



press release

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

Ultra divests its ID cards business to LDC

Ultra announces that it has agreed to sell its global ID business, Ultra Electronics ID, to leading mid-market private equity firm LDC, for an initial cash consideration of £22m. Additional payments of up to £3m will be made subject to earnings growth over the next two years. The proceeds will be used to reduce group indebtedness. All of the ID management team will transfer with the business. Following the divestment Ultra Electronics ID will operate as Magicard Ltd.

Based in the UK with additional sales offices in US, Dubai and China, ID designs and manufactures proprietary, instant issuance card printers and associated consumables. Its products, which include direct-to-card and reverse transfer printers, are capable of printing and encoding all types of card format. The company sells its products internationally through a broad distributor network. ID will continue to operate from its existing facilities and all employees will transfer with the business.

For the year ended 31 December 2015, the ID business had revenues of £19.3m and operating profit of £4.0m. The gross assets of the ID business at 31 December 2015 were £8.8m.

The transaction is subject to US regulatory approvals. Assuming satisfaction of all closing conditions and approvals, the transaction is expected to close towards the end of the second quarter of 2016.

Rakesh Sharma, Chief Executive of Ultra, commented:

“Over the past two years, Ultra has conducted a comprehensive review of its portfolio of businesses and capabilities, leading to the introduction of our market segment-based organisational structure. This appraisal has also allowed us to consolidate our activities, resulting in a clearer strategy for acquisition and disposal. Ultra ID is a sound and profitable business, but one that has become non-core to Ultra’s consolidated portfolio and future plans. This first significant divestment by Ultra will allow greater focus on core businesses and longer-term strategy.”

– 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. The Group manages a portfolio of specialist capabilities generating innovative solutions to customer needs. Ultra applies electronic and software technologies in demanding and critical environments ranging from military applications, through safety-critical devices in aircraft, to nuclear controls and sensor measurement. These capabilities have seen the Group's highly differentiated products contributing to a large number of platforms and programmes.

Ultra has world-leading positions in many of its specialist capabilities and, as an independent, non-threatening partner, is able to support all of the main prime contractors in its sectors. As a result of such positioning, Ultra's systems, equipment or services are often mission or safety-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 underpins 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, Ultra operates in the following eight market segments:

- Aerospace
- Communications
- C2ISR
- Infrastructure
- Land
- Maritime
- Nuclear
- Underwater Warfare