News Release

COBHAM

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PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

	2007	**2008**	Change
Order intake	£1,187m	**£1,664m**	+40%
Total revenue	£1,061m	**£1,467m**	+38%
Underlying[1] trading margin	18.7%	**17.2%**	-1.5%pts
Underlying[1] profit before tax	£207m	**£244m**	+18%
Underlying[1] earnings per share (EPS)	13.1p	**15.4p**	+18%
Basic EPS	11.6p	**8.4p**	
Operating cash conversion[2]	81%	**106%**	
Full year recommended dividend per share	4.50p	**4.955p**	+10%

- Order book increased from £1.8bn to £2.7bn, giving excellent long term revenue visibility
- Growth markets and technology focus underpin 10% organic increase in Technology Divisions'[3] revenue; strong growth from Cobham Aviation Services
- Underlying EPS growth of 18% (13% at constant translation exchange rates) driven by organic growth and acquisitions
- Basic EPS impacted by unrealised, non-cash foreign exchange mark-to-market and intangible amortisation costs
- Cash conversion of 106% and free cash flow of £203m demonstrates cash generative business model
- US$1.2bn of acquisitions completed with good progress on integration
- 10% increase in 2008 dividend; double digit compound growth since 1980

Allan Cook, Cobham Chief Executive, said:

"I am delighted to report another set of strong results, with double digit organic revenue and underlying earnings per share growth and excellent cash generation in a challenging economic environment. These results reflect our strategy of focusing on high growth markets and our continuing commitment to invest in distinctive technologies that can be applied across a broad range of programmes.

"Our core military and government markets remain robust, despite the more challenging economic environment. We see exciting opportunities for organic growth and benefits from the US$1.2bn of acquisitions completed in the year. The long term visibility provided by our £2.7bn order book and the resilient nature of our core customer base gives the Board confidence of achieving further progress in 2009."

ENQUIRIES

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PRELIMINARY RESULTS PRESENTATION AND WEBCAST

There will be a preliminary results presentation at 9.30am on Thursday, 5 March 2009. The preliminary results presentation will be webcast and will be available by 4.30pm on the day on the Cobham website (www.cobham.com) and will remain on the website for subsequent viewing. The published Annual Report will be available as a download file on 4 April 2009.

The following notes apply throughout these preliminary results:

1. *To assist with the understanding of earnings trends, the Group has included within its published statements trading profit and underlying earnings results. Trading profit and underlying earnings have been defined to exclude the impacts of certain acquisition related charges, portfolio restructuring costs, the mark-to-market of currency instruments not realised in the period and impairments of goodwill. Acquisition related charges excluded from trading profit and underlying earnings include the amortisation of intangible assets recognised on acquisition, such as customer relationships, technology and software and the like, the writing off of the pre-acquisition profit element of inventory written up on acquisition, costs charged post acquisition, which relate to purchasing the shares of acquired companies and, in the prior year, direct costs associated with an exceptional terminated acquisition. Portfolio restructuring costs comprise exceptional profits arising on business divestments, completed in prior years, which have funded exceptional costs associated with the restructuring of the Group's business and site integrations. Both the divestments and the integration activity originate from the Group's strategy announcement in September 2005.*
2. *Operating cash flow is defined as cash generated from operations, adjusted for cash flows from the purchase or disposal of fixed assets. Operating cash conversion is defined as operating cash flow as a percentage of trading profit, excluding profit from joint ventures.*
3. *Cobham's Technology Divisions comprise Cobham Avionics & Surveillance, Cobham Defence Systems and Cobham Mission Systems.*
4. *Throughout this document, PV (Private Venture or company funded Research & Development expenditure) for 2007 and the PV Key Performance Indicator medium term target have been restated on a proforma basis to take account of the SPARTA acquisition, where the vast majority of Research & Development is funded by customers. Both these numbers are stated on the same basis as the 2008 result.*

GROUP REVIEW

Introduction

The Group has continued to execute its strategy of supplying high growth, specialist markets in aerospace and defence with leading edge technologies. This has delivered strong and consistent organic growth, cash flow generation and significant revenue synergies from technology based acquisitions. This model is based on the following key attributes:

Key Attributes

- **High technology content**

  Core to success in each of Cobham's Technology Divisions is investment in advanced technologies which provide customers with critical capabilities. These present significant barriers to entry, giving the Group a leading position in many of its markets. Cobham continues to invest further in its technologies, whether organically or through acquisition, thus increasing the potential for future growth.

