

GLOBAL DEFENSE TECHNOLOGY & SYSTEMS, INC.

Form S-1/A

November 18, 2009

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As filed with the Securities and Exchange Commission on November 18, 2009

Registration No. 333-161719

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

AMENDMENT NO. 5 TO FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

GLOBAL DEFENSE TECHNOLOGY & SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware	8711	20-4477465
(State or other jurisdiction	(Primary Standard Industrial	(I.R.S. Employer
of incorporation or organization	Classification Code Number)	Identification Number)
	1501 Farm Credit Drive, Suite 2300	
	McLean, Virginia 22102-5011	
	(703) 738-2840	

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

John Hillen

Chief Executive Officer

Global Defense Technology & Systems, Inc.

1501 Farm Credit Drive, Suite 2300

McLean, Virginia 22102-5011

(703) 738-2840

(Name, address including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public:

As soon as practicable after the effective date of this Registration Statement

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the Securities Act) check the following box: "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

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Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒ (Do not check if a smaller reporting company)

Smaller reporting company ☐

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission (the SEC), acting pursuant to such Section 8(a), may determine.

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EXPLANATORY NOTE

The disclosure under the caption "Experts" in the prospectus has been updated to describe certain non-audit services performed by affiliates of PricewaterhouseCoopers LLP, an independent registered public accounting firm, for affiliates of the registrant's indirect parent. The updated disclosure appears on pages 119 and 120 of the prospectus.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PROSPECTUS (Subject to Completion)

Dated November 18, 2009

4,600,000 Shares

Common Stock

This is an initial public offering of shares of our common stock. We are offering 3,000,000 shares and the selling stockholders are offering 1,600,000 shares of our common stock. We will not receive any proceeds from the sale of shares by the selling stockholders. Prior to this offering, there has been no public market for our common stock. We have been approved, subject to official notice of issuance, to list our common stock on the Nasdaq Global Market under the symbol GTEC. We expect that the public offering price will be between \$14.00 and \$16.00 per share.

Our business and an investment in our common stock involve significant risks. These risks are described under the caption Risk Factors beginning on page 14 of this prospectus.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	<i>Per Share</i>	<i>Total</i>
Public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds, before expenses, to Global Defense Technology & Systems, Inc.	\$	\$
Proceeds, before expenses, to the selling stockholders	\$	\$

The underwriters may also purchase up to an additional 690,000 shares from one of the selling stockholders at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus to cover overallotments.

The underwriters expect to deliver the shares against payment on , 2009.

Cowen and Company

Stifel Nicolaus

Raymond James

SunTrust Robinson Humphrey

, 2009

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You should rely only on the information contained in this prospectus. We have not, and the selling stockholders and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the selling stockholders and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

We own pending U.S. trademark applications for the following marks: WatchIT and ResourceNet. In addition, we license the GLOBAL mark from our indirect parent, GLOBAL.

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PROSPECTUS SUMMARY

*This summary provides an overview of selected information contained elsewhere in this prospectus and does not contain all of the information you should consider before investing in our common stock. You should carefully read the prospectus and the registration statement of which this prospectus is a part in their entirety before investing in our common stock, including the information discussed under **Risk Factors** beginning on page 14 and our consolidated financial statements and notes thereto that appear elsewhere in this prospectus. See **Relevant Industry Terms** beginning on page 121 for a more complete definition of industry terms used in this prospectus.*

Except as otherwise indicated, or as the context otherwise requires, the Company, GLOBAL Defense Technology, we, us, and our refer to Global Defense Technology & Systems, Inc., a Delaware corporation, and, where appropriate, its direct and indirect subsidiaries, Global Strategies Group Holding (North America) Inc., which we refer to as GNA Holding, Global Strategies Group (North America) Inc., our operating company, which we refer to as GNA, and The Analysis Corp., which we refer to as TAC. Unless otherwise stated, information in this prospectus assumes that the underwriters will not exercise their overallotment option.

Our Company

We provide mission-critical technology-based systems, solutions, and services for national security agencies and programs of the U.S. government. Our services and solutions are integral parts of mission-critical programs run by the Department of Defense, Intelligence Community, Department of Homeland Security, federal law enforcement agencies, and other parts of the federal government charged with national security responsibilities. The programs that we support are generally funded as part of the budgets and spending levels of U.S. government agencies entrusted with carrying out the U.S. government's defense, intelligence, and homeland security missions.

Our primary areas of expertise include:

counter-terrorism intelligence and analysis

data analysis and intelligence fusion tools

force mobility, modernization, and survivability solutions

maritime domain awareness and navigation systems

systems and software engineering

network and communications management; and

decision support systems for command and control.

We conduct our business through two reportable segments: Technology and Intelligence Services, or TIS, and Force Mobility and Modernization Systems, or FMMS. Through our TIS segment we provide a broad range of technology-based services and solutions, including counter-terrorism and intelligence solutions and command, control and decision support solutions to customers in the Department of Defense, the Intelligence Community and other U.S. agencies. Our TIS segment is comprised of the operations of TAC and our Global Mission Systems, or GMS, division. Through our FMMS segment we provide customers, primarily in the Department of Defense, with solutions that entail the design, engineering and integration of highly mobile mission support systems. Our FMMS segment is comprised of the operations of our Global Defense Engineering, or GDE, division.

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In 2008, we derived substantially all of our revenue from national security customers. Approximately 74% of our revenue was derived from the Department of Defense, including the U.S. Army, U.S. Navy, U.S. Marine Corps, National Guard, and Department of Defense agencies within the Intelligence Community, and

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approximately 26% of our revenue was derived from national security agencies including the Department of Homeland Security, federal law enforcement agencies, and other agencies in the Intelligence Community. For the nine months ended September 30, 2009, our revenue was \$157.1 million, representing organic growth of 9.7% over the same period in 2008.

Our Market Opportunity

The Department of Defense represents the largest component of the U.S. government's discretionary spending, accounting for approximately 19.5% of total requested fiscal year 2010 budget authority. For fiscal year 2010, the defense budget is approximately \$664 billion, including a base defense budget of \$533.7 billion (an increase of \$20.4 billion from fiscal year 2009) and an additional \$130 billion for overseas contingency operations, primarily in Iraq and Afghanistan. While defense and intelligence spending have grown tremendously since September 11, 2001, there has also been realignment in the strategic priorities of the U.S. national security community. With the change in national security focus from conventional state-on-state conflicts (such as Operation Desert Storm) to counter-terrorism, stability in fragile but strategic regions, counterinsurgency warfare, and other forms of irregular or expeditionary warfare, there has been a concomitant shift in defense and intelligence investment.

Even before the submission of the fiscal year 2010 defense budget and Defense Secretary Robert Gates' articulation of the Balanced Strategy behind it, the Obama administration and Congress clearly signaled their intent to intensify the U.S. government's focus on addressing post-Cold War national security challenges, new intelligence missions and systems, the use of soft power to stabilize post-conflict in fragile but strategic areas, and homeland security. This perspective, and the programmatic and budgetary decisions that are emerging, make for a strategic landscape that we believe presents us with a significant market opportunity.

We believe the following trends and developments will drive continued growth in our target markets:

Robust Funding for Intelligence and Counter-Terrorism Programs. Counter-terrorism efforts both at home and abroad are likely to remain a central focus of the U.S. government and the Obama administration. In the military, intelligence, and homeland security/law enforcement communities, programs that create expertise, systems, and solutions for the ever-evolving threat of terrorism are a top priority.

A Continued Drive Toward Force Mobility and Modernization in all the Services. Over the past 15 years, and more recently for theaters such as Iraq, Afghanistan, Africa, Southeast Asia and elsewhere, the military services have had to design new systems to support expeditionary forces to be deployed quickly to remote areas with little or no infrastructure for the delivery of power, water and other essential services. We expect that the requirement to support worldwide force mobility and modernization for U.S. forces will remain a priority for the Department of Defense and other national security agencies.

Emphasis on Enhancing the Information Advantage in Warfare. While funding for expensive weapons platforms—tanks, ships and planes—may be at risk in the future, we believe that the military and intelligence funding to create a proprietary information network of digitally linked sensors, data processors and decision support tools for command and control will remain a top priority for the U.S. government.

A Continued Commitment to Long-Running Overseas Contingencies Operations. Even with the U.S. military drawdown in Iraq, there will still be hundreds of thousands of uniformed U.S. service members deployed worldwide, especially on long-running overseas contingencies operations, or OCOs, in the Middle East and Afghanistan. President Obama committed an additional 21,000 troops to Afghanistan in March 2009. Whether or not the President approves an additional deployment of combat troops or simply commits to a surge in military training, capacity building, and reconstruction, the U.S. military footprint

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in Afghanistan will increase. The surge in troop levels there and the commitment to other operations worldwide entails a rise in the need for services, technology and engineering solutions to support those deployments.

Our Business Strengths and Competitive Advantages

We believe that we are well-positioned to capitalize on the market opportunities presented by the Obama administration's defense and intelligence spending priorities and to support the ongoing and new requirements of customers and programs in these mission-critical areas:

Alignment with Policy Priorities and Military Requirements. Our core capabilities and exemplary past performance are well-aligned with the top priorities of the Obama administration and the national security community. Our capabilities and expertise closely match current and expected future requirements in the defense, intelligence and homeland security communities.

Highly Skilled Workforce with High-Level Security Clearances. Over 435 of our approximately 680 employees have security clearances and two-thirds of those are at the Top Secret level or above. In the parts of our business that support counter-terrorism programs and command, control, communications, computers, intelligence, surveillance and reconnaissance (C4ISR) efforts, over 90% of the employees have clearances. Over 20% of our employees have advanced degrees, principally in technical sciences, and 48 of our employees hold Ph.D. s.

Strong Contract Base. As of September 30, 2009, over 88% of our revenue is derived from our work with the U.S. government as a prime contractor. Certain of our contracts provide flexible enough procurement vehicles to allow an array of existing or new customers to engage us quickly and efficiently to meet their mission-critical needs.

Long-Term Customer Relationships Based on Our Mission-Focused Culture. We have worked with many of our customers for long periods of time, decades in some cases. We believe that key factors contributing to the longevity of our customer relationships are our mission-focused culture and the subject matter expertise and level of understanding we have of our customers' requirements.

Proprietary Technology, Intellectual Property and Know-How. We create and own intellectual property and know-how relating to technologies, processes, and methods. Our innovations in sensor integration, decision support systems for both the military and intelligence markets, maritime navigation, network and communications management, tactical water purification and reuse, and highly engineered force mobility support solutions have enhanced our reputation in the industry as an innovative mission systems provider.

Disciplined and Experienced Growth-Oriented Executive Management Team. The members of our executive management team have a successful track record of identifying, pursuing and executing on key growth opportunities in the military and national security marketplaces, both through organic business development and the pursuit of strategic acquisition opportunities.

Our Growth Strategy

Our objective is to become a leading mid-sized defense and national security technology company that is clearly differentiated from our competitors by our mission solutions. To achieve our objective, we intend to:

Focus on Growth Segments in the National Security Space. We intend to expand our position in well-funded and rapidly growing U.S. government national security programs and policy priorities such as counter-terrorism, force mobility and modernization, technology solutions for data fusion, mission-focused command, control and decision support tools, and building net-centric C4ISR systems.

Expand Customer Presence and Increase Base of Customers/Contracts. We plan to increase our level of business from our existing customer base by expanding the range of services we provide to customers

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with whom we have developed successful relationships. We also intend to broaden our national security client base to other agencies and military services that require services similar to those we provide to existing customers, but with whom we do not now perform a large amount of work.

Pursue Strategic Acquisitions. We will actively pursue focused strategic acquisitions that enhance and expand our core capabilities and broaden our customer base into other high-growth national security segments consistent with our overall strategic objectives. Combined with our continued organic growth, this will provide both new customers, capabilities, technologies and talent and the additional critical mass to pursue larger-scale, technology-based national security contracts.

Pursue Larger and More Complex Contracts as a Prime Contractor. We intend to leverage our strong set of complementary capabilities to win larger and more complex contracts as a prime contractor in key areas such as C4ISR, counter-terrorism/intelligence, and force mobility and modernization. We will continue to base our bid strategies on the differentiated solutions we provide to the customer and our intimate knowledge of customers' mission requirements.

Maintain Our Technical Leadership. We intend to continue to attract and retain highly skilled employees and focus our research and development efforts in high-value areas such as network communications and management, sensor integration, decision support tools, data fusion systems, and the design, engineering and integration of highly mobile mission support systems to maintain our proprietary leading-edge technical position.

Our History and Organizational Structure

In 2006, our indirect parent, Global Strategies Group Holding, S.A., which we refer to as GLOBAL, formed Contego Systems Inc., which in turn established Global Technology Strategies, Inc., for the purpose of commencing technology operations in the U.S. and hired Ronald Jones who, immediately prior to the effectiveness of this offering, will become our Executive Vice President, Corporate Development, to lead this effort. On February 9, 2007, Global Technology Strategies, Inc. acquired SFA, Inc., which we refer to as SFA. SFA was originally founded in 1969 as Sachs Freeman Associates, a provider of technology services to the federal government. SFA grew organically for most of the 38 years prior to its acquisition, and also completed two acquisitions. In 1988, SFA acquired Frederick Manufacturing and, in 2003, it acquired TAC.

Subsequent to the SFA acquisition, SFA was renamed Global Strategies Group (North America) Inc., or GNA, and Global Technology Strategies, Inc. was renamed Global Strategies Group Holding (North America) Inc., or GNA Holding. GNA and TAC are our operating subsidiaries. At the end of 2008, as part of a restructuring, we were formed as a wholly owned subsidiary of Contego Systems Inc. under the name Contego NewCo Company, a Delaware corporation, and immediately thereafter Contego Systems Inc. was converted into Contego Systems LLC. Our name was changed to Global Defense Technology & Systems, Inc. in July 2009. Our principal executive offices are located at 1501 Farm Credit Drive, Suite 2300, McLean, Virginia 22102. Our website address is www.globalgroup.us.com. Information contained on our website is not part of this prospectus.

From the date of the SFA acquisition, we have operated separately from GLOBAL and its other affiliates, with a board, including three independent directors, and have focused exclusively on customers in the U.S. government. We believe that our initial public offering and Nasdaq listing will provide the following benefits:

direct access to a new institutional and retail investor base;

increased use of equity compensation to align the interests of our employees with those of our stockholders; and

opportunities to pursue acquisitions and other strategic initiatives using our publicly traded stock as acquisition currency.

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Upon conclusion of this offering, GLOBAL will be our largest beneficial stockholder, owning approximately 44.7% of our outstanding stock, assuming the underwriters do not exercise their overallotment option.

In anticipation of this offering, we will implement a series of restructuring transactions. The information in this prospectus reflects and assumes that the following restructuring transactions, which have been approved by our board of directors, have been effected unless otherwise indicated:

the amendment and restatement of our certificate of incorporation and bylaws to, among other things, increase the number of shares of our authorized stock and effectuate a 60,000-for-1 stock split of our common stock, which will occur concurrently with the effectiveness of the registration statement of which this prospectus forms a part;

the merger of GNA Holding with and into GNA, resulting in GNA becoming our direct, wholly owned subsidiary;

our assumption of options to purchase 492,127 shares of common stock at a weighted average exercise price of \$10.65 per share, previously granted pursuant to the SFA, Inc. 2007 Stock Option Plan, or SFA Plan; and

the redemption by Contego Systems LLC of all of the membership interests owned by Ronald Jones, in exchange for shares of our common stock owned by Contego Systems LLC of equal value.

In addition, unless otherwise indicated, the information in this prospectus reflects and assumes:

the issuance of 36,432 shares of common stock to James Allen, our Executive Vice President and Chief Financial Officer, upon the closing of this offering;

the issuance of options to purchase 32,789 shares of common stock to Kirk Herdman, our Senior Vice President, Business Operations and Development, upon closing of this offering; and

no exercise of the underwriters' overallotment option to purchase up to 690,000 additional shares of our common stock from one of the selling stockholders.

The information in this prospectus does not reflect a reduction in the exercise price of options granted under the SFA Plan that will result upon the merger of GNA Holding with and into GNA, which merger will occur concurrent with the effectiveness of the registration statement of which this prospectus forms a part. This reduction in exercise price of such options, which occurs pursuant to the equitable adjustment provisions of the SFA Plan, is due to the decrease in the value of GNA common stock at the time of the merger as a result of GNA's assumption of approximately \$10.2 million of debt owed by GNA Holding to GLOBAL and its affiliates. On a pro forma basis, assuming the following events occurred on September 30, 2009:

the merger of GNA Holding with and into GNA, and

the October 2009 repayment of \$6.5 million of debt owed to GLOBAL and its affiliates, the exercise price on all SFA Plan options would have been reduced by \$1.57 per share.

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The following sets forth our organizational structure immediately before and after the restructuring transactions on a fully-diluted basis.

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The Offering

Common stock offered by us 3,000,000 shares

Common stock offered by the selling stockholders 1,600,000 shares

Common stock to be outstanding after this offering 9,036,432 shares

Underwriters' option to purchase additional shares 690,000 shares

Use of proceeds To repay (i) the term loan portion of our credit facility, which was \$9.9 million as of September 30, 2009, (ii) other outstanding borrowings under our credit facility, which were \$12.0 million as of September 30, 2009, and (iii) to the extent of any excess net proceeds after repayment of the previous debt, debt owed to GLOBAL and its affiliates, which was \$16.7 million as of September 30, 2009, and for general corporate purposes, including future acquisitions. We will not receive any proceeds from the sale of our common stock by the selling stockholders.

Risk factors See Risk Factors and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.

Nasdaq Global Market symbol GTEC

Conflicts of Interest An affiliate of SunTrust Robinson Humphrey, Inc. is the lender under our credit facility and will receive 5% or more of the offering proceeds as a result of our repayment of amounts outstanding under the credit facility with a portion of the offering proceeds. For more information, see Conflicts of Interest.

The number of shares of common stock to be outstanding after this offering is based on the number of shares outstanding as of November 18, 2009 and assumes the issuance of 36,432 shares of common stock to James Allen, our Executive Vice President and Chief Financial Officer, upon closing of this offering. Such number excludes:

492,127 shares of common stock issuable upon the exercise of options to purchase our common stock at a weighted average exercise price of \$10.65 per share, which options were previously granted to employees pursuant to the SFA Plan and will be assumed by the Company in connection with this offering;

32,789 shares of common stock, issuable upon exercise of options to purchase our common stock at the public offering price to be granted to Kirk Herdman, our Senior Vice President, Business Operations and Development, upon closing of this offering; and

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507,873 shares of common stock, reserved for future issuance under our 2009 Performance Incentive Plan, or the Plan, which we will adopt in connection with this offering.

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SUMMARY CONSOLIDATED FINANCIAL DATA

The summary consolidated financial information set forth below for the period April 1, 2006 to February 8, 2007, the period February 9, 2007 to December 31, 2007 and for the year ended December 31, 2008 has been derived from audited consolidated financial statements included elsewhere in this prospectus. The summary consolidated financial information set forth below for the nine months ended September 30, 2008 and 2009 has been derived from our unaudited financial statements included elsewhere in this prospectus. The unaudited financial statements have been prepared on the same basis as the audited financial statements and, in the opinion of our management, include all normal recurring adjustments necessary for a fair presentation of the information set forth herein. Our historical results are not necessarily indicative of the results that may be expected for any future period. The information below should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and notes thereto included in this prospectus.

Basis of Presentation

In 2006, our indirect parent, GLOBAL, formed Contego Systems Inc. and Global Technology Strategies, Inc. for the purpose of commencing technology operations in the U.S. On February 9, 2007, Global Technology Strategies, Inc. acquired all of the outstanding stock of SFA and its subsidiary, TAC. Subsequent to the SFA acquisition, SFA was renamed GNA, and Global Technology Strategies, Inc. was renamed GNA Holding. GNA and TAC are our operating subsidiaries. On December 31, 2008, as part of a restructuring, (i) we were formed under the name Contego NewCo Company, (ii) Contego Systems Inc. transferred all of its assets to us and we assumed all of Contego Systems Inc.'s liabilities and (iii) Contego Systems Inc. was converted into Contego Systems LLC. In July 2009, we changed our name to Global Defense Technology & Systems, Inc.

SFA and its subsidiary, TAC, are the predecessor entity, which we refer to as the Predecessor for accounting purposes since their operations represent our principal business. The historical results of SFA and its subsidiary, TAC, have been presented from April 1, 2006 through February 8, 2007, the date prior to the date of the SFA acquisition. The consolidated financial statements of GLOBAL Defense Technology, which include, in addition to the Predecessor, GNA Holding and GNA, have been presented from February 9, 2007 through December 31, 2007 and for the year ended December 31, 2008. The Successor's financial statements also include the historical results of Contego Systems Inc., which consists of general and administrative expense incurred on behalf of GNA, for the period from February 9, 2007 through December 31, 2007 and for the year ended December 31, 2008.

In connection with this offering, we will implement a series of restructuring transactions, which have been approved by our board of directors, including (i) a 60,000-for-1 stock split of our common stock, which will occur concurrently with the effectiveness of the registration statement of which this prospectus forms a part and (ii) the assumption of all options previously granted pursuant to the SFA Plan, and appropriate adjustments to the number of shares of common stock underlying such options as well as the exercise price of such options. We expect that the exchange of stock options in GNA for stock options in GLOBAL Defense Technology will represent a probable-to-probable type modification. We do not anticipate that this modification will result in incremental fair value because the terms affecting the fair value will not be modified. Therefore, we do not expect to recognize any additional compensation expense on the modification date. See Prospectus Summary Our History and Organizational Structure for more information regarding the restructuring transactions. As a result of the restructuring transactions, the weighted average common shares outstanding and earnings (loss) per share figures presented in our historical financial statements and notes thereto, and all references to options, common shares and exercise price figures in note 10 to our consolidated financial statements, have been revised accordingly.

