



press release

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24 August 2015

Ultra Electronics Holdings plc (“Ultra”)

Ultra completes acquisition of the Electronic Products Division of Kratos

Further to the announcement made on 1 June 2015, Ultra is pleased to confirm that the acquisition of the Electronic Products Division (“EPD”) of Kratos Defense & Security Solutions, Inc. (NASDAQ: KTOS) (“Kratos”) for a cash consideration of up to \$265m, has now received US regulatory approval and the transaction has been completed^[1].

EPD will be renamed Ultra Electronics Herley and operate within the Communications & Security division.

Rakesh Sharma, Chief Executive of Ultra, commented:

“This acquisition is Ultra’s largest to date and the technologies acquired further enhance Ultra’s portfolio and strengthen our position in the EW market. I am pleased that we have completed this acquisition and welcome Herley and its employees into the Ultra Group.”

- Ends –

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[1] Ultra is acquiring Kratos' Electronic Product Division (EPD). EPD has separate Israeli businesses named Kratos-General Microwave Israel and Kratos GMI-Eyal, which are not part of this acquisition.

Further information about Ultra:

Ultra Electronics is an internationally successful defence, security, transport and energy company with a long, consistent track record of development and growth. The Group manages a portfolio of specialist capabilities generating innovative solutions to customer needs. Ultra applies electronic and software technologies in demanding and critical environments ranging from military applications, through safety-critical devices in aircraft, to nuclear controls and sensor measurement. These capabilities have seen the Group's highly differentiated products contributing to a large number of platforms and programmes.

Ultra has world-leading positions in many of its specialist capabilities and, as an independent, non-threatening partner, is able to support all of the main prime contractors in its sectors. As a result of such positioning, Ultra's systems, equipment or services are often mission or safety-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 underpins 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, Ultra operates in the following eight market segments:

- Aerospace
- Communications
- C2ISR
- Infrastructure
- Land
- Maritime
- Nuclear
- Underwater Warfare

Moelis & Company UK LLP, which is authorised and regulated by the Financial Conduct Authority, is acting as joint financial adviser to Ultra and no one else in connection with the acquisition, will not regard any other person as a client in relation to the acquisition, and will not be responsible to anyone other than Ultra for providing the protections afforded to its clients or for providing advice in connection with the acquisition or any other matter referred to herein.

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