- **Focus on growth markets**

  The Group's focus is on specialist markets that benefit from sustained customer demand, leading to above average organic growth opportunities over the medium term. In defence markets, Cobham's activities are concentrated in areas that are key defence and government priorities, including defence electronics, force protection and national security. Geographically, the Group is expanding its activities in regions and countries which have had higher growth rates in defence spending such as the USA, India and the Middle East.

- **Broad programme participation**

  The Group has positions on a diverse range of air, land and marine platforms. These also present opportunities for capability upgrades. This unusually broad platform participation significantly reduces the risk to the Group from any single platform or programme, as well as increasing the potential financial returns on investment in technology and facilitates cross-selling.

- **Long term visibility and customer resilience**

  The long term nature of many of Cobham's programmes and the resilience of its core customer base affords excellent forward revenue visibility. This visibility is only partly reflected in the Group's order book as many customers, including its biggest end customer, the US Department of Defense, only place orders incrementally for multi-year programmes that can be in production over decades. Once in the order book, it is unusual for a customer order to be subsequently cancelled. The Group's sole source position on many long term contracts also increases confidence in the future.

Key Performance Indicators (KPIs)

The financial KPIs used to measure Group performance over the medium term are set out below. The growth targets exclude the beneficial impact of currency translation exchange rates:

KPI	2007 Actual	**2008 Actual**	Target
Technology Divisions' organic revenue growth	13%	**10%**	**High single digit**
Underlying Earnings Per Share Growth (at constant translation exchange)	16%	**13%**	**High single digit**
Operating cash conversion	81%	**106%**	**>80%**
PV investment	5.6%	**5.7%**	**6% in medium term**

Orders

The Group has continued to generate good demand for its products in its growth markets and has ended the year with an order book of some £2.7bn (2007: £1.8bn). The order book increased for both the Technology Divisions at £1.6bn (2007: £0.8bn) and Cobham Aviation Services at £1.1bn (2007: £1.0bn).

Order intake of £1,664m (2007: £1,187m) included approximately £150m relating to the UK Future Strategic Tanker Aircraft (FSTA) programme which was received in the first half. Excluding orders relating to acquisitions and at constant translation exchange rates, growth in order intake was 10%. Each of the three Technology Divisions increased its order intake in the year with an aggregate book to bill ratio of over 1.1 times.

Revenue

Total Group revenue in the year increased by 38% to £1,467m (2007: £1,061m) driven by the impact of acquisitions, double digit organic growth and favourable currency translation exchange rates. Organic revenue growth across the Technology Divisions was 10% (2007: 13%) with Cobham Aviation Services also delivering organic revenue growth of 10% (2007: 3%). An analysis of the Technology Divisions' revenue growth is as follows:

Revenue - Analysis of Technology Divisions

2007	FX Translation	Acquisitions	Organic Growth	2008
£870m	**+£70m**	**+£216m**	**+£90m**	**£1,246m**

Average 2007 US$/£ exchange rate = $2.00/£1. Average 2008 US$/£ exchange rate = $1.86/£1.

Organic Revenue Growth

All of the Divisions made a significant contribution to the strong organic revenue growth in the year. In Cobham Avionics & Surveillance, there was a particularly strong performance from the US avionics business. In Cobham Defence Systems there was good growth from vehicle intercom systems, active microwave products and antennas. Within Cobham Mission Systems, the Life Support business performed strongly and Cobham Aviation Services also contributed strong organic growth in both of its major geographical markets.

Part of Cobham's strategy is to invest in technology with the aim of bringing to market leading edge products for specific customer needs which will drive future organic revenue growth. Total PV investment (Private Venture or company funded Research and Development) in the year increased to £71m (2007: £55m). As a proportion of technology revenue, PV investment in the year increased to 5.7% (2007: 5.6%). With the addition of significant customer funded R&D in the year, total R&D investment was around 10%.