The balance sheet data as of September 30, 2009 is presented:

on an actual basis; and

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on an as adjusted basis to reflect (i) our sale of common stock in this offering at an assumed initial public offering price of \$15.00 per share (the mid-point of the range set forth on the cover page of this prospectus), and application of the net proceeds therefrom, after deducting estimated underwriting discounts and commissions and estimated offering expenses, (ii) our use of a portion of the net proceeds to repay approximately \$38.6 million of debt owed to GLOBAL and its affiliates and all outstanding borrowings under our credit facility, and (iii) offering-related stock-based compensation adjustments, including a related tax benefit of \$3.9 million, which will be recognized upon closing of this offering.

A \$1.00 increase (decrease) in the assumed initial public offering price of \$15.00 per share would increase (decrease) cash and cash equivalents, working capital, total assets and stockholders' equity by

\$2.8 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same after deducting estimated underwriting discounts and commissions.

	Predecessor		Successor		
	Period April 1, 2006 to February 8, 2007	Period February 9 to December 31, 2007	Year Ended December 31, 2008	Nine Months Ended September 30,	
				2008	2009
(in thousands, except share and per share data)					
Consolidated Statements of Operations					
Revenue	\$ 123,124	\$ 134,818	\$ 189,426	\$ 143,203	\$ 157,068
Operating costs and expenses					
Cost of revenue	105,644	114,264	156,271	119,497	129,142
Selling, general and administrative expenses	16,317	13,202	16,957	12,119	15,351
Amortization of intangible assets	72	10,279	8,841	6,752	6,267
Impairment of intangible asset			2,447	2,447	
Total operating costs and expenses	122,033	137,745	184,516	140,815	150,760
Operating income (loss)	1,091	(2,927)	4,910	2,388	6,308
Other income (expense)					
Interest income	270	46	40	12	6
Interest expense	(67)	(3,594)	(2,750)	(2,038)	(1,494)
Income (loss) before income taxes	1,294	(6,475)	2,200	362	4,820
(Provision for)/benefit from income taxes	(2,116)	2,406	(1,138)	(261)	(1,988)
Net (loss) income	\$ (822)	\$ (4,069)	\$ 1,062	\$ 101	\$ 2,832
Earnings (loss) per share					
Basic ⁽¹⁾	\$ (2.49)	\$ (0.68)	\$ 0.18	\$ 0.02	\$ 0.47
Diluted ⁽¹⁾	\$ (2.49)	\$ (0.68)	\$ 0.18	\$ 0.02	\$ 0.47
Weighted average common shares outstanding					
Basic	329,378	6,000,000	6,000,000	6,000,000	6,000,000
Diluted	329,378	6,000,000	6,000,000	6,000,000	6,027,266
Cash dividends per share	\$ 8.66	\$	\$	\$	\$

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	As of September 30, 2009	
	Actual	As Adjusted
(in thousands)		
Consolidated Balance Sheet		
Cash and cash equivalents	\$ 8	\$ 1,772
Working capital ⁽²⁾	26,983	32,644
Total assets	109,601	115,262
Debt ⁽³⁾	38,636	
Total stockholders' equity	46,252	90,549

	Predecessor Period April 1, 2006 to February 8, 2007	Period February 9 to December 31, 2007	Successor Year Ended December 31, 2008	Nine Months Ended September 30,	
(in thousands)				2008	2009
Other Data					
EBITDA ⁽⁴⁾	\$ 1,884	\$ 8,108	\$ 14,747	\$ 9,876	\$ 13,336
Adjusted EBITDA ⁽⁵⁾	\$ 8,545	\$ 9,226	\$ 18,417	\$ 13,254	\$ 14,916

- (1) See note 13 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the method used to calculate basic and diluted earnings (loss) per share.
- (2) Working capital is defined as current assets net of current liabilities excluding all affiliated debt and the current portion of long-term debt.
- (3) Represents bank loans (including current maturities) and loans from affiliates.
- (4) EBITDA is defined as net income before net interest expense, income tax expense, depreciation and amortization. EBITDA is a financial measure that is not calculated in accordance with generally accepted accounting principles, or GAAP. EBITDA should not be considered as an alternative to net income (loss), operating income (loss) or any other measure of financial performance calculated and presented in accordance with GAAP. We prepare EBITDA to eliminate the impact of items that we do not consider indicative of our core operating performance. We encourage you to evaluate these adjustments and the reasons we consider them appropriate.
- We believe EBITDA is useful to investors in evaluating our operating performance because:

securities analysts use EBITDA as a supplemental measure to evaluate the overall operating performance of companies and we anticipate that our investor and analyst presentations after we are public will include EBITDA; and

we believe that the elimination of certain non-cash, non-operating or non-recurring items enables a more consistent measurement of period to period performance of our operations, as well as a comparison of our operating performance to companies in our industry. Our management uses EBITDA:

as a measure of operating performance;

for planning purposes, including the preparation of our annual operating budget;

to allocate resources to enhance the financial performance of our business;

to evaluate the effectiveness of our business strategies;

in communications with our board of directors concerning our financial performance; and

to determine compliance with financial covenants under our credit facility.

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Although EBITDA is frequently used by investors and securities analysts in their evaluations of companies, EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results of operations as reported under GAAP. Some of these limitations are:

EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or other contractual commitments;

EBITDA does not reflect changes in, or cash requirements for, our working capital needs;

EBITDA does not reflect interest expense or interest income;

EBITDA does not reflect cash requirements for income taxes;

although depreciation and amortization are non-cash charges, the assets being depreciated or amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for these replacements; and

other companies in our industry may calculate EBITDA or similarly titled measures differently than we do, limiting its usefulness as a comparative measure.

- (5) Adjusted EBITDA represents EBITDA adjusted for impairment of intangible asset and certain items that were directly or indirectly related to the capital structure and accounting treatment of the Predecessor prior to the SFA acquisition and that no longer apply to us. Adjusted EBITDA is a financial measure that is not calculated in accordance with GAAP. Adjusted EBITDA should not be considered as an alternative to net income (loss), operating income (loss) or any other measure of financial performance calculated and presented in accordance with GAAP. Our Adjusted EBITDA may not be comparable to similarly titled measures of other companies because other companies may not calculate Adjusted EBITDA or similarly titled measures in the same manner as we do. We use Adjusted EBITDA:

for purposes of comparing our EBITDA following the SFA acquisition to our Predecessor's EBITDA prior to the SFA acquisition; and

to evaluate our operating results without the additional variations caused by the impairment of intangible asset, which is non-recurring.

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Reconciliation of net income (loss) to Adjusted EBITDA is presented below:

	Predecessor Period April 1, 2006 to February 8, 2007	Period February 9 to December 31, 2007	Successor Year Ended December 31, 2008	Nine Months Ended September 30,	
(in thousands)				2008	2009
Net income (loss)	\$ (822)	\$ (4,069)	\$ 1,062	\$ 101	\$ 2,832
Depreciation and amortization	721	756	996	736	761
Amortization of intangibles	72	10,279	8,841	6,752	6,267
Interest (income) expense, net	(203)	3,548	2,710	2,026	1,488
Income tax expense (benefit)	2,116	(2,406)	1,138	261	1,988
EBITDA	1,884	8,108	14,747	9,876	13,336
Impairment of intangible asset ^(a)			2,447	2,447	
Stock appreciation rights (SARs) expense ^(b)	3,178				
Sellers transaction costs ^(c)	1,433				
ESOP expense ^(d)	2,050				
Retention bonuses ^(e)		1,108	1,195	907	
Management fees paid to GLOBAL ^(f)		10	28	24	1,580
Adjusted EBITDA	\$ 8,545	\$ 9,226	\$ 18,417	\$ 13,254	\$ 14,916

(a) Reflects charge associated with abandonment of GNA's former trade name.

(b) Reflects expense associated with the vesting of employee stock appreciation rights effective with the acquisition of SFA.

(c) Reflects expenses incurred by SFA in conjunction with its sale to us.

(d) Reflects expense associated with the Employee Stock Ownership Plan, whereby SFA funded a portion of employees purchase price, prior to the date of acquisition of SFA.

(e) Consists of retention bonuses paid to SFA employees in connection with continued employment subsequent to the SFA acquisition.

(f) Consists principally of management fees paid to an affiliate of GLOBAL pursuant to a management services agreement that was initiated January 1, 2009. Following completion of this offering, the agreement will be terminated and, because any services previously provided by GLOBAL and its affiliates will be provided on a going-forward basis by our existing employees, we will not incur any additional cost or expense related to these services.

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RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below and all of the other information set forth in this prospectus before deciding to invest in shares of our common stock. If any of the events or developments described below occur, our business, financial condition or results of operations could be negatively affected. In that case, the trading price of our common stock could decline, and you could lose all or part of your investment in our common stock.

Risks Related to Our Business

We depend on contracts with the U.S. government for substantially all of our revenue. If our relationships with U.S. government agencies were harmed, our business, future revenue and growth prospects would be adversely affected.

We derive substantially all of our revenue from our U.S. government customers. We expect that U.S. government contracts will continue to be the primary source of our revenue for the foreseeable future. Our business, prospects, financial condition or operating results would be materially harmed if:

the government ceases to do business with us, or significantly decreases the amount of business it does with us;

we were suspended or debarred from contracting with the U.S. government or a significant government agency; or

our reputation or relationship or that of our senior managers with the government agencies with which we currently do business or seek to do business is impaired.

U.S. government spending and mission priorities may change in a manner that adversely affects our future revenue and limits our growth prospects.

Our business depends upon continued U.S. government expenditures on intelligence, defense and other programs for which we provide support. These expenditures have not remained constant over time and have been reduced in certain periods. For example, the overall U.S. defense budget declined for certain periods of time in the late 1980s and the early 1990s, resulting in a slowing of new program starts, program delays and program cancellations. These reductions caused many defense-related government contractors to experience declining revenue, increased pressure on operating margins and, in some cases, net losses. While spending authorizations for intelligence and defense-related programs by the government have increased in recent years, and in particular after the 2001 terrorist attacks and more recently as a result of action in support of military and civil activity in Afghanistan and Iraq, future levels of expenditure, mission priorities and authorizations for these programs may decrease or shift to programs in areas where we do not currently provide services. Our business, prospects, financial condition or operating results could be materially harmed among other causes by the following:

budgetary constraints affecting U.S. government spending generally, or specific departments or agencies in particular, and changes in available funding;

changes in U.S. government programs or requirements;

U.S. government shutdowns (such as that which occurred during fiscal year 1996) and other potential delays in the appropriations process;

realignment of funding with changed federal government priorities, which may impact the U.S. war efforts, including reductions in funding for in-theater missions; and

curtailment of the U.S. government's outsourcing of mission-critical support and IT services.

These or other factors could cause U.S. government agencies and departments to reduce their purchases under contracts, exercise their right to terminate contracts, or not exercise options to renew contracts, any of which could cause us to lose revenue. A significant decline in overall U.S. government spending, or a shift in expenditures away from agencies or programs that we support, could cause a material decline in our revenue.

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We rely on a few large contracts for a significant portion of our revenue and net income. The loss of any one or more of these contracts could cause a material decline in our operating results.

For the year ended December 31, 2008, we had three contracts, each accounting for over 10% of our revenue, for a total of \$91.0 million, or 48.1% of our total revenue. For the nine months ended September 30, 2009, we had three contracts, each accounting for over 10% of our revenue, for a total of \$75.9 million, or 48.3% of our total revenue. Although we have been successful in continuing work on most of our large contracts in the past, there is no assurance that we will be able to do so in the future. The revenue stream from one or more of these contracts could end for a number of reasons, including the completion of the customer's requirements, the completion or early termination of our current contract, the consolidation of our work into another contract where we are not the holder of that contract, or the loss of a competitive bid for the follow-on work related to our current contract. If any of these events were to occur, we could experience an unexpected, significant reduction in revenue and net income. See Management's Discussion and Analysis of Financial Condition and Results of Operations for further discussion with respect to these contracts.

We may lose money on some contracts if we do not accurately estimate the expense, time and resources necessary to satisfy our contractual obligations.

We enter into three types of federal government contracts for our systems and services: fixed-price, time-and-materials and cost-plus. For the nine months ended September 30, 2009 and for the same period in 2008, we derived revenue from such contracts as follows:

Contract Type	Nine months ended September 30,	
	2009	2008
Fixed-price	58.7%	60.6%
Time-and-materials	29.3%	27.7%
Cost-plus	11.9%	11.7%

Each of these types of contracts, to varying degrees, involves some risk that we could underestimate our cost of fulfilling the contract, which may reduce the profit we earn or lead to a financial loss on the contract.

Under fixed-price contracts, we perform specific tasks for a fixed price. Compared to cost-plus contracts, fixed-price contracts generally offer higher margin opportunities but involve greater financial risk because we bear the impact of cost overruns and bear the risk of underestimating the level of effort required to perform the contractual obligations. The increased costs and expenses could produce a loss on the performance of the contract.

Under time-and-materials contracts, we are reimbursed for labor at negotiated hourly billing rates and for certain expenses. We assume financial risk on time-and-material contracts because we assume the risk of performing those contracts at fixed hourly rates.

Under cost-plus contracts, we are reimbursed for allowable costs and paid a fee, which may be fixed or performance-based. To the extent that the actual costs incurred in performing a cost-plus contract are within the contract ceiling and allowable under the terms of the contract and applicable regulations, we are entitled to reimbursement of our costs, plus a profit. However, if our costs exceed the ceiling or are not allowable under the terms of the contract or applicable regulations, we may not be able to recover those excess or unallowable costs.

Our profits could be adversely affected if our costs under any of these contracts exceed the assumptions we used in bidding for the contract. Over time, and particularly if we acquire other businesses, our contract mix may change, to include a greater proportion of fixed-price or time-and-materials contracts, which would increase our exposure to these risks.

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If we fail to comply with complex procurement laws and regulations, we could lose business and be liable for various penalties or sanctions.

We must comply with laws and regulations relating to the formation, administration and performance of federal government contracts. These laws and regulations affect how we conduct business with our federal government customers. In complying with these laws and regulations, we may incur significant costs, and non-compliance may allow for the imposition of additional fines and penalties, including contractual damages. Among the more significant laws and regulations affecting our business are the following:

the Federal Acquisition Regulation, which comprehensively regulates the formation, administration and performance of federal government contracts;

the Truth in Negotiations Act, which requires certification and disclosure of all cost and pricing data in connection with contract negotiations;

the Cost Accounting Standards and Cost Principles, which imposes accounting requirements that govern our right to reimbursement under certain cost-based federal government contracts; and

laws, regulations and executive orders restricting the use and dissemination of classified information and, under U.S. export control laws, the export of certain products and technical data.

Our contracting agency customers periodically review our performance under and compliance with the terms of our federal government contracts. If we fail to comply with these control regimes or if a government review or investigation uncovers improper or illegal activities, we may be subject to civil or criminal penalties or administrative sanctions, including:

termination of contracts;

forfeiture of profits;

cost associated with triggering of price reduction clauses;

suspension of payments;

finest; and

suspension or debarment from doing business with federal government agencies.

Additionally, the False Claims Act provides for potentially substantial civil penalties where, for example, a contractor presents a false or fraudulent claim to the government for payment or approval. Actions under the False Claims Act may be brought by the government or by other persons on behalf of the government (who may then share a portion of any recovery).

Because we are under foreign ownership, control or influence (FOCI), and our subsidiary is performing on U.S. classified contracts, we are a party to a Special Security Agreement with the Department of Defense and are subject to other requirements of the National Industrial Security Program Operating Manual, which impose significant compliance obligations upon us. Our failure to comply with these obligations could result in our not being able to continue performing under our U.S. classified contracts, which would have a material adverse effect on

our business.

We operate under a Special Security Agreement, or SSA, with the Department of Defense. If a company's ownership structure presents the potential for foreign ownership, control, or influence, or FOCI, then the Department of Defense may require certain protective measures to mitigate the FOCI (such as an SSA) in order for the company and its subsidiaries to have security clearances. According to the National Industrial Security Program Operating Manual, or NISPOM, a company is under FOCI if its foreign parent has the power, direct or indirect, whether or not exercised, and whether or not exercisable through the ownership of the U.S. company's securities, by contractual arrangements or other means, to direct or decide matters affecting the management or operations of that company in a manner which may result in unauthorized access to classified information or may adversely affect the performance of classified contracts. Because a significant percentage of our voting equity is

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owned by a non-U.S. entity, we have been determined to be under FOCI, and are therefore required to operate pursuant to an SSA in order for our subsidiary to be able to maintain the requisite security clearances to access classified information and perform on classified contracts.

We currently maintain a Top Secret level facility security clearance, or FCL, under the SSA and derive a significant portion of our revenue from classified contracts. If we were to violate the terms and requirements of the SSA, the NISPOM, or any other applicable U.S. government industrial security regulations, we could lose our FCL. We cannot give any assurance that we will be able to maintain our FCL. If for some reason our FCL is suspended, invalidated or terminated, we may not be able to continue to perform our classified contracts in effect at that time or enter into new classified contracts. This would result in our not being able to recognize revenue and would thereby have a material adverse effect on our business, results of operations and financial condition.

We derive most of our revenue from contracts awarded through a competitive bidding process. This process can impose substantial costs upon us and we may lose revenue if we fail to compete effectively.

We derive most of our revenue from federal government contracts that are awarded through a competitive bidding process and we expect that solicitation will continue for the foreseeable future. Competitive bidding presents a number of risks, including:

bidding on programs in advance of the completion of their design, which may result in unforeseen technological difficulties and cost overruns;

devoting substantial resources and managerial time and effort to preparing bids and proposals for contracts that are not awarded to us, which may result in reduced profitability;

failing to accurately estimate the resources and cost structure that will be required to service any contract we are awarded;

incurring expense and delay due to a competitor's protest or challenge of contract awards made to us, including the risk that any such protest or challenge could result in the resubmission of bids on modified specifications, or in the termination, reduction or modification of the awarded contract, either of which may result in reduced profitability;

changes to client bidding practices or government reform of procurement practices, which may alter the prescribed contract relating to contract vehicles, contract types and consolidations; and

changes in policy and goals by the government providing set-aside funds to small businesses or disadvantaged businesses, and other socio-economic requirements in the allocation of contracts.

If we are unable to win particular contracts that are awarded through the competitive bidding process, in addition to the risk that our operating results may be adversely affected, we may be unable to operate in the market for services that are provided under those contracts for a number of years. Even if we win a particular contract through competitive bidding, our profit margins may be depressed as a result of the costs incurred in the bidding process.

We face intense competition from many competitors that, among other things, have greater resources than we do.

We operate in highly competitive markets and generally encounter intense competition to win contracts and task orders. We compete with many other firms, ranging from small, specialized firms to mid-tier technology firms and large, diversified firms, many of which have substantially greater financial, management and marketing resources than we do. Our competitors may be able to provide our customers with different or greater capabilities or benefits than we can in areas such as technical qualifications, past contract performance, geographic presence, price and the availability of qualified professional personnel. Our failure to compete effectively because of any of these or other factors could cause our revenue and operating profits to decline. In addition, our competitors also have established or may establish relationships among themselves or with third parties to increase their ability to address our customers' needs. Accordingly, it is possible that new competitors or alliances among

competitors may emerge that would compete with us more effectively than currently.

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Further, we may face competition from our subcontractors who, from time to time, seek to obtain prime contractor status on contracts for which they currently serve as a subcontractor for us. If one or more of our current subcontractors are awarded prime contractor status on such contracts in the future, it would divert sales from us and could force us to charge lower prices in order to ensure that we retain our prime contractor status.

Our estimated contract backlog may not result in actual revenue.

As of September 30, 2009, our estimated contract backlog totaled \$657.9 million, of which \$122.0 million was funded. There can be no assurance that our backlog will result in actual revenue in any particular period, or at all, or that any contract included in our backlog will be profitable. There is a higher degree of risk in this regard with respect to unfunded backlog. The actual receipt and timing of any revenue is subject to various contingencies, many of which are beyond our control. The actual receipt of revenue on contracts included in backlog may never occur or may change because a program schedule could change, the program could be cancelled, a contract could be reduced, modified or terminated early, or an option that we had assumed would be exercised may not be exercised. Further, while many of our federal government contracts require performance over a period of years, Congress often appropriates funds for these contracts for only one year at a time. Consequently, our contracts typically are only partially funded at any point during their term, and all or some of the work intended to be performed under the contracts will remain unfunded pending subsequent Congressional appropriations and the obligations of additional funds to the contract by the procuring agency. Our estimates are based on our experience under such contracts and similar contracts. However, there can be no assurance that all or any, of such estimated contract value will be recognized as revenue.

The loss of any member of our senior management could impair our relationships with federal government clients and disrupt the management of our business.

We believe that the success of our business and our ability to operate profitably depends on the continued contributions of the members of our senior management. We rely on our senior management to generate business and execute programs successfully. In addition, the relationships and reputation that many members of our senior management team have established and maintain with federal government personnel contribute to our ability to maintain strong client relationships. Therefore, the loss of any member of our senior management could impair our ability to identify and secure new contracts, to maintain good client relations and to otherwise manage our business.

If we fail to attract and retain skilled employees, we might not be able to perform under our contracts and our ability to maintain and grow our business could be limited.

