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

Ultra signs memorandum of understanding with CGN to develop Next Generation Nuclear Instrumentation and Control

Ultra Electronics announced today that it has signed a Memorandum of Understanding with CGN of China that will see both companies co-operate more closely in the field of high integrity instrumentation and control (I&C) systems and sensors for civil nuclear power within China, the UK and other international markets. The agreement covers collaboration on next generation I&C systems including reactor protection and control.

The signing ceremony was attended by representatives from the UK Government and senior management from both companies.

Zheng Dongshan, Senior Vice President of CGN stated:

"CGN started cooperation with Ultra electronics a long time ago, including on Ling Ao Phase II and other CGN nuclear power projects in China. I am really glad today we sign the MOU with Ultra to deepen and broaden our existing collaboration areas, both in the UK and Chinese nuclear market."

Rakesh Sharma, Chief Executive of Ultra Electronics stated:

"I am pleased we have signed this agreement which recognises Ultra's position in the supply of safety critical instrumentation & control to the global nuclear industry. Through our continuing strategic relationship with CGN we are delighted to help deliver mutual benefit to both the Chinese and UK civil nuclear markets."

The MoU will also explore possible collaboration in areas such as engineering support, localised manufacture and testing, through-life support, safety systems and sensors, and lifetime plant performance monitoring.

Ultra Electronics is a strategic supplier of nuclear qualified instrumentation and control systems to key plant manufacturers and operators around the world. It currently supplies I&C equipment to over 200 reactors in 16 countries.

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Further information about CGN:

CGN is a large clean energy group. Being an owner and operator of both nuclear power plants and renewable energy plants, CGN provides its customers with integrated energy solutions. As a holding company, China General Nuclear Power Corporation has 41 subsidiaries with over 35,000 employees worldwide. The company has four business sectors: Renewable Energies, Nuclear Power, Nuclear Fuel and Financing & General Service. CGN currently has 19 units in operation with a capacity of 20.37 GW-equal to 63% of China's installed nuclear power. There are 9 units currently under construction by CGN with a capacity of 11.36 GW. Its NPP new build projects account for about 45% of China and 17% of the worldwide volume.

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