

15 July 2013

Cobham Acquires Full Ownership of Helicopter Services Joint Venture

Summary

Cobham plc ('Cobham' or 'the Group') today announces that it has completed the acquisition of the 50% shareholding that it did not already own in FB Heliservices Ltd, FB Leasing Limited and FBS Limited (together 'FBH'), from its long standing joint venture partner, Bristow Helicopters Limited ('Bristow'). The transaction comprises cash consideration of £74 million payable on completion, together with the assumption of Bristow's share of FBH's net debt.

Highlights:

- Strengthens Cobham's presence in an attractive market
- Highly complementary to Cobham's existing Aviation Services business, enabling the Group to build on existing capabilities and offer customers the convenience of a transport solution that includes a combination of helicopters and fixed wing aircraft
- Further strengthens Cobham's exposure to non US defence/security markets with the potential to expand its customer base in government related and other growth markets over time
- Expected to be immediately earnings enhancing and will cover the cost of capital in the first year of ownership

Commenting on the acquisition, Cobham Chief Executive Officer, Bob Murphy said: "FBH is a business we know extremely well through our long established joint venture arrangement and it has capabilities that are highly complementary to our existing Aviation Services business. It also brings a long track record of operating in attractive, specialist outsourcing markets with demonstrable success in winning contracts across the globe".

"We also offer our thanks to Bristow at the conclusion of this joint venture partnership, as FBH has successfully served to benefit all its stakeholders, including the UK Ministry of Defence and its other customers globally."

FBH specialises in defence helicopter training in the UK and elsewhere, including a contract with the Ministry of Defence to train helicopter crews for all branches of the armed forces, as well as the provision of search and rescue, logistics and emergency medical services for government clients globally. Its capabilities are complementary to Cobham's existing Aviation Services business, which provides services to the fixed wing aircraft market, allowing Cobham to offer a broader service to a wider customer base.

Rationale and Benefits of the Transaction

Acquiring full control of FBH strengthens Cobham's position in a sector that is characterised by long term contracts and which is expected to benefit from a trend towards increased outsourcing of helicopter operations and associated support services. This trend is expected to be driven by the outsourcing of existing in-house operations and by training opportunities arising from the sale of new helicopters into faster growth geographies. Consistent with Cobham's strategy, FBH has a good pipeline of new business opportunities in a number of these faster growth markets. These opportunities will further build on its existing, geographically diversified operations, strengthening Cobham's exposure to non US defence/security markets.

In addition, the acquisition combines FBH's proven helicopter capabilities with Cobham's long standing position and reputation in its fixed wing Aviation Services business. This will enable the Group to offer customers the convenience of a transport solution that includes a combination of helicopters and fixed wing aircraft in its outsourcing markets. FBH's existing management team will remain with the company following the acquisition.

Financial Information

As an existing Group joint venture, Cobham has been accounting for FBH by incorporating its 50% share of FBH's profit after tax within the trading profit line of the Aviation Services Division, which in the year ended 31 December 2012 was £6.7 million. As at 31 December 2012, FBH had gross assets of £98 million. The Group is assuming FBH's net debt of approximately £38 million at completion, which was principally owed to Cobham, and therefore Cobham's net debt will increase by the cash consideration of £74 million only.

It is expected that the acquisition will be immediately earnings enhancing and will cover the cost of capital in the first year of ownership. The implied transaction multiple is an estimated 7.4x FBH's 2012 EBITDA.

-ends-

ENQUIRIES

Cobham plc

Simon Nicholls, Chief Financial Officer

+44 (0)1202 882020

Julian Wais, Director of Investor Relations

+44 (0)1202 857998

Brunswick

Michael Harrison/Will Carnwath

+44 (0)20 7404

5959

Information on FBH

FBH was first formed in 1997, and principally specialises in the provision of defence helicopter training in the UK, as well as the provision of search and rescue, logistics and emergency medical services for defence and government clients globally. In aggregate, across its portfolio of activities, FBH owns over 60 helicopters and supports over 100 helicopters globally, conducting over 40,000 flight hours each year.

Its contract with the UK Ministry of Defence is for training helicopter crews for all branches of the armed forces, providing 40% of the training school flight instructors and helicopter training simulators to the Defence Helicopter Flying School, along with fully maintained helicopters. The contract was extended in 2012 and currently runs to April 2016, excluding two possible one year extensions.

FBH also has significant business outside of the UK and has announced a number of recent contract successes. These include the commencement of operations under an eight year contract in the Dutch Antilles to provide two AW139 helicopters for anti-narcotic and search and rescue operations and a two year contract to provide helicopter training services to the Albanian Ministry of Defence. FBH also maintains, operates or supports helicopters on behalf of customers in other parts of the world.

About Cobham

Cobham protects lives and livelihoods with its differentiated technology and know-how, operating with a deep insight to customer needs and agility. The Group offers an innovative range of technologies and services to solve challenging problems across commercial, defence and security markets, from deep space to the depths of the ocean. It has market leading positions in air-to-air refuelling; aviation services; audio, video and data communications, including satellite communications; defence electronics; life support and mission equipment. The most important thing Cobham builds is trust.

About Cobham Aviation Services

Cobham Aviation Services provides specialist aviation solutions to Defence, Government and major commercial customers under long term performance based contracts. This includes modern battle space air warfare training for the UK armed forces and NATO, operating the largest border protection civil maritime surveillance contract in the world for the Australian Government and providing air traffic control radar display software and aid calibration services to leading UK and European airports. Cobham Aviation Services also operates and supports commercial passenger and freight aircraft on behalf of Qantas in Australia and provides a range of air charter services for the resource industry in Australia and PNG.