



# News Release

DYNAMICS RESEARCH CORPORATION

TWO TECH DRIVE, ANDOVER, MASSACHUSETTS 01810

TEL.: 978/289-1500

[www.drc.com](http://www.drc.com)

## **DRC TO ACQUIRE HIGH PERFORMANCE TECHNOLOGIES**

*--- Acquisition Enhances Information Technology Consulting and Systems Engineering Capabilities ---  
--- Broadens Presence in Healthcare and Other High Growth Markets ---*

**ANDOVER, Mass. – June 2, 2011** – Dynamics Research Corporation (Nasdaq: DRCO), a leading provider of innovative management consulting, engineering, and technology solutions, today announced that it has signed a definitive agreement to acquire High Performance Technologies, Inc (HPTi), a leading provider of high-end technology services, primarily to the Federal healthcare and military technology markets.

HPTi reported \$90 million in revenue for calendar 2010 with nearly 80 percent of revenue aligned with DRC's target growth markets, including healthcare, cyber security, intelligence, civilian financial agencies and homeland security. HPTi provides disciplined architecture and development with emerging technologies across high priority federal civilian and defense agencies such as the Veterans Administration, Treasury, the FBI and Department of Justice, intelligence agencies, and selected advanced military technology areas. HPTi is a well known, go-to partner for its customers solving the highest priority, most technically advanced problems, from high performance computing to enterprise wide systems engineering and architecture. With 44 percent of staff holding masters degrees or above HPTi possesses extraordinary capabilities.

"HPTi has an outstanding reputation in the federal marketplace with the capabilities to solve the most complex, technical problems," said Jim Regan, DRC's chairman and chief executive officer. "I have known the company and its management since inception. HPTi is amongst the best and in our industry and an excellent fit for DRC. HPTi's management team has done a tremendous job of extending its technical abilities, which originated in the defense arena, to other federal growth markets. We are excited to have the HPTi staff join the DRC team."

Tim Keenan, HPTi's president, said, "In DRC we have found an alignment of not only core values but also of market approach. We are truly pleased to be part of what we believe will be a go- to source of technology solutions for our combined clients." Mr. Keenan will report to Mr. Regan in the position of Corporate Development and Strategy Advisor. Scott Miller, HPTi's chief operating officer, also will report directly to Mr. Regan, continuing his leadership role for HPTi operations.

HPTi has approximately 440 employees located primarily in the National Capital Region with principal offices in Reston and Ballston, Virginia.

Terms of the merger agreement include a cash price of \$143 million with closing anticipated for June 30, 2011 following federal Hart-Scott-Rodino approval. For tax purposes, the transaction will be treated as an asset purchase resulting in tax benefits to DRC, which have an estimated value of \$23 million. HPTi earnings before interest, taxes, stock compensation, depreciation and amortization for the twelve months ended March 31, 2011 was \$12.2 million.

Concurrent with the transaction DRC will replace its current credit facility with a \$110 million 5-year term loan, a \$20 million revolving credit facility and \$40 million of subordinated debt with a six year term. Total

debt at closing is anticipated to be approximately 4-times the most recent twelve months EBITDA for the combined business.

KippsDeSanto & Co. is acting as exclusive financial advisor to HPTi in this transaction.

### **About Dynamics Research Corporation**

Dynamics Research Corporation (DRC) provides measurable performance improvements for government customers through the delivery of innovative management, engineering and technology solutions. DRC offers the capabilities of a large company and the responsiveness of a small company, backed by a history of excellence and customer satisfaction. Founded in 1955, DRC is a publicly held corporation (Nasdaq: DRCO) and maintains more than 25 offices nationwide with major offices in Andover, Massachusetts and the Washington, D.C. region. For more information please visit our website at [www.drc.com](http://www.drc.com).

Safe harbor statements under the Private Securities Litigation Reform Act of 1995: Some statements contained or implied in this news release, may be considered forward-looking statements, which by their nature are uncertain. Consequently, actual results could materially differ. For more detailed information concerning how risks and uncertainties could affect the company's financial results, please refer to DRC's most recent filings with the SEC. The company assumes no obligation to update any forward-looking information.

CONTACTS: Investors: Chris Witty  
Darrow Associates, Inc.  
646.438.9385  
[cwitty@darrowir.com](mailto:cwitty@darrowir.com)

Media: Duyen "Jen" Truong  
Sage Communications  
703.584.5645  
[duyent@aboutsage.com](mailto:duyent@aboutsage.com)