

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 2013 to 14 November 2013.

The Board anticipates that performance will be broadly in line with expectations for 2013. Conditions in Ultra's markets remain largely as noted on 5 August 2013, when the Group reported its Interim Results. The Group is encountering a number of headwinds, mainly in the US government-funded market, the combined effect of which is that 2013 revenue is expected to be slightly below 2012 revenue.

In the US government-funded market, the unexpected shut-down in October further impacted the federal procurement process, delaying expected orders, approvals and payments. Many of the contracts awarded continue to be funded on an incremental basis. Further, the reduction in placement of US service contracts has particularly impacted Prologic's business. The annual review of the carrying value of goodwill is underway and will be reported on in the year end accounts. The prolongation of the Group's Oman contract continues with further delays in accessing buildings. As a result, Ultra's installation phase has now been deferred from the fourth quarter of 2013 until next year.

Ultra's management continues to focus on efficient contract delivery and cost control, using the mechanisms put in place in January, to respond to market conditions. Ultra's balance sheet remains strong and there has been no other significant change in the financial position of the Group from that reported on 5 August 2013. The Group has substantial headroom associated with its current banking facilities, and continues to look for synergistic acquisitions.

Ultra continues to identify and position for a number of larger opportunities that will generate medium term revenue growth. Some good progress has been made since August. The Group is in the negotiation phase for the five-year US sonobuoy call-off (IDIQ) contract and considers that the demand is greater than previously expected. Further, Ultra has won an order to supply a number of next generation high capacity radios for "proof of concept" trials with the US Army, as a precursor to additional WIN-T contracts. A strategic agreement has been signed with Johnson Controls for Ultra's cyber security technology for use in their industrial systems. Finally, Ultra has secured a study contract for Fuel Tank Inerting for the Chinese COMAC ARJ21-700 aircraft. This is the first phase of delivering a new Ultra capability to the commercial aerospace sector.

Ultra manages an extensive portfolio of capabilities which continue to provide resilience in today's challenging conditions. The Group is well placed for the future with its proven business model, programme positions and medium term growth opportunities.

Ultra will make its preliminary announcement for the year ending 31 December 2013 on 3 March 2014.

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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.