



# press release

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## **Ultra Electronics Holdings plc** (“Ultra” or “the Group”)

### **Ultra acquires Varisys Limited**

Ultra announces that it has acquired Varisys Limited (“Varisys”) for an initial cash consideration of £16m. Additional payments of up to £2m will be payable subject to performance over the next two years.

Varisys designs and manufactures products for high performance embedded computing applications. Its products and services portfolio include bespoke solutions for customers operating in the aerospace, defence, telecommunications, and industrial sectors. The acquisition will give Ultra an organic capability in this specialist, niche area, allowing Group businesses to meet customer requirements more quickly and cost-effectively. Varisys is a privately-held British company based in High Wycombe, UK, and was acquired from its founders, Paul Gentle and Adam Barnes; both will remain with the business under Ultra ownership.

The acquisition of Varisys will be financed using Ultra’s existing facilities and is expected to be earnings enhancing in 2013. Varisys will continue to operate from its current location as part of Ultra’s existing Controls business within the Aircraft & Vehicles Systems Division.

#### **Rakesh Sharma, Chief Executive of Ultra, commented:**

“I am pleased that Varisys has joined the Group. Varisys has an excellent position in providing bespoke high performance processing solutions to meet the challenging needs of the aerospace, defence, telecommunications and industrial markets. This acquisition fits Ultra’s strategy of growth in specialist, niche electronic markets.”

– Ends –

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## 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 eight 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. 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.

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 all 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.