In the year, Cobham has made PV investments in a range of high technology products for its chosen markets, including:

- A prototype mine detection system was developed for use by the US Government, which will be deployed in operational trials. Opportunities for this to be used within the UK, European and Indian markets are also being pursued;

- Development continues on the high performance transmit and receive modules for the Scaleable Panel for Efficient Affordable Radars (SPEAR) programme with down selection for the second technology phase of the programme. SPEAR will have broad use on the next generation of affordable active electronically scanned array antennas;

- An extended range, high data rate, full-duplex link to a reconnaissance and surveillance aircraft was successfully made. The Tactical Wideband Interoperable Surface Terminal (TWISTER) brings with it the first multi-role data-link/SATCOM terminal of its kind. With this new product, which makes more efficient use of available bandwidth, Cobham is well positioned to compete for important new programmes such as the Distributed Common Ground System;

- Contracts worth US$7.7m were received for Cobham's SLB2000 Personal Locator Beacon, which was designed with PV funding, and is a replacement for the emergency beacons used by the US Air Force in ejection seats and parachute packs.

Single Cobham Brand

The Group will have transitioned to a single unified Cobham brand by the end of the first quarter of 2009, which will better display the Group's capabilities to existing customers, facilitating cross-selling and strengthen the Group's position as a key supplier, with additional recognition among potential customers. The single brand enables Cobham's Washington DC office to raise significantly the Group's profile in the USA.

Acquisitive Growth

During 2008 Cobham completed six acquisitions for a total of US$1.2bn. The acquisitions completed earlier in the year are performing ahead of expectations, except the smaller S-TEC acquisition, which has been impacted by the downturn in the general aviation market. Progress on the more recent M/A-COM acquisition, including the complex separation of the business from its former owner so that it can operate as a standalone entity, is ongoing with performance expectations unchanged.

The Sensor and Antenna Systems, Lansdale integration has been completed ahead of plan and a number of joint bids have been submitted in cooperation with other Cobham businesses. Existing Group spiral antenna design and manufacture, together with the manufacture of some microelectronics modules have been transferred to the Lansdale facility. Lansdale is also providing system engineering design analysis support to other Cobham Defence Systems units. All back office functions and information technology systems are now operating independently from the former owner, two months ahead of schedule.

Significant progress has been made to combine the capability and financial strength of Cobham with the market position and expertise of SPARTA. This has seen early success as SPARTA has teamed with another Cobham Defence Systems business on its first joint proposal. SPARTA's composites business is also benefiting from collaboration with other Cobham businesses. As previously announced, the US Defense Advanced Research Projects Agency has awarded SPARTA a new and important R&D project worth US$8.6m to help develop the National Cyber Range; part of a major government-wide effort to increase US defences against electronic attack.

Cooperation on joint proposals between M/A-COM and other Cobham Defence Systems' businesses has commenced quickly, with two opportunities being worked on in the airborne electronics market. Additionally, plans are being developed to combine the cable, waveguide and antennas activities of M/A-COM with other Cobham business units.

Acquisitions form an important element in Cobham's strategy and add value through exploiting technology related synergies between complementary products and by cross-selling to the different customer bases to create new growth and market opportunities.

Trading Profit

Group trading profit increased by 27% to £252m (2007: £199m), again driven by strong organic growth, the impact of acquisitions and favourable currency translation exchange rates. Included within trading profit is a net gain of £3m (2007: expense £2m) from FSTA project costs, as reported in the first half.
The Group's trading margin declined by 1.5% points to 17.2% (2007: 18.7%). This included the anticipated margin mix from acquisitions and normal variability in the Divisions' operating margins.

Net Finance Expense and Underlying Profit Before Tax

Net finance expense was £8m (2007: income £8m). Net interest expense on cash and debt holdings was £9m (2007: income £2m) as a result of the acquisitions completed in the year, partly offset by excellent cash generation from operations.

