



press information

Embargoed until 0700

11 January 2010

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

Ultra wins initial contract for Warrior and FRES gun control electronics

Ultra Electronics announces that its Electrics business, based in Cheltenham, UK, has been awarded a contract by CTA International (CTAI) relating to electronic controls for the next-generation cannon for the upgraded Warrior and the new FRES SV armoured vehicles. The initial contract is valued at £1.5m with the value rising to £14m if all production options are taken up.

CTAI, based in Bourges, France, is a joint venture between BAE Systems, UK and Nexter, France. It has developed a unique Cased Telescope Ammunition System (CTAS) which, through innovative packaging design, allows more ammunition and therefore firepower to be carried by each armoured vehicle. The CTAS cannon, with its CTAS Controller (CTAS-C) has been selected by the UK MoD for the upgrade of existing Warrior armoured vehicles and for fitting to the planned new Future Rapid Effects System, Scout Vehicle (FRES SV) vehicles. Ultra’s production options for CTAS-Cs include 449 for Warrior and 250 for FRES SV.

The CTAS cannon can fire a mixed sequence of armoured piercing, high explosive and air burst munitions and is capable of a fire rate of 180 rounds per minute which will significantly enhance the fighting capability of British Army forces.

Douglas Caster, Chief Executive commented:

“I am very pleased that Ultra has been confirmed as the supplier of this important element of the Warrior upgrade and FRES programmes. This award broadens the range of Ultra’s innovative, advanced electronic solutions for modern armoured vehicles. Ultra is also bidding to supply further elements of the new electronic systems for the Warrior upgrade programme.”

- Ends -

Enquiries:

Ultra Electronics Holdings plc

Douglas Caster, Chief Executive
Andy Hamment, Group Marketing Director

020 8813 4321

www.ultra-electronics.com
information@ultra-electronics.com

Susan Ellis, Senior Communications Adviser

07836 522722

Hogarth

James White

020 7357 9477

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 four 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.