



NEW UAV CONTRACT AWARD FOR AAI Corp., USA

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United Industrial Corporation (NYSE: UIC) today announced that its AAI Corporation (AAI) subsidiary has been awarded a \$22 million contract by an international customer for a Shadow 400 Unmanned Aerial Vehicle (UAV). Under the contract, AAI will produce and provide support for the single ship-based Shadow 400 UAV system.

The contract award, which follows AAI's recent receipt of a major contract from the U.S. Army to develop the Tactical Unmanned Aerial Vehicle, continues the Company's momentum in expanding and reinforcing its presence in the UAV marketplace. A leader in the design, manufacturing and deployment of UAV systems for more than 15 years, AAI has developed a range of technically mature UAV systems, including the Pioneer UAV system and the Shadow family of UAV systems. The Pioneer UAV, currently operational in both the U.S. Navy and Marine Corps, is being inducted into the Smithsonian's National Air and Space Museum in Washington, D.C. next month.

The Shadow 400 is a derivative of AAI's highly successful Shadow family of UAVs, which has benefited from a rigorous ongoing development program. The system's components will include multiple air vehicles, a ground control station, hydraulic launcher and logistics support for system deployment. "We are delighted with this significant contract win, which furthers our growth as a leading provider of advanced UAV systems around the world," said Richard R. Erkeneff, President and Chief Executive Officer of United Industrial. "We look forward to leveraging our experience, technical excellence and customer focus to ensure the success of this important program."

United Industrial Corporation is a company focused on the design and production of defense, training, and energy systems. Its products include unmanned aerial vehicles, training and simulation systems, automated aircraft test and maintenance equipment, and ordnance systems. The company also offers logistical/engineering services for government-owned equipment and manufactures combustion equipment for biomass and refuse fuels.

Except for the historical information contained herein, information set forth in this news release may contain forward-looking statements subject to risks and uncertainties which could cause the Company's actual results or performance to differ materially from those expressed or implied in such statements.

For additional information about the Company and its various risk factors, reference is made to the Company's most recent Annual Report on Form 10-K as filed with the Securities and Exchange Commission.

Shadow 400 - Technical Data

Max. Gross Weight	203 kg
Empty Weight	147 kg
Max. Payload	30 kg
Length	3,82 m
Wingspan	5,15 m

Shadow 400 - Performance

Take Off Distance	400 m
Max. Altitude	3.660 m
Max. Speed	185 km/h
Cruise Speed	139 km/h
Loiter Speed	120 km/h
Endurance	5 hours
Rate of Climb	198m/min.

Shadow 400 - Features

- Launcher & Wheeled Take-Off
- Shipborne Net Recovery & Wheeled Recovery
- Airborne Video Tape Recorder
- Multiple Sensor Capability
- Dual Redundant Data Links

AAI Corp. is an EURO UVS Member.