The growth of our business and revenue depends in large part upon our ability to attract and retain sufficient numbers of highly qualified individuals who have advanced engineering and information technology skills, specialized knowledge of customer missions and appropriate security clearances, and who work well with our government customers. Competition for such personnel is intense, and recruiting, training and retention costs place significant demands on our resources. If we are unable to recruit and retain a sufficient number of qualified employees, our ability to maintain and grow our business could be limited. Furthermore, we could be required to engage larger numbers of independent contractors, which could increase our costs and reduce our profit margins. In addition, many of our professional personnel may have specific knowledge of, and experience with, our federal government customers' operations, and we may obtain some of our contracts based on that knowledge and experience. The loss of services of key personnel could impair our ability to perform required services under some of our contracts and to retain such contracts, as well as our ability to win new business.

Recent events affecting the credit markets may restrict our ability to access additional financing.

The U.S. and worldwide capital and credit markets have recently experienced significant price volatility, dislocations and liquidity disruptions, which have caused market prices of many stocks to fluctuate substantially and the spreads on prospective debt financings to widen considerably. These circumstances have materially impacted liquidity in the financial markets, making terms for certain financings less attractive, and in some cases

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have resulted in the unavailability of financing. Continued uncertainty in the capital and credit markets may negatively impact our business, including our ability to access additional financing at reasonable terms. A prolonged downturn in the financial markets may cause us to seek alternative sources of potentially less attractive financing, and may require us to adjust our business plan accordingly, including abandoning one of our key growth strategies, to selectively pursue acquisitions. These events also may make it more difficult or costly for us to raise capital through the issuance of our equity securities. The disruptions in the financial markets may have a material adverse effect on the market value of our common stock and other adverse effects on our business.

Internal system or service failures could disrupt our business and impair our ability to effectively provide our products and services to our customers, which could damage our reputation and adversely affect our revenue and profitability.

We may be subject to systems failures, including network, software or hardware failures, whether caused by us, third-party service providers, intruders or hackers, computer viruses, natural disasters, power shortages or terrorist attacks. Any such failures could cause loss of data and interruptions or delays in our business, cause us to incur remediation costs, subject us to claims and damage our reputation. In addition, the failure or disruption of our communications or utilities could cause us to interrupt or suspend our operations or otherwise adversely affect our business. Our property and business interruption insurance may be inadequate to compensate us for all losses that may occur as a result of any system or operational failure or disruption and, as a result, our future results could be adversely affected.

Our quarterly operating results may fluctuate significantly as a result of factors outside our control, which could cause the market price of our common stock to decline.

Our revenue and operating results vary from quarter to quarter and, as a result, our operating results may fall below the expectations of securities analysts and investors, which could cause the price of our common stock to decline. Factors that may affect our operating results include those listed in this Risk Factors section and others that are specific to our industry, such as:

fluctuations in revenue earned on government contracts;

seasonal fluctuations in our staff utilization rates;

commencement, completion or termination of contracts during any particular quarter;

variable purchasing patterns of our customers;

changes in contract requirements by our government agency customers, particularly with respect to customer requirements for our expeditionary systems; and

changes in presidential administrations and senior federal government officials that affect the timing of technology procurement. Reductions in revenue in a particular quarter could lead to lower profitability in that quarter because a relatively large amount of our expenses are fixed in the short term. We incur significant operating expenses during the start-up and early stages of large contracts, and may not receive corresponding payments in that same quarter. We may also incur significant or unanticipated expenses when a contract expires, terminates or is not renewed.

We will be liable for products and service failures to our customers.

We create, implement and maintain information technology and technical services solutions that are often critical to our customers' operations. We have experienced and, may in the future experience, some systems and service failures, schedule or delivery delays and other problems in connection with our work. If our solutions, services, products or other applications have significant defects or errors, are subject to delivery delays or fail to meet our customers' expectations, we may:

lose revenue due to adverse customer reaction;

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be required to provide additional services to a customer at no charge;

receive negative publicity, which could damage our reputation and adversely affect our ability to attract or retain customers; and

suffer claims for substantial damages against us.

In addition, these failures may result in increased costs or loss of revenue if they result in customers postponing subsequently scheduled work or canceling or failing to renew contracts.

While many of our contracts with the federal government limit our liability for damages that may arise from negligence in rendering services, we cannot be sure that these contractual provisions will protect us from liability for damages if we are sued. Furthermore, our errors and omissions and product liability insurance coverage may not continue to be available on reasonable terms or in sufficient amounts to cover one or more large claims, or the insurer may disclaim coverage as to some types of future claims. The successful assertion of any large claim against us could seriously harm our business. Even if not successful, these claims could result in significant legal and other costs and may be a distraction to our management and may harm our reputation.

Security breaches in classified government systems could adversely affect our business.

Many of the programs we support and systems we develop, install and maintain involve managing and protecting intelligence, national security and other classified government information. While we have designed programs to comply with relevant security laws, regulations and restrictions, a security breach in one of these systems could cause serious harm to our business, damage our reputation and prevent us from being eligible for further work on critical classified systems for federal government customers. Losses that we could incur from such a security breach could exceed the policy limits that we have for our errors and omissions or product liability insurance. Damage to our reputation or limitations on our eligibility for additional work resulting from a security breach in one of the systems we develop, install and maintain could materially reduce our revenue.

Our employees or subcontractors may engage in misconduct or other improper activities, which could cause us to lose contracts.

We are exposed to the risk that employee or subcontractor fraud or other misconduct could occur. Misconduct by our employees, or those of our subcontractors, could include intentional failure to comply with federal government procurement regulations, engaging in unauthorized activities or falsifying time records. Such misconduct could also involve the improper use of our clients' sensitive or classified information as well as security breaches, which could result in regulatory sanctions against us, liability to third parties, adverse publicity and serious harm to our reputation and could result in a loss of contracts and a reduction in revenue and net income. It is not always possible to deter individual misconduct, and the precautions we take to prevent and detect this activity may not be effective in controlling unknown or unmanaged risks or losses, which could cause us to lose contracts or cause a reduction in revenue.

Our business depends upon obtaining and maintaining required security clearances.

Many of our federal government contracts require our employees to maintain various levels of security clearances, and we are required to maintain certain facility security clearances complying with Department of Defense and the Intelligence Community requirements. Obtaining and maintaining security clearances for employees involve lengthy processes, and it is difficult to identify, recruit and retain employees who already hold security clearances. If our employees are unable to obtain or retain security clearances or if our employees who hold security clearances terminate employment with us and we are unable to find replacements with equal or greater security clearances, the customer whose work requires cleared employees could terminate the contract or decide not to renew it upon its expiration. In addition, we expect that many of the contracts on which we will bid will require us to demonstrate our ability to obtain facility security clearances and perform work with employees who hold specified types of security clearances. To the extent we are not able to obtain facility security clearances or engage employees with the required security clearances for a particular contract, we may not be able to bid on or win new contracts, or effectively re-bid on expiring contracts.

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Section 404 of the Sarbanes-Oxley Act of 2002 will require us to document and test our internal control over financial reporting for 2010 and beyond and will require an independent registered public accounting firm to report on the effectiveness of these controls. Any delays or difficulty in satisfying these requirements could adversely affect our future results of operations and our stock price.

Section 404 of the Sarbanes-Oxley Act of 2002 will require us to document and test the effectiveness of our internal control over financial reporting in accordance with an established internal control framework and to report on our conclusions as to the effectiveness of our internal controls. It will also require an independent registered public accounting firm to test our internal control over financial reporting and report on the effectiveness of such controls for the year ending December 31, 2010 and subsequent years. In addition, upon completion of this offering, we will be required under the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, to maintain disclosure controls and procedures and internal control over financial reporting. In May 2009, our independent registered accounting firm noted a material weakness in our internal control over financial reporting related to our lack of expertise and knowledge of GAAP and SEC reporting requirements. While we believe we have addressed the concern through the hiring of James Allen, as our Executive Vice President and Chief Financial Officer, and the retention of additional qualified accounting personnel, we will not know for certain whether we have remediated this issue before the completion of the audit of our 2009 consolidated financial statements.

In addition, we may in the future discover areas of our internal controls that need improvement, particularly with respect to businesses that we may acquire. If so, we cannot be certain that any remedial measures we take will ensure that we have adequate internal controls over our financial processes and reporting in the future. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could harm our operating results or cause us to fail to meet our reporting obligations. If we are unable to conclude that we have effective internal control over financial reporting, or if our independent registered public accounting firm is unable to provide us with an unqualified report regarding the effectiveness of our internal control over financial reporting as of December 31, 2010 and in future periods, investors could lose confidence in the reliability of our financial statements. This could result in a decrease in the value of our common stock. Failure to comply with Section 404 could potentially subject us to sanctions or investigations by the SEC, the Nasdaq Global Market or other regulatory authorities.

If our subcontractors or suppliers fail to perform their contractor obligations, our performance and reputation as a prime contractor and our ability to obtain future business could suffer.

As a prime contractor, we often rely significantly upon other companies as subcontractors to perform work we are contractually obligated to perform for our clients. We are responsible for the work performed by our subcontractors, even though in some cases we have limited involvement in that work. If one or more of our subcontractors fail to satisfactorily perform the agreed-upon services on a timely basis or violate federal government contracting policies, laws or regulations, our ability to perform our obligations as a prime contractor or meet our clients expectations may be compromised. In extreme cases, failure to perform or other deficiencies on the part of our subcontractors could result in a client terminating our contract for default. A termination for default could expose us to liability, including liability for the agency's costs of procurement, could damage our reputation and could hurt our ability to compete for future contracts.

Acquisitions could result in operating difficulties or other adverse consequences to our business.

One of our key operating strategies is to selectively pursue acquisitions. Our acquisition strategy poses many risks, including:

we may not be able to identify suitable acquisition candidates at prices we consider attractive;

we may not be able to compete successfully for identified acquisition candidates, complete acquisitions or accurately estimate the financial effect of acquisitions on our business;

future acquisitions may require us to issue common stock or spend significant cash, resulting in dilution of ownership or additional debt leverage;

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we may have difficulty retaining an acquired company's key employees or customers;

we may have difficulty integrating acquired businesses, resulting in unforeseen difficulties, such as incompatible accounting, information management, or other control systems;

acquisitions may disrupt our business or distract our management from other responsibilities; and

as a result of an acquisition, we may need to record write-downs from future impairments of intangible assets, which could reduce our future reported earnings.

In connection with any acquisition that we make, there may be liabilities that we fail to discover or that we inadequately assess. Acquired entities may not operate profitably or result in improved operating performance. Additionally, we may not realize anticipated synergies. If our acquisitions perform poorly, our business and financial results could be adversely affected.

We have a substantial investment in recorded goodwill as a result of the acquisition of SFA in 2007, and changes in future business conditions could cause this investment to become impaired, requiring substantial write-downs that could reduce our net income.

As of September 30, 2009, goodwill accounted for \$24.4 million, or 22.2% of our recorded total assets. We review our goodwill for impairment at least annually and when events or changes in circumstances indicate the carrying value may not be recoverable. The annual impairment test is based on several factors requiring judgment. Principally, a decrease in expected reporting unit cash flows or changes in market conditions may indicate potential impairment of recorded goodwill. If goodwill became impaired, we could record a significant charge to earnings in our financial statements during the period in which impairment of our goodwill is determined, which could significantly reduce or eliminate our net income.

We may be harmed by intellectual property infringement claims.

We may become subject to claims from employees or third parties who assert that intellectual property we use in delivering services and business solutions to our clients infringe upon intellectual property rights of such employees or third parties. Our employees develop much of the intellectual property that we use to provide our services and business solutions to our clients, but we also engage third parties to assist us and we license technology from other vendors. If our vendors or other third parties assert claims that we or our clients are infringing on their intellectual property, we could incur substantial costs to defend those claims, even if we prevail. In addition, if any of these infringement claims are ultimately successful, we could be required to:

pay substantial damages;

cease selling and using products and services that incorporate the challenged intellectual property;

obtain a license or additional licenses from our vendors or third parties, which may not be available on commercially reasonable terms or at all; and

redesign our products and services that rely on the challenged intellectual property, which may be very expensive or commercially impractical.

Any of these outcomes could significantly and adversely affect our operating results.

We expect to incur debt in the future, which could substantially reduce our profitability, limit our ability to pursue certain business opportunities, and reduce the value of your investment.

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As a result of our business activities and acquisitions, we have incurred debt. Although we will substantially reduce our borrowings with the proceeds of this offering, we may incur additional debt in the future, which could increase the risks described here and lead to other risks. The amount of our debt could have important consequences for holders of our stock, including, but not limited to:

our ability to obtain additional financing for working capital, capital expenditures, product and service development, acquisitions, general corporate purposes, and other purposes may be impaired;

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a substantial portion of our cash flow from operations could be dedicated to the payment of the principal and interest on our debt;

we are and may continue to be vulnerable to economic downturns and rises in interest rates;

our flexibility in planning for and reacting to changes in our business and the marketplace may be limited; and

we may be placed at a competitive disadvantage relative to other firms in our industry.

Our ability to grow will be limited if we cannot obtain additional capital.

Our growth strategy includes pursuing strategic acquisitions. We believe that it will be difficult to fund acquisitions with cash from operating activities. As a result, we expect to rely primarily upon the availability of debt or equity capital, which may or may not be available on favorable terms or at all. Our access to debt or equity capital depends on a number of factors, including the market's perception of our growth potential and our current and potential future earnings. Depending on the outcome of these factors, we could experience delay or difficulty in implementing our growth strategy on satisfactory terms, or could be unable to implement this strategy.

Our credit facility contains financial and operating covenants that limit our operations and could lead to adverse consequences if we fail to comply.

Our credit facility contains financial and operating covenants relating to, among other things, minimum net worth, fixed charge and leverage ratios, as well as limitations on mergers, consolidations and dissolutions, sales of assets; investments and acquisitions; indebtedness and liens; dividends; repurchase of shares of capital stock and options to purchase shares of capital stock; transactions with affiliates; sales and leaseback transactions; and restricted payments. Failure to meet these financial and operating covenants could result from, among other things, changes in our results of operations, the incurrence of debt or changes in general economic conditions. These covenants may restrict our ability to engage in transactions that we believe would otherwise be in the best interests of our stockholders, which could harm our business and operations.

Risks Related to Our Industry

Our U.S. government contracts may be terminated by the federal government at any time and, if we do not replace terminated contracts, our operating results would be adversely affected.

We derive most of our revenue from U.S. government contracts that typically span one or more base years and one or more option years. The option periods may cover more than half of the contract's potential duration. U.S. government agencies have the right not to exercise these option periods. In addition, our contracts also contain provisions permitting a U.S. government client to terminate the contract on short notice and for its convenience, as well as for our default. A decision by a U.S. government agency not to exercise option periods or to terminate contracts could result in a reduction of our profitability on these contracts and significant revenue shortfalls.

If the U.S. government terminates a contract for convenience, we may recover only our incurred or committed costs, settlement expenses and net income on work completed prior to the termination. We cannot recover anticipated net income on terminated work. If the U.S. government terminates a contract for default, we may not recover even those amounts, and instead may be liable for excess costs incurred by the U.S. government in procuring undelivered items and services from another source.

U.S. government contracts contain other provisions that may be unfavorable to contractors.

Beyond the right to terminate a contract for convenience or decline to exercise an option to renew, U.S. government contracts contain provisions and are subject to laws and regulations that give the U.S. government rights and remedies not typically found in commercial contracts. They also permit the U.S. government to do the following:

reduce or modify contracts or subcontracts;

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cancel multi-year contracts and related orders if funds for contract performance for any subsequent year become unavailable;

claim rights in products and systems produced by us; and

suspend or debar us from doing business with the U.S. government.

If the U.S. government exercises its rights under any of these provisions, our revenue and net income could decline.

The industry in which our largest beneficial stockholder operates is frequently subject to government and media scrutiny which can harm our reputation and our business.

In recent years, the media and committees of Congress have focused attention on the provision of security services by private contractors operating overseas. Our largest beneficial stockholder performs such services. Because our largest beneficial stockholder shares with us the

GLOBAL name and corporate logo, there is increased risk that the market will confuse the actions or perceptions of our largest beneficial stockholder with those of our company. To the extent that the government or the media perceive that GLOBAL has not complied with applicable laws or rules, the resulting publicity could, regardless of the accuracy of such a perception, harm our reputation and our business and cause our share price to decline.

A preference for minority-owned, small and small disadvantaged businesses could impact our ability to be a prime contractor on certain government procurements.

As a result of the Small Business Administration, or SBA, set-aside program, the U.S. government may decide to restrict certain procurements only to bidders that qualify as minority-owned, small or small-disadvantaged businesses. As a result, we would not be eligible to perform as a prime contractor on those programs and would be restricted to a maximum of 49% of the work as a subcontractor on those programs. An increase in the amount of procurements under the SBA set-aside program may impact our ability to bid on new procurements as a prime contractor or restrict our ability to re compete on incumbent work that is placed in the set-aside program.

Unfavorable U.S. government audit results could subject us to a variety of penalties and sanctions, and could harm our reputation and relationships with our clients.

The U.S. government, including the Defense Contract Audit Agency (DCAA), audits and reviews our performance on contracts, pricing practices, cost structure and compliance with applicable laws, regulations and standards. The DCAA reviews a contractor's internal control systems and policies, including the contractor's purchasing, property, estimating, compensation and management information systems, and the contractor's compliance with such policies. Any costs found to be improperly allocated to a specific contract will not be reimbursed, while such costs already reimbursed must be refunded. Adverse findings in a DCAA audit could materially affect our competitive position and result in a substantial adjustment to our revenue and net income.

If a U.S. government audit uncovers improper or illegal activities, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeiture of net income, suspension of payments, fines and suspension or debarment from doing business with U.S. government agencies. In addition, we could suffer serious harm to our reputation and competitive position if allegations of impropriety were made against us, whether or not true. If our reputation or relationship with U.S. government agencies were impaired, or if the U.S. government otherwise ceased doing business with us or significantly decreased the amount of business it does with us, our revenue and net income would decline.

The U.S. government may revise its procurement or other practices in a manner adverse to us.

The U.S. government may revise its procurement practices or adopt new contracting rules and regulations, such as cost accounting standards. It could also adopt new contracting methods relating to General Services Administration (GSA) contracts, or other government-wide acquisition contracts (GWACs), or adopt new

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standards for contract awards intended to achieve certain social or other policy objectives. In addition, the U.S. government may face restrictions from new legislation or regulations, as well as pressure from government employees and their unions, on the nature and amount of services the U.S. government may obtain from private contractors. These changes could impair our ability to obtain new contracts or contracts under which we currently perform when those contracts are put up for recompetition bids. Any new contracting methods could be costly or administratively difficult for us to implement, and, as a result, could harm our operating results.

Risks Related to Our Common Stock and This Offering

No market currently exists for our common stock, and an active trading market for our common stock may not develop.

Prior to this offering, there has been no public market for shares of our common stock. We have filed an application to list our common stock for trading on the Nasdaq Global Market. However, we cannot assure you that our common stock will be approved for listing on the Nasdaq Global Market, or if approved, that an active trading market for our common stock will develop on that exchange, or elsewhere, or if developed, that any trading market will continue. The initial public offering price for the shares of our common stock will be determined by negotiation between us and the underwriters and may not be indicative of prices that will prevail in the open market following this offering.

If our stock price fluctuates after this offering, you could lose a significant part of your investment.

The market price of our common stock may be reduced by many factors, some of which are beyond our control, including those described above under **Risks Related to Our Business** and **Risks Related to Our Industry** and one or more of the following:

changes in stock market analysts' recommendations regarding us, our competitors or the industry in which we operate generally, or lack of analyst coverage of our common stock;

announcements by us or our competitors of significant contracts or task orders, acquisitions or capital commitments;

loss of one or more of our significant customers;

changes in market valuations or earnings of our competitors;

variations in quarterly operating results;

availability of capital;

general economic conditions;

terrorist acts;

military action related to international conflicts, wars or otherwise;

adverse legislative or regulatory changes;

departures of key personnel;

future sales of our common stock; and

investor perception of us and our industry.

As a result of the existence of one or more of these factors, investors in our common stock may not be able to resell their shares at or above the initial public offering price.

Some companies that have had volatile market prices for their securities have had securities litigation brought against them. If litigation of this type is brought against us, it could result in substantial costs and would divert management's attention and our resources.

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As a new investor, you will experience immediate and substantial dilution in the net tangible book value of your shares.

The assumed initial public offering price of our common stock of \$15.00 per share, the mid-point of the price range set forth on the cover of this prospectus, is considerably higher than the net tangible book value per share of our outstanding common stock. Accordingly, investors purchasing shares of common stock in this offering will:

pay a price per share that substantially exceeds the book value of our tangible assets after subtracting liabilities, and

contribute 49.2% of the total amount invested to fund our company but will own only 33.2% of the shares of common stock outstanding after this offering, based on the assumed initial public offering price.

To the extent outstanding stock options are exercised, there will be further dilution to new investors. See [Dilution](#) for more information.

Our largest beneficial stockholder and any transferee of all or a significant portion of the beneficial ownership interest in us will have significant influence over us, which could result in our taking actions of which you or other stockholders do not approve.

Immediately following this offering, GLOBAL will beneficially own 4,040,000 shares of our common stock, or 44.7% of our outstanding common stock. If the underwriters exercise their overallotment option in full, GLOBAL will beneficially own 37.1% of our outstanding common stock. In either case, GLOBAL will have significant influence over the outcome of all matters that our stockholders vote upon, including the election of directors, amendments to our certificate of incorporation and mergers and other business combinations. GLOBAL's interests may not be aligned with your interests or those of our other investors. This concentration of ownership and voting power may also have the effect of delaying or preventing a change of control of our company and could prevent stockholders from receiving a premium over the market price if a change in control is proposed. In addition, GLOBAL may at any time elect to sell or otherwise transfer its beneficial ownership interest in us to another party unknown to us, whose intent or actions may not be aligned with your interests or those of our other investors. The buyer or transferee of GLOBAL's beneficial ownership interest in us could include a competitor or other buyer who may use the influence they obtain over us for purposes which ultimately diminish the value of our common stock.

