

Henry Bros. Electronics, Inc.
Form DEFA14A
November 16, 2010

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
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 §240.14a-12

**HENRY BROS. ELECTRONICS, 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:

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The following is the text of a press release issued by Henry Bros. Electronics, Inc. on November 15, 2010:

**HENRY BROS. ELECTRONICS, INC. ANNOUNCES RESULTS OF GO-SHOP PROCESS AND AN
AMENDMENT TO ITS MERGER
AGREEMENT WITH KRATOS DEFENSE & SECURITY SOLUTIONS, INC. TO INCREASE MERGER
CONSIDERATION
TO \$8.20 PER SHARE**

Fair Lawn, NJ, November 15, 2010 Henry Bros. Electronics, Inc. (NASDAQ: HBE) announced today that its previously announced merger agreement with Kratos Defense & Security Solutions Inc. (NASDAQ:KTOS) (Kratos) was amended on November 13, 2010 to increase the merger consideration from \$7.00 per share to \$8.20 per share in cash. The amendment to the merger agreement with Kratos followed the emergence during the go-shop process of a non-binding proposal from a third party of \$8.00 per share in cash.

The 40-day go-shop period expired pursuant to the terms of merger agreement on 11:59 p.m. New York time on November 14, 2010 and was conducted with the assistance of HBE's financial advisor, Imperial Capital, LLC. During the go-shop period, Imperial Capital contacted 117 potential transaction partners at the request of and on behalf of HBE. Of the 117 parties contacted, eleven entered into confidentiality agreements and reviewed nonpublic information regarding HBE.

As a result of the go-shop activities, on November 9, 2010, a third party submitted a non-binding proposal to acquire all of the outstanding shares of HBE common stock for \$8.00 per share in cash. Subject to the terms of HBE's merger agreement with Kratos, HBE is permitted to continue to have negotiations and discussions with this third party with respect to its acquisition proposal. The third party is a large publicly traded United States based company and, based on the third party's SEC filings and representations it has made, HBE believes the third party has adequate cash resources to consummate a transaction based on its proposal without financing. As the third party has not completed due diligence to date, its proposal is subject to, among other things, completion of due diligence review and negotiating the terms of a definitive agreement.

HBE's Board of Directors has not withdrawn, changed or otherwise modified its unanimous recommendation in favor of the proposed merger with Kratos. The stockholder meeting to vote on the proposed merger between HBE and Kratos has been scheduled to take place on December 9, 2010.

About Henry Bros. Electronics, Inc.

Henry Bros. Electronics (NASDAQ: HBE) provides technology-based integrated electronic security systems, services and emergency preparedness consultation to commercial enterprises and government agencies. HBE has offices in Arizona, California, Colorado, Maryland, New Jersey, New York, Texas and Virginia. For more information, visit <http://www.hbe-inc.com>.

Important Additional Information

In connection with the proposed merger, HBE filed a definitive proxy statement with the Securities and Exchange Commission (the SEC) on November 10, 2010. STOCKHOLDERS ARE URGED TO READ THE PROXY STATEMENT CAREFULLY, AS IT CONTAINS IMPORTANT INFORMATION THAT STOCKHOLDERS SHOULD CONSIDER BEFORE MAKING A DECISION ABOUT THE PROPOSED MERGER. A definitive proxy statement has been sent to HBE's stockholders seeking their approval of the transaction with Kratos. A supplement to this proxy statement to reflect the aforementioned amendment is expected to be mailed this week. Stockholders may also obtain free copies of the proxy statement and other relevant documents filed with the SEC (when they become available) at the SEC's website at www.sec.gov, or by writing to Henry Bros. Electronics, Inc., 17-01 Pollitt Drive, Fair Lawn, New Jersey 07410, Attention: Corporate Secretary.

HBE and its directors, executive officers and other members of its management may be deemed to be participants in the solicitation of proxies from HBE's stockholders in connection with the proposed merger. Information concerning the interest of participants in the solicitation, which may be different than those of HBE's stockholders generally, is set forth in HBE's proxy statements and Annual Reports on Form 10-K filed with the SEC.

Cautionary Note Regarding Forward Looking

Certain statements contained in this press release about our expectation of future events or results constitute forward-looking statements for purposes of the safe harbor provisions of The Private Securities Litigation Reform Act of 1995. You can identify forward-looking statements by terminology such as, may, should, expects, plans, anticipates, believes, estimates, predicts, potential, continue, or the negative of these terms or other comparative terminology. These statements are not historical facts, but instead represent only our beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of our control. It is possible that our actual results and financial condition may differ, possibly materially, from our anticipated results and financial condition indicated in these forward-looking statements. In addition, certain factors could affect the outcome of the matters described in this press release. These factors include, but are not limited to, (1) the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement, (2) the outcome of any legal proceedings that may be instituted against us or others following the announcement of the merger agreement, (3) the inability to complete the merger due to the failure to satisfy other conditions required to complete the merger, (4) risks that the proposed transaction disrupts current plans and operations, and (5) the costs, fees and expenses related to the merger. Additional information regarding risk factors and uncertainties affecting HBE is detailed from time to time in HBE's filings with the SEC, including, but not limited to, HBE's most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q, available for viewing on HBE's website at www.hbe-inc.com. You are urged to consider these factors carefully in evaluating the forward-looking statements herein and are cautioned not to place undue reliance on such forward-looking statements, which are qualified in their entirety by this cautionary statement. The forward-looking statements made herein speak only as of the date of this press release and we undertake no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

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