
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): December 22, 2011

Mercury Computer Systems, Inc.

(Exact Name of Registrant as Specified in Charter)

Massachusetts
(State or Other Jurisdiction
of Incorporation)

000-23599
(Commission
File Number)

04-2741391
(IRS Employer
Identification No.)

201 Riverneck Road, Chelmsford, Massachusetts 01824
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (978) 256-1300

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Forward-Looking Statement Disclaimer

This Current Report on Form 8-K contains certain forward-looking statements. You can identify these statements by the use of the words “may,” “will,” “should,” “plans,” “expects,” “anticipates,” “continue,” “estimate,” “project,” “intend,” 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, the inability to fully realize the expected benefits from acquisitions or delays in realizing such benefits, challenges in integrating acquired businesses and achieving anticipated synergies, and various other factors beyond the Company’s 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, 2011. 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.

Item 1.01 Entry into a Material Definitive Agreement.

On December 22, 2011, Mercury Computer Systems, Inc. (“Mercury”) and King Merger Inc., a newly formed, wholly-owned subsidiary of Mercury (the “Merger Sub”), entered into an Agreement and Plan of Merger (the “Merger Agreement”) with KOR Electronics (“KOR”) and Shareholder Representative Services LLC, as the securityholders’ representative. Pursuant to the Merger Agreement, the Merger Sub will merge with and into KOR with KOR continuing as the surviving company and wholly-owned subsidiary of Mercury (the “Merger”). By operation of the Merger, Mercury will acquire both KOR and its wholly-owned subsidiary, Paragon Dynamics, Inc. (“PDI”).

KOR designs and develops digital radio frequency memory (“DRFM”) units for a variety of electronic warfare applications, as well as radar environment simulation, and test systems for defense applications. PDI provides sophisticated analytic exploitation services and customized multi-intelligence data fusion solutions for the U.S. intelligence community.

Under the terms of the Merger Agreement, the initial merger consideration (including payments with respect to vested options) will consist of an all cash purchase price of \$70.0 million. The merger consideration is subject to post-closing adjustments based on a determination of closing net working capital. In accordance with the Merger Agreement, \$10.65 million of the merger consideration will be placed into escrow to support the post-closing working capital adjustment and indemnification obligations of the securityholders, including expenses of the securityholders’ representative. Mercury will fund the acquisition with cash on hand and acquire KOR and PDI free of debt.

The foregoing description of the Merger and the Merger Agreement does not purport to be complete and is qualified in its entirety by reference to the Merger Agreement, a copy of which will be filed with Mercury’s Quarterly Report on Form 10-Q for the quarter in which the Merger is consummated.

The Merger Agreement contains customary representations and warranties and related indemnification agreements made by and to the parties thereto as to specific dates. The assertions embodied in those representations and warranties are qualified by information contained in

confidential disclosure schedules that the parties exchanged in connection with negotiating the terms of the Merger Agreement. Accordingly, potential investors and Mercury shareholders should not rely on such representations and warranties as characterizations of the actual state of facts or circumstances, because they were only made as of the date of the Merger Agreement and are modified in important part by the underlying disclosure schedules. Moreover, information concerning the subject matter of such representations and warranties may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in Mercury's public disclosures. In addition, certain representations and warranties may be subject to a contractual standard of materiality different from what might be viewed as material to shareholders, or may have been used for the purpose of allocating risk between the respective parties rather than establishing matters as facts. For the foregoing reasons, no person should rely on the representations and warranties as statements of factual information at the times they were made or otherwise.

Item 7.01 Regulation FD Disclosure.

On December 23, 2011, Mercury issued a press release announcing the signing of a definitive agreement to acquire KOR and PDI . The press release is furnished as Exhibit 99.1 hereto. The information provided in Item 7.01 of this Current Report on Form 8-K and in the attached Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated December 23, 2011, of Mercury Computer Systems, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: December 27, 2011

MERCURY COMPUTER SYSTEMS, INC.

By: /s/ Robert E. Hult
Robert E. Hult
Senior Vice President, Chief Financial Officer, and Treasurer

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated December 23, 2011, of Mercury Computer Systems, Inc.

**FOR IMMEDIATE RELEASE****Mercury Computer Systems to Acquire KOR Electronics and Paragon Dynamics**

- *KOR Electronics is a leader in radio frequency simulation and jamming technology for modern Electronic Warfare (EW) applications*
- *Paragon Dynamics, a subsidiary of KOR, is a leader in exploitation solutions for the Intelligence Community*
- *Acquisition enhances Mercury's sensor processing capabilities in the Electronic Warfare and Signals Intelligence (SIGINT) markets*