We have never operated as a public company, and fulfilling our obligations incident to being a public company will be expensive and time consuming.

As a private company, we have maintained a relatively small finance and accounting staff. We currently do not have an internal audit group, and we have not been required to establish and maintain disclosure controls and procedures and internal control over financial reporting as required by the federal securities law for public companies. As a public company, the Sarbanes-Oxley Act of 2002 and the related rules and regulations of the SEC, as well as the rules of the Nasdaq Global Market, will require us to implement additional corporate governance practices and adhere to a variety of reporting requirements and complex accounting rules. Compliance with these public company obligations will require us to devote significant management time and will place significant additional demands on our finance and accounting staff and on our financial, accounting and information systems. We expect to hire additional accounting and financial staff with appropriate public company reporting experience and technical accounting knowledge. Other expenses associated with being a public company include increased auditing, accounting and legal fees and expenses, investor relations expenses, increased directors' fees and director and officer liability insurance costs, registrar and transfer agent fees, listing fees, as well as other expenses. We cannot accurately predict the amount of additional costs that we may incur or the timing of such costs, but we have estimated that such costs will exceed \$2.0 million during our first 12 months of being a public company.

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Sales of outstanding shares of our common stock into the market in the future could cause the market price of our common stock to drop significantly.

Immediately following this offering, GLOBAL will beneficially own 4,040,000 shares of our common stock, or 44.7% of our outstanding common stock. If the underwriters exercise their overallotment option in full, GLOBAL will beneficially own 37.1% of our outstanding common stock. If GLOBAL sells, or the market perceives that GLOBAL intends to sell, a substantial portion of its beneficial ownership interest in us in the public market, the market price of our common stock could decline significantly. The sales also could make it more difficult for us to sell equity or equity-related securities at a time and price that we deem appropriate.

After this offering, 9,036,432 shares of our common stock will be outstanding. Of these shares, 4,600,000 shares of our common stock sold in this offering will be freely tradable, without restriction, in the public market and all of the remaining shares are subject to 180-day contractual lock-up agreements with our underwriters. Cowen and Company may, in its discretion, permit our directors, officers and current stockholders who are subject to these contractual lock-ups to sell shares prior to the expiration of the lock-up agreements. See [Shares Eligible for Future Sale](#) Lock-Up Agreements.

After the lock-up agreements pertaining to this offering expire, up to an additional 4,436,432 shares will be eligible for sale in the public market all of which are held by directors, executive officers and other affiliates and will be subject to volume limitations under Rule 144 under the Securities Act. In addition, the 1,000,000 shares underlying options that are either subject to the terms of our equity compensation plans or reserved for future issuance under our equity compensation plans will become eligible for sale in the public market to the extent permitted by the provisions of various option agreements, the lock-up agreements and Rules 144 and 701 under the Securities Act. If these additional shares are sold, or if it is perceived that they will be sold, in the public market, the price of our common stock could decline substantially. For additional information, see [Shares Eligible for Future Sale](#).

We do not intend to pay dividends.

We intend to retain our earnings, if any, for general corporate purposes, and we do not anticipate paying cash dividends on our stock in the foreseeable future. In addition, our existing credit facility restricts, and any future such facilities may restrict, us from paying such dividends. Our dividend policy and these restrictions in our financing arrangements may make our stock look less attractive to investors.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements under Prospectus Summary, Risk Factors, Management's Discussion and Analysis of Financial Condition and Results of Operations, Business, and elsewhere in this prospectus constitute forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. In some cases, you can identify these statements by such words as anticipate, believe, could, estimate, expect, intend, may, plan, potential, and would, or similar words. You should read these statements that contain these words carefully because they discuss our future expectations, contain projections of our future results of operations or of our financial position, or state other forward-looking information. We believe that it is important to communicate our future expectations to our investors. However, there may be events in the future that we are not able to predict or control accurately. The factors listed in the section captioned Risk Factors, as well as any cautionary language in this prospectus, provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements.

Before you invest in our common stock, you should be aware that the occurrence of the events described above, in the section captioned Risk Factors and elsewhere in this prospectus could have a material adverse effect on our business, results of operations and financial position.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this prospectus. We undertake no obligation to update these forward-looking statements, even if our situation changes in the future.

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USE OF PROCEEDS

We estimate that the net proceeds to us from this offering will be approximately \$40.4 million, assuming an initial public offering price of \$15.00 per share (the mid-point of the range set forth for the cover page of this prospectus), after deducting estimated underwriting discounts and commissions and estimated offering expenses. Each \$1.00 increase (decrease) in the initial public offering price per share would increase (decrease) our net proceeds, after deducting estimated underwriting discounts and commissions, by \$2.8 million.

We intend to use:

the net proceeds of this offering to repay the term loan portion of our credit facility, which was \$9.9 million as of September 30, 2009;

the net proceeds of this offering to repay other outstanding borrowings under our credit facility, which were \$12.0 million as of September 30, 2009; and

the balance, to repay the debt owed to GLOBAL and its affiliates, which as of September 30, 2009 was \$16.7 million, and the remaining \$1.8 million for general corporate purposes, including working capital and potential acquisitions, although we have no present understandings, commitments or agreements to enter into any acquisition.

Of the \$16.7 million of debt owed to GLOBAL and its affiliates, as of September 30, 2009, \$15.8 million was outstanding under a demand note with Kende Holding kft, which we refer to as Kende, an affiliate of GLOBAL. This debt was incurred in order to fund a portion of the purchase for the SFA acquisition. This demand note bears interest at a rate equal to 8% per annum, based on a 360-day year. The remaining \$0.9 million of affiliated debt as of September 30, 2009 is owed under two demand notes payable to Kende and Global Strategies Group (Hong Kong) Ltd, which we refer to as Global Hong Kong, in the amounts of \$0.5 million and \$0.4 million, respectively. Interest on these two demand notes accrues quarterly based on LIBOR plus a margin of 2.5% determined as of the beginning of each calendar quarter.

The debt to be repaid under our credit facility was incurred pursuant to a loan and security agreement entered into on February 9, 2007 with a lender. As of September 30, 2009, \$9.9 million and \$12.0 million were outstanding under the term loan, and revolving line of credit and overline note portions of the credit facility. Borrowings under the credit facility bear interest at the applicable interest rate (the prime rate, the federal funds rate, LIBOR or an index rate), plus an applicable margin that varies based on a leverage ratio test. We have elected to have borrowings under our credit facility bear interest at the LIBOR rate. For the nine months ended September 30, 2009, the applicable margin was 1.8% to 2.8% for borrowings under our term loan and 1.6% to 2.6% for borrowings under our revolving line of credit. As a result of our entering into an amendment to our loan and security agreement on September 3, 2009, the credit facility matures on February 28, 2011. Under this amendment, effective September 30, 2009, the applicable margin is 2.4% to 3.2% for borrowings under our term loan and 2.2% to 3.0% for borrowings under our revolving line of credit, subject to a minimum interest rate of 3.0%.

We will not receive any proceeds from the sale of common stock in the offering by the selling stockholders or the exercise of the underwriters over-allotment option.

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We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. In addition, our ability to declare and pay cash dividends is restricted by our credit facility. As a result, we do not anticipate declaring or paying any cash dividends on our common stock in the foreseeable future. Any future change in our dividend policy will be made at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements and other factors our board of directors deems relevant. Accordingly, you will need to sell your shares of our common stock to realize a return on your investment, and you may not be able to sell your shares at or above the price you paid for them.

Following this offering, all of our assets will consist of the capital stock of our wholly owned subsidiary, GNA. We will have to rely upon dividends and other payments from our subsidiary to generate the funds necessary to make dividend payments, if any, on our common stock. Our subsidiary, however, is legally distinct from us and has no obligation to pay amounts to us. The ability of our subsidiary to make dividends and other payments to us is subject to, among other things, the availability of funds, the terms of our subsidiary's debt and applicable state laws.

CAPITALIZATION

The following table sets forth our cash and cash equivalents, debt, including current portions, and capitalization as of September 30, 2009:

on an actual basis;

on an as adjusted basis to reflect (i) our sale of common stock in this offering at an assumed initial public offering price of \$15.00 per share (the mid-point of the range set forth on the cover page of this prospectus), and application of the net proceeds therefrom, after deducting estimated underwriting discounts and commissions and estimated offering expenses, (ii) our use of a portion of the net proceeds to repay approximately \$38.6 million of debt owed to GLOBAL and its affiliates and all outstanding borrowings under our credit facility, and (iii) offering-related stock-based compensation adjustments, including a related tax benefit of \$3.9 million, which will be recognized upon closing of this offering.

Each \$1.00 increase (decrease) in the public offering price per share would increase (decrease) the as-adjusted figure shown below for cash and cash equivalents, additional paid-in capital and total stockholder's equity by \$2.8 million, after deducting estimated underwriting discounts and commissions.

	As of September 30, 2009	
	Actual	As Adjusted
(in thousands, except share and per share amounts)		
Cash and cash equivalents	\$ 8	\$ 1,772
Bank loans, including current portions	21,908	0
Loans from affiliates	16,728	0
Total debt, including current portions	38,636	0
Stockholder's equity:		
Preferred stock, par value \$0.01 per share, 10,000,000 and 10,000,000 shares authorized actual and as adjusted, respectively, and 0 and 0 shares issued and outstanding actual and as adjusted, respectively		
Common stock, par value \$0.01 per share, 90,000,000 and 90,000,000 shares authorized actual and as adjusted, respectively, and 6,000,000 and 9,036,432 shares issued and outstanding actual and as adjusted, respectively	60	90
Additional paid-in capital	47,546	92,222
Accumulated deficit	(1,354)	(1,763)

Total stockholder's equity	46,252	90,549
Total capitalization	\$ 84,888	\$ 90,549

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You should read this table along with Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and notes thereto appearing elsewhere in this prospectus.

The table excludes the following shares:

492,127 shares of common stock issuable upon the exercise of options to purchase our common stock at a weighted average exercise price of \$10.65 per share, which options were previously granted to employees pursuant to the 2007 SFA, Inc. Stock Option Plan, or SFA Plan, and will be assumed by the Company in connection with this offering;

32,789 shares of common stock, issuable upon exercise of options to purchase our common stock at the public offering price to be granted to Kirk Herdman, our Senior Vice President, Business Operations and Development, upon closing of this offering; and

507,873 shares of common stock, reserved for future issuance under our 2009 Performance Incentive Plan, or the Plan, which we plan to adopt in connection with this offering.

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If you invest in our common stock, your interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the adjusted net tangible book value per share of our common stock immediately after this offering.

The net tangible book value of our common stock as of September 30, 2009 was a deficit of \$1.5 million, or approximately (\$0.25) per share. Net tangible book value (deficit) per share represents the amount of our total tangible assets less our total liabilities divided by the number of shares of common stock outstanding.

After giving effect to the issuance and sale of the shares of common stock offered by us at an assumed initial public offering price of \$15.00 (the mid-point of the range set forth on the cover page of this prospectus) and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, the application of the net proceeds therefrom and the issuance of 36,432 shares of common stock to James Allen, our Executive Vice President and Chief Financial Officer, upon the closing of this offering, our as adjusted net tangible book value after this offering would have been approximately \$42.8 million, or approximately \$4.74 per share. This represents an immediate increase in net tangible book value (deficit) of approximately \$4.99 per share to existing stockholders and an immediate dilution of approximately \$10.26 per share to new investors purchasing shares in this offering. If the initial public offering price is higher or lower, the dilution to the new investors will be more or less, respectively. The following table illustrates this per share dilution:

Assumed initial public offering price	\$ 15.00
Net tangible book value (deficit) per share as of September 30, 2009	\$(0.25)
Increase per share attributable to this offering	4.99
Pro forma net tangible book value, as adjusted to give effect to this offering	4.74
Dilution in pro forma net tangible book value per share to new investors in this offering	\$ 10.26

The following table summarizes, as of September 30, 2009, on the pro forma as adjusted basis described above, the total number of shares of common stock purchased from us, the value of the total consideration paid to us, or attributed to the shares purchased, and the average price per share paid to us, or attributed to the shares purchased, by our existing stockholders and by the investors purchasing shares of common stock in this offering. The calculation below is based on an assumed initial public offering price of \$15.00 per share.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent (In thousands, other than percentages)	Amount	Percent	
Existing stockholders	6,000	66.4%	\$ 46,500	50.8%	\$ 7.75
New investors	3,000	33.2	45,000	49.2	15.00
Offering contingency (Executive Officer)	36	0.4			
Total	9,036	100.0%	\$ 91,500	100.0%	\$ 10.13

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SELECTED CONSOLIDATED FINANCIAL DATA

The selected consolidated statements of operations data for the period April 1, 2006 to February 8, 2007, the period February 9, 2007 to December 31, 2007 and the year ended December 31, 2008 and the selected consolidated balance sheet data as of December 31, 2007 and 2008 have been derived from our audited financial statements included elsewhere in this prospectus. The selected consolidated statements of operations data for the years ended March 31, 2005 and 2006 and the selected consolidated balance sheet data as of March 31, 2005, 2006 and February 8, 2007 have been derived from our unaudited financial statements that are not included in this prospectus. The selected consolidated statements of operations data for the nine months ended September 30, 2008 and 2009 and the selected consolidated balance sheet data as of September 30, 2009 has been derived from our unaudited financial statements included elsewhere in this prospectus. The unaudited financial statements have been prepared on the same basis as the audited financial statements and, in the opinion of our management, include all normal recurring adjustments necessary for a fair presentation of the information set forth herein. Our historical results are not necessarily indicative of the results that may be expected for any future period. The selected financial data should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes included elsewhere in this prospectus.

Basis of Presentation

In 2006, our indirect parent, GLOBAL, formed Contego Systems Inc. and Global Technology Strategies, Inc. for the purpose of commencing technology operations in the U.S. On February 9, 2007, Global Technology Strategies, Inc. acquired all of the outstanding stock of SFA and its subsidiary, TAC. Subsequent to the SFA acquisition, SFA was renamed GNA, and Global Technology Strategies, Inc. was renamed GNA Holding. GNA and TAC are our operating subsidiaries. On December 31, 2008, as part of a restructuring, (i) we were formed under the name Contego NewCo Company, (ii) Contego Systems Inc. transferred all of its assets to us and we assumed all of Contego Systems Inc.'s liabilities and (iii) Contego Systems Inc. was converted into Contego Systems LLC. In July 2009, we changed our name to Global Defense Technology & Systems, Inc.

SFA and its subsidiary, TAC, are the predecessor entity, which we refer to as the Predecessor for accounting purposes since their operations represent our principal business. The historical results of SFA and its subsidiary, TAC, have been presented from April 1, 2006 through February 8, 2007, the date prior to the date of the SFA acquisition. The consolidated financial statements of GLOBAL Defense Technology, which include, in addition to the Predecessor, GNA Holding and GNA, which we refer to as the Successor, have been presented from February 9, 2007 through December 31, 2007 and for the year ended December 31, 2008. The Successor's financial statements also include the historical results of Contego Systems Inc., which consists of general and administrative expense incurred on behalf of GNA, for the period from February 9, 2007 through December 31, 2007 and for the year ended December 31, 2008.

Our acquisition of SFA and related application of the purchase accounting method and changes in our outstanding debt resulted in significant changes in, among other things, asset values, amortization expense and interest expense. As a result of the SFA acquisition, we also changed our fiscal year end from March 31 to December 31. The SFA acquisition and change in fiscal year end have resulted in financial reporting periods of varying length. The period over period comparisons are impacted by the variation in length of each reporting period, with the period from April 1, 2006 to February 8, 2007 consisting of 314 calendar days, the period February 9, 2007 to December 31, 2007 consisting of 326 calendar days (3.8% longer than the prior comparable period), and the year ended December 31, 2008 consisting of 366 days (12.3% longer than the prior comparable period).

In connection with this offering, we will implement a series of restructuring transactions, which have been approved by our board of directors, including (i) a 60,000-for-1 stock split of our common stock, which will occur concurrently with the effectiveness of the registration statement of which this prospectus forms a part and (ii) the assumption of all options previously granted pursuant to the SFA Plan, and appropriate adjustments to the number of shares of common stock underlying such options as well as the exercise price of such options. We expect that the exchange of stock options in GNA for stock options in GLOBAL Defense Technology will

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represent a probable-to-probable type modification. We do not anticipate that this modification will result in incremental fair value because the terms affecting the fair value will not be modified. Therefore, we do not expect to recognize any additional compensation expense on the modification date. See Prospectus Summary Our History and Organizational Structure for more information regarding the restructuring transactions. As a result of the restructuring transactions, the weighted average common shares outstanding and earnings (loss) per share figures presented in our historical financial statements and notes thereto, and all references to options, common shares and exercise price figures in note 10 to our historical financial statements, have been revised accordingly.

	Year Ended March 31, 2005	Predecessor Year Ended March 31, 2006	Period April 1, 2006 to February 8, 2007	Period February 9 to December 31, 2007	Successor Year Ended December 31, 2008	Nine Months Ended September 30,	
						2008	2009
(unaudited)							
(in thousands, except share and per share data)							
Consolidated Statements of Operations:							
Revenue	\$ 97,733	\$ 124,462	\$ 123,124	\$ 134,818	\$ 189,426	\$ 143,203	\$ 157,068
Operating costs and expenses							
Cost of revenue	81,364	104,581	105,644	114,264	156,271	119,497	129,142
Selling, general and administrative expenses	10,802	16,045	16,317	13,202	16,957	12,119	15,351
Amortization of intangible assets			72	10,279	8,841	6,752	6,267
Impairment of intangible asset					2,447	2,447	
Total operating costs and expenses	92,166	120,626	122,033	137,745	184,516	140,815	150,760
Operating income (loss)	5,567	3,836	1,091	(2,927)	4,910	2,388	6,308
Other income (expense)							
Interest income	64	240	270	46	40	12	6
Interest expense	(53)	(13)	(67)	(3,594)	(2,750)	(2,038)	(1,494)
Income (loss) before income taxes	5,578	4,063	1,294	(6,475)	2,200	362	4,820
(Provision for) /benefit from income taxes			(2,116)	2,406	(1,138)	(261)	(1,988)
Net income (loss)	\$ 5,578	\$ 4,063	\$ (822)	\$ (4,069)	\$ 1,062	\$ 101	\$ 2,832
Earnings (loss) per share							
Basic ⁽¹⁾	\$ 15.97	\$ 11.64	\$ (2.49)	\$ (0.68)	\$ 0.18	\$ 0.02	\$ 0.47
Diluted ⁽¹⁾	\$ 13.41	\$ 9.54	\$ (2.49)	\$ (0.68)	\$ 0.18	\$ 0.02	\$ 0.47
Weighted average common shares outstanding							
Basic	349,378	348,994	329,378	6,000,000	6,000,000	6,000,000	6,000,000
Diluted	416,103	426,007	329,378	6,000,000	6,000,000	6,000,000	6,027,266
Cash dividends per share	\$ 1.60	\$ 1.42	\$ 8.66	\$	\$	\$	\$

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	Predecessor			Successor			
	March 31, 2005	March 31, 2006	February 8, 2007	December 31, 2007	December 31, 2008	September 30, 2008	September 30, 2009
(in thousands)	(unaudited)						
Consolidated Balance Sheet Data							
Cash and cash equivalents	\$ 5,151	\$ 5,025	\$ 20,869	\$ 279	\$ 1,422	\$ 478	\$ 8
Working capital ⁽²⁾	18,292	23,743	16,095	13,698	18,054	17,278	26,983
Total assets	36,563	43,398	62,996	112,537	105,652	108,847	109,601
Total debt ⁽³⁾		3,973	18,000	43,692	37,014	39,010	38,636
Total stockholder's equity	24,501	25,250	5,131	41,902	43,129	42,038	46,252

	Predecessor			Successor			
	Year Ended March 31, 2005	Year Ended March 31, 2006	Period April 1, 2006 to February 8, 2007	Period February 9 to December 31, 2007	Year Ended December 31, 2008	Nine Months Ended September 30,	
(in thousands)						2008	2009
Other Data							
EBITDA ⁽⁴⁾	\$ 6,818	\$ 4,877	\$ 1,884	\$ 8,108	\$ 14,747	\$ 9,876	\$ 13,336
Adjusted EBITDA ⁽⁴⁾	\$ 8,041	\$ 8,397	\$ 8,545	\$ 9,226	\$ 18,417	\$ 13,254	\$ 14,916

- (1) See note 13 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the method used to calculate basic and diluted earnings (loss) per share.
- (2) Working capital is defined as current assets net of current liabilities excluding loans from affiliates and the current portion of bank loans.
- (3) Represents bank loans (including current maturities) and loans from affiliates.
- (4) Reconciliation of net income (loss) to Adjusted EBITDA is presented below:

	Predecessor			Successor			
	Year Ended March 31, 2005	Year Ended March 31, 2006	Period April 1, 2006 to February 8, 2007	Period February 9 to December 31, 2007	Year Ended December 31, 2008	Nine Months Ended September 30,	
(in thousands)						2008	2009
(unaudited)							
Net income (loss)	\$ 5,578	\$ 4,063	\$ (822)	\$ (4,069)	\$ 1,062	\$ 101	\$ 2,832
Depreciation and amortization	1,251	1,041	721	756	996	736	761
Amortization of intangible assets			72	10,279	8,841	6,752	6,267
Interest (income) expense, net	(11)	(227)	(203)	3,548	2,710	2,026	1,488
Income tax expense (benefit)			2,116	(2,406)	1,138	261	1,988
EBITDA ^(a)	6,818	4,877	1,884	8,108	14,747	9,876	13,336
Impairment of intangible asset ^(b)					2,447	2,447	
Stock appreciation rights (SARS) expense ^(c)		1,065	3,178				
Sellers transaction costs ^(d)			1,433				
ESOP expense ^(e)	1,223	2,455	2,050				
Retention bonuses ^(f)				1,108	1,195	907	

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Management fees paid to GLOBAL ^(g)				10	28	24	1,580
Adjusted EBITDA ^(a)	\$ 8,041	\$ 8,397	\$ 8,545	\$ 9,226	\$ 18,417	\$ 13,254	\$ 14,916

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- (a) See also Summary Consolidated Financial Data for additional disclosures on our use of these non-GAAP financial measures.
- (b) Reflects charge associated with abandonment of GNA's former trade name.
- (c) Reflects expense associated with the vesting of employee stock appreciation rights effective with the acquisition of SFA.
- (d) Reflects expenses incurred by SFA in conjunction with its sale to us.
- (e) Reflects expense associated with the Employee Stock Ownership Plan, whereby SFA funded a portion of employees purchase price, prior to the date of acquisition of SFA.
- (f) Consists of retention bonuses paid to SFA employees in connection with continued employment subsequent to the date of acquisition of SFA.
- (g) Consists primarily of management fees paid to an affiliate of GLOBAL pursuant to a management services agreement that was initiated January 1, 2009. Following completion of this offering, the agreement will be terminated and, because any services previously provided by GLOBAL and its affiliates will be provided on a going-forward basis by our existing employees, we will not incur any additional cost or expense related to these services.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of financial condition and results of operations in conjunction with the Selected Consolidated Financial Data and our consolidated financial statements and the related notes included elsewhere in this prospectus. In addition to historical information, the following discussion and analysis includes forward-looking information that involves risks, uncertainties and assumptions. Our actual results and the timing of events could differ materially from those anticipated by these forward-looking statements as a result of many factors, including those discussed under Risk Factors and elsewhere in this prospectus. See Special Note Regarding Forward-Looking Statements included elsewhere in this prospectus.

