

# press information

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## **Ultra Electronics Holdings plc** ("Ultra" or "the Group")

### **Ultra acquires cyber security company**

Ultra announces that it has acquired AEP Networks Ltd. ("AEP") for an initial cash consideration of \$57.5m. A further sum of up to \$17.5 million will be paid to the vendors based on financial results to 31 December 2011. The vendors were management, who have signed service agreements with Ultra, venture capital companies and private investors.

AEP is a leading supplier of secure network communication solutions. AEP's proprietary products are accredited by CESG/GCHQ, the UK government's national technical authority for secure electronic communications.

AEP's security solutions include:

- network gateways that provide secure access to business applications via web browsers
- a 'security as a service' offering known as 'Cloud Protect'. This is a secure, subscriber-based thin client virtualisation service; essentially a 'secure PC over the internet'
- remote access hardware encryption products
- hardware security modules for the protection and distribution of cryptographic keys
- secure, modular communication systems for voice and data aggregation over multiple bearers, including GSM, ISDN and satellite

AEP has more than 5,000 blue chip and government customers in over 60 countries. Sales by region comprise 74% EMEA, 14% North America and 12% APAC. AEP undertakes system development in the UK and the USA. The majority of AEP's 80 employees are based in Ascot, Berkshire and Hemel Hempstead, Hertfordshire. AEP also has a sales and engineering operation in New Jersey, USA together with sales and support hubs in Australia and Malaysia.

The acquisition of AEP will be financed using Ultra's existing facilities and is expected to be earnings-enhancing in 2011 before the amortisation of intangibles. AEP is a bolt-on acquisition within Ultra's Tactical & Sonar Systems division.

#### **Rakesh Sharma, Chief Executive of Ultra, commented:**

"I am very pleased that we have been able to bring AEP into the Group. AEP provides important complementary technologies and products to advance Ultra's strategy in the growing cyber security domain. AEP is a technology-rich company with strong intellectual property and wide global reach, operating in a fast-growing market place. AEP's encryption and network communication capabilities have strong market-facing synergies with Ultra's CIS, 3eTI, DNE, ProLogic and TCS businesses."

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**Further information about Ultra:**

**Ultra Electronics** is an internationally successful defence and aerospace company with a long, consistent track record of development and growth. Ultra businesses constantly innovate to create solutions to customer requirements that are different from, and better than, those of the Group's competitors. The Group has over one hundred and sixty distinct specialist capabilities within its twenty six businesses. Its diversity of technology and market niches enables Ultra to contribute to a large number of defence, aerospace and civil platforms and programmes and provides resilience to the Group's financial performance.

Ultra has world-leading positions in many of its niches and, as an independent, non-threatening partner, is able to support all of the main prime contractors with specialist capabilities and solutions. As a result of such positioning, Ultra's systems, equipment or services are often mission-critical to the successful operation of the platform to which they contribute. In turn, this mission-criticality secures Ultra's positions for the long term which underpin the superior financial performance of the Group.

Ultra offers support to its customers through the design, delivery and support phases of a programme. Ultra businesses have a high degree of operational autonomy where the local management teams are empowered to devise and implement competitive strategies that reflect their expertise in their specific niches. The Group has a small head office and executive team that provide to the individual businesses the same agile, responsive support that they provide to customers as well as formulating Ultra's overarching, corporate strategy.