



press release

25 September 2017

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

Ultra Electronics awarded £37m Electric Propulsion System contract

Ultra Electronics announced today that its PMES business, based in Rugeley Staffordshire, has been awarded a £37m contract by a UK Prime in relation to a UK naval defence programme. This contract is for the final development and production of a hybrid Electric Propulsion System.

Under this contract, Ultra will provide the remaining non-recurring engineering and qualification of the system, as well as an initial provision of equipment for the programme. The system provides an alternate and more efficient propulsion option to main engines and forms part of the Emergency Propulsion capability.

This is the second of the three major contracts expected by the Group in the second half of the year. The first contract to supply the Indian Navy with new naval defence systems was announced in July.

Rakesh Sharma, Chief Executive of Ultra commented: "We are pleased by this contract as it showcases our specialist technology which has received company funded R&D for many years and reinforces our position as a leading provider of Submarine Propulsion technology.

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Further information about Ultra:

Ultra Electronics is an internationally successful defence, security, transport and energy company with a long 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*