Basis of Presentation

In 2006, our indirect parent, GLOBAL, formed Contego Systems Inc. and Global Technology Strategies, Inc. for the purpose of commencing technology operations in the U.S. On February 9, 2007, Global Technology Strategies, Inc. acquired all of the outstanding stock of SFA and its subsidiary, TAC. Subsequent to the SFA acquisition, SFA was renamed GNA, and Global Technology Strategies, Inc. was renamed GNA Holding. GNA and TAC are our operating subsidiaries. On December 31, 2008, as part of a restructuring, (i) we were formed under the name Contego NewCo Company, (ii) Contego Systems Inc. transferred all of its assets to us and we assumed all of Contego Systems Inc.'s liabilities and (iii) Contego Systems Inc. was converted into Contego Systems LLC. In July 2009, we changed our name to Global Defense Technology & Systems, Inc.

SFA and its subsidiary, TAC, are the predecessor entity, which we refer to as the Predecessor for accounting purposes since their operations represent our principal business. The historical results of SFA and its subsidiary, TAC, have been presented from April 1, 2006 through February 8, 2007, the date prior to the date of the SFA acquisition. The consolidated financial statements of GLOBAL Defense Technology, which include, in addition to the Predecessor, GNA Holding and GNA, which we refer to as the Successor, have been presented from February 9, 2007 through December 31, 2007 and for the year ended December 31, 2008. The Successor's financial statements also include the historical results of Contego Systems Inc., which consists of general and administrative expense incurred on behalf of GNA, for the period from February 9, 2007 through December 31, 2007 and for the year ended December 31, 2008.

Our acquisition of SFA and related application of the purchase accounting method and changes in our outstanding debt resulted in significant changes in, among other things, asset values, amortization expense and interest expense. As a result of the SFA acquisition, we also changed our fiscal year end from March 31 to December 31. The SFA acquisition and change in fiscal year end have resulted in financial reporting periods of varying length. The period over period comparisons are impacted by the variation in length of each reporting period, with the period from April 1, 2006 to February 8, 2007 consisting of 314 calendar days, the period February 9, 2007 to December 31, 2007 consisting of 326 calendar days (3.8% longer than the prior comparable period), and the year ended December 31, 2008 consisting of 366 days (12.3% longer than the prior comparable period).

In connection with this offering, we will implement a series of restructuring transactions, which have been approved by our board of directors, including (i) a 60,000-for-1 stock split of our common stock, which will occur concurrently with the effectiveness of the registration statement of which this prospectus forms a part and (ii) the assumption of all options previously granted pursuant to the SFA Plan, and appropriate adjustments to the number of shares of common stock underlying such options as well as the exercise price of such options. We expect that the exchange of stock options in GNA for stock options in GLOBAL Defense Technology will represent a probable-to-probable type modification. We do not anticipate that this modification will result in incremental fair value because the terms affecting the fair value will not be modified. Therefore, we do not expect to recognize any additional compensation expense on the modification date. See Prospectus Summary Our History and Organizational Structure for more information regarding the restructuring transactions. As a result of the restructuring transactions, the weighted average common shares outstanding and earnings (loss) per

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share figures presented in our historical financial statements and notes thereto, and all references to options, common shares and exercise price figures in note 10 to our historical financial statements, have been revised accordingly.

Overview

We are a diversified technology and engineering services firm that provides a broad range of mission- critical technology-based services and solutions to the national security agencies and programs of the U.S. government. Our offerings include counter-terrorism intelligence and analysis; data analysis and intelligence fusion tools; force modernization, mobility and survivability solutions; maritime domain awareness and navigation systems; system and software engineering; network and communications management and decision support systems for command and control. We serve as a prime contractor on the majority of our contracts and predominantly serve the Intelligence Community and the Department of Defense.

We conduct our business through two reportable segments: Technology and Intelligence Services, or TIS, and Force Mobility and Modernization Systems, or FMMS. Our operating segments are aggregated into two reportable segments based on the nature of the systems and services offered. Through our TIS segment we provide a broad range of technology-based services and solutions, including counter-terrorism and intelligence solutions and command, control and decision support solutions, to customers in the Department of Defense, the Intelligence Community and other U.S. agencies. Our TIS segment is comprised of the operations of TAC and our Global Missions Systems, or GMS, division. Through our FMMS segment we provide customers, primarily in the Department of Defense, with solutions that entail the design, engineering and integration of highly mobile mission support systems. Our FMMS segment is comprised of the operations of our Global Defense Engineering, or GDE, division. All of our revenue and related costs from the sale of products are included in our FMMS segment and all of our revenue and related costs from the sale of services are included in our TIS segment. For additional information regarding our reportable segments, see *Business Capabilities and Customer Solutions* and note 16 of the notes to the consolidated financial statements contained within this prospectus.

We derive revenue primarily from contracts with U.S. government agencies that are focused on national security and as a result, funding for our programs is generally linked to trends in U.S. government spending in the areas of defense, intelligence and homeland security. The U.S. government has substantially increased its overall defense, intelligence and homeland security budgets in the face of evolving terrorist threats and world events. As a result, our revenue (including the Predecessor) has grown at a compound annual growth rate, or CAGR, of 17.7% from the twelve-month period ended March 31, 2005 to the twelve-month period ended September 30, 2009. All of the revenue growth has been organic, without the benefit of acquisitions.

Since April 1, 2006, substantially all of our revenue was derived from customers in the Department of Defense, including the U.S. Army, U.S. Navy, U.S. Marine Corps, National Guard and Department of Defense agencies within the Intelligence Community, and other national security agencies, including the Department of Homeland Security, federal law enforcement agencies and other agencies in the Intelligence Community addressing national security threats and challenges. The following table shows our revenue from each class of customer as a percentage of our total revenue.

	Predecessor Period April 1, 2006 to February 8, 2007	Period February 9 to December 31, 2007	Successor Year Ended December 31, 2008	Nine Months Ended September 30,	
				2008	2009
Department of Defense	74.5%	71.9%	74.2%	75.0%	74.8%
National security agencies	25.5%	28.1%	25.8%	25.0%	25.2%
Total revenue	100.0%	100.0%	100.0%	100.0%	100.0%

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In addition, we have four contracts each of which, in one or more of the reported periods, individually comprised more than 10% of our consolidated revenue. The following table shows our revenue for each of these four contracts.

	Predecessor Period April 1, 2006 to February 8, 2007	Period February 9 to December 31, 2007	Successor Year Ended December 31, 2008	Nine Months Ended September 30,	
				2008	2009
(in thousands)					
TIS Segment					
Department of Justice counter-terrorism contract	\$ 17,153	\$ 23,412	\$ 26,508	\$ 18,974	\$ 21,151
FMMS Segment					
U.S. Army TACOM contract	38,041	29,035	40,622	34,609	35,991
U.S. Army Aberdeen Test Center contract	7,128	16,966	23,628	15,723	10,831
U.S. Army field feeding system contract	3,739	9,533	15,065	9,565	18,757
Total FMMS Segment	\$ 48,908	\$ 55,534	\$ 79,315	\$ 59,897	\$ 65,579
Total	\$ 66,061	\$ 78,946	\$ 105,823	\$ 78,871	\$ 86,730

The Department of Justice counter-terrorism contract is a time-and-materials contract for analytical and information technology services in support of a critical counter-terrorism program. The original Department of Justice counter-terrorism contract ended on September 8, 2009. We received a new contract from the Department of Justice extending our work for an additional five years beginning on September 9, 2009, consisting of a base period of one year and options for four additional years. The ceiling of the new contract is \$200.0 million and provides the opportunity for expansion of our services above the contract level. The estimated value of our current level of services on the contract over the five year contract period is approximately \$146 million. We believe that the \$200.0 million ceiling in the new contract provides the customer with the ability to expand the level of services to be procured from us over the term of the contract. The table above reflects revenue on the original contract plus the new contract beginning on September 9, 2009.

The contract with U.S. Army TACOM (Tank-Automotive and Armaments Command) is a fixed-price contract for the delivery of Tactical Water Purification Systems, which we refer to as TWPS. The contract ends for ordering purposes on January 31, 2010. Based upon orders received as of October 29, 2009, we estimate revenue on the U.S. Army TACOM contract of approximately \$5.9 million in the three months ending December 31, 2009, and \$17.8 million and \$3.4 million in the years 2010 and 2011, respectively. We expect to receive additional orders for TWPS under the U.S. Army TACOM contract until the ordering period ends on January 31, 2010. While the demand for and revenue from TWPS currently being procured under the U.S. Army TACOM contract appears to be declining, based on the continued commitment of the U.S. government to long-running overseas contingencies operations and the need to provide high quality potable water to U.S. troops that have been deployed, we expect to receive additional orders for TWPS under other contract vehicles in the future. We also believe that there will be demand to replace older TWPS with new, more technologically advanced TWPS that may have greater capacity than the current TWPS we are delivering under the U.S. Army TACOM contract. In addition, we are currently pursuing other revenue opportunities related to our TWPS technologies.

The contract with the U.S. Army Aberdeen Test Center is a fixed-price/time-and-materials task order contract for a broad range of engineering, design, test and evaluation and integration services and ends on August 31, 2014. The U.S. Army Aberdeen Test Center contract has been used to procure support from us on a number of our field support systems, as well as for engineering services unrelated to these systems. We believe that our customer will continue to use this contract to support our current systems, as well as new systems that will be required to meet the continuing demand for solutions to promote force mobility and modernization.

The contract with the U.S. Army for a field feeding system is a fixed-price contract that ends for ordering purposes on April 13, 2010. Based upon orders received as of October 31, 2009, we estimate revenue from the U.S. Army field feeding system contract of approximately \$5.5 million in the three months ending December 31,

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2009, and \$8.8 million and \$3.1 million in the years 2010 and 2011, respectively. We expect to receive additional orders under this U.S. Army field feeding system contract until the ordering period ends on April 13, 2010. We also expect additional revenue on other variants of our field feeding systems from the U.S. Army and other branches of the military under other contracts.

We derive our revenue from contracts directly with the U.S. government or as a subcontractor to other providers of services to the U.S. government. The following table shows our revenue as prime contractor and as subcontractor as a percentage of our total revenue.

	Predecessor Period April 1, 2006 to February 8, 2007	Period February 9 to December 31, 2007	Successor Year Ended December 31, 2008	Nine Months Ended September 30, 2008 2009	
Prime contract revenue	86.8%	85.3%	82.0%	80.9%	88.4%
Subcontract revenue	13.2%	14.7%	18.0%	19.1%	11.6%
Total revenue	100.0%	100.0%	100.0%	100.0%	100.0%

Backlog

We define total backlog as the amount of revenue we expect to realize (i) over the remaining base contract performance period and (ii) from the exercise of option periods that we reasonably believe will be exercised, in each case from signed contracts in existence as of the measurement date. We also include in backlog our estimates of revenue from future delivery orders on requirements and ID/IQ contracts. At times, our estimates of future revenue on such contracts are less than the contract ceiling.

We define funded backlog as the portion of our total backlog for which funding is currently appropriated and obligated to us under a signed contract or task order by the purchasing agency, or otherwise authorized for payment to us by a customer upon completion of a specified portion of work. Our funded backlog does not include the full potential value of our contracts, because the Congress often appropriates funds to be used by an agency for a particular program or contract only on a yearly or quarterly basis, even though the contract may call for performance over a number of years. As a result, contracts typically are only partially funded at any point during their term, and all or some of the work to be performed under the contracts may remain unfunded unless and until the Congress makes subsequent appropriations and the procuring agency allocates funding to the contract. Unfunded backlog is total backlog minus funded backlog.

Total backlog may fluctuate from period to period depending on our success in winning new contracts and the timing of contract awards, renewals, modifications and cancellations.

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The following table shows the value of our contract backlog:

		December 31, 2007	Successor 2008	September 30, 2009
(in thousands)				
TIS segment				
Funded		\$ 41,967	\$ 38,711	\$ 40,177
Unfunded		127,057	200,002	414,019
Total		\$ 169,024	\$ 238,713	\$ 454,196
FMMS segment				
Funded		\$ 53,179	\$ 77,145	\$ 81,839
Unfunded		215,450	160,542	121,882
Total		\$ 268,629	\$ 237,687	\$ 203,721
Company				
Funded		\$ 95,146	\$ 115,856	\$ 122,016
Unfunded		342,507	360,544	535,901
Total Backlog		\$ 437,653	\$ 476,400	\$ 657,917

We expect that approximately \$54 million of our total backlog at September 30, 2009 will be recognized as revenue prior to December 31, 2009.

Revenue

We provide our services and solutions under three types of contracts: fixed-price, time-and-materials and cost-plus. Our product revenue, which is included in our FMMS segment, is primarily derived from fixed-price contracts. Our service revenue, which is included in our TIS segment, is primarily derived from cost-plus and time-and-materials contracts. Our contract mix varies from year to year due to numerous factors, including our business strategies and U.S. government procurement objectives. The following table shows our revenue from each of these types of contracts as a percentage of our total revenue.

	Predecessor Period April 1, 2006 to February 8, 2007	Period February 9 to December 31, 2007	Successor Year Ended December 31, 2008	Nine Months Ended September 30,	
				2008	2009
Fixed-price	54.4%	52.2%	58.8%	60.6%	58.7%
Time-and-materials	29.5%	33.5%	29.3%	27.7%	29.3%
Cost-plus	16.1%	14.3%	11.9%	11.7%	11.9%
Total revenue	100.0%	100.0%	100.0%	100.0%	100.0%

Fixed-price contracts. Under fixed-price contracts, we perform specific tasks for a fixed price. Revenue for fixed-price contracts is recognized on the percentage-of-completion method using costs incurred in relation to total estimated costs, because these contracts require design, engineering and manufacturing performed to the customer's specifications. Profits on fixed-price contracts result from the difference between the incurred costs and the revenue earned.

Time-and-materials contracts. Under time-and-materials contracts, we are reimbursed for labor at fixed hourly rates and generally reimbursed separately for allowable materials, costs and expenses. Revenue for time-and-materials contracts is recognized as services are performed, generally, on the basis of contract-allowable labor hours worked multiplied by the contract-defined billing rates, plus the direct costs and indirect cost burdens associated with materials and other direct expenses used in performance of the contract. Profits on time-and-material contracts result from the difference between the cost of services performed and the contract-defined billing rates for these services.

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Cost-plus contracts. Under cost-plus contracts, we are reimbursed for costs that are determined to be reasonable, allowable and allocable to the contract and paid a fee representing the profit. Revenue on cost-plus contracts is recognized as services are performed, generally, based on the allowable costs incurred during the period, plus any recognizable earned fee.

For further discussion of the different risks related to revenue recognition that are presented by each of these contract types, see Critical Accounting Policies Revenue Recognition.

Operating Costs and Expenses

The key components of our operating costs and expenses are:

Cost of revenue. Cost of revenue includes all direct and indirect costs, except for selling, general and administrative costs, associated with the delivery of services and products. Cost of revenue includes direct labor, materials, equipment, subcontractor costs and other direct costs such as travel expenses.

Selling, general and administrative expenses. Selling, general and administrative expenses, or SG&A, include expenses for general management, marketing, bid and proposal costs, independent research and development, stock compensation expenses and other operating expenses.

Amortization of intangible assets. Amortization expense is the periodic expense related to our identified intangible assets.

Impairment of intangible asset. An expense was recognized for impairment of an intangible asset associated with a change in the name of our subsidiary from SFA to GNA during the year ended December 31, 2008.

Results of Operations

The following table summarizes our historical results of operations on a consolidated basis:

	Predecessor Period April 1, 2006 to February 8, 2007	Period February 9 to December 31, 2007	Successor Year Ended December 31, 2008	Nine Months Ended September 30,	
(in thousands)				2008	2009
Revenue	\$ 123,124	\$ 134,818	\$ 189,426	\$ 143,203	\$ 157,068
Operating costs and expenses					
Cost of revenue	105,644	114,264	156,271	119,497	129,142
Selling, general and administrative expenses	16,317	13,202	16,957	12,119	15,351
Amortization of intangible assets	72	10,279	8,841	6,752	6,267
Impairment of intangible asset			2,447	2,447	
Total operating costs and expenses	122,033	137,745	184,516	140,815	150,760
Operating income (loss)	1,091	(2,927)	4,910	2,388	6,308
Other income (expense)					
Interest income	270	46	40	12	6
Interest expense	(67)	(3,594)	(2,750)	(2,038)	(1,494)
Income (loss) before income taxes	1,294	(6,475)	2,200	362	4,820
(Provision for) benefit from income taxes	(2,116)	2,406	(1,138)	(261)	(1,988)
Net (loss) income	\$ (822)	\$ (4,069)	\$ 1,062	\$ 101	\$ 2,832

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Revenue. Revenue for the nine months ended September 30, 2009 increased \$13.9 million, or 9.7%, to \$157.1 million, compared to \$143.2 million for the same period in 2008. Revenue for the year ended December 31, 2008 increased \$54.6 million, or 40.5%, to \$189.4 million, compared to \$134.8 million for the period February 9, 2007 to December 31, 2007. The revenue increase was, in part, the result of the longer reporting period in 2008. Revenue for the period February 9, 2007 to December 31, 2007 increased \$11.7 million, or 9.5%, to \$134.8 million, compared to \$123.1 million for the period April 1, 2006 to February 8, 2007. The revenue increase was, in part, the result of the longer reporting period ending December 31, 2007.

The following table summarizes revenue by reportable segment.

	Predecessor Period April 1, 2006 to February 8, 2007	Period February 9 to December 31, 2007	Successor Year Ended December 31, 2008	Nine Months Ended September 30,	
				2008	2009
(in thousands)					
TIS Segment	\$ 56,517	\$ 64,476	\$ 80,433	\$ 59,122	\$ 64,941
<i>As a percentage of total revenue</i>	<i>45.9%</i>	<i>47.8%</i>	<i>42.5%</i>	<i>41.3%</i>	<i>41.3%</i>
FMMS Segment	66,607	70,342	108,993	84,081	92,127
<i>As a percentage of total revenue</i>	<i>54.1%</i>	<i>52.2%</i>	<i>57.5%</i>	<i>58.7%</i>	<i>58.7%</i>
Total revenue	\$ 123,124	\$ 134,818	\$ 189,426	\$ 143,203	\$ 157,068

For the periods presented, the revenue of our TIS segment has grown substantially. The growth has resulted from increased spending by the U.S. government for services in support of programs to combat terrorism both at home and abroad. The increase in demand for these services has been reflected in the growth of revenue under our Department of Justice counter-terrorism contract, as well as performance on new contracts that have been awarded in recent years.

TIS segment revenue for the nine months ended September 30, 2009 increased \$5.8 million, or 9.8%, to \$64.9 million, compared to \$59.1 million for the same period in 2008. The higher TIS segment revenue resulted from \$2.2 million of additional revenue due to our increased level of effort on the Department of Justice counter-terrorism contract, which increased from \$19.0 million for the nine months ended September 30, 2008 to \$21.2 million for the same period in 2009. The higher TIS segment revenue also reflects increased activity in services related to counter-terrorism on several other contracts for our customers in national law enforcement and intelligence agencies.

