

# press information

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Embargoed until 0700

5 December 2006

## **Ultra Electronics Holdings plc**

("Ultra" or "the Group")

### **Trading Update**

The Board of Ultra is reporting on trading before the Group enters the close period in respect of its preliminary results for the year ending 31 December 2006, which will be announced on 26 February 2007.

Given recent exchange rate volatility, Ultra expects that revenue for the full year will be about £370m. Overall, margins continue to improve as a result of the Group's constant focus on achieving operational efficiencies while satisfying the expectations of its customers. As a result, the Board expects that Ultra's profits will be broadly in line with current market expectations.

Ultra's management currently anticipates that operating cash flow will be stronger in the second half of the year than in the first and net debt is expected to be below £30m by year-end.

The Group has secured a number of contracts on long-term programmes and further progress has been made in increasing the order book since the half-year.

Ultra's broad spread of activities and its successful positioning on a range of international programmes give the Board confidence in the Group's continued progress in 2007.

- Ends -

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**Ultra Electronics** is a group of specialist businesses designing, manufacturing and supporting electronic and electromechanical systems, sub-systems and products for defence, security and aerospace applications worldwide.

Ultra, which employs 3,200 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 cockpit indicators; aircraft noise and vibration control systems; airframe ice protection systems, armoured vehicle electronic information and control systems; human/computer interface equipment and shared working environment solutions.

**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 and signature management equipment; nuclear reactor control and instrumentation systems; transit system power conversion and control.

**Tactical & Sonar Systems** including secure tactical line-of-sight radio systems; multiplexers and switches; voice communication systems; tactical data links; cryptographic equipment; airborne targeting pods; 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.