

Racal Acoustics Limited

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RACAL ACOUSTICS ACQUIRED BY ESTERLINE

ECI, the UK mid market buyout specialist, has agreed to sell Racal Acoustics (www.racalacoustics.com) to Esterline Technologies Corporation for £115m.

Completion of the transaction is contingent only on German regulatory approval and is expected to take place in January.

Based in Harrow, Racal Acoustics is the world's premier provider of specialist hearing protection and communications products for military and avionics applications. Its headsets are used all over the world by 120 branches of the military in more than 80 countries. Its market leading Raptor electronic noise reduction headset, launched as recently as 2006, is used extensively by soldiers to improve communications and to protect their hearing from high ambient noise environments (eg inside military vehicles) and from sound blasts from IEDs (roadside bombs).

ECI invested in Racal Acoustics in August 2005, backing the management team in a buyout from JF Lehman, a US private equity investor. Since then, the business has experienced dramatic growth which it expects to continue as militaries focus on improving communications and hearing protection for the fighting soldier. Revenues have grown by 110% from 2004 to this year and profits in the same period are up nearly 150%. The business has a record order book that will drive continued growth next year and into the medium term. Since the buyout, the business has sustained its UK employment levels (where it carries out the most skilled parts of its manufacturing and design process) notwithstanding its use of overseas manufacturing facilities to ensure it remains cost competitive in global terms on high volume products. equipment to many armed forces throughout the world.



