EV”) multiples were at 0.9X Revenue and 10.0X EBITDA.

QUARTERLY TRANSACTION METRICS

Aggregate Industry Metrics	Q3 '10	Q4 '10	Q1 '11	Q2 '11
M&A - United States Domestic	13	6	19	13
M&A - Cross Border Global	36	48	104	87
Median EV/EBITDA	8.3x	-	8.7x	10.0x
Median EV/Revenue	1.2x	0.8x	0.8x	0.9x
Median Value (\$MM)	\$55.0	\$17.0	\$11.7	\$15.7
Sub-Sector Transaction Totals				
Aircraft and Transportation Support	31	26	38	26
Defense Electronics	13	13	23	17
Defense Weapons and Vehicles	4	8	62	56
Space Structures and Satellites	1	7	-	1

LTM TRANSACTION METRICS AS OF 06/30



Based upon Mosaic Capital research. Includes all companies with operations in a particular subsector. Valuation multiples include public transactions and premiums for control, which can vary significantly between public and private companies. Private company transactions also typically include valuation discounts for limited liquidity due to a lack of a public market.

About Mosaic Capital

Since 1989 Mosaic Capital LLC has assisted owners and managers of private and public middle market companies with the institutional private placement of debt and equity, mergers and acquisitions, valuations and strategic advisory services. Mosaic Capital is the California representative office of IMAP, a global organization of leading merger and acquisition advisory firms located in 30 countries. IMAP firms have completed more than 2,000 transactions exceeding \$60 billion in transaction value since 2000, and are ranked 4th worldwide in the Thomson Reuters league tables for 2010. The private placement of debt and equity is provided through our affiliate Mosaic Capital Securities LLC (member FINRA/SIPC).

Mosaic Capital is active in the following sub-sectors within the Aerospace & Defense sector. We are available to discuss trends within these sub-sectors with owners and management teams, as well as their advisors.

Aircraft, Airplanes and Transportation, including:

- Aircraft Components, Systems and Equipment
- Passenger and Cargo Aircraft and Airplanes
- Military Aircraft

Defense Electronics

Space Structures and Satellites

Defense Weapons and Vehicles, including:

- Conventional Weapons
- Guided Missiles and Components
- Light Weapons and Ammunition
- Military Armored Vehicles
- Military Watercraft
- Rockets and Subsystems

MERGERS & ACQUISITIONS - FINANCING - VALUATION

For more information contact Gordon Gregory, Garry Michael Kann or Stan Deakin at 310.432.6777

or visit our website at www.mosaiccapital.com
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