



press information

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Ultra Electronics Holdings plc
(“Ultra” or “the Group”)

ULTRA ACQUIRES SPECIALIST DATA RECORDING COMPANY

Ultra announces the acquisition of AudioSoft for an initial consideration of £5m.

AudioSoft provides data recording and analysis solutions that allow organisations to record, preserve and rapidly to locate important information. AudioSoft’s systems are used in a wide variety of markets including defence, air traffic control, law enforcement, emergency services, court rooms and national security. Its mission-critical solutions allow the capture, playback and analysis of various data types and the output of the systems is admissible as evidence in court. The company is based in Cirencester, Gloucester, UK, and employs 42 full-time employees: 36 in Cirencester and 6 based at customer sites in the UK and in the US.

AudioSoft provides its customers with a complete capability by supplying systems that incorporate the company’s three main products:

- AudioPC – the generic name for AudioSoft's digital data recording products that records media of all types (audio, TV and high resolution video, fax, VoIP, IP, e-mail, radar and sonar data) in a single recorder.
- AudioPC Navigator – allows AudioSoft recorders to be remotely configured, controlled, monitored and administered from a single web browser interface.
- Medirva™ – a data mining tool to allow rapid identification of important information that may be buried within thousands of hours of recordings, together with workflow management to allow clients to optimise the use of automated and manual resources

Ultra is acquiring AudioSoft from its founder, Chris Brill, who intends to stay with the business. In addition to the initial consideration, Ultra will pay a further sum if certain growth targets are met by the end of 2011.

AudioSoft will become part of Ultra’s Tactical & Sonar Systems division, reporting to Alan Barker, President, Tactical Systems.

Douglas Caster, Chief Executive of Ultra, commented:

“I am pleased to welcome AudioSoft as an Ultra business. AudioSoft has highly differentiated technologies that address real and growing customer needs. I am confident that AudioSoft will continue to grow and prosper as part of the Group.”

– Ends –

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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 distinct market or technology niches within its twenty one businesses. The diversity of 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.

Across the Group's three divisions, the major market sectors in which Ultra operates are:

- **battlespace IT**, summarised as being the systems and equipment that allows coalition commanders to have an integrated, real-time picture of the disposition of friendly and enemy forces that is better than the one available to the enemy. This information superiority underpins rapid decision making which, together with effective command, control and communications, translates into military superiority. The use of battlespace IT is fundamental to the implementation of the military doctrines of 'network-centric warfare' or 'network-enabled capability' that are seen as transformational in the capability to win future battles. Expenditure on battlespace IT equipment therefore continues to represent an increasing share of the total defence budget in the main markets in which Ultra operates.
- **sonar systems**, expanding Ultra's traditional world-leading airborne anti-submarine warfare capability into broader activities in the underwater battlespace. These include integrated ship and submarine sonar systems, persistent seabed-deployed sensor arrays, torpedo defence and sea mine disposal systems. The fact that over forty countries have, between them, more than four hundred highly capable, stealthy submarines is continuing to focus expenditure in this sector.
- **civil and military aircraft equipment**, Ultra provides specialist sub-systems and equipment for military and civil aircraft. The main military aircraft programmes on which Ultra equipment is fitted continue to have political support, underpinned by consistent financial commitment. For civil aircraft, record order intake performance by all major aircraft manufacturers underpins increasing build rates for the medium term.
- **specialist defence equipment**, including power conversion and signature systems for naval ships and submarines. Ultra's specialist capability in high integrity controls for submarine nuclear reactors is included in this sector, for which there is continuing commitment to new platforms and the upgrade of existing boats. Ultra also supplies advanced sub-systems for modern armoured vehicles including those for electrical power management, indirect vision and weapon control. The need for increased mobility and force protection is driving a number of large military vehicle procurements in Ultra's main markets.
- **specialist civil systems and equipment**, including Ultra's advanced airport IT solutions. Airline passenger growth around the world is driving continuing expansion and upgrade of airport infrastructure. Ultra supplies trackside power equipment for rail transit systems, for which demand continues driven by the need to expand and upgrade rail networks. The UK market for nuclear power generation is expanding and Ultra's offering derived from its equivalent military capability is well positioned to benefit.