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THE MTL INSTRUMENTS GROUP PLC ACQUIRES ELPRO INTERNATIONAL FOR £12M

The MTL Instruments Group plc (“MTL”) announces the acquisition of all the shares in Elpro International Pty Ltd (“Elpro”), an Australian based developer and supplier of wireless solutions, from the Queensland Development Fund and Directors of Elpro. The total consideration of AUD\$28.5m (£12.0m) will be paid from new banking facilities. The consideration includes repayment of bank and shareholder loans of AUD\$1.5m (£0.6m) and AUD\$1.1m (£0.5m) respectively.

Elpro is a leading global provider of secure and reliable wireless solutions for applications in the process control, manufacturing and utility markets. The Company designs, develops and manufactures a range of wireless interconnect products that receive and transmit plant data in industrial environments. Elpro is recognised as a leader in the industrial wireless market for its innovative and proprietary technologies, high-performance products and value-added technical support. The industrial wireless market has been characterised as a specialised niche market until recently, with independent research houses predicting high growth as wireless technology matures in the process control and automation sectors.

Elpro is an excellent complementary fit with MTL, which is a world leader in the development and supply of electronic instrumentation and protection equipment for the process control and telecommunications industries. The majority of MTL’s equipment is used in hazardous environments such as the petrochemical, chemicals and oil and gas production industries.

Following the transaction, it is expected that the Elpro business will be able to extend its international customer base by leveraging MTL’s existing sales channels and OEM relationships. It will also improve Elpro’s purchasing power. Bringing Elpro into MTL will complement MTL’s Open Control Components portfolio and add wireless capability to MTL’s product range as end-users seek to add more measurement points on their plants without incurring the expense of extra wiring.

In the year to 30 June 2006, Elpro achieved a pre-tax profit of AUD\$1.2m (£0.5m) on sales of AUD\$8.2m (£3.4m). The gross assets of Elpro as at 30 June 2006 amounted to AUD\$8.6m (£3.6m). The Directors believe that the acquisition will be earnings enhancing in the first year of ownership (note).



MTL will be buying three entities – Elpro International Pty Ltd, the holding company, Elpro Technologies Pty Ltd, the Australian based operating company and Elpro Technologies LLC (USA) the US based operating entity. The existing management team have strongly supported the acquisition by MTL and have been retained by the company.

Graeme Philp, MTL's Chief Executive, commented; *“We are delighted to have been able to acquire Elpro. Wireless Technology is forming an increasingly important part of the signal and data communication layer on modern process plants. MTL is already a leading supplier of components for this communication layer and now, with the addition of Elpro, we can provide interconnect solutions using all major technologies, including traditional analogue, Foundation Fieldbus®, Industrial Ethernet, Optical and Wireless. This acquisition positions MTL well for continued growth and success in this important area.”*

Note: The statement regarding earnings enhancement does not constitute a profit forecast nor should it be taken to mean that the earnings per share of MTL in the year ending 31 December 2007 will necessarily match or exceed the historical earnings per share of MTL.

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For Further Information:

About MTL

MTL has been serving the process and related industries since its formation in 1971. Today, the MTL Instruments Group plc, is a world leader in the development and supply of electronic instrumentation and protection equipment for the process control and telecommunications industries. Many of the world's most critical processes are monitored, controlled or protected by MTL equipment and the Group is distinguished by the quality and reliability of its products, its global network of sales-and-support centres and its acknowledged position as a thought-leader in this high technology marketplace. With 36 dedicated sales centres in 13 countries and a further 137 MTL representatives in 64 countries, MTL's expertise in Intrinsic Safety, Surge Protection, Open System Platforms and Operator Displays is unsurpassed.

About ELPRO Technologies

ELPRO Technologies is recognised as a leader in the industrial wireless market for its innovative and proprietary technologies, high-performance products and value-added technical support. ELPRO is a world specialist in radio telemetry technology - sending data and information by radio. The company is ISO9001 registered and utilises the very latest design techniques to manufacture high quality data radios and microprocessor controllers, combined with industry proven, dedicated software.