

## **Federal Information Technology Systems Announces the Acquisition of IT Spatial, Inc.**

Morristown, NJ, June 10, 2005. Federal Information Technology Systems, LLC ("Federal IT"), a Kelso and Company ("Kelso") and Pegasus Investors ("Pegasus") sponsored portfolio company, announced the acquisition of IT Spatial, Inc. ("ITS") on June 10, 2005. ITS produces a proprietary product called InterSCOPE®, which displays real-time intelligence from numerous sources. InterSCOPE® provides 3D visualization of city images to enable urban mission and close air support planning. The product is architected to allow it to be readily interoperable with other of the Federal IT products. ITS's capabilities also include a service to provide rapid production of 3D city views of any city worldwide. ITS's customers include the Department of Homeland Security as well as certain intelligence agencies. Jim Wade, President and founder of Federal IT-owned AIS, and to whom ITS will report, commenting on the acquisition said "we are very pleased to have access to these new customers and to have the InterSCOPE® 3D visualization capability included in our toolkit of products. Of equal importance, Brian O'Toole at IT Spatial has built a team of very solid technical people that can assist us in providing rapid response programming to our mutual customers as well as continuing to mature InterSCOPE®."

Daroth Capital Advisors LLC acted as the exclusive financial advisor 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 selectively acquire software companies and combine their analysts' software tools to enable members of the US Intelligence community to work cooperatively and better serve the 21st century soldier. Federal IT, which is co-owned by senior management, is backed by Kelso & Company, one of the nation's oldest private equity firms, and Pegasus Investors, which has prior experience in investing in companies focused on image analysis. 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 servicing the Defense and Intelligence IT sectors to support the 21st century "Information Soldier". In October of 2004, Federal IT completed the acquisition of Austin Info Systems, Ltd. ("AIS"), a leader in developing intelligence analysis tools and a key contributor to the US military's effort in the War on Terror. In April of 2005, Federal IT completed the acquisition of Sensor Systems, Inc. ("Sensor"). Sensor is the leader in developing image exploitation and analysis software primarily for the Intelligence Community, with a strong position in the market for high-end image analysis. Together with Kelso and Pegasus, Federal IT is seeking additional acquisition candidates to complement and accelerate its strategy. For more information, please visit [www.fedit.net](http://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](http://www.daroth.com).