TIS segment revenue for the year ended December 31, 2008 increased \$15.9 million, or 24.7%, to \$80.4 million, compared to \$64.5 million for the period February 9, 2007 to December 31, 2007. The revenue growth was, in part, due to the longer reporting period in 2008. Revenue increased by \$3.1 million on our Department of Justice counter-terrorism contract, which increased from \$23.4 million for the period February 9, 2007 to December 31, 2007 to \$26.5 million for the year ended December 31, 2008. The higher TIS segment revenue also reflects increased activity on several other contracts related to counter-terrorism for our customers in national law enforcement and intelligence agencies.

TIS segment revenue for the period February 9, 2007 to December 31, 2007 increased \$8.0 million, or 14.1%, to \$64.5 million, compared to \$56.5 million for the period April 1, 2006 to February 8, 2007. The majority of the revenue growth related to our Department of Justice counter-terrorism contract, which increased \$6.2 million in the period February 9, 2007 to December 31, 2007 to \$23.4 million, compared to \$17.2 million for the period April 1, 2006 to February 8, 2007. The revenue increase reflects an increase in demand for our services in support of our customer's counter-terrorism mission, as well as the longer reporting period ended December 31, 2007.

For the periods presented, the revenue of our FMMS segment has grown substantially. The growth has been the result of a long-term trend to put the U.S. armed forces on a more expeditionary footing and by the continuing high level of U.S. troop deployments worldwide. These factors have generated increased demand for our systems that support troop mobility and modernization.

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FMMS segment revenue for the nine months ended September 30, 2009 increased \$8.0 million, or 9.5%, to \$92.1 million, compared to \$84.1 million for the same period in 2008. The growth in FMMS segment revenue was primarily due to significantly higher demand under our U.S. Army field feeding system contract. Revenue on our U.S. Army field feeding system contract increased \$9.2 million to \$18.8 million for the nine months ended September 30, 2009, from \$9.6 million in the same period in 2008. Revenue on our Aberdeen Test Center contract declined \$4.9 million in the nine months ended September 30, 2009, as our customers used this contract less for their purchases of various field support systems. Revenue on the largest contract in the FMMS segment, our U.S. Army TACOM contract, increased \$1.4 million to \$36.0 million in the nine months ended September 30, 2009 as compared to \$34.6 million for the same period for 2008.

FMMS segment revenue for the year ended December 31, 2008 increased \$38.7 million, or 55.0%, to \$109.0 million, compared to \$70.3 million for the period February 9, 2007 to December 31, 2007. Increased demand for our TWPS led to an increase in revenue on our U.S. Army TACOM contract of \$11.6 million to \$40.6 million in 2008, compared to \$29.0 million in the period February 9, 2007 to December 31, 2007. Revenue on our U.S. Army field feeding system contract increased by \$5.5 million to \$15.0 million in 2008, compared to \$9.5 million for the period February 9, 2007 to December 31, 2007. The remaining \$21.6 million of the increase in revenue in 2008 was primarily the result of strong demand from the Department of Defense under a program to refurbish and modernize the U.S. military's self-contained camp support systems and to move to a more expeditionary footing with more mobile equipment. This program, which is managed by the U.S. Army, resulted in multiple orders from different branches of the U.S. military. Some of the orders on this program were placed on our contract with the Aberdeen Test Center, resulting in \$6.7 million of increased revenue on that contract in 2008.

FMMS segment revenue for the period February 9, 2007 to December 31, 2007 increased \$3.7 million, or 5.6%, to \$70.3 million, compared to \$66.6 million for the period April 1, 2006 to February 8, 2007. Revenue generated from our U.S. Army Aberdeen Test Center contract increased \$9.8 million. This increase was partially offset by a \$9.0 million decrease in revenue under our U.S. Army TACOM contract. The remaining increase in revenue for the period February 9, 2007 to December 31, 2007 was primarily the result of the longer reporting period ended December 31, 2007.

Cost of Revenue. The following table summarizes cost of revenue by reportable segments.

	Predecessor Period April 1, 2006 to February 8, 2007	Period February 9 to December 31, 2007	Successor Year Ended December 31, 2008	Nine Months Ended September 30, 2008 2009	
(in thousands)					
TIS Segment	\$ 46,228	\$ 53,000	\$ 65,195	\$ 47,976	\$ 53,670
<i>As a percentage of related revenue</i>	81.8%	82.2%	81.1%	81.1%	82.6%
FMMS Segment	59,416	61,264	91,076	71,521	75,472
<i>As a percentage of related revenue</i>	89.2%	87.1%	83.6%	85.1%	81.9%
Total cost of revenue	\$ 105,644	\$ 114,264	\$ 156,271	\$ 119,497	\$ 129,142
<i>As a percentage of revenue</i>	85.8%	84.8%	82.5%	83.4%	82.2%

The increase in cost of revenue during each of the periods presented was primarily due to higher purchases of labor, equipment, materials and other direct costs directly related to our increased levels of revenue in each of our operating segments discussed above.

The improvement in cost of revenue as a percentage of total revenue for each of the periods presented was primarily the result of operating efficiencies achieved on certain contracts in our FMMS segment. The efficiencies were primarily related to reductions in costs on our field support systems contracts where larger order quantities allowed us to obtain favorable pricing of materials as well as reduce product integration labor costs. This effect was particularly pronounced in the second half of 2008 and has continued into the first nine months of 2009. The resulting cost efficiencies were the primary causes of the increase in operating profit margins in those periods, as discussed in detail below.

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SG&A Expenses. The following table summarizes total SG&A for the following periods:

	Predecessor Period April 1, 2006 to February 8, 2007	Period February 9 to December 31, 2007	Successor Year Ended December 31, 2008	Nine Months Ended September 30,	
				2008	2009
(in thousands)					
Total segment SG&A expenses	\$ 8,330	\$ 9,437	\$ 12,654	\$ 9,425	\$ 10,621
<i>As a percentage of total revenue</i>	6.8%	7.0%	6.7%	6.6%	6.8%
Corporate SG&A expenses:					
ESOP expense	2,050				
Sellers transactions costs	1,433				
Retention bonuses		1,108	1,195	907	
SARs and related payroll tax expense	3,178				
Stock-based compensation expense		590	435	306	291
Management fees paid to GLOBAL		10	28	24	1,580
Other corporate expenses	1,326	2,057	2,645	1,457	2,859
Total Corporate SG&A expenses	7,987	3,765	4,303	2,694	4,730
<i>As a percentage of total revenue</i>	6.5%	2.8%	2.3%	1.9%	3.0%
Total SG&A expenses	\$ 16,317	\$ 13,202	\$ 16,957	\$ 12,119	\$ 15,351
<i>As a percentage of total revenue</i>	13.3%	9.8%	9.0%	8.5%	9.8%

Segment SG&A expenses have generally followed the growth in revenue as management and marketing activities have grown to support the underlying business and capitalize on growth opportunities. In 2008, we were able to leverage our segment SG&A cost as a percentage of revenue due to our higher revenue growth in that year. The resulting reduction in segment SG&A expenses as a percentage of revenue contributed to the improvement in segment operating profit margins in 2008. The increase of 0.2% in segment SG&A expenses as a percentage of revenue in the nine months ending September 30, 2009 to 6.8% from 6.6% in the same period of 2008 was primarily the result of increased incentive compensation to reflect improvement in profit performance and new contract orders. The new orders are reflected in our increase in total backlog from \$476.4 million at the end of 2008 to \$657.9 million at September 30, 2009.

Corporate SG&A expenses include expenses that are not under control of our segment managers and generally are not allowable as costs that can be charged against our government contracts.

For the periods prior to the SFA acquisition, corporate SG&A expenses include significant one-time costs that were directly or indirectly related to the ownership of the Predecessor by its Employee Stock Ownership Plan, which we refer to as the ESOP, and the Predecessor's Stock Appreciation Rights Plan. ESOP expense of \$2.0 million in the period ended February 8, 2007 is for a contribution by the Predecessor to the ESOP, which was discontinued upon the closing of the SFA acquisition. Transaction costs of \$1.4 million relate to costs incurred by SFA and paid by us following the closing of the SFA acquisition. Stock appreciation rights expense of \$3.2 million in the same period represents the amount paid in cash in connection with the SFA acquisition to settle the Predecessor's obligations to holders of those rights. At the date of the SFA acquisition, certain key employees were offered retention bonuses to secure their services for a period following the SFA acquisition. These retention bonuses, which have been settled in full, totaled \$1.1 million, \$1.2 million and \$0.9 million in the period February 9, 2007 to December 31, 2007, the year ended December 31, 2008, and the nine months ended September 30, 2008, respectively.

Stock-based compensation expense represents the expense related to stock options granted by the Company. Effective upon closing of this offering, we will recognize approximately \$4.3 million in offering-related stock-based compensation expense associated with the issuance of shares of common stock to James Allen, our Executive Vice President and Chief Financial Officer, and the vesting of restricted units in Contego Systems, LLC owned by Ronald Jones, to be named our Executive Vice President, Corporate Development.

In the first nine months of 2009, we paid management fees to an affiliate of GLOBAL, of \$1.6 million. Following completion of this offering, we will no longer pay any management fees to such affiliate or any other affiliate of GLOBAL.

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Other corporate expenses include other costs that are not allocable to our reportable segments. Generally, these are corporate costs that are not allowed to be allocated to government contracts, or costs which management has decided to not recover from our government customers. Other corporate expenses increased by \$1.4 million in the nine months ended September 30, 2009 to \$2.9 million, compared to \$1.5 million for the same period of 2008. The primary reason for the increase was \$0.8 million in professional fees incurred to assist us in preparing for our initial public offering. These costs were in addition to the costs directly associated with the public offering that will be charged directly to the stockholders' equity upon successful completion of this offering. The increase of other corporate expenses in the period February 9, 2007 to December 31, 2007, and further increases in the year ended December 31, 2008 are primarily the result of expenditures for corporate strategic development activities following the acquisition of SFA in early 2007.

Upon the completion of this offering, we will be required to comply with new accounting, financial reporting and corporate governance standards as a public company that will cause our SG&A expenses to increase. Such costs will include, among others, increased staff costs, consulting and legal fees, board of directors fees, investor relations expenses and director and officer liability insurance costs. The effect may be particularly pronounced in the first full year following this offering as we incur costs to meet public company requirements for establishment of effective internal control over financial reporting and the audit of those controls.

Amortization of Intangible Assets. Amortization expense for the nine months ended September 30, 2009 decreased \$0.5 million to \$6.3 million as compared to \$6.8 million for the same period in 2008. The decrease was the effect of certain intangible assets reaching the end of their useful lives.

Amortization expense for the year ended December 31, 2008 was \$8.8 million as compared to \$10.3 million for the period February 9, 2007 to December 31, 2007. The decrease in amortization expense was the effect of certain intangible assets reaching the end of their lives, partially offset by the longer reporting period in 2008.

Amortization expense for the period February 9, 2007 to December 31, 2007 was \$10.3 million as compared to \$0.1 million for the period April 1, 2006 to February 8, 2007. The large increase in amortization expense was due to the allocation of purchase price to intangible assets associated with the SFA acquisition on February 8, 2007.

Impairment of Intangible Asset. In September 2008, we changed the name of our subsidiary from SFA to GNA and, in so doing, impaired the value of the trade name intangible asset for the remaining balance of \$2.4 million. We believe that the value of our Company was not diminished as a result of the change in name.

Operating Income (Loss). The following table reconciles segment operating income to total operating income (loss).

	Predecessor Period April 1, 2006 to February 8, 2007	Period February 9 to December 31, 2007	Successor Year Ended December 31, 2008	Nine Months Ended September 30,	
				2008	2009
(in thousands)					
TIS Segment	\$ 4,766	\$ 5,441	\$ 7,441	\$ 5,097	\$ 5,631
As a percentage of related segment revenue	8.4%	8.4%	9.3%	8.6%	8.7%
FMMS Segment	4,384	5,676	13,060	9,184	11,674
As a percentage of related segment revenue	6.6%	8.1%	12.0%	10.9%	12.7%
Total segment operating income	9,150	11,117	20,501	14,281	17,305
As a percentage of total revenue	7.4%	8.2%	10.8%	10.0%	11.0%
Unallocated Corporate expenses:					
Corporate SG&A expenses	(7,987)	(3,765)	(4,303)	(2,694)	(4,730)
Amortization of intangible assets	(72)	(10,279)	(8,841)	(6,752)	(6,267)
Impairment of intangible asset			(2,447)	(2,447)	
Total operating income (loss)	\$ 1,091	\$ (2,927)	\$ 4,910	\$ 2,388	\$ 6,308
As a percentage of total revenue	0.9%	(2.2)%	2.6%	1.7%	4.0%

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TIS segment operating income has increased in each period presented due to our revenue growth and improvement in our operating margins. Operating income as a percentage of TIS segment revenue has also increased over the periods presented from 8.4% in the period April 1, 2006 to February 8, 2007 to 9.3% for the year ended December 31, 2008. The improvement in operating margins resulted from efficiencies associated with leveraging certain of our operating expenses over a revenue base that showed significant growth over the period as discussed above. The lower operating margins in the nine months ended September 30, 2008 as compared to the year ended December 31, 2008 reflect higher payroll related costs, such as payroll taxes and holiday pay, which tend to decline later in the calendar year.

FMMS segment operating income increased \$1.3 million, or 29.5%, to \$5.7 million in the period February 9, 2007 to December 31, 2007, compared to \$4.4 million in the period April 1, 2006 to February 8, 2007. Growth in operating income resulted from both increases in revenue and improved operating margins, which increased from 6.6% to 8.1%. The margin improvement is primarily related to start-up costs incurred on the U.S. Army Aberdeen Test Center contract during its initial phases in the period April 1, 2006 to February 8, 2007, which did not recur in subsequent periods. If the FMMS segment operating income margin of 6.6% in the period April 1, 2006 to February 8, 2007 had not increased in the period February 9, 2007 to December 31, 2007, the increase in FMMS segment operating income from period to period would have been \$0.3 million. The remaining \$1.0 million of the FMMS segment operating income increase was the result of the increase in FMMS segment operating margin.

FMMS segment operating income increased \$7.4 million or 130.1% to \$13.1 million in the year ended December 31, 2008, compared to the period February 9, 2007 to December 31, 2007. If the FMMS segment operating income margin of 8.1% in the period February 7, 2007 to December 31, 2007 had not increased in the year ended December 31, 2008, the increase in FMMS segment operating income from period to period would have been \$3.1 million. The remaining \$4.3 million of the FMMS segment operating income increase was the result of the increase in FMMS segment operating margin. The improvement in operating margins in 2008 was primarily the result of operating margin performance on multiple contracts that were awarded in late 2007 and 2008 on the U.S. Army project to refurbish and modernize its self-contained camp support system that is used by multiple branches of the military. We earned higher margins on both the development and production phases of this program. There were significant efficiencies achieved in the production phase that resulted from combining multiple orders that permitted us to acquire materials and integrate the systems in larger production lots. These efficiencies were reflected in substantial reductions in purchased material costs as well as savings in direct labor and related overhead costs. Revenue from multiple orders on this program continued into 2009.

Operating margins in the FMMS segment continued to rise in the first nine months of 2009 to 12.7% of segment revenue reflecting the higher operating margins achieved primarily in the second half of 2008. The revenue from the higher operating margin contracts that were the primary sources of operating margin improvement in 2008 dropped off significantly in 2009 after an increase in 2008, and became a secondary source of operating margin improvement in the first nine months of 2009. Early in 2009 we were able to obtain improved pricing of TWPS that were ordered on the U.S. Army TACOM contract early in the year. The resulting higher operating margin on TWPS revenue has been the primary reason for the increase in FMMS segment operating margin in the first nine months of 2009, compared to the same period in 2008.

In the fourth quarter of 2009 and early in 2010, we will be completing deliveries on some of our high margin contracts, and expect a decline in revenue on our U.S. Army TACOM contract. We believe that these factors may lead to a decline in operating margin of the FMMS segment as compared to the levels experienced in 2008 and in the first nine months of 2009. There are many factors that can ultimately affect future operating margins, some of which are very uncertain. However, our current expectation is that operating margin in the FMMS segment in 2010 will be approximately 10% of segment revenue, which is similar to the average operating margin we have earned in the FMMS segment over the past several years.

Interest Expense. Interest expense for the nine months ended September 30, 2009 was \$1.5 million, compared to \$2.0 million for the same period in 2008, representing a decrease of \$0.5 million. The decrease in interest expense in the nine months ended September 30, 2009 was primarily due to a decrease in the variable interest rate on our outstanding borrowings under our credit facility as compared to the same period in 2008.

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Interest expense for the year ended December 31, 2008 was \$2.8 million, compared to \$3.6 million for the period February 9, 2007 to December 31, 2007, representing a decrease of \$0.8 million. The decrease in interest expense in 2008 is due to a decrease in our total debt from \$43.7 million at the end of 2007 to \$37.0 million at the end of 2008, and a decline in the variable interest rates on our borrowings under our credit facility. The decreases were partially offset by additional interest for the longer period included in the 2008 operating results.

Interest expense for the period February 9, 2007 to December 31, 2007 was \$3.6 million, compared to \$0.1 million for the period April 1, 2006 to February 8, 2007, representing an increase of \$3.5 million. The increase in interest expense is primarily attributable to the debt incurred to finance the SFA acquisition on February 9, 2007.

Provision for Income Taxes. The provision for income taxes for the nine months ended September 30, 2009 was \$2.0 million, compared to \$0.3 million for the same period in 2008. The increase is primarily due to an increase in pre-tax income.

The provision for income taxes for the year ended December 31, 2008 was \$1.1 million, compared to a benefit of \$2.4 million for the period February 9, 2007 to December 31, 2007, representing an increase of \$3.5 million. The increase in 2008 is primarily due to an increase in pre-tax income. The effective tax rate was 51.7% for the year ended December 31, 2008 compared to 37.2% for the period February 9, 2007 to December 31, 2007. The high effective tax rate provision in 2008 and the low tax benefit rate in 2007 were both due to interest and operating costs incurred in corporate entities that do not file consolidated state income tax returns. We were, therefore, unable to recognize state tax benefits related to these costs.

The income tax benefit for the period February 9, 2007 to December 31, 2007 was \$2.4 million, compared to a provision for income tax of \$2.1 million for the period April 1, 2006 to February 9, 2007. The income tax benefit during the period February 9, 2007 to December 31, 2007 is at a rate of 37.2% of the loss before income taxes. The tax provision rate for the period April 1, 2006 to February 8, 2007 is 164% of income before income taxes. The disproportionate tax provision rate is the result of income taxes associated with the SFA acquisition. The SFA acquisition was treated as an asset acquisition under Section 338(h)(10) of the Internal Revenue Code of 1986, as amended. The sale thereby triggered built-in-gains unrelated to our pretax income. Because of the Predecessor's status as a Subchapter S corporation before the date of the SFA acquisition, we owed no additional federal tax on income for the period ended February 8, 2007.

Based on the assumed initial public offering price of \$15.00 per share (the mid-point of the range set forth on the cover page of this prospectus), effective upon closing of this offering, we will recognize an income tax benefit of approximately \$3.9 million as a result of offering-related stock-based compensation expense described more fully under SG&A Expenses.

Liquidity and Capital Resources

Our primary liquidity needs are for financing our working capital requirements to support the growth of our business, capital expenditures and servicing our debt. We have historically financed our operations through our existing cash, cash generated from operations and borrowings under our credit facility.

Working Capital. Our primary need for liquidity is to support the working capital needs of our growing business. Accounts receivable is the principal component of our working capital and is generally driven by revenue growth with other short-term fluctuations related to payment practices by our customers. A significant portion of our operating costs are related to purchases of material and equipment used to produce our field support systems in the FMMS segment. We are permitted to bill progress payments on many of our large fixed-price contracts, therefore the timing of our purchases and related billings to our customers tend to be linked closely to each other in time. The result is that changes in our accounts receivable, which are primarily related to changes in revenue, are at least partially offset in our working capital requirements by increases in accounts payable.

Our accounts receivable reflect amounts already billed to our customers as of each balance sheet date. Our customers generally pay our invoices within 30 days of the invoice date. At any month-end, we also include in accounts receivable the revenue that was recognized in the preceding month, which is generally billed early in

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the following month. Finally, we include in accounts receivable amounts related to revenues accrued in excess of amounts billed, primarily on our fixed-price contracts. This component of unbilled accounts receivable includes the cumulative amount of costs incurred on a contract in excess of the 90% of costs we are typically allowed to bill as progress payments and the associated accrued profit on the contract. These amounts may be billed upon the achievement of certain milestones or upon final delivery of the related products or services.

The total amount of our accounts receivable can vary significantly over time, but is generally very sensitive to recent revenue levels. Total accounts receivable (billed and unbilled combined) typically range from approximately 70 to 95 days sales outstanding (DSO), calculated on trailing three months of revenue. Our DSO for accounts receivable was 78, 76 and 79 as of December 31, 2007, December 31, 2008 and September 30, 2009, respectively.

It is not uncommon for us to receive advance payments on certain contracts. At December 31, 2007, we had a balance of \$9.1 million in such advance payments, an unusually high level for our business. By the end of 2008 we recognized sufficient revenue on the contracts to reduce the balance of advance payments to \$4.6 million. In the first quarter of 2009, a customer on one of the contracts on which we had received advance payments terminated the remainder of the contract for convenience due to a change in the customer's mission requirements. In March 2009, we refunded to the customer \$3.2 million, representing the remainder of the advance payment on that contract.

Cash from Operating and Financing Activities.

After the completion of the SFA acquisition, net cash provided from operating activities was \$9.4 million in the period February 9, 2007 to December 31, 2007. The cash flow was primarily attributable to (i) \$5.2 million provided by net income adjusted for non-cash items, (ii) an increase in advance payments received on contracts of \$9.1 million, as discussed above, partially offset by an increase in accounts receivable of \$3.7 million and (iii) a decrease in cash flows due to payments of income taxes associated with the acquisition of SFA.

