



Analogic Corporation Receives Contract for \$6.9 Million in Government Funding for eXaminer XLB Automatic Detection System Field Readiness

PEABODY, Mass., Jun 02, 2008 (BUSINESS WIRE) -- Jim Green, President and Chief Executive Officer of Analogic Corporation (NASDAQ: ALOG), announced today that Analogic has received a contract from L-3 Communications Security and Detection Systems, Inc. ("L-3") for \$6.9 million in U.S. Transportation Security Administration (TSA) funding for operational hardening and final testing of the eXaminer XLB™ (eXtra Large Bore) high-speed, automatic, inline baggage screening system, developed by Analogic under the XLB1100 project name. Following the completion of this anticipated final stage of TSA certification, the eXaminer XLB is expected to be available for shipment by L-3 in August 2009.

This \$6.9 million funding is part of an overall \$10.5 million grant from the TSA to L-3 to fully prepare the XLB system for field readiness. In March of this year, Analogic and L-3 concluded an agreement awarding L-3 exclusive rights to market and service the eXaminer SX, developed by Analogic under the name KING COBRA, and the eXaminer XLB security imaging systems, for air carrier checked baggage applications, enabling Analogic and L-3 to provide their customers with the broadest selection of advanced security technology products available. For over 10 years, L-3 has had exclusive rights from Analogic to market and service Analogic's EXACT™ (EXplosive Assessment Computed Tomography), which is the primary subsystem for the eXaminer 3DX that serves medium-speed checked baggage applications.

With the addition of the eXaminer XLB system that addresses the critical need for high-speed baggage inspection and the eXaminer SX system that addresses the checked-baggage screening needs of smaller airports, Analogic and L-3 are now positioned to compete in every certified CT airport tender worldwide. As airport terminals are being renovated to accommodate larger aircraft and increased passenger volume, advanced technology is required to effectively manage the subsequent increase in checked baggage to be screened for explosives and other potential threats. The XLB will be the first high-throughput CT in the marketplace, meeting the urgent needs of airports worldwide that are opening new terminals. The XLB is able to scan up to 1,100 bags per hour, featuring a dual-energy system, real-time 3-D imaging, and a reduced false-alarm rate.

Peter Cempellin, Vice President and General Manager of Analogic's Security Systems Division, said, "This award reaffirms the TSA's commitment to L-3/Analogic and validates our position as a world leader in checked-baggage threat detection. The XLB security imaging system will greatly improve capacity and throughput in airports, while adding advanced threat detection with our proprietary 3-D Volume/Continuous Flow technology. The XLB will keep passengers and their belongings moving quickly while intelligently detecting threats."

Analogic Corporation is a leading designer and manufacturer of advanced health and security systems and subsystems sold primarily to Original Equipment Manufacturers (OEMs). The Company is recognized worldwide for advancing the state of the art in Automatic Explosives Detection, Computed Tomography (CT), Digital Radiography (DR), Ultrasound, Magnetic Resonance Imaging (MRI), Patient Monitoring, and Advanced Signal Processing. For more information, visit www.analogic.com.

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