As anticipated, the net finance credit from pension schemes was lower at £1m (2007: £6m), due to changes in mortality assumptions set at the end of 2007. In 2009, this non-cash credit will become a debit, primarily due to the fall in market value of scheme assets at 31 December 2008, resulting in a £7m impact to profit before tax.

Underlying profit before tax was up 18% at £244m (2007: £207m).

Taxation

On an underlying basis the effective tax rate for the year was 28.7% (2007: 28.8%). The underlying tax rate is calculated by dividing the Group's underlying tax charge by its underlying profit before tax, excluding the share of post-tax results of joint ventures.

Earnings per Share (EPS)

Double digit organic revenue growth, together with favourable currency translation exchange rates and the net profit contribution from acquisitions completed in the year, was primarily responsible for an 18% increase in underlying EPS to 15.4p (2007: 13.1p). EPS growth at constant currency translation exchange rates was 13%.

Basic EPS was lower than the comparable period at 8.4p (2007: 11.6p). This was primarily due to the increased post-tax impact of non-cash losses of £43m (2007: £4m) on the unrealised mark-to-market of currency instruments, largely as a result of the impact of the weakening pound. These instruments hedge foreign currency denominated contract revenue in order to protect the Group's future profits and cash flows from currency fluctuations.

In addition, the post-tax impact of non-cash amortisation of intangible assets, arising on acquisition increased to £29m (2007: £9m) due to the 2008 acquisitions where certain intangible assets, such as order books and technology, are recognised and amortised over a short life.

Facility Integration

The Group has continued to extract operating efficiencies from its businesses through the rationalisation of operating sites, with the intention that overhead savings be used for the purpose of increasing investment in PV.

During the year, the consolidation of the Cobham Avionics & Surveillance site in Idaho, USA with an existing site in Texas, USA was completed. In addition, the merger of three avionics businesses based in Arizona and Washington, USA and Kelowna, Canada is ongoing to create an avionics centre of excellence within the Division. Within Cobham Mission Systems, a project has been initiated to integrate the California site into existing facilities in Iowa and New York, USA by the end of 2009.

Despite some delays in the planning process, preparations for the rationalisation of the Wimborne, UK site continue, with a significant reduction in footprint envisaged.

Business Held for Sale

As previously announced at the time of the M/A-COM acquisition, the Group is in the process of divesting part of the acquired business, M/A-COM Technology Solutions (MTS), as it is not core to the Group's strategy. Accordingly, MTS has been treated as held for sale and its trading has not impacted the income statement or earnings.

Retirement Obligations

The Group operates a number of defined benefit pension schemes, the most significant being the Cobham Pension Plan. At 31 December 2008, the Group's net balance sheet liability before deferred tax relating to its defined benefit schemes had increased to £51m since the previous year end (30 June 2008: £91m and 31 December 2007: £37m) due to a fall in the value of scheme investments at 31 December 2008.

Cash Flow and Net Debt

Operational cash inflow in the year, after PV expenditure, which is expensed in the income statement, and capital expenditure but before the payment of tax, interest and dividends received from joint ventures was £261m (2007: £157m) representing 106% (2007: 81%) of trading profit before the Group's share of post-tax results of joint ventures. Operational cash flow in the first half benefited from £10m of reimbursed FSTA bid costs. Excluding this benefit, cash conversion would have been 104%.

The single biggest driver behind the excellent underlying cash conversion in the year is the achievement of working capital efficiencies. Since the commencement of the operational improvement programme in 2005, the Group has delivered cumulative working capital efficiencies of £55m, derived from increased focus, implementation of lean manufacturing techniques and improved debtor control.

After the payment of restructuring costs, tax, net interest and dividends received from joint ventures, the Group generated increased free cash flow of £203m (2007: £134m) despite 2007 benefiting from tax refunds received in respect of earlier years. Out of free cash flow, the Group paid dividends of £53m (2007: £44m). The Group also invested £617m (2007: £18m) in acquisitions, partly out of free cash flow.

Also as a result of the acquisitions made, the Group had net debt of £641m (2007: net cash £78m) at the year end. It is the Group's policy to hold a significant proportion of its borrowings in foreign currency, principally US dollars, as a natural hedge against movements in the value of US dollar and other currency denominated assets and earnings from overseas subsidiaries. Movements in exchange rates accounted for £257m (2007: £0m) of the increased net borrowings.