Net cash provided from financing activities for the period February 9, 2007 to December 31, 2007 was \$70.8 million, primarily associated with capital contributed and borrowings from GLOBAL and its affiliates for the \$71.4 million acquisition of SFA.

For the year ended December 31, 2008, net cash provided from operating activities was \$8.4 million. The cash flow was primarily attributable to \$11.8 million provided by net income adjusted for non-cash items, partially offset by (i) a decrease in advance contract payments of \$4.5 million as discussed above and (ii) an increase in accounts payable, income taxes and accrued expenses of \$0.8 million.

Net cash used in financing activities for the year ended December 31, 2008 was \$7.2 million primarily associated with scheduled amortization of principal on the term loan portion of our credit facility and repayments of loans from affiliates.

Net cash of \$0.9 million was used in operating activities during the first nine months of 2009, primarily to support temporary working capital requirements. The primary components of operating cash flows were (i) \$9.0 million provided by net income adjusted for non-cash items, (ii) an increase in accounts payable, income taxes and accrued expenses of \$3.3 million in aggregate (iii) an offsetting increase in billed and unbilled accounts receivable balances in the aggregate amount of \$9.2 million and (iv) a reduction in advance payments on contracts of \$3.8 million, primarily for the \$3.2 million customer repayment discussed above. We expect to return to positive cash flow from operating activities during the fourth quarter of 2009.

Net cash provided from financing activities for the nine months ended September 30, 2009 was \$0.2 million.

Capital Expenditures. Since we do not own any of our own facilities, our capital expenditure requirements are generally for the purchase of computers, business systems, furniture and leasehold improvements to support our operations. Such capital expenditures were \$1.2 million for the period April 1, 2006 to February 8, 2007, \$1.6 million for the period February 9, 2007 to December 31, 2007, \$0.6 million for the year ended December 31, 2008 and \$1.0 million and \$0.7 million, respectively, for the nine months ended September 30, 2008 and 2009.

Dividends. We have not paid dividends since the SFA acquisition on February 8, 2007 and do not intend to pay dividends to our stockholders after the completion of this offering.

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Debt and Other Obligations. At September 30, 2009, we had \$38.6 million in outstanding debt, of which \$21.9 million, inclusive of interest, was due on our bank credit facility with SunTrust Bank and \$16.7 million, inclusive of interest, was due on loans from affiliates. The credit facility, as amended September 3, 2009, provides for a term loan of \$10.8 million and \$29.0 million of borrowing capacity under the revolving line of credit. Borrowings under the credit facility bear interest at the applicable interest rate (the prime rate, the federal funds rate, LIBOR or an index rate), plus an applicable margin that varies based on a leverage ratio test. We have elected to have borrowings under our credit facility bear interest at the LIBOR rate. For the nine months ended September 30, 2009, the applicable margin was 1.8% to 2.8% for borrowings under our term loan and 1.6% to 2.6% for borrowings under our revolving line of credit. Our loan and security agreement matures on February 28, 2011. Effective September 30, 2009, the applicable margin was 2.4% to 3.2% for borrowings under our term loan and 2.2% to 3.0% for borrowings under our revolving line of credit, subject to a minimum interest rate of 3.0%.

The outstanding borrowings under the loan agreement are collateralized by substantially all of our assets.

The loan agreement requires that we comply with certain affirmative and restrictive covenants. The restrictive covenants include limitations on: mergers, consolidations and dissolutions; sales of assets; investments and acquisitions; indebtedness and liens; transactions with affiliates; sale and leaseback transactions; and restricted payments.

In addition, the loan agreement requires that we meet the following financial covenants at each quarter-end:

Minimum Net Worth - \$45.9 million as of December 31, 2008, increased by 50% of annual net income thereafter (losses are excluded from the calculation);

Maximum Funded Debt Ratio - the ratio of consolidated funded debt to the preceding four quarters' EBITDA (as defined in the loan agreement) must be less than or equal to 3.0 to 1.0 (decreasing to 2.75 to 1.0 effective December 31, 2009); and

Fixed Charge Coverage Ratio - the ratio of the preceding four quarters' EBITDA (as defined in the loan agreement) to the next 12 months' scheduled payments of interest and principal must be greater than or equal to 1.2 to 1.0.

We were in compliance with all financial covenants for the period from February 9, 2007 through December 31, 2007, for the year ended December 31, 2008 and for the nine months ended September 30, 2009. We do not believe that it is reasonably likely that we will not meet any covenants in our loan agreement.

As of September 30, 2009, we had \$17.0 million of availability under the credit facility.

Future Liquidity Needs. We expect to use all of the net proceeds of this offering, to repay (i) the term loan portion of our credit facility, which was \$9.9 million as of September 30, 2009, (ii) other outstanding borrowings under our credit facility, which were \$12.0 million as of September 30, 2009, and (iii) to the extent of any excess net proceeds after repayment of the previous debt, debt owed to GLOBAL and its affiliates, which was \$16.7 million as of September 30, 2009, and for general corporate purposes, including future acquisitions. Upon repayment of the term loan, that portion of our credit facility will terminate. The \$29.0 million revolving line of credit will remain in place until its maturity date of February 28, 2011. The availability under the loan agreement is expected to be sufficient to meet our operating cash flow requirements for the next twelve months. However, we recently received a commitment letter from SunTrust Bank for a replacement credit facility that will not only support our working capital needs, but also will provide financing capacity to execute our acquisition strategy. The commitment provides for a \$50.0 million revolving line of credit with a \$2.5 million letter of credit subfacility. The new facility is expected to have a three year term. All borrowings will continue to be collateralized by substantially all of our assets. The new facility will also require that we continue to comply with certain affirmative and restrictive covenants that are similar to those in our current credit facility. We may also seek to issue additional equity to execute our growth strategy. We expect to enter into definitive agreements relating to the new facility by year end 2009.

Off-Balance Sheet Arrangements, Contractual Obligations, Guaranty and Indemnification Obligations

Off-Balance Sheet Arrangements. We had no off-balance sheet arrangements as of December 31, 2008 and September 30, 2009.

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Contractual Obligations. We have various contractual obligations impacting our liquidity. The following table presents, at September 30, 2009, our obligations and commitments to make future payments under contracts and contingent commitments:

	Payments Due by Period				
	Total	Less Than 1 Year	1-<3 Years	3-5 Years	More Than 5 Years
Contractual Obligations					
Loan agreements					
Bank loans	21,908	2,700	\$ 19,208	\$	\$
Loans from affiliates	16,728	16,728			
Interest payments on loan agreements ⁽¹⁾	847	595	252		
Operating leases	11,426	3,374	3,531	2,498	2,023
Total contractual obligations	50,909	23,397	\$ 22,991	\$ 2,498	\$ 2,023

- (1) Interest payments for the bank loans were estimated using the current floating rates charged by the lender as of September 30, 2009 through the maturity date of the instruments, February 28, 2011. Additionally, included in interest payments are the amounts estimated to be payable under an interest rate swap for \$6.3 million based upon the contractual fixed rate of 4.9% less the estimated floating rate for the current term loan through the maturity date of the interest rate swap, February 9, 2010.

Critical Accounting Policies

Critical accounting policies are defined as those that are reflective of significant judgments and uncertainties, and potentially result in materially different results under different assumptions and conditions. Application of these policies is particularly important to the portrayal of our financial condition and results of operations. The discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these consolidated financial statements requires management to make estimates and judgments that affect the reported amount of assets, liabilities, revenue and expenses. Actual results may differ from these estimates under different assumptions or conditions. Our significant accounting policies, including the critical policies listed below, are more fully described in the notes to our consolidated financial statements included in this report.

Revenue Recognition

All of our revenue is derived from services and solutions provided to the U.S. government, primarily by us and, to a lesser extent, subcontractors. We generate our revenue from three different types of contractual arrangements: fixed-price contracts, time-and-materials contracts, and cost-plus contracts.

Revenue for fixed-price contracts is recognized on the percentage-of-completion method using costs incurred in relation to total estimated costs, because these contracts require design, engineering, and manufacturing performed to the customer's specifications. Profits on fixed-price contracts result from the difference between the incurred costs and the revenue earned.

Revenue for time-and-materials contracts is recognized as services are performed, generally on the basis of contract allowable labor hours worked multiplied by the contract defined billing rates, plus the direct costs and indirect cost burdens associated with materials and other direct expenses used in performance on the contract. Profits on time-and-material contracts result from the difference between the cost of services performed inclusive of labor, direct costs, indirect cost burdens, and other direct expenses and the contract-defined billing rates for these services.

Revenue on cost-plus contracts is recognized as services are performed, generally, based on the allowable costs incurred during the period, plus any recognizable earned fee.

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The use of the percentage-of-completion method requires significant judgment relative to estimating total contract revenue and costs, including assumptions relative to the length of time to complete the project, the nature and complexity of the work to be performed, and anticipated changes in estimated salaries and other costs.

Due to the size and nature of many of our contracts, the determination of total revenue and cost at completion requires the use of estimates. Contract costs include material, labor and subcontracting costs, as well as an allocation of allowable indirect costs. For contract change orders, claims or similar items, we apply judgment in estimating the amounts and assessing the potential for realization. These amounts are only included in the contract value when they can be reliably estimated and realization is considered probable.

With regard to claims, revenue is only recognized into contract value when settlement on the value of any claim is agreed upon with the customer. Incentive and award payments are included in estimated revenue using the percentage-of-completion method when the realization of such amounts is deemed probable upon achievement of certain defined goals.

Estimates of total contract revenue and costs are continuously monitored during the term of contract and are subject to revision as the contract progresses. When revisions in estimated contract revenue and costs are determined, such adjustments are recorded in the period in which they are identified.

Anticipated losses on contracts are recognized in the period they are deemed probable and can be reasonably estimated.

Long-Lived Assets (Excluding Goodwill)

A review of long-lived assets for impairment is performed when events or changes in circumstances indicate the carrying value of such assets may not be recoverable. If an indication of impairment is present, we compare the estimated undiscounted future cash flows to be generated by the asset group to its carrying amount. If the undiscounted future cash flows are less than the carrying amount of the asset group, we record an impairment loss equal to the excess of the asset's carrying amount over its fair value. Any write-downs are treated as permanent reductions in the carrying amount of the assets. In September 2008, our operating subsidiary changed its name from SFA to GNA. Based upon that event, an impairment of its trade name intangible asset was recorded in full for the carrying amount of \$2.4 million due to the fact that the prior trade name would no longer be in use. We believe there are no additional identified events or changes in circumstances that indicate impairment of our other long-lived assets.

Intangible Assets

Intangible assets consist of contract and customer relationships, non-compete agreements, trade names and acquired technologies. Intangible assets are being amortized on a straight-line basis over the expected lives of the assets. Acquired in-process research and development costs are expensed at the acquisition date unless an alternative future use for the asset is identified. The intangible asset for in-process research and development of \$0.4 million was expensed at the date of the SFA acquisition as it was determined that this intangible asset had no alternative future use.

Goodwill

Goodwill represents the excess of costs over fair value of net assets of businesses acquired. Goodwill is tested for impairment at the reporting unit level at least annually, utilizing a two-step methodology. The impairment test requires us to estimate the fair value of our reporting units. If the carrying value of a reporting unit exceeds its fair value, the goodwill of that reporting unit is potentially impaired, and we would proceed to step two of the impairment analysis. In step two of the impairment analysis, we would measure and record an impairment loss equal to the excess of the carrying value of the reporting unit's goodwill over its implied fair value should such a circumstance arise.

We perform a fair value analysis of our reporting units annually on December 31 or more frequently if a triggering event occurs. Our reporting units are our operating segments. We estimate fair value using the best

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information available, including market information and discounted cash flow projections also referred to as the income approach. The income approach uses a reporting unit's projection of estimated operating results and cash flows that is discounted using a weighted-average cost of capital that reflects current market conditions. If goodwill becomes impaired, we would record a charge to earnings in the consolidated financial statements during the period in which any impairment of goodwill is determined. Based on the analysis performed, we determined that the estimated fair value of each reporting unit substantially exceeded its associated carrying value and that no goodwill impairment existed as of December 31, 2007 or 2008.

Stock-Based Compensation

Compensation expense for all stock-based awards is measured at fair value on the date of grant and recognition of compensation expense is recorded over the service period for awards expected to vest. We determine the fair value of our stock options using the Black-Scholes valuation model. Restricted stock awards are measured based on the fair values of the underlying stock on the dates of grant.

The application of the Black-Scholes model to the valuation of options requires the use of input assumptions, including expected volatility, expected term, expected dividend yield and expected risk-free interest rate. Expected volatilities are based on those of similar publicly-traded companies, as GNA's stock is not currently publicly traded and therefore, we do not have observable share-price volatility. The expected term represents the weighted-average period of time that options granted are expected to be outstanding giving consideration to vesting schedules. The dividend yield was zero based on GNA's history of not paying dividends and the low resultant future expectation of dividend payments; and the risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods corresponding with the expected term of the option.

Stock-based compensation expenses are based on the grant date fair value of awards ultimately expected to vest. We estimate expected forfeiture rates at the time of grant and revise the estimates, if necessary, in subsequent periods if actual forfeitures differ from those estimates. We recognized employee stock-based compensation expense of \$0.6 million for the period February 9, 2007 through December 31, 2007, \$0.4 million in 2008, and \$0.3 million in each of the nine month periods ended September 30, 2008 and 2009. As of September 30, 2009, we had \$1.2 million in total unrecognized compensation cost related to non-vested stock-based compensation arrangements, which we expect to recognize over a weighted-average period of approximately 2.6 years.

As a privately held company, we made a reasonable estimate of the then-current fair value of GNA common stock as of the date of each option grant. The fair value of GNA's common stock during the period from February 9, 2007 through December 31, 2007 was measured by using the price per share of common stock paid by GLOBAL to acquire SFA in February 2007. Beginning with the year ending December 31, 2008 and through September 30, 2009, the fair value of GNA's common stock was determined by management. In conducting the contemporaneous valuations, we used a two-step methodology that first estimated the fair value of GNA as a whole and then allocated a portion of the enterprise value to GNA's common stock.

The valuation methodology used included a market approach to estimate enterprise value. We utilized a multiple of our most recent earnings as measured by our historical EBITDA, as adjusted on a trailing twelve months basis, using the same multiple of EBITDA, as adjusted implied by the purchase price paid by GLOBAL to acquire SFA in February 2007. This approach was used by management for the grants made in August 2008 and January 2009, applying the same multiple to the trailing twelve months EBITDA, as adjusted, through June 30, 2008, and for the grants made in April and May 2009, applying the same multiple to the trailing twelve months EBITDA, as adjusted, through March 31, 2009. Management considered numerous objective and subjective factors in determining the fair value of our common stock at each option grant date after December 31, 2007, including the following:

- (i) the multiple of EBITDA, as adjusted, implied by the purchase price paid by GLOBAL to acquire SFA in February 2007;
- (ii) valuation of public companies in our industry based on EBITDA multiples;

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(iii) valuation of private companies in our industry based on management's industry knowledge or discussions with third parties regarding possible acquisitions and divestitures;

(iv) our financial performance; and

(v) material events that could result in increased or decreased valuation of our common stock.

We did not obtain contemporaneous valuations by an unrelated valuation specialist because we had the necessary knowledge to perform the valuation utilizing the methodology described above, which is consistent with the recommendations of the American Institute of Certified Public Accountants, Audit and Accounting Practice Aid Series, *Valuation of Privately-Held Company Equity Securities Issued as Compensation*.

The following table highlights the number of options granted, fair value and exercise price per share upon each grant date since February 9, 2007:

Grant Date	Number of Options Granted	Fair Value Per Share	Exercise Price Per Share
February 9, 2007	666,710	\$ 9.17	\$ 9.17
January 1, 2008	15,028	\$ 9.17	\$ 9.17
August 18, 2008	135,000	\$ 10.11	\$ 10.11
January 1, 2009	54,648	\$ 10.11	\$ 10.11
April 30, 2009	65,578	\$ 15.95	\$ 15.95
May 18, 2009	54,648	\$ 15.95	\$ 15.95

The increase in the fair value of our common stock from period to period was primarily the result of our improved EBITDA, as adjusted, over this period of time, which reflects our overall improved operating performance as described more fully under Overview and Results of Operations.

The intrinsic value of our outstanding options as of September 30, 2009, assuming the fair value of our common stock at the time of grant of each option was equal to the assumed initial offering price of \$15.00 (the mid-point of the price range set forth on the cover of this prospectus), was \$2.0 million. The intrinsic value for purposes of this calculation is the difference between the assumed initial public offering price and the weighted average exercise price of the shares underlying all options outstanding at September 30, 2009, multiplied by the number of shares issuable upon exercise of outstanding options.

New Accounting Pronouncements

On January 1, 2009, we adopted a new accounting standard issued by the Financial Accounting Standards Board, or FASB, related to accounting for business combinations using the acquisition method of accounting (previously referred to as the purchase method). Among the significant changes, this standard requires a redefining of the measurement date of a business combination, expensing direct transaction costs as incurred, capitalizing in-process research and development costs as an intangible asset and recording a liability for contingent consideration at the measurement date with subsequent re-measurements recorded in the results of operations. This standard requires costs for business restructuring and exit activities related to the acquired company to be included in the post-combination financial results of operations and also provides new guidance for the recognition and measurement of contingent assets and liabilities in a business combination. In addition, this standard requires several new disclosures, including the reasons for the business combination, the factors that contribute to the recognition of goodwill, the amount of acquisition related third-party expenses incurred, the nature and amount of contingent consideration, and a discussion of pre-existing relationships between the parties.

The application of this standard is likely to have a significant impact on how we allocate the purchase price of prospective business combinations, including the recognition and measurement of assets acquired and liabilities assumed and the expensing of direct transaction costs and costs to integrate the acquired business.

In September 2006, the FASB issued authoritative guidance which defined fair value, established a framework for measuring fair value, and expanded disclosures about fair value measurements. We adopted the guidance on January 1, 2008, as it relates to financial assets and January 1, 2009 as it relates to non-financial

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assets. The adoption of the guidance for our financial assets and financial liabilities did not have a material impact on our consolidated financial statements. The adoption of the guidance for our nonfinancial assets and nonfinancial liabilities had no impact on our consolidated financial statements. In accordance with the guidance on fair value measurement, a fair value hierarchy was established as follows:

Level 1 Quoted prices in active markets that are unadjusted and accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 Quoted prices for identical assets and liabilities in markets that are not active, quoted prices for similar assets and liabilities in active markets or financial instruments for which significant inputs are observable, either directly or indirectly such as interest rates and yield curves that are observable at commonly quoted intervals, and

Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the level input that is significant to the fair value measurement in its entirety. Our assessment of the significance of a particular input to the fair value measurement requires judgment and considers factors specific to the asset or liability.

In April 2009, the FASB issued guidance on the interim disclosures about fair value of financial instruments to require disclosures about fair value of financial instruments in interim financial statements as well as in annual financial statements. The guidance required those disclosures in all interim financial statements. We adopted this standard as of June 30, 2009.

In May 2009, the FASB issued guidance on subsequent events which modified the definition of what qualifies as a subsequent event those events or transactions that occur following the balance sheet date, but before the financial statements are issued, or are available to be issued and requires companies to disclose the date through which it has evaluated subsequent events and the basis for determining that date. The guidance was effective for interim or annual financial periods ending after June 15, 2009 and was adopted by us as of June 30, 2009.

In June 2009, the FASB issued the FASB Accounting Standards Codification, or ASC. The ASC has become the single source of non-governmental accounting principles generally accepted in the United States recognized by the FASB in the preparation of financial statements. The ASC does not supersede the rules or regulations of the SEC, therefore, the rules and interpretive releases of the SEC continue to be our additional sources of GAAP. We adopted the ASC as of July 1, 2009. The ASC does not change GAAP and did not have an effect on our financial position, results of operations or cash flows.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk. We are subject to interest rate risk in connection with borrowings under our credit facility and other affiliate loans. As of September 30, 2009, the outstanding principal balances with floating interest rates were \$22.9 million. Each change of 1.0% in interest rates would result in a \$0.2 million change in our annual interest expense based on the loan balances at September 30, 2009. Any debt we incur in the future may also bear interest at floating rates.

In 2007, we entered into a three-year interest rate swap agreement with SunTrust Bank to help manage our variable interest rate exposure related to \$6.3 million of the credit facility. For further information on the swap agreement, see note 8 to our consolidated financial statements included elsewhere in this prospectus.

We do not currently have any significant foreign currency exposure. Our revenue contracts are denominated in U.S. dollars and the vast majority of our purchase contracts are denominated in U.S. dollars. We do not use derivative financial instruments for speculative or trading purposes. We invest our excess cash in short-term, investment grade, interest-bearing securities.

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Inflation Risk. We have generally been able to anticipate increases in costs when pricing our contracts. Bids for longer-term fixed-price and time-and-materials type contracts typically include sufficient labor and other cost escalations in amounts expected to cover cost increases over the period of performance. Consequently, because costs and revenue include an inflationary increase commensurate with the general economy where we operate, net income as a percentage of revenue has not been significantly impacted by inflation.

Seasonality

Seasonality does not have a material impact on our business.

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BUSINESS

Overview

We provide mission-critical technology-based systems, solutions and services for national security agencies and programs of the U.S. government. Our services and solutions are integral parts of mission-critical programs run by the U.S. Department of Defense, Intelligence Community, Department of Homeland Security, federal law enforcement agencies and other parts of the federal government charged with national security responsibilities. The programs that we support are generally funded as part of the budgets and spending levels of U.S. government agencies entrusted with carrying out the U.S. government's defense, intelligence and homeland security missions.

