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ENGINEERED SUPPORT SYSTEMS INC
Form DEF 14A
January 31, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A
(RULE 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934

Filed by the Registrant |
Filed by a Party other than the Registrant | |

Check the appropriate box:

| Preliminary Proxy Statement
 | Confidential, for Use of the Commission Only (as permitted by
Rule 14a-6(e) (2))
 | Definitive Proxy Statement
 | Definitive Additional Materials
 | Soliciting Material Pursuant to Rule 14a-12

ENGINEERED SUPPORT SYSTEMS, INC.
(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

PAYMENT OF FILING FEE (CHECK THE APPROPRIATE BOX):

| No fee required.

| Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total Fee paid:

| Fee paid previously with preliminary materials.

| Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

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NOTICE OF ANNUAL MEETING OF
SHAREHOLDERS OF
ENGINEERED SUPPORT SYSTEMS, INC.

St. Louis, Missouri
January 31, 2005

To the Shareholders of
Engineered Support Systems, Inc.:

The Annual Meeting of the Shareholders of Engineered Support Systems, Inc. will be held at the headquarters of the Company, 201 Evans Lane, St. Louis, Missouri 63121 on Tuesday, March 1, 2005 at 10:00 a.m., local time, for the purpose of considering and voting upon the following matters:

1. The election of six directors to hold office for three years;
2. The approval of the Engineered Support Systems, Inc. 2005 Non-Executive Stock Option Plan and the reservation of 400,000 shares of Engineered Support Systems, Inc. common stock for future issuance under the plan; and
3. To transact such other business, if any, as lawfully may be brought before the meeting or any adjournment thereof.

A proxy statement, proxy and a copy of the Company's Annual Report for the fiscal year ended October 31, 2004 accompany this Notice of Annual Meeting of Shareholders.

We encourage all shareholders to attend the 2005 Annual Meeting at the headquarters of the Company, 201 Evans Lane, St. Louis, Missouri 63121. For security purposes, if you plan to attend, you must notify the Secretary of the Company of your intent to do so by Friday, February 25, 2005.

ENGINEERED SUPPORT SYSTEMS, INC.

/s/ Gerald A. Potthoff

Gerald A. Potthoff
Vice Chairman, Chief Executive
Officer and President

/s/ David D. Mattern

David D. Mattern
Secretary and General Counsel

EVEN IF YOU PLAN TO ATTEND THE MEETING, PLEASE EXECUTE THE ENCLOSED PROXY AND MAIL IT PROMPTLY. A RETURN ENVELOPE, WHICH DOES NOT REQUIRE POSTAGE IF MAILED IN THE UNITED STATES, IS ENCLOSED FOR YOUR CONVENIENCE. THE PROXY SHOULD BE RETURNED BY FEBRUARY 25, 2005 IN THE ENCLOSED ENVELOPE TO ENSURE THAT YOUR VOTE IS COUNTED AT THE 2005 ANNUAL MEETING.

ENGINEERED SUPPORT SYSTEMS, INC.
201 EVANS LANE
ST. LOUIS, MISSOURI 63121

PROXY STATEMENT

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FOR ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MARCH 1, 2005

THIS PROXY STATEMENT, WHICH IS BEING MAILED TO SHAREHOLDERS ON, OR ABOUT, JANUARY 31, 2005, IS PROVIDED IN CONJUNCTION WITH THE SOLICITATION OF PROXIES BY THE BOARD OF DIRECTORS OF ENGINEERED SUPPORT SYSTEMS, INC. ("ESSI" OR "COMPANY") FOR USE AT THE 2005 ANNUAL MEETING OF SHAREHOLDERS OF THE COMPANY TO BE HELD ON MARCH 1, 2005 AT 10:00 A.M. LOCAL TIME AT THE HEADQUARTERS OF THE COMPANY, 201 EVANS LANE, ST. LOUIS, MISSOURI 63121. THE NOTICE OF MEETING, THE PROXY AND THE ANNUAL REPORT FOR THE FISCAL YEAR ENDED OCTOBER 31, 2004 ARE ENCLOSED IN THIS PACKAGE. THE PROXY SHOULD BE RETURNED BY FEBRUARY 25, 2005 IN THE ENCLOSED SELF-ADDRESSED, POSTAGE PREPAID, ENVELOPE. FOR SECURITY PURPOSES, IF YOU PLAN TO ATTEND THE 2005 ANNUAL MEETING, YOU MUST NOTIFY THE SECRETARY OF THE COMPANY OF YOUR INTENT TO DO SO BY FRIDAY, FEBRUARY 25, 2005.

