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Mercury Systems Reports Rapid Progress on Acquisition Integration Plan

Consolidates Operations and Implements Common Manufacturing and Accounting Systems in Advanced Microelectronics Centers; Launches Integrated Program Management System and Common Payroll and Banking Platforms

CHELMSFORD, Mass., March 4, 2014 (GLOBE NEWSWIRE) -- Mercury Systems, Inc. (Nasdaq:MRCY) (www.mrcy.com), a best-of-breed provider of commercially developed, open sensor and Big Data processing systems for critical commercial, defense and intelligence applications, today provided a progress update on its acquisition integration plan.

As discussed in Mercury's second-quarter fiscal 2014 financial results release on January 28, 2014, this phase of the plan consists of: facilities consolidation around the Company's Advanced Microelectronics Centers (AMCs) in Hudson, N.H. and West Caldwell, N.J.; business process and systems standardization across the Mercury enterprise; and realignment of engineering resources around the Advanced Development Center model introduced last year.

As previously reported, Phase II of the acquisition integration plan is expected to result in annualized gross savings of \$16 million when fully implemented. Actions taken prior to the release of second-quarter fiscal 2014 financial results are expected to achieve approximately \$9 million of these projected savings. These earlier steps focused primarily on the consolidation of a small Mercury facility into the Company's AMC in Hudson, N.H., as well as related headcount reductions.

Actions completed more recently include the consolidation of another facility into the Hudson AMC. In addition, Mercury migrated both AMCs to a common manufacturing and accounting system. The Company also successfully launched an integrated program management system within its Mercury Commercial Electronics business unit, and implemented common payroll and banking platforms companywide.

"The rapid progress made to date puts us well on our way toward creating the fully integrated business we have envisioned and enabling Mercury to support profitable future growth," said Mark Aslett, President and CEO, Mercury Systems. "The operational consolidation at our New Hampshire AMC was accomplished seamlessly with minimal disruption for our customers. This not only paves the way for consolidation of other non-core locations, which will further reduce Mercury's facilities footprint and expense base, but also facilitates our efforts to drive advanced microelectronics solutions into the marketplace."

"We have also made important strides toward our goal of creating a common set of core business processes and IT systems following three recent acquisitions," Aslett continued. "These new systems and processes will ultimately span Mercury's entire enterprise, enabling us to realize time and resource savings that should significantly improve gross margin, lower operating expenses and drive greater efficiencies across the organization."

"Looking ahead, we are solidly on track to complete our consolidation and integration activities on time and on budget," said Aslett. "The fast pace of our accomplishments to date not only yields a significant majority of the aggregate annualized expense reductions we anticipated, but also leaves us very well positioned to achieve our targeted savings for the Phase II plan."

For more information on Mercury Systems, visit www.mrcy.com or contact Mercury at (866) 627-6951 or info@mrcy.com.

Mercury Systems - Innovation That Matters™

Mercury Systems (Nasdaq:MRCY) is a best-of-breed provider of commercially developed, open sensor and Big Data processing systems, software and services for critical commercial, defense and intelligence applications. We deliver innovative solutions, rapid time-to-value and world-class service and support to our prime contractor customers. Mercury Systems has worked on over 300 programs, including Aegis, Patriot, SEWIP, Gorgon Stare and Predator/Reaper. We are based in Chelmsford, Massachusetts. To learn more, visit www.mrcy.com.

Forward-Looking Safe Harbor Statement

This press release contains certain forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995, including those relating to the products and services described herein. You can identify these statements by the use of the words "may," "will," "could," "should," "would," "plans," "expects," "anticipates," "continue," "estimate," "project," "intend," "likely," "forecast," "probable," and similar expressions. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected or anticipated. Such risks and uncertainties include, but are not limited to, continued funding of defense programs, the timing and amounts of such funding,

general economic and business conditions, including unforeseen weakness in the Company's markets, effects of continued geopolitical unrest and regional conflicts, competition, changes in technology and methods of marketing, delays in completing engineering and manufacturing programs, changes in customer order patterns, changes in product mix, continued success in technological advances and delivering technological innovations, changes in the U.S. Government's interpretation of federal procurement rules and regulations, market acceptance of the Company's products, shortages in components, production delays due to performance quality issues with outsourced components, inability to fully realize the expected benefits from acquisitions and divestitures or delays in realizing such benefits, challenges in integrating acquired businesses and achieving anticipated synergies, changes to export regulations, increases in tax rates, changes to generally accepted accounting principles, difficulties in retaining key employees and customers, unanticipated costs under fixed-price service and system integration engagements, and various other factors beyond our control. These risks and uncertainties also include such additional risk factors as are discussed in the Company's filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended June 30, 2013. The Company cautions readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made.

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