Our primary areas of expertise include:

counter-terrorism intelligence and analysis

data analysis and intelligence fusion tools

force mobility, modernization and survivability solutions

maritime domain awareness and navigation systems

systems and software engineering

network and communications management

decision support systems for command and control

We employ over 650 engineers, scientists, IT professionals, software developers and analysts who deliver solutions to our U.S. government customers in the U.S. and overseas in their respective theaters of operation.

Our revenue for 2008 was \$189.4 million and our revenue for the nine months ended September 30, 2009 was \$157.1 million. As of September 30, 2009, our total backlog was \$657.9 million, of which \$122.0 million was funded and \$535.9 million was unfunded. For a discussion of how we calculate backlog, see [Backlog](#).

We conduct our business through two reportable segments: Technology and Intelligence Services, or TIS, and Force Mobility and Modernization Systems, or FMMS. See [Management's Discussion and Analysis of Financial Condition and Results of Operations](#) and note 16 to our consolidated financial statements for financial disclosures related to our two reportable segments. Through our TIS segment, we provide a broad range of technology-based services and solutions, including counter-terrorism and intelligence solutions and command, control and decision support solutions, to customers in the Department of Defense, the Intelligence Community and other U.S. agencies. Our TIS segment is comprised of the operations of TAC and our Global Mission Systems, or GMS, division. Through our FMMS segment, we provide customers, primarily in the Department of Defense, with solutions that entail the design, engineering and integration of highly mobile mission support systems. Our FMMS segment is comprised of the operations of our Global Defense Engineering, or GDE, division.

In 2008, we derived substantially all of our revenue from national security customers. Approximately 74% of our revenue was derived from the Department of Defense, including the U.S. Army, U.S. Navy, U.S. Marine Corps, National Guard and Department of Defense agencies within the Intelligence Community, and approximately 26% of our revenue was derived from national security agencies including the Department of Homeland Security, federal law enforcement agencies and other agencies in the Intelligence Community.

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We have experienced organic growth in the past several years and are operating in market segments that are well-funded. As a result, our revenue has grown at a compound annual growth rate, or CAGR, of 17.7% from the twelve-month period ended March 31, 2005 to the twelve-month period ended September 30, 2009. We intend to accelerate our growth through the acquisition and integration of technology-driven national security companies and capabilities into our current business.

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Our Market Opportunity

The Department of Defense represents the largest component of the U.S. government's discretionary spending, accounting for approximately 19.5% of total requested fiscal year 2010 budget authority. For fiscal year 2010, the defense budget is approximately \$664 billion, including a base defense budget of \$533.7 billion (an increase of \$20.4 billion from fiscal year 2009) and an additional \$130 billion for overseas contingency operations, primarily in Iraq and Afghanistan. The national security market also includes the Intelligence Community budget, which according to the Office of the Director of National Intelligence was approximately \$48 billion in fiscal year 2008, as well as the Department of Homeland Security, for which the President has requested approximately \$55 billion in funding in fiscal year 2010, and other domestic spending on national security programs.

According to INPUT, an independent federal government market research firm, the contracted portion of the fiscal year 2009 federal budget devoted to defense-related information technology products and services is approximately \$29 billion, making the Department of Defense the largest purchaser of such products and services in the federal government in fiscal year 2009. That budget is expected to grow to \$33 billion by 2014, representing a 3% CAGR. In addition, according to INPUT, the President's fiscal year 2009 budget request allocates \$47 billion to contracted IT spending at other federal government agencies; this is expected to increase to \$58 billion in 2014, representing a 4% CAGR. The portion of federal IT spending expected to be outsourced, which INPUT has estimated to be \$18 billion in fiscal year 2009, is expected to grow to \$21 billion in 2014, representing a 4% CAGR.

While defense and intelligence spending have grown tremendously since September 11, 2001, there has also been a realignment in the strategic priorities of the U.S. national security community. With the change in national security focus from conventional state-on-state conflicts (such as Operation Desert Storm) to counter-terrorism, stability in fragile but strategic regions, counterinsurgency warfare and other forms of irregular or expeditionary warfare, there has been a concomitant shift in defense and intelligence investment. We believe this dynamic is accelerating. Secretary of Defense Robert Gates addressed this theme in his January 2009 article published in *Foreign Affairs* entitled, "A Balanced Strategy: Reprogramming The Pentagon for a New Age," in which he cited the overwhelming advantage the U.S. has in conventional military power and determined that this is an area in which the U.S. knowingly assumes some additional risk. By assuming more risk in conventional warfare, the U.S. national security establishment can reallocate defense and intelligence spending to contemporary threats and challenges ranging from terrorism and cyber-security to supporting operations in austere or undeveloped environments. Moreover, in facing even conventional threats, the strategic priorities and investment strategies are changing. In the industrial age more weapons platforms—tanks, ships and planes—allowed for more military effect. In the information age, better C4ISR systems that link networks of sensors to shooters allow for fewer weapons platforms while producing increased military effect.

Secretary Gates submitted a fiscal year 2010 defense budget, a budget he has referred to as a "Reform Budget," that is consistent with the strategic priorities outlined in his January 2009 article. In that budget, which President Obama has endorsed, the Pentagon is making a significant reallocation of investment priorities to align the budget with the "Balanced Strategy" and allocation of risk between conventional and unconventional threats. The fiscal year 2010 budget cancels or delays a number of major aircraft purchases or programs, cancels or delays significant shipbuilding plans, and even cancels the manned vehicle component of the U.S. Army's future combat systems program. Instead, funding has been shifted to a number of different intelligence, surveillance and reconnaissance, or ISR, priorities, cyber-security, command and control systems linked to ISR, and other capabilities that are directed at asymmetrical challenges such as counter-terrorism, counterinsurgency and operations in austere or undeveloped environments. The legislatively mandated Quadrennial Defense Review, which is scheduled to be released by the Pentagon in early 2010, will likely reflect this "Balanced Strategy" and new investment priorities.

Both Congress and the Obama administration have also signaled that they will take steps to redress what they consider to be an over-reliance on government contractors in the Clinton and Bush administrations to perform tasks that should be considered inherently governmental. Secretary Gates has announced his intention

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to convert 11,000 contractor positions to government positions over the next year. Almost all of these will be defense procurement related positions. Because most of the inherently governmental conversions will focus on pre-award activities, government-run program management offices, or quality assurance/quality control (QA/QC) functions, we do not anticipate that the Obama administration's in sourcing initiatives will effect government contractors, such as ourselves, who provide technology or engineering services, especially value-added and technologically differentiated services.

Even before the submission of the fiscal year 2010 defense budget and Secretary Gates' articulation of the Balanced Strategy behind it, the Obama administration and the Congress clearly signaled their intent to intensify the U.S. government's focus on addressing post-Cold War national security challenges, new intelligence missions and systems, the use of soft power (in the form of humanitarian assistance and relief, support of civil institutions, job and skills training, stabilization and reconstruction activities) to stabilize post-conflict and fragile but strategic areas, and homeland security. This perspective, and the programmatic and budgetary decisions that are emerging, make for a strategic landscape that we believe presents us with a significant market opportunity.

We believe the following trends and developments will drive continued growth in our target markets.

Robust Funding for Intelligence and Counter-Terrorism Programs

Counter-terrorism efforts both at home and abroad are likely to remain a central focus of the U.S. government and the Obama administration. In the military, intelligence and homeland security/law enforcement communities, programs that create expertise, systems and solutions for the ever-evolving threat of terrorism are a top priority. All of these government agencies are not only reorganizing themselves to address this threat, but relying on contractors to provide analysis, technologies, solutions and services to assist them. We believe the initiatives of Homeland Security and the Intelligence Community to promote data sharing and intelligence collaboration among the many agencies involved in these missions will remain a top priority. Increasingly, the critical ingredients of successful intelligence and homeland security work are the information systems that collect, organize, tag, store and manipulate data about terrorists or terrorist threats and feed that information into decision support tools for those government agencies entrusted with protecting the U.S. from these threats.

The intelligence budget for fiscal year 2008 totaled approximately \$48 billion, a 9% increase from fiscal year 2007, and has grown at a compound annual rate of 6% over the last 10 years since fiscal year 1998, when it totaled \$27 billion. We believe that the Intelligence Community will continue to see growth in its budget as the global threat of terrorism continues.

A Continued Drive Toward Force Mobility and Modernization in all the Services

For decades the U.S. military services have designed their equipment and processes around the mission to defend Western Europe. Because that mission was forecasted to take place in a theater with reliable and mature infrastructure, at the end of the Cold War the U.S. military was ill-suited for rapid expeditionary deployments to austere environments, characterized by undeveloped and sometimes non-existent infrastructure. Over the past 15 years, and more recently for theaters such as Iraq, Afghanistan, Africa, Southeast Asia and elsewhere, the military services have had to design new systems to support expeditionary forces to be deployed quickly to remote areas with little or no infrastructure for the delivery of power, water and other essential services. Designing and supporting a military for what is known by the Pentagon as expeditionary warfare is a long-term strategic initiative that will outlast the current engagements in Iraq and Afghanistan. In addition, a new combatant command (U.S. Africa Command) focused on the deployment of soft power to Africa will require a new suite of expeditionary capabilities and systems. We expect that the requirement to support worldwide force mobility and modernization for U.S. forces will remain a priority for the Department of Defense and other national security agencies.

Our work in this area derives principally from the Department of Defense's force mobility and modernization programs, which are funded from the procurement, research and development, testing and evaluation, and operations and maintenance segments of the Department of Defense's base budget. In the fiscal

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year 2010 budget, these segments represent approximately \$340.5 billion. In addition, supplemental spending bills related directly to the conflicts in Iraq and Afghanistan, as well as counter-terrorism efforts in general, have contributed programmatic funding to systems supporting these requirements.

The fiscal year 2010 defense budget includes \$130 billion for overseas contingency operations, primarily to fund operations in the Iraq and Afghanistan theaters. Of that, more than \$8 billion is directed to subsistence and logistics support for the troops deployed in Iraq and Afghanistan.

Emphasis on Enhancing the Information Advantage in Warfare

The most sustainable advantages in warfare and security are generally viewed to be obtained from the way in which military forces and national security agencies collect, organize, tag, store and manipulate information to support warfare. While funding for expensive platforms may be at risk in the future, we believe that the military and intelligence funding to create a proprietary information network of digitally linked sensors, data processors and decision support tools for command and control will remain a top priority for the U.S. government. C4ISR systems and a net-centric environment are intended to allow the U.S. military to have fewer weapons platforms while producing increased military effect. We believe the funding stream for these programs is likely to remain strong. The technologies and systems used to integrate weapon systems with real-time digitized ISR networks are both critical and complex, as are the command and control systems that allow for information sharing and provide decision support to that network. Funding for the continued development and production of these systems and solutions in fiscal year 2010 is expected to be included in the Department of Defense's modernization, operations, readiness and support funds, its overall IT budget, and from funds allocated to the Intelligence Community.

A Continued Commitment to Long-Running Overseas Contingencies Operations

Even with the U.S. military drawdown in Iraq, there will still be hundreds of thousands of uniformed U.S. service members deployed worldwide, especially on long-running overseas contingencies operations, or OCOs, in the Middle East and Afghanistan. President Obama committed an additional 21,000 troops to Afghanistan in March 2009. Whether or not the President approves an additional deployment of combat troops or simply commits to a surge in military training, capacity building, and reconstruction, the U.S. military footprint in Afghanistan will increase. The surge in troop levels there and the commitment to other operations worldwide entails a rise in the need for services, technology and engineering solutions to support those deployments. We have intelligence specialists, proprietary command and control systems and advanced expeditionary systems deployed to Afghanistan in support of the U.S. and coalition efforts there. In particular, the austere operating conditions in Afghanistan, with its power, water and fuel challenges, as well as lack of roads and other reliable infrastructure, lend themselves to the force mobility and survivability systems we design for the U.S. military.

Our Business Strengths and Competitive Advantages

Our ability to provide innovative systems, solutions and services in support of key national security priorities is a result of the business strengths and competitive advantages outlined below. Because of these advantages, we believe that we are well-positioned to capitalize on the market opportunities presented by the Obama administration's defense and intelligence spending priorities and to support the ongoing and new requirements of customers and programs in these mission-critical areas.

Alignment with Policy Priorities and Military Requirements

Our core capabilities and exemplary past performance are well-aligned with the top priorities of the Obama administration and the national security community. Our capabilities and expertise closely match current and expected future requirements in the defense, intelligence and homeland security communities. For example, we provide not only high-level expertise for counter-terrorism analysis, but also design systems, data fusion tools and other technology solutions for intelligence and law enforcement agencies performing the counter-terrorism mission. Our software engineering, systems engineering and scientific research and development skills used in

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our work for the U.S. Navy and the U.S. Coast Guard apply across the whole range of C4ISR challenges in military and homeland security markets. We have strong market position in providing a range of innovative systems engineered specifically for the U.S. military's move to a more expeditionary footing as part of the Pentagon's long-term force mobility and modernization priorities, especially for operations in austere or undeveloped environments.

Highly Skilled Workforce with High-Level Security Clearances

We work with customers in highly classified environments due to the mission-critical nature of the systems we support and the complexity of the solutions we provide. This work requires highly skilled employees with appropriate levels of security clearances. Over 435 of our approximately 680 employees have security clearances and two-thirds of those are at the Top Secret level or above. In the parts of our business that support counter-terrorism programs and C4ISR efforts, over 90% of the employees have clearances. Over 20% of our employees have advanced degrees, principally in technical sciences, and 48 employees hold Ph.D.'s.

Strong Contract Base

As of September 30, 2009, over 88% of our revenue is derived from our work with the U.S. government as a prime contractor. Many of these contracts also have not yet reached their funding ceilings and so have more potential for additional systems and services to be procured through them. Other contracts provide flexible enough procurement vehicles to allow an array of existing or new customers to engage us quickly and efficiently to meet their mission-critical needs.

Long-Term Customer Relationships Based on Our Mission-focused Culture

We have worked with many of our customers for long periods of time, decades in some cases. Over that time we have been providing differentiated technology services, mission expertise and innovative solutions for mission-critical military and national security programs. We believe that key factors contributing to the longevity of our customer relationships are our mission-focused culture and the subject matter expertise and level of understanding we have of our customers' requirements. Our culture is built around an affinity for and connection to our customers' national security mission. We believe we have developed with our government customers a reputation for exemplary work, integrity, a commitment to outstanding customer service, an alignment with the mission and a heritage of trust.

Disciplined and Experienced Growth-Oriented Executive Management Team

The members of our executive management team have a successful track record of identifying and pursuing and executing on key growth opportunities in the military and national security marketplaces, developing integrated and innovative solutions and services for customers in those markets, and winning large contracts for those services from those customers. In addition, members of our executive management team have considerable experience as executives of private and publicly traded companies in identifying, acquiring and integrating strategic acquisitions.

Proprietary Technology, Intellectual Property and Know-How

We create and own intellectual property and know-how relating to technologies, processes and methods. Our innovations in sensor integration, decision support systems for both the military and intelligence markets, maritime navigation, network and communications management, tactical water purification and reuse, and highly engineered force mobility support solutions have enhanced our reputation in the industry as an innovative mission systems provider.

Our Growth Strategy

Our objective is to become a leading mid-sized defense and national security technology company that is clearly differentiated from our competitors by our mission solutions. We intend to achieve this goal through solid

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organic growth, leveraging our intellectual property to secure and maintain a sustained technological advantage, and the focused strategic acquisition and integration of other innovative defense technology and intelligence companies.

Our key strategies for achieving this objective are to:

Focus on Growth Segments in the National Security Space

We intend to expand our position in well-funded and rapidly growing U.S. government national security programs and policy priorities such as counter-terrorism, technology solutions for data fusion, mission-focused command, control and decision support tools and building net-centric C4ISR, and force mobility and modernization systems.

Expand Customer Presence and Increase Base of Customers/Contracts

We plan to increase our level of business from our existing customer base by expanding the range of services we provide to customers with whom we have developed successful relationships. In the past, for example, we have been very successful in building on an initial engagement with a customer for limited-scope technology consulting, and then going on to win larger and more sophisticated original software engineering or systems engineering work for the same customer across different contracts. We also intend to broaden our national security client base to other agencies and military services that require services similar to those we provide to existing customers, but with whom we do not now perform a large amount of work.

Pursue Strategic Acquisitions

We will actively pursue focused strategic acquisitions that enhance and expand our core capabilities and broaden our customer base into other high-growth national security segments consistent with our overall strategic objectives. Combined with our continued organic growth, this will provide both new customers, capabilities, technologies and talent and the additional critical mass to pursue larger-scale, technology-based national security contracts. Our executive management team brings significant experience in building defense companies through strategic acquisitions. We believe that the experience of our executive management team in effectively identifying, acquiring and integrating acquisitions will advance this strategy.

Pursue Larger and More Complex Contracts as a Prime Contractor

We intend to leverage our strong set of complementary capabilities to win larger and more complex contracts as a prime contractor in key areas such as C4ISR, counter-terrorism/intelligence and force mobility and modernization. As we gain more capabilities, organically and through acquisitions, we expect to position ourselves effectively to win more complex contracts. We will continue to base our bid strategies on the differentiated solutions we provide to the customer and our intimate knowledge of customers' mission requirements.

Maintain Our Technical Leadership

We intend to continue to attract and retain highly skilled employees and to focus our research and development efforts in high-value areas such as network communications and management, sensor integration, decision support tools, data fusion systems, and the design, engineering and integration of highly mobile mission support systems to maintain our proprietary leading-edge technical position.

Capabilities and Customer Solutions

We tailor our solutions to our customers' requirements based on our technical acumen and knowledge of the mission, often helping the customer define their requirements and range of needs. We then formulate and propose a specific solution that is often technologically differentiated from competitors' proposals to the same customer.

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Capabilities

Our business is driven by the following core capabilities and expertise:

Software Engineering

Systems Engineering

Mission System IT & Architectures

Software Engineering

Technology Development

Engineering Design, Prototyping and Integration

We design, develop, document, test, integrate and implement custom software modules and solutions focused on C4ISR and Intelligence Community applications. See Relevant Industry Terms for a definition of C4ISR and Intelligence Community. These services range from firmware development for weapons systems to web-based portal development for network operations centers. We also develop applications that provide real-time sensor control and fusion, data integration and correlation, communications management, cross-domain solutions, knowledge management, automated navigation systems and decision support systems. We have a Capabilities Maturity Model Integration (CMMI) Level III certification issued by the Carnegie Mellon Software Engineering Institute in June 2009. The CMMI Level III rating certifies that we have implemented best practices associated with integrated product and process development and supplier sourcing. Using these certified practices and processes, we have optimized our software production in areas such as schedule, quality, repeatability and goal completion. The U.S. government often requires a CMMI Level III rating as a qualification to bid on complex software development and systems integration projects.

Systems Engineering

We provide services to design, develop and implement custom mission systems for communications, decision support and sensor integration. In this capacity we provide systems, solutions and services for dynamic network and bandwidth management, joint law enforcement and Department of Defense tactical data links, network topology design, integration of legacy systems and interfaces, integration of diverse and disparate sensors, geospatial systems and data fusion for decision support.

Mission Systems IT & Architectures

We design, develop and run mission-critical information technology systems and architectures. Beginning with a set of requirements, we combine our operational subject matter expertise (e.g., intelligence and C4ISR) and our information technology capabilities to develop new operational approaches and methodologies into the mission architecture. Among other solutions, we use this capability in the design and operation of a key terrorist tracking center in the national security/law enforcement community.

Technology Development

Our technology development capabilities involve teams of research engineers seeking innovative approaches to complex and enduring national security problems. We investigate and develop new technologies that can be used to improve, enhance or create new systems and solutions for use by military and national security customers. We lead customer-funded research and development efforts at government research laboratories in the fields of electronics, acoustics, electronic warfare, radar, optics, chemistry, plasma physics, materials, space sciences and other disciplines. Our personnel also integrate sensors, components and devices on aircraft and into aircraft reconnaissance pods.

Engineering Design, Prototyping and Integration

We design, assemble and deploy a number of highly-engineered solutions for the U.S. military services to support force mobility and modernization requirements and to move the U.S. military to a more expeditionary footing. Our engineering expertise is in designing new systems to service support requirements in the field for highly mobile and survivable systems with a smaller footprint or more efficient water, power, electric, communications and operational configurations. We are an ISO 9001:2000 approved company.

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Customer Solutions

The solutions we offer our customers fall into the following two major categories:

Counter-Terrorism, Intelligence, and Command, Control and Decision Support Solutions

Highly Engineered Force Mobility and Modernization Solutions

Counter-Terrorism, Intelligence, and Command, Control and Decision Support Solutions

Watch-standing systems for U.S. government agencies. We provide IT specialists, software developers and counter-terrorism subject matter experts to a number of agencies in the U.S. government who maintain active terrorist watch lists and counter-terrorism analytical centers. Our experts assist the government with the technical infrastructure required for all-source strategic and tactical analysis. For the systems and tools we design and develop, we also provide the experts to monitor multiple classified and unclassified networks for potential terrorist-related threats, and to provide early warning and threat notification to key government officials for rapid decision-making. We also assist the government by facilitating the flow of critical information between federal, state and local agencies. We believe our work contributes significantly to closing the gaps between the collection and analysis of actionable intelligence.

Management of a Software Development Center for a national security agency. We perform custom application development, integration and various levels of analysis, testing and validation.