The Group's year end gearing position is just over 1.9 times Net Debt/EBITDA, assuming a full year EBITDA contribution from acquisitions, which is calculated on a basis consistent with the Group's banking covenants.

Financing

During late 2008 and the first quarter of 2009, the Group secured US$325m and £50m of additional facilities with six counterparty banks with maturities in the period 2010 to 2012.

In total, the Group currently has facilities of US$1,200m and £350m with sufficient headroom, including balance sheet cash, to cover the US$650m balance on its bridging facility which matures by June 2009 and to provide additional funds for future investment.

In addition, the Group has agreed and priced a US$350m private placement debt issue in the US, subject to customary closing conditions, which is expected to be drawn down at the end of March 2009.

Dividends

The Board has proposed a final dividend of 3.61p (2007: 3.28p). Together with an interim dividend of 1.345p (2007: 1.22p), which was paid on 12 December 2008, this will result in a total dividend of 4.955p per share, an increase of 10% on the comparable period. The final dividend will be paid on 1 July 2009 to all shareholders on the register at 29 May 2009, subject to shareholder approval.

RECONCILIATION OF UNDERLYING PROFIT

	2007	**2008**
Trading profit is calculated as follows:		
£m		
Result before joint ventures	160	**123**
Share of post-tax results of joint ventures	6	**6**
Operating profit	166	**129**
Adjusted to exclude:		
Portfolio restructuring	9	**7**
Unrealised losses on revaluation of currency instruments	6	**60**
Amortisation of intangible assets arising on acquisition	14	**47**
Acquisition related adjustments	4	**9**
Trading profit	199	**252**

	2007	**2008**
Underlying profit before tax is calculated as follows:		
£m		
Profit on continuing operations before taxation	174	**121**
Adjusted to exclude:		
Portfolio restructuring	9	**7**
Unrealised losses on revaluation of currency instruments	6	**60**
Amortisation of intangible assets arising on acquisition	14	**47**
Acquisition related adjustments	4	**9**
Underlying profit before taxation	207	**244**

	2007	**2008**
Profit after tax used in the calculation of underlying EPS is calculated as follows:		
£m		
Profit after taxation attributable to equity shareholders	132	**95**
Adjusted to exclude (after tax):		
Portfolio restructuring	1	**2**
Unrealised losses on revaluation of currency instruments	4	**43**
Amortisation of intangible assets arising on acquisition	9	**29**
Acquisition related adjustments	2	**7**
Underlying profit after tax	148	**176**
Underlying earnings per ordinary share (pence)	13.1	**15.4**

DIVISIONAL REVIEW

	Revenue		Organic	Trading Profit	
	2007	**2008**	Revenue Growth	2007	**2008**
£m					
Cobham Avionics & Surveillance	327	**433**	10%	52	**72**
Margin				*15.9%*	***16.6%***
Cobham Defence Systems	300	**529**	11%	75	**105**
Margin				*24.9%*	***19.9%***
Cobham Mission Systems	263	**302**	9%	54	**52**
Margin				*20.6%*	***17.3%***
Technology Eliminations	(20)	(18)		(1)	-
Technology Divisions	870	**1,246**	10%	180	**229**
Margin				*20.7%*	***18.4%***
Cobham Aviation Services	193	**222**	10%	22	**25**
Margin				*11.4%*	***11.2%***
Head Office and Other	(2)	(1)		(3)	(2)
Cobham Group	1,061	**1,467**	10%	199	**252**
Margin				*18.7%*	***17.2%***

Cobham Avionics & Surveillance

Total revenue increased by 32% to £433m, driven by organic growth of 10%, acquisitions and favourable currency translation exchange rates. The US and French avionics, SATCOM and surveillance businesses all achieved organic growth, which was particularly strong in the US avionics business.

The Division's margin increased to 16.6% (2007: 15.9%) primarily due to the strong performance in avionics and the impact of the ongoing restructuring in North America.

