

November 29, 2016

Booz Allen Hamilton Agrees to Acquire Digital Service Business Aquilent

Laurel, Maryland Company Provides Cloud-Based DevOps & Agile Services

MCLEAN, Va.--(BUSINESS WIRE)-- Booz Allen Hamilton today announced that it has entered into an agreement to acquire the Laurel, MD-based digital services firm eGov Holdings, Inc. (d/b/a Aquilent), a premiere architect of .gov solutions for the Federal government, for whom it deploys cutting-edge digital, agile, DevOps, and cloud capabilities. Booz Allen has agreed to pay a purchase price of \$250 million in connection with the transaction, subject to customary purchase price adjustments and customary escrows.

The transaction will bolster Booz Allen's growing technology capabilities and talent base, particularly its emphasis on building citizen-focused digital services. Aquilent will be the Laurel, MD hub of Booz Allen's Digital business. Upon closing of the transaction, eGov Holdings, Inc. will be a wholly-owned subsidiary of Booz Allen Hamilton Inc. The transaction is expected to close by December 31, 2016, and is subject to customary closing conditions.

Aquilent employs approximately 350 professionals who currently provide digital and cloud services for the U.S. Department of Health and Human Services, U.S. Postal Service (USPS), U.S. General Services Administration (GSA), and other federal clients. Aquilent has grown rapidly, with revenues growing at a 28% compounded annual growth rate over the last five years. For the remainder of Booz Allen's fiscal year 2017, the transaction is expected to add approximately \$30 million to \$35 million of revenue. It is expected to be accretive to Booz Allen earnings and to add to operating margin in fiscal year 2018.

The acquisition will further expand Booz Allen's ability to blend its consulting heritage with advanced technical expertise to deliver to clients cloud, mobile and modular technology services using advanced methodologies such as Agile, DevOps and open source.

"This acquisition further advances our long-term growth strategy," said Horacio Rozanski, President and Chief Executive Officer of Booz Allen. "We are driving sustainable quality growth through client solutions that blend technical capabilities and talent with our consulting heritage. This exciting addition to Booz Allen will bolster our capacity to provide digital transformation to clients."

"Aquilent builds on Booz Allen's existing digital capabilities, bringing greater expertise to deliver the digital services that citizens expect the Federal government to provide in a modern, 24/7 environment," said Greg Wenzel, Executive Vice President for Booz Allen's digital business. "This acquisition expands our network of digital solutions offerings with a team of technologists and a modern facility where we can advance cutting-edge solutions for our clients and take advantage of growth opportunities in the market for large digital projects."

Aquilent Chief Executive Officer David Fout said, "Joining a firm like Booz Allen, which aligns so closely with our expertise, offers the chance to expand into new areas of digital work, expands capabilities for our clients through the breadth of their relationships, and is a great opportunity for the people of Aquilent. We look forward to working together to support existing and future clients."

In 2016, Aquilent was ranked by Inc. as one of the 50 Best Workplaces in the U.S. and was named the 2015 Cloud Service Provider of the Year by Micro Trend.

Booz Allen has continued to invest in technical capabilities in recent years as part of the firm's long-term growth strategy, called Vision 2020. The firm sees growth opportunities driven by client demand for technology innovation in areas such as cloud, big data and mobility, advanced development methodologies and more rapid solution deployments.

The firm's differentiator in digital solutions is its unique ability to network its broad range of technical capabilities and talent across the country, delivering a deep understanding of its clients' missions and sensitivity to the management challenges of organizational adaptation and adoption.

In recent months, Booz Allen has won several large contracts for digital services, including:

- ┆ A \$25 million contract to support the GSA 18F to rapidly deploy tools and services that are easy to operate, cost efficient and reusable across government agencies. Under this contract, Booz Allen is primarily responsible for delivering digital services through agile development, user-centered design, and DevOps.
- ┆ A 7-year contract awarded by the USPS Enterprise Mobile Computing (EMC) IDIQ, which is one of the largest mobility contracts among public sector applications. This award positions Booz Allen as a mobile leader and enhances its Digital Solutions brand in the Federal space. It builds upon its mobile and SD business across markets and will provide its people with exciting opportunities to work on cutting-edge mobile projects.

ABOUT BOOZ ALLEN HAMILTON

Booz Allen Hamilton (NYSE: BAH) has been at the forefront of strategy and technology for more than 100 years. Today, the firm provides management and technology consulting and engineering services to leading *Fortune* 500 corporations, governments, and not-for-profits across the globe. Booz Allen partners with public and private sector clients to solve their most difficult challenges through a combination of consulting, analytics, mission operations, technology, systems delivery, cybersecurity, engineering, and innovation expertise.

With international headquarters in McLean, Virginia, the firm employs approximately 22,800 people globally, and had revenue of \$5.41 billion for the 12 months ended March 31, 2016. To learn more, visit www.boozallen.com.

ABOUT AQUILENT

Aquilent is a leading solution provider, delivering Digital Services using DevOps & Agile methodologies in the Cloud, shaping the next generation of technology for the federal government. With offices in Laurel, Maryland, Aquilent has designed, developed, or supported over 100 of the nation's most prominent federal websites and digital services, providing compelling and productive citizen engagement. Bruce E. Toll and Mark Kozak in partnership with management originally bought Aquilent out of Commerce One in 2002. Houlihan Lokey served as the financial advisor to Aquilent.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this press release include "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "could," "should," "forecasts," "expects," "intends," "plans," "anticipates," "projects," "outlook," "believes," "estimates," "predicts," "potential," "continue," "preliminary," or the negative of these terms or other comparable terminology. Although Booz Allen believes that the expectations reflected in the forward-looking statements are reasonable, it can provide no assurance these expectations will prove to have been correct.

Readers are cautioned not to place undue reliance on those forward-looking statements, which speak only as of the date the statement was made. Such forward-looking statements are based on current expectations and assumptions of our management that involve a number of known and unknown risks, uncertainties and other factors which may cause actual results or events to be materially different from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the risks associated with our ability to consummate the acquisition, our ability to realize the anticipated benefits of the acquisition, and other factors detailed in Booz Allen's filings with the Securities and Exchange Commission (SEC), including its Annual Report on Form 10-K, filed with the SEC on May 19, 2016.

All forward-looking statements attributable to Booz Allen or persons acting on its behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made and, except as required by law, Booz Allen undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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