CHELMSFORD, Mass. – December 23, 2011 – Mercury Computer Systems, Inc. (NASDAQ: MRCY, www.mc.com), a trusted provider of commercially developed application-ready ISR subsystems for defense prime contractors, today announced that it has signed a definitive agreement to acquire KOR Electronics, Inc. (KOR) and its wholly owned subsidiary, Paragon Dynamics, Inc. (PDI). Based in Cypress, California, KOR designs and develops digital radio frequency memory (DRFM) units for a variety of modern Electronic Warfare (EW) applications, as well as radar environment simulation and test systems for defense applications. Paragon Dynamics, based in Aurora, Colorado, provides sophisticated analytic services and customized multi-INT data fusion and exploitation solutions for the Intelligence Community. Under the terms of a merger agreement, KOR will become a wholly-owned subsidiary of Mercury for an all-cash purchase price of \$70 million. The acquisition will be funded with cash on hand, and is expected to be immediately accretive to earnings after excluding the effects of non-cash amortization of intangible assets related to the acquisition. The transaction, which is subject to final approval by KOR shareholders, is expected to close within Mercury's fiscal 2012 second quarter ending December 31, 2011.

KOR is focused on the exploitation of the RF signals domain and is a leading provider of digital RF memory (DRFM) technology, an integral component of modern Electronic Warfare radar jamming systems, with flight experience on a wide variety of U.S. military aircraft. KOR also has a large installed base in the radar environment simulation industry with domain expertise in many radar systems deployed by the U.S. DoD and internationally. KOR's technology and customization expertise in these program-critical areas will allow Mercury to expand its Application Ready Subsystem offerings for defense prime contractor customers.

Paragon Dynamics provides best-in-class systems and software engineering, and mission analysis solutions for the U.S. Intelligence Community. Combined with Mercury's leadership in multi-INT application-ready ISR subsystems, PDI's domain expertise and mission-specific services will offer Intelligence Community customers a comprehensive set of solutions for advanced, classified programs.

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“We are very pleased to welcome KOR and PDI to the Mercury family,” said Mark Aslett, President and Chief Executive Officer, Mercury Computer Systems, Inc. “KOR’s defense electronics business meaningfully extends the capabilities of our ACS business segment along the sensor processing chain, particularly within the critical EW market. Similarly, PDI’s market focus and leadership in multi-INT exploitation will enable Mercury Federal Systems to pursue new opportunities within the Intelligence Community.”

“Over the past year, we’ve been building out a pipeline of promising potential deals, taking a very disciplined and thoughtful approach in the process. We are particularly impressed with KOR and PDI in terms of their technical prowess, talented employees, and unique alignment with Mercury’s strategy and innovative culture. In summary, this is a business combination that we believe will deliver greater value than the sum of its parts,” Aslett concluded.

“We’re excited about becoming part of Mercury’s world-class team as we have a shared vision for success in our common markets,” said Kevin Carnino, Chief Executive Officer of KOR Electronics. “Joining Mercury strongly positions us to further expand our leadership position in focused application areas, while delivering the excellent levels of service, support, and technical innovation our customers have come to expect. In addition, current and new KOR customers will clearly benefit from Mercury’s financial and R&D strength.”

For more information on the acquisition, visit www.mc.com. In addition, Mercury management will host a conference call at **8:30 a.m. EST, Friday, December 23, 2011**, to discuss the acquisition. Company representatives may answer questions concerning business developments and trends and other matters affecting the Company, the responses to which may contain information that has not been previously disclosed.

To listen to the conference call, dial (888) 806-6224 in the U.S. and Canada, and (913) 312-0390 in all other countries. The conference ID number is **7432738**. Please call 5 to 10 minutes prior to the scheduled start time. A replay of the call will be available by telephone from **11:30 a.m. EST on Friday, December 23, 2011, through 11:30 a.m. EST on Wednesday, January 4, 2012**. To access the replay, dial (888) 203-1112 in the U.S. and Canada, and (719) 457-0820 in all other countries. Enter access code **7432738**.

About KOR Electronics

KOR Electronics is a leading supplier of system level solutions to the worldwide Defense and Intelligence communities. KOR is headquartered in Cypress, CA and with principal locations in Aurora, CO, and Rome, NY.

About Mercury Computer Systems, Inc. – Where Challenges Drive Innovation®

Mercury Computer Systems (www.mc.com, NASDAQ: MRCY) is a best-of-breed provider of open, commercially developed, application-ready, multi-INT subsystems for defense prime contractors. With more than 30 years of experience in embedded computing, superior domain expertise in radar, EW, EO/IR, C4I and sonar applications, and more than 300 successful program deployments including Aegis, Global Hawk and Predator, Mercury’s Services and Systems Integration (SSI) team leads the industry in partnering with customers to design and integrate system-level solutions that minimize program risk, maximize application portability and accelerate customers’ time to market.

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Mercury is based in Chelmsford, Massachusetts, and serves customers worldwide through a broad network of direct sales offices, subsidiaries and distributors.

Forward-Looking Electronics 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 acquisition of KOR Electronics and the subsequent integration of, and the expected synergies from, the acquisition. You can identify these statements by the use of the words “may,” “will,” “could,” “should,” “plans,” “expects,” “anticipates,” “continue,” “estimate,” “project,” “intend,” “likely,” “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, 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, continued funding of defense programs, the timing of such funding, 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, 2011. 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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Contact:

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