

press information

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

Ultra completes acquisition of MISL for US\$22m

Ultra announces that it has completed the acquisition, originally announced on 17 March, of Magneto Inductive Systems Ltd ("MISL") of Canada and the USA. The initial consideration for the acquisition was US\$22m. In addition a minority share of incremental profits over the current level will be paid to the vendors if certain growth targets are met over the next four years. The closing of the acquisition followed the successful completion of US regulatory review and approvals

MISL, which will be integrated into Ultra's existing Maritime Systems business in Halifax, Nova Scotia, is a rapidly growing business employing 50 people in Canada and at its production facility in San Bernardino, CA. Maritime Systems is part of the Group's Tactical & Sonar Systems division.

MISL makes magneto inductive guidance, signalling and communications equipment. These systems can operate not only through air but also through water, sediment, rock and most man-made structures that radio and acoustic systems can not penetrate. MISL's systems are also highly resistant to conventional radio countermeasures, such as jamming and scanning.

The acquisition of MISL is being financed using Ultra's existing facilities and is expected to be earnings neutral in 2008 after integration and finance costs.

- Ends -

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Notes to editors:

Ultra Electronics is a group of specialist advanced technology businesses that design, manufacture and support electronic and electromechanical systems, sub-systems and products for defence, security, aerospace and transport applications worldwide.

Ultra, which employs 3,100 people in the UK and North America, focuses on high integrity sensing, control, communication and display systems with an emphasis on integrated information technology solutions. The Group concentrates on obtaining a technological edge in niche markets, with many of its products and technologies being market leaders in their field.

Ultra's products and services are used on aircraft, ships, submarines, armoured vehicles, surveillance systems, airports and transport systems around the world. Ultra also plays an important role in supporting prime contractors by undertaking specialist system and sub-system integration using the combined expertise of the Group businesses.

Ultra is organised into three divisions as follows:

Aircraft & Vehicle Systems including miniature airborne compressors; high integrity software and systems; aircraft system electronics; aircraft system test equipment; aircraft cockpit indicators; aircraft noise and vibration control systems; airframe protection systems, armoured vehicle electronic information and control systems; human/computer interface equipment and crisis information management systems.

Information & Power Systems including command and control systems equipment; weapons interfacing electronics; radar tracking; electro optical tracking; surveillance systems; naval data processing and distribution; airport and airline information management systems; ID card systems; naval power conversion; signature management of naval vessels; transit system power conversion and control.

Tactical & Sonar Systems including secure tactical line-of-sight radio systems, multiplexers and switches; secure video-conferencing systems; voice communication systems; tactical data links; cryptographic equipment; active, passive and multi-static sonobuoys; sonobuoy receivers and processors; distributed surveillance sensor arrays; ship's sonar systems; acoustic countermeasure systems and ship's torpedo defence systems.