



press information

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

Ultra acquires US battlespace IT specialist for US\$50m

Ultra announces the acquisition, subject to regulatory approvals, of ProLogic, Incorporated ("ProLogic") for an initial cash consideration of US\$50 million. In addition, Ultra will pay US\$5m as a retention incentive for key staff and a further sum of up to US\$8 million will be paid to the vendors if certain growth targets are met over the next three years. On a pro-forma basis, ProLogic's revenue on a full-year basis for 2007 would have been about \$50 million with an EBIT margin of about 10%.

ProLogic provides specialised products and solutions for mission-critical enterprise IT, tactical data communication systems and intelligence processing infrastructures, as well as independent IT consulting services to US government customers. ProLogic's core competencies are systems engineering and integration, software development and enterprise engineering & operations.

The company is a leader in the following market niches, for each of which there are fundamental drivers of long-term growth:

- tactical data links
- cryptographic remote rekeying
- advanced battlespace management systems with a focus on geospatial data
- remote and unattended sensor system integration and planning

ProLogic's headquarters is in Fairmont, West Virginia and it operates from twelve locations in thirteen states. The company employs about 300 staff, of which nearly two-thirds hold security clearances of Interim Secret or higher. ProLogic has five facilities which have Top Secret clearance.

The acquisition of ProLogic will be financed using Ultra's existing facilities and is expected to be earnings accretive in 2008. The closing of the transaction is subject to completion of the CFIUS review process and is expected to occur in no later than 30 days.

Douglas Caster, Ultra's Chief Executive, commented:

"I am extremely pleased that we have been able to bring ProLogic into the Group. ProLogic complements Ultra's existing battlespace IT capabilities, strengthens current relationships and brings new customers in the US. There are clear synergies with existing Ultra niches in businesses such as Advanced Tactical Systems, Sonar & Communication Systems and the Group's other battlespace IT companies."

- 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.