



press release

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

Ultra awarded \$49m IDIQ contract for sonar equipment for US Navy

Ultra announces that its Ocean Systems business, based in Braintree, Massachusetts, USA, has been awarded an Indefinite Delivery, Indefinite Quantity (IDIQ) contract worth up to \$49.2m by the US Navy. Work on the contract is due to be completed in 2017.

Under the contract, Ultra will supply upgraded versions of its submarine transducers that are stocked by the US Navy to support fleet requirements for new and restored units. The hull-mounted transducers use sonar to detect and localise targets.

Rakesh Sharma, Chief Executive of Ultra, commented:

"I am really pleased that the excellence of Ultra's specialist sonar equipment has been recognised by the award of this IDIQ contract by the United States Navy. This is an excellent example of Ultra delivering its strategies for growth by winning and expanding its positions on long-term programmes. This win also recognises how Ultra continuously improves its range of well proven products and services through a constant drive for innovation."

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Enquiries:

Rakesh Sharma, Chief Executive
Paul Dean, Group Finance Director

020 8813 4307

Susan Ellis, Senior Communications Adviser
James White, MHP Communications

07836 522722
020 3128 8756

www.ultra-electronics.com

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-nine 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. The Group's 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 these 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.