

Federal Information Technology Systems Announces the Acquisition of Austin Info Systems

Bridgewater, NJ, November 1, 2004. Federal Information Technology Systems, LLC ("Federal IT"), a Kelso and Company sponsored portfolio company, announced the acquisition of Austin Info Systems, Ltd. ("AIS") on October 29th, 2004. AIS is focused on developing software for intelligence applications for the Army and Intelligence communities.

AIS is a leader in developing intelligence analysis tools that are user-friendly and provide a high level of functionality to decision-makers in the field. The company is a key contributor to the US Military's effort in the War on Terror, having developed the primary laptop-run analysis tool used by units currently deployed in various fields of operations around the world. AIS is a prime contractor in the Future Combat Systems (FCS) program, the US Army's largest program to date that is geared towards transforming and adapting the military to the needs of information-heavy 21st century warfare. AIS is also a provider of specialized antennae capable of receiving multiple satellite frequency bands as well as of communication interface equipment capable of connecting computers to all wireless transmitters currently in use by the Army for confidential messaging.

Federal IT was founded in January of 2004 by Bill Craven, former CEO of Paravant, Inc. Federal IT's strategy is to buy and build companies in the Defense and Intelligence IT sectors to support the 21st Century "Information Warfighter". Bill Craven, Chairman and CEO of Federal IT, said "We are very excited about joining forces with the AIS team, led by Jim Wade. Since its inception in 1992, AIS has built an impressive array of software development capabilities and has established an excellent reputation with its customers. They are known for their innovation, quick response capabilities and exemplary dedication to their work." Jim Wade, Founder and CEO of AIS, who joined Federal IT's board of directors at the close of the transaction, said: "Federal IT and Kelso & Co. represent the ideal partners for AIS: Federal IT brings industry acquisition expertise and a strong board which, with Kelso's financial backing and excellent investment credentials will help AIS achieve our growth plans faster and allow us to better serve our end customer, the Soldier."

Daroth Capital Advisors LLC acted as financial advisor, exclusive equity placement agent and lead arranger of acquisition credit facilities to Federal IT in this transaction.

About Federal IT: Federal Information Technology Systems, LLC is dedicated to meeting the Information Technology needs of the Defense and Intelligence communities. The Company's strategy is to buy and build companies active in its chosen field to support the 21st Century Soldier. Federal IT, which is co-owned by senior management, is principally backed by Kelso & Company, one of the nation's oldest private equity firms. Together with Kelso, Federal IT is seeking additional acquisition candidates to complement and accelerate its strategy. For more information, please visit www.fedit.net

About Daroth Capital Advisors LLC: Daroth Capital Advisors LLC, a New York-based investment bank, provides a full array of financial advisory services to companies, financial sponsors and institutional investors. The firm works with its clients to identify, structure and execute diverse and innovative transactions. Daroth is registered as a broker dealer with the SEC and is a member of the NASD and SIPC. For more information, please visit www.daroth.com.