



press release

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

Interim Management Statement

Ultra, the international defence, security, transport and energy group, today issues its Interim Management Statement for the period 1 July 2014 to 18 November 2014.

The Board anticipates that Group performance will be broadly in line with expectations for 2014. Overall market conditions remain as described on 4 August 2014, when the Group reported its Interim Results.

Overall, Group order intake has been good and we see encouraging demand for our specialist capabilities. As we had anticipated, in the US defence market a Continuing Resolution in relation to Government appropriations came into effect at the beginning of October. As previously indicated this will result in delays to orders leading to some reduction in 2014 revenues. Revenues have been further impacted by softness in US Government defence expenditure in the month of September.

Ultra's management continues to focus on robust cost control, efficient programme delivery and restructuring of the portfolio to adapt to market conditions. The recent acquisitions are performing well and will make a greater contribution to full year profit than previously expected.

Since August the Group has made progress with its customer in relation to the extension of time and cost for the Oman Airport IT contract. While risk remains, confidence is improving that we can work together to a satisfactory solution to this situation as we continue negotiations with our customer.

Ultra's balance sheet remains strong and there have been no other significant changes to the financial position of the Group from that reported on 4 August 2014.

Ultra will make its preliminary results announcement for the year ending 31 December 2014 on 2 March 2015.

- Ends -

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Cautionary Statement:

This interim management statement has been prepared solely to provide additional information to shareholders as a body to meet the relevant requirements of the UK Listing Authority's Disclosure and Transparency Rules. The interim management statement should not be relied upon by any other party for any other purpose.

The interim management statement contains certain forward-looking statements. These statements are made by the directors of Ultra in good faith, based on the information available to them up to the time of the publication of the interim management statement but such forward-looking statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking statements.

This interim management statement has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Ultra and its subsidiary undertakings as a whole

Ultra undertakes no obligation to revise or update any forward looking statement contained within this announcement, regardless of whether those statements are affected as a result of new information, future events or otherwise, save as required by law and regulations.

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, the major market sectors in which Ultra operates are:

Defence: Ultra supplies advanced electronic and electrical systems and equipment to coalition defence forces around the world. The Group innovates to provide battle-winning, specialist capabilities that are tailored to the customer's need and environment. Ultra has world-class capabilities in sonar systems, command & control, platform electrics, surveillance systems and network communications solutions.

Security: Ultra provides highly differentiated systems and capabilities to the broad security, intelligence and cyber market. Ultra has highly specialised capabilities in secure communications, networks and cryptographic equipment, key management systems and surveillance systems and intelligence gathering systems.

Transport: Ultra provides specialist software, systems and equipment for use in mass passenger transport systems. This includes high integrity real-time controls for civil aircraft, advanced IT solutions for modern airports and trackside power equipment for transit rail systems.

Energy: Ultra has a range of safety critical sensors and controls used in existing and new build nuclear reactors. The Group has innovative portable energy sources powered by readily available propane gas.