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

ULTRA ACQUIRES CYBER EQUIPMENT COMPANY FOR $77m

Ultra announces that it has acquired Zu Industries Inc. ("Zu") for a cash consideration of $76.6m.

Zu specialises in the provision of equipment for cyber surveillance systems. Based in Doral, near Miami, Florida, Zu employs over 20 staff. As part of the transaction, Ultra has also acquired the membership interests of an associated business named Bushido LLC.

Systems from Zu are built primarily from two proprietary software products that operate on commercial-off-the-shelf hardware:

- ISIS® – Integrated Surveillance & Intelligence System: Zu's proprietary ISIS product processes, stores, filters and retrieves large amounts of communications data, including voice, text, e-mail and metadata from mobile, fixed line and broadband networks.
- VPA – Voice Print Analysis: a voice biometric technology integrated with ISIS to facilitate identification of conversations of interest based on a match of voice samples against a large database of audio files.

Zu's solutions are built through the integration of proprietary products with complementary third party hardware and software including: portable collection tools; mobile device tracking; asset tracking and spectrum control devices used to suppress radio frequencies. Bushido supplies a range of specialist satellite communications dishes and equipment.

The acquisition of Zu will be financed using Ultra's existing facilities and is expected to be earnings-enhancing in 2012 before amortisation of intangibles. Zu is a bolt-in acquisition to ProLogic, within Ultra's Information & Power Systems division. ProLogic will be the route for the exploitation of Zu's capabilities in international markets.

Rakesh Sharma, Chief Executive of Ultra, commented:
"I am very pleased that we have been able to bring Zu into the Group as part of ProLogic. There are significant synergies between the capabilities of Zu's cyber surveillance equipment, SOTECH's systems capabilities and ProLogic's range of cryptologic solutions."

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Enquiries:

Ultra Electronics Holdings plc   020 8813 4307
  Rakesh Sharma, Chief Executive   www.ultra-electronics.com
  Paul Dean, Group Finance Director

Media enquiries:
  Susan Ellis, Corporate Affairs Adviser   07836 522722
  James White, MHP Communications   020 3128 8756

Further information about Ultra:

Ultra Electronics is an internationally successful defence and aerospace 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 over one hundred and fifty distinct market or technology niches within its twenty six businesses. The diversity of niches enables Ultra to contribute to a large number of defence, aerospace and civil 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.