PROXY

The accompanying proxy is being solicited on behalf of the Board of Directors of the Company to be used at the 2005 Annual Meeting of Shareholders.

The shares represented by each executed proxy will be voted at the meeting in accordance with the instructions contained in the proxy. In the event the Company receives an executed proxy that contains no instructions, the proxy shall be voted in accordance with the Board of Directors' recommendations as follows:

1. "FOR" the election of six directors to hold office for three years;
2. "FOR" the approval of the Engineered Support Systems, Inc. 2005 Non-Executive Stock Option Plan and the reservation of 400,000 shares of Engineered Support Systems, Inc. common stock for future issuance under the plan; and
3. To transact such other business, if any, as lawfully may be brought before the meeting or any adjournment thereof.

The Company will pay the reasonable expenses associated with its solicitation of the proxies for the meeting. These expenses include the cost of preparing, assembling and mailing the Notice of Annual Meeting, the proxy, the proxy statement and the return envelopes, as well as the cost of handling and tabulating the number of proxies received, and the reasonable fees which brokerage houses, other institutions, nominees or fiduciaries customarily charge to forward the aforementioned material to the beneficial owners.

RIGHT OF REVOCATION

Any shareholder executing a proxy for the meeting may revoke the proxy by written notice of revocation delivered or mailed to, and received by, the Secretary of the Company at 201 Evans Lane, St. Louis, Missouri 63121 prior to the time the proxy is voted.

VOTING RIGHTS

The shareholders of record at the close of business on January 17, 2005 are entitled to vote at the 2005 Annual Meeting of Shareholders. Proxies properly executed by the Company's shareholders of record on

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January 17, 2005 will be voted as specified on the proxy and will be voted on all business to be voted upon at the Annual Meeting and any adjournment thereof. Generally, each share is entitled to one vote. However, in the election of directors, cumulative voting applies in which each shareholder has the right to cast as many votes as equals the number of shares held by that shareholder multiplied by the number of directors to be elected. Each shareholder also may cast the whole number of votes for one nominee or distribute them among some or all nominees. If authority is withheld to vote for one or more individual nominees on the proxy, the total cumulative votes will be allocated equally among the remaining nominees. As of January 17, 2005, there were 26,866,962 shares of common stock outstanding and entitled to vote.

VOTE REQUIRED

A quorum is required for the transaction of business at the Annual Meeting. A majority of the issued and outstanding shares entitled to vote at the Annual Meeting will constitute a quorum. Shares represented by properly executed proxies, including proxies which direct that the shares be voted to abstain or withhold a vote on a matter, will be counted for purposes of determining whether a quorum exists. Broker non-votes will be counted for purposes of determining whether a quorum exists only if such shares are voted on a matter presented at the meeting. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner. Every decision of a majority of such quorum shall be valid as a corporate act unless a greater vote is required under Missouri law.

At all elections of directors of the Company, each shareholder shall have the right to cast as many votes in the aggregate as shall equal the number of voting shares so held by him or her in the Company, multiplied by the number of directors to be elected at such election; and each shareholder may cast the whole number of votes either in person or by proxy for one nominee or distribute them among two or more nominees. The approval of any other matter lawfully brought before the Annual Meeting will require the approval of holders of a majority of the shares represented at the Annual Meeting.

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BENEFICIAL OWNERSHIP OF COMMON STOCK OF THE COMPANY

The table below sets forth the number of shares of common stock (the only class of outstanding securities of the Company) held by each person known to beneficially own 5% or more of the Company's outstanding common stock as of January 17, 2005.

NAME AND ADDRESS OF BENEFICIAL OWNER -----	SHARES OF COMMON STOCK BENEFICIALLY OWNED -----	PERCENTAGE OF SHA OUTSTANDING (1) -----
Neuberger Berman, Inc..... 605 Third Avenue New York, NY 10158	3,110,289 (2)	11.6%
Barclays Global Investors, N.A.....	2,315,324 (3)	8.6%

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