



press release

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

Ultra acquires specialist ballistics identification and forensic analysis company

Ultra announces that it has agreed to acquire Forensic Technology WAI Inc (“Forensic Technology”) for an initial cash consideration of CAD \$94m. Additional payments of up to \$6m will be made subject to earnings growth over the next two years. Ultra has agreed to acquire Forensic Technology from private investors and its management team, which includes the company's founder. The core management team will stay with the business.

Forensic Technology is an international company, headquartered in Montreal, Canada that employs 253 people across five offices around the globe. The company provides automated firearm ballistics identification and forensic analysis systems to law enforcement agencies in over 65 countries. Forensic Technology is currently developing a number of document security and analytic products based on its existing capabilities and areas of expertise. The company has a 20+ year track record of delivering market-leading forensic analysis solutions that help police worldwide combat gun crime at local and national levels, as well as internationally through its partnership with INTERPOL. Forensic Technology's customers include the US Bureau of Alcohol, Tobacco, Firearms and Explosives, Canada's RCMP, Israel Police, the UK's National Ballistics Intelligence Service, and the South African Police Service.

Forensic Technology will continue to operate from its existing facilities as a bolt-on acquisition to Ultra's Tactical & Sonar Systems Division.

The acquisition of Forensic Technology will be financed using Ultra's facilities and balance sheet. In the year ended 31 December 2013, Forensic Technology generated Profit Before Tax* of CAD \$8.9m; gross assets were CAD\$47.3m. Ultra plans to accelerate the development of Forensic Technology's document security and analytic products capability over the next nine to twelve months. It is estimated that this will require expensed development cost of around £1.0m. This development cost, together with integration costs, means that Forensic Technology will be fully earnings accretive during 2015.

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 2014.

Robert Walsh, Founder of Forensic Technology, commented:

“Ultra's acquisition of Forensic Technology is an excellent opportunity for our companies to lever each other's strengths by ensuring continued investment in emerging technologies and building on the existing relationships and support our customers have come to expect. For the next few years, I am proud to assist our company and support Ultra in its efforts to build on their position in the fields of security and forensics.”

Rakesh Sharma, Chief Executive of Ultra, commented:

“I am pleased with the acquisition of Forensic Technology. It has established a strong position in the international market place and its technologies and capabilities complement Ultra's broader law enforcement, security and data analytic offerings. This provides an important step in building our portfolio in the security sector.”

– Ends –

*(before items of a one off nature; reported CAD\$10.9m)

Enquiries:

Rakesh Sharma, Chief Executive
Mary Waldner, Group Finance Director

020 8813 4307

Susan Ellis, Corporate Affairs Adviser
James White, MHP Communications

07836 522 722

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 a broad range of 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. 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.