

## News Release

15 September 2011

### **Cobham Agrees to Acquire US Trivec-Avant Corporation, a Global Leader in Satellite Communication Antennas, for US\$126 Million**

#### **Summary**

Cobham plc ('Cobham' or 'the Group') is pleased to announce that it has agreed to acquire US-based Trivec-Avant Corporation ('Trivec'), a leading global supplier of sophisticated UHF satellite communication (SATCOM) antenna systems.

Trivec's SATCOM technology, product range and customer base are highly complementary to Cobham's Antenna Systems strategic business unit. The acquisition is in line with Cobham's strategy to build scale in its target markets and deepen its investment in highly differentiated technology.

Cobham will acquire the entire share capital of privately owned Trivec for a cash consideration of US\$126 million, payable on completion, on a debt and cash free basis. An additional cash consideration of up to US\$18 million is payable between 2013 and 2014, contingent on future performance. Subject to regulatory approvals, the acquisition is expected to complete during the fourth quarter of 2011.



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### **Information on Trivec-Avant**

Trivec has industry leading expertise in the field of Satellite Communication (SATCOM) antennas for communications on the move, including next generation network-centric warfare. It specialises in ultra high frequency (UHF) SATCOM and steerable technologies, which permit low to horizon communication in adverse terrain and in demanding military and emergency response missions. It has a suite of over 400 high quality antenna designs, which are used in ground, airborne and maritime applications.

### **Rationale and Benefits of the Transaction**

Trivec's SATCOM technology is complementary to the existing range of antenna products in Cobham's Antenna Systems strategic business unit and will be managed within this business as part of the Group's Aerospace and Security Division. The acquisition of Trivec brings new SATCOM market leading technology capabilities to Cobham's existing SATCOM antenna technology and product range, particularly UHF technology used in land, sea and airborne applications. The acquisition is consistent with Cobham's strategic objectives of building scale in all its markets and investing in differentiated technology.

Trivec has long established customer relationships built on the reputation of its products for high performance and quality. Cobham's complementary portfolio of products and customer relationships, together with the Group's international presence and multiple routes to market, are expected to increase sales activity within the US and internationally. There is also potential for Trivec's technology to be developed for specific commercial and security applications, leveraging Cobham's diversified customer base and technology capabilities.

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### Financial Information

For the year ended 31 December 2010, Trivec generated operating profits of US\$22.4 million and EBITDA of US\$22.6 million. At 31 December 2010 Trivec had gross assets, excluding debt and cash, of US\$11.7million.

After an allowable expense relating to goodwill amortisation (see note 3) Cobham is paying 4.5x 2010 EBITDA, in part reflecting the fact that 2010 was a year with exceptionally high land sales. It is expected that the acquisition will be immediately earnings enhancing and will cover its cost of capital in the first year of ownership.

Andy Stevens, Cobham Chief Executive Officer, said:

"The acquisition of Trivec-Avant Corporation brings us a range of SATCOM antenna products and communication related technologies that are highly complementary to our existing business, together with opportunities to win further work from a long established customer base, as well as from our multiple routes to market."

- Ends -

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### Notes

#### 1. About Cobham Antenna Systems

Cobham Antenna Systems is a world leader in the design and manufacture of communication systems and antennas for aircraft, ships and vehicles. Cobham's innovative communication, navigation, jamming, electronic warfare, telemetry and radar antennas serve all major commercial aviation manufacturers and operators, major defence contractors, emergency response organisations and law enforcement agencies with high speed data, voice and video.

Cobham's stabilised marine antennas are acknowledged as the best in their field for commercial shipping, oil and gas platforms, cruise ships and super yachts, with more than 20,000 in service.

#### 2. About Cobham

Cobham's products and services have been at the heart of sophisticated military and civil systems for more than 75 years, keeping people safe, improving communications, and enhancing the capability of land, sea, air and space platforms. The Company has three divisions employing more than 11,000 people on five continents, with customers and partners in over 100 countries and annual revenue of some £1.9bn / \$3 billion.

3. In certain circumstances **goodwill amortisation** is a deductible expense for tax purposes. In this situation, the net present value of the tax benefit is calculated and is deducted from the headline price to calculate the effective acquisition multiple.

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### **Forward Looking Statements**

*Nothing in this press release should be construed as a profit forecast or be interpreted to mean that the future earnings per share of Cobham will necessarily be the same as, or greater than, the earnings per share for completed financial periods.*

*This document contains 'forward-looking statements' with respect to the financial condition, results of operations and business of Cobham and to certain of Cobham's plans and objectives with respect to these items. Forward-looking statements are sometimes but not always identified by their use of a date in the future or such words as 'anticipates', 'aims', 'due', 'could', 'may', 'should', 'expects', 'believes', 'intends', 'plans', 'targets', 'goal', or 'estimates'. By their very nature, forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that may or will occur in the future.*

*There are various factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, changes in the economies, political situations and markets in which the Group operates; changes in government priorities due to programme reviews or revisions to strategic objectives; changes in the regulatory or competition frameworks in which the Group operates; the impact of legal or other proceedings against or which affect the Group; changes to or delays in programmes in which the Group is involved; the completion of acquisitions and divestitures and changes in currency exchange rates.*

*All written or verbal forward-looking statements, made in this document or made subsequently, which are attributable to Cobham or any other member of the Group or persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. Cobham does not intend to update these forward-looking statements.*