

SKY COMPUTERS AND QINETIQ PARTNER TO OFFER EMBEDDED REAL-TIME SIGNAL PROCESSING SOLUTIONS

Joint Sales and Marketing Agreement Will Evaluate and Assess Intellectual Property and Technology for Demanding Signal Processing Systems

Chelmsford, MA and Malvern, U.K. (October 10, 2003)—SKY Computers, Inc., a subsidiary of Analogic Corporation (NASDAQ: ALOG), announced it has entered into a collaboration agreement with QinetiQ to pursue new business opportunities for products and services based on QinetiQ's embedded systems technology and SKY's embedded high-performance computing platform. Under the sales and marketing agreement, SKY Computers and QinetiQ's Real-Time Embedded Systems Group will evaluate and assess complementary capabilities and develop plans to integrate, customize and deploy embedded signal processing solutions for new and current customers.

QinetiQ, formed out of the British Government's Defence Evaluation & Research Agency, is a leader in the design, development and application of Field Programmable Gate Array (FPGA) cores and other technologies for embedded signal processing solutions. FPGA cores describe reusable components, encapsulating a specific function, which can be employed by a user as a building block when creating system designs for an FPGA. SKY Computers is a leading manufacturer and supplier of high-performance embedded computer systems and solutions for signal intelligence, industrial inspection, radar processing and other applications demanding high computational power.

SKY and QinetiQ will collaborate on new business opportunities for products and associated services in markets that require demanding signal process solutions. The companies will also work together to determine the feasibility of applying sensor-based technologies and FPGA-based I/O interfaces for growth markets that could include medical imaging, industrial inspection and homeland security. The collaboration will determine how FPGA cores can be used to facilitate high-performance, high-density implementations to support demanding image processing algorithms and computation needs. FPGAs allow for efficient implementation of highly parallel, low-word-length, compute-intensive functions typically needed close to the sensor front end in signal processing systems. Adding an FPGA capability to SKY's Altivec G4 based processing architecture will create an extremely powerful solution for implementing the most demanding processing algorithms.

"SKY Computers and QinetiQ are partnering to address the needs of high-end system engineers who are accessing and processing rapidly increasing amounts of data," said Bill Smith, business group manager at QinetiQ. "Through this alliance, our companies will look at offering customers a powerful, effective hardware/software solution that could dramatically improve performance within their embedded systems."

"With this collaborative effort, SKY Computers and QinetiQ will look to improve systems performance for embedded signal processing applications with a focus on FPGA and I/O processing architecture," said Mark Pacelle, vice president, marketing, SKY Computers. "Users who require top performance and flexibility in demanding signal processing applications will benefit from our shared resources and approach."



About QinetiQ

QinetiQ (pronounced ki' ne tik as in 'kinetic energy') is Europe's largest science and technology solutions company that employs nearly 10,000 staff, including many of the UK's leading scientists and internationally acclaimed experts. Founded from the laboratories of the UK MOD, QinetiQ operates in markets as diverse as information technology, telecommunications, electronics, marine, energy, automotive, rail, defence, space, health, oil & gas and aerospace. QinetiQ's extensive facilities include indoor and outdoor ranges, wind tunnels, marine testing facilities, automotive test tracks and climatic testing laboratories.

About The QinetiQ Real-Time Embedded Systems Group

QinetiQ provides leading-edge FPGA signal/image processing solutions through its Real-Time Embedded Systems group. It offers a range of FPGA cores and design services targeted at the defense marketplace, in applications such as radar, sonar, electronic warfare and communications. In addition to DSP cores such as programmable digital receiver, software-configurable FFT and QR processors, and a floating point arithmetic library, QinetiQ also provides cores and software to interconnect FPGA and processors in an embedded multiprocessor architecture.

For more information on QinetiQ and its activities visit www.QinetiQ.com.

About SKY Computers

SKY Computers, Inc., a wholly owned subsidiary of Analogic Corporation, is the leading supplier of standards-based, embedded high-performance computer systems. SKY's broad range of commercial-off-the-shelf products meets the embedded computing requirements for high performance embedded computing applications. Standards and open source software are combined with advanced technologies to provide solutions for demanding government electronics, industrial inspection, medical imaging, and security applications.

Contact: Mark Pacelle SKY Computers 978-250-1920 pacelle@skycomputers.com

Douglas Millard QinetiQ +44-1252-394611 dmillard@QinetiQ.com

Adam Zand Topaz Partners 781-388-7900 x206 azand@topazpartners.com