press **information**

Embargoed until 0700 14 November 2011

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 2 July 2011 to 13 November 2011.

Strategy
The Board believes that the Group's strategies underpin its resilience to continuing market fluctuations. This resilience is driven by:

- a focus on providing innovative solutions in areas of customer preferential spend, increasingly in the cyber security and surveillance markets
- the Group's broad spread of specialist capabilities being specified on over 350 long-term platforms and programmes spanning the security, transport, energy and defence markets worldwide. Ultra's performance is not reliant on any single capability or programme
- the Group's broad customer base that values Ultra's wide range of specialist capabilities and its independence
- a proven ability to win new business with innovative and differentiated solutions and then execute contracts effectively
- continued investment in new products, business development and value-adding acquisitions
- a focus on moving into adjacent growth markets and the expansion of the Group's geographic footprint

Markets
Conditions in Ultra's markets remain broadly as noted on 1 August 2011 in the announcement of the Group's 2011 interim results. In the US, disruption to the defence procurement process continues as decisions are made over how medium-term budget reductions will be implemented. The new fiscal year has seen a repeat of the US government operating under a continuing resolution and this could continue for a protracted period. In the UK procurement reforms have delayed many contract placements. Ultra's electronic and software solutions are applicable to capability upgrades as well as new build of platforms, of which it is likely there will be fewer in the medium term.

The Group is increasing its focus on the broader security and intelligence markets and accessing additional customer budgets which continue to develop as areas of preferential spend. Ultra has highly specialised capabilities in secure communications, networks and high grade cryptographic equipment and key management systems. The Group is well positioned to benefit from demand for enhanced cyber defences around the world.

In commercial aerospace, increases in production rates are planned, reflecting the long order books of aircraft manufacturers. Demand for aircraft has been particularly strong in the Asia-Pacific region. Sales of equipment for the Boeing 787 as its build rate increases will, as previously stated, be additive to the Group's performance.

While in the short term there is dislocation to defence procurement processes in the UK and US, overall the budgets addressable by Ultra, in all of its military and civil markets, will remain sufficiently large to give the Group headroom for further growth. Ultra's focus on innovation, agility and speed of response positions the Group well to benefit from new and redefined requirements.

Trading

The Group's performance in the period has remained in line with the Board's expectations. Ultra continues to broaden its portfolio of positions on long-term, international platforms and programmes. Examples in the period include:

- selection by Lockheed Martin to supply various equipments for the upgrade of Warrior armoured vehicles
- a contract in Turkey for the torpedo countermeasure system for a new submarine programme
- selection to supply landing gear and steering control systems on Embraer's new KC-390 military transport aircraft.
- a contract for landing gear, steering and door controls for a successful corporate aircraft manufacturer
- selection to supply specialist sensors to the Yangjiang and Fanchenggang nuclear power stations in China

Acquisitions and Joint Ventures

At the end of September Ultra announced the acquisition of AEP Networks, a supplier of specialist secure network communication solutions. AEP is integrating well into the Group and is trading in line with expectations.

Ultra has entered into a number of joint venture agreements in the period to secure access to growing economies with committed national investment programmes. In Oman, following the award of the contract for airport IT systems at Muscat and Salalah airports, the Group has entered into a joint venture with an in-country partner, Oman Investment Corporation. Elsewhere Ultra Electronics, Qatar LLC has been set up as a joint venture with Oryx Energy Products and Services to provide a route to market for Ultra's specialist solutions in that country. Finally, in China the Group has signed a joint venture agreement with Top Scientific Systems, Inc., focused initially on equipment and systems for civil aircraft.

With regard to further acquisitions, Ultra continues to target companies that have differentiated positions in growing, niche markets and that can be acquired at value-enhancing prices.

Financial position

Ultra's balance sheet remains strong and there has been no significant change in the financial position of the Group since that reported on 1 August 2011. The Group has substantial headroom over the covenants associated with its current banking facilities. The Directors have considered the guidance issued by the Financial Reporting Council and hereby confirm that Ultra will continue to adopt the 'going concern' basis in preparing its accounts.

Management changes
Andy Hamment, Group Marketing Director, will retire at the end of March 2012 after more than 23 years of service with the Group. Details of his successor, Mark Anderson, are contained in a separate press release also issued today.

Outlook
Ultra has strategies for long-term growth and a broad portfolio of differentiated capabilities that enables it to win and execute new contracts effectively. The Group also continues to pursue acquisitions that support its strategies. In spite of the continuing uncertainties in the Group's main defence markets Ultra has a resilient business model that underpins the Group's performance in 2011 and beyond.

Ultra will announce its preliminary announcement for the year ending 31 December 2011 on 27 February 2012.

- Ends –

Enquiries:

Ultra Electronics Holdings plc	020 8813 4307
Rakesh Sharma, Chief Executive	www.ultra-electronics.com
Paul Dean, Group Finance Director	
Media enquiries:	
Susan Ellis, Senior Communications Adviser	07836 522722
James White, MHP Communications	020 3128 8756

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.

Risks and uncertainties
A number of potential risks and uncertainties exist which could have a material impact on the Group's performance in 2011 and beyond and which could cause actual results to differ materially from expected and historical levels. The directors do not consider that the principal risks and uncertainties have changed substantially since the announcement of the Group's 2011 interim results on 1 August 2011. The defence sector contributes a sizeable proportion

of Ultra's revenue and there is pressure on defence budgets. Nevertheless, the overall size of defence budgets worldwide, relative to the Group's revenue, provides sufficient headroom to support Ultra's continuing growth. Movements in foreign currency exchange rates result in both transaction and translation effects on the Group's results. Ultra's projected net transaction exposure is mitigated by the use of forward hedging contracts. By their nature, currency translation risks cannot be mitigated.

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 sixty distinct market or technology niches within its twenty five 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.