



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 company, today issues its Interim Management Statement for the period 1 January 2013 to 25 April 2013. Ultra's Annual General Meeting will be held today at 10.00 a.m.

Markets

Overall, conditions in Ultra's markets remain as noted on 4 March 2013 in the 2012 preliminary results announcement. In the US, sequestration was enacted but an extension of the 6-month Continuing Resolution was avoided. A FY13 defence budget was established at broadly FY12 levels at \$533bn but remains subject to sequestration cuts of \$43bn. While little detail has yet emerged, the DoD now has some ability to prioritise programmes and programme visibility can be expected to improve during the second half of the year. In the UK, while the MoD has acted to stabilise defence spending around a core programme, the budget remains under pressure as the UK Government struggles with its own deficit problems.

Ultra's other markets remain strong. Border security and critical infrastructure protection programmes are providing opportunities in both core and emerging markets. As the scale of the potential cyber threat is better understood in both the government and private sector, demand for Ultra's specialist capabilities increases. The Group continues to pursue major airport IT opportunities, building on the capability established for the Oman project. Current and future demand for nuclear energy systems and sensors remains buoyant as operators address plant life-extension plans.

Performance

With defence market uncertainties and related programme delays continuing, Ultra still expects a greater second half weighting of defence orders and revenues. The Group is maintaining its customary vigilance around cost control as individual businesses adjust to their market conditions. Restructuring has continued during the first half of 2013 and, as detailed in March, will include a £2.4m cost in the TCS radios business. Net savings from the restructuring will accrue in the second half of the year. The first half may also need to reflect higher bid costs depending on the successful negotiation of a new programme in the Far East.

Ultra's balance sheet remains strong and there has been no significant change in the financial position of the Group since that reported on 4 March 2013. The Group has substantial headroom associated with its current banking facilities.

Summary

Ultra manages a portfolio of differentiated capabilities in areas which provide resilience in today's challenging conditions. The Group is well positioned on new build and upgrade programmes that will serve to underpin growth into the medium term. Ultra's proven business model reinforces the Board's confidence that the Group will maintain business performance in the short term whilst continuing to position to achieve medium and long-term growth.

Ultra will announce its interim results for the six months ending 30 June 2013 on 5 August 2013.

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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. 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 about one hundred and eighty distinct market or technology niches within its twenty eight businesses. The diversity of niches enables Ultra to contribute to a large number of 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:

Defence: Ultra supplies advanced electronic and electrical systems and equipment to coalition defence forces around the world. The Group innovates to provide specialist capabilities that are superior to those available to the enemy. By focusing on delivering comparative military advantage, Ultra can gain market share and exploit the headroom for growth that is available in defence budgets worldwide.

Security and cyber: Ultra provides highly differentiated systems and capabilities to the broad security, intelligence and cyber market. Driven by the actions of rogue states, terrorist groups and organised crime, governments worldwide are focusing expenditure preferentially on addressing these threats. Ultra has highly specialised capabilities in secure communications, networks and high grade cryptographic equipment, key management systems and surveillance 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. Demand in all areas is driven by rising populations in affluent and developing regions of the world.

Energy: Countries around the world are addressing the strategic need to have secure access to increasing amounts of low carbon 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. Ultra also has specialist sensors, derived from defence applications, which are highly effective in the underwater environment at hydrocarbon mapping.