Titan to Acquire HII's San Diego Shipyard

Titan Acquisition Holdings, created through the combination of Vigor Industrial and MHI Holdings, announced Feb. 12 an agreement to acquire Huntington Ingalls' San Diego Shipyard, one of the largest fleet service and repair sites in America, located in the nation's largest Navy port.

The acquisition creates opportunities to better serve key defense customers, economies of scale, expanded scope and performance optimization. Customers of Titan include the U.S. Navy, U.S. Coast Guard, Military Sealift Command, the U.S. Army, Boeing and nondefense and commercial customers such as state and local ferry systems.

The transaction is subject to customary closing conditions and closing is expected in the second quarter of the year. Financial terms were not disclosed.

"We are excited to add the San Diego Shipyard to our already strongly positioned and growing enterprise. The opportunity to add the San Diego Shipyard to our family of companies is a natural step in our evolution given its strategic location and wealth of talented employees," said Jim Marcotuli, CEO and president of Titan.

"Titan is a first-class organization with a strong reputation in the ship repair and sustainment market," said Andy Green, executive vice president of HII and president of HII Technical Solutions. "We believe this transaction will enable us to leverage complementary capabilities, capacity and facilities to improve efficiencies and better serve the needs of our U.S. Navy customer."

"We are thrilled to announce this agreement to acquire the San Diego Shipyard," said Tom Rabaut, chairman of Titan. "Our goal

is aimed at creating a stronger company of scale, capable of providing differentiated, coast-to-coast services to the U.S. Navy, U.S. Army and other defense, infrastructure and maritime customers.”

As a part of this transaction, Huntington Ingalls will hold a minority interest in Titan, the majority of which is controlled by The Carlyle Group and Stellex Capital Management. Other investors include Frank Foti, former CEO of Vigor, and members of management.

he San Diego Shipyard, formerly Continental Maritime of San Diego, covers 14 acres of land and 17 acres of water area on San Diego Bay. The shipyard is a division of HII Technical Solutions Fleet Support Group and provides shipfitting, welding, pipefitting, machinery, repair, marine electrical repair and installation, sheet metal repair and fabrication, boiler repair and preservation services to customers.