

## **VT SYSTEMS GROWS ELECTRONICS BUSINESS THROUGH \$20M ACQUISITION OF MÄK TECHNOLOGIES, INC.**

**Alexandria, VA, 4 October 2006** – VT Systems Inc (VTS) today announced that its subsidiary, Vision Technologies Kinetics Inc (VTK), has entered into an agreement to acquire 80% of MÄK Technologies Inc (MÄK) for \$20m or an enterprise valuation of \$25m. The stake is being acquired from MÄK's two founding shareholders, Mr Warren Katz and Mr John Morrison, and other employees of the company. The founders, Katz and Morrison, will retain the remaining 20% of MÄK. VTK is a subsidiary of VTS, the US headquarters of ST Engineering Ltd (ST Engineering). The transaction is subject to customary regulatory approvals and other closing conditions.

These investment terms were arrived at between VTK and MÄK on a willing buyer, willing seller basis, after negotiations between the parties, taking into account MÄK's past performance, current profitability and future prospects. This transaction will be financed by internal cash resources and debt.

MÄK is a world leader in simulation software to link, simulate and visualize the virtual worlds in a networked synthetic environment. The company builds commercial-off-the-shelf simulation tools and toolkits that are used in developing trainers and simulators, from sophisticated networked mission training simulators to desk-top training simulations. MÄK also uses its expertise to provide customized simulation solutions, and researches and develops the latest simulation technologies. Its customer base includes industry leading companies such as Raytheon, Lockheed Martin, Boeing, BAE and Thales. For fiscal year ended 2005, MÄK reported audited EBITDA of \$2.5m.

MÄK will continue to actively develop and support its best-in-class commercial-off-the-shelf toolkits for distributed simulation under the leadership of its founders, with its headquarters remaining in Cambridge, Massachusetts. As a US-based company under VTK, MÄK will retain its current security status.

The acquisition will enable VTS and ST Engineering's electronics arm, Singapore Technologies Electronics (ST Electronics), to combine the expertise and capabilities of

the two companies to create more sophisticated simulation products. Both companies have different areas of expertise that complement each other. In addition, the acquisition will provide a channel for VTS and ST Electronics to commercialize and distribute its complementary simulation intellectual property.

Rapid technology advancement is accelerating the convergence of simulation and digital media technologies. ST Electronics has identified this trend as an opportunity to expand beyond its simulation business into new domains, such as computer video games and animation. MÄK, as a frontrunner in incorporating games technologies into simulation technologies, will further spur VTS and ST Electronics' thrust into the digital media business.

*"We're pleased to become a part of the ST Engineering Group because they recognize the value of our business model and understand our corporate philosophy. In addition, ST Engineering has significant intellectual property in the simulation space that we intend to commercialize and make available to our over 400 customers. This will both help our company grow faster, as well as provide a wider selection of more fully featured products, all bolstered by our renowned technical support."*

**~ Warren KATZ**  
**CEO, MÄK Technologies Inc**

**~ John MORRISON**  
**CTO, MÄK Technologies Inc**

*"MÄK Technologies is an outstanding addition to VT Systems portfolio of diverse holdings. We will enhance the capabilities of and offerings to our existing simulation business that has been a long-time customer of MÄK."*

**~ GEN(R) John COBURN**  
**Chairman and CEO, VT Systems**

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**MÄK Technologies Inc** was founded in 1990 and develops software to link, simulate and visualize the virtual world. The company creates tools and toolkits for distributed simulations, develops PC-based military tactical trainers, crafts custom solutions, and researches and develops the latest simulation technologies. Please visit [www.mak.com](http://www.mak.com).

**VT Systems (VTS)** is a provider of integrated engineering solutions, specializing in the fields of aerospace, electronics, land systems, and marine. Headquartered in Alexandria, Va., VTS has locations throughout North America. VTS offers a broad range of proven

innovative services to both the commercial and government sectors. VTS is a wholly owned subsidiary of Singapore Technologies Engineering Ltd. Please visit [www.vt-systems.com](http://www.vt-systems.com).

**ST Engineering** is an integrated engineering group providing solutions and services in the aerospace, electronics, land systems and marine sectors. Headquartered in Singapore, the Group reported revenues of \$3.34b in FY2005. Its market capitalization of over \$8b ranks it among the largest companies listed on the Singapore Exchange. ST Engineering has about 16,000 employees worldwide, and over 100 subsidiaries in 20 countries and 35 cities. Please visit [www.stengg.com](http://www.stengg.com).

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