The drivers of organic revenue growth included:

- Growth in sales of emergency locator transmitters for the US aviation market as the authorities have mandated a move to the 406MHz frequency by 1 February 2009, when an existing satellite service will cease;
- Strong sales of tactical radios and aircraft digital intercom systems throughout the year as public safety organisations worldwide increased spending on communication equipment.

There were a number of important business developments in the year:

- Selection by Rockwell Collins and Airbus to provide the Radio and Audio Integrated Management System for the Airbus A350 aircraft, in an award worth up to US$200m including aftermarket support;

- Supply agreements with Gulfstream and Dassault were extended and established respectively for SATCOM antennas. Six major airlines have now adopted the HGA-7001 antenna, which was developed with PV funding, and several other operators are anticipated to make similar commitments in the first half of 2009;
- A major development milestone was achieved in the next generation of aircraft based satellite communication, Broadband Global Area Network, with on air testing started using the INMARSAT network. The PV funded product is anticipated to launch in the first half of 2009.

Cobham Defence Systems

Total revenue increased by 76% to £529m, driven by organic growth of 11%, acquisitions and favourable currency translation exchange rates. Revenue growth was particularly strong in vehicle intercom systems, active microwave products and antennas.

The Division's margin decreased to 19.9% (2007: 24.9%). As anticipated, this was primarily due to the acquisition margin mix.

The drivers of organic revenue growth included:

- Several multi-million dollar contracts were won for the supply of the VIC-3 Digital Vehicle Intercom System to the US Army. Production increased to record levels in May to support the US Army's Mine Resistant Ambush Protection vehicle programme;
- Full Rate Production of Low Band Transmitter/Antenna Groups was secured by Cobham's business unit in Lansdale, USA which was acquired in February 2008. US$64m of such orders have been secured since acquisition;
- A thousand antennas were designed and manufactured for the US Army to provide troops with Improvised Explosive Device protection in Afghanistan and approximately eleven thousand communication antennas were manufactured and delivered to the US Army;
- Work on several new and significant active microwave development contracts for the EA-18G electronic attack aircraft, a helicopter radar system upgrade and new applications on existing manned and unmanned reconnaissance aircraft;
- After a 12 month successful joint development program with Boeing Integrated Defense Systems, production commenced on a new style conformal SATCOM antenna system for the F-15E fighter aircraft. Newly equipped aircraft are now operating in Afghanistan.

There were a number of important business developments in the year:

- Cobham was awarded new contracts to supply microwave electronic modules for the F-35 Joint Strike Fighter;
- In faster growing geographic markets, contracts were received from Korean Aircraft Industries for an avionics suite, integrated communications system and antennas for the KT1-T combat trainer and for the Korean Utility Helicopter. In India, orders were secured through Bharat Electronics for some 7,000 shipborne, vehicular and manpack antennas, plus antenna masts for the Indian Army. Cobham's relationship with Hindustan Aeronautics (HAL) developed further with the Group's selection to supply an avionics package, support to HAL's first export sales to Peru and a suite of antennas for the SU-30;

- A proposal was submitted to the US Army for the next generation of vehicle intercom systems and a successful product demonstration undertaken. The award of this competitive multi-billion dollar VIS-X programme is now expected later in 2009, with deliveries of existing equipment continuing;
- Cobham is actively involved in a number of significant opportunities to supply C4I (command, control, communications, computers and intelligence) systems into the fast growing soldier modernisation market, involving programmes in the UK, Europe, Asia and Middle East;
- A US$13m contract was received from the US Air Force (Hill Air Force Base) to repair and refurbish third party radar antennas for the F-16 fighter aircraft. The award reflects the Group's growing position as a logistics partner and supplier of antenna subsystems.

Cobham Mission Systems

Total revenue increased 15% to £302m primarily due to organic revenue growth of 9%, which was particularly strong in the Cobham Life Support business and favourable currency translation exchange rates.

In 2007 the margin was at the top end of the range at 20.6%, moderating to 17.3% in 2008. This was primarily due to the mix of revenue from air refuelling equipment in the Cobham Mission Equipment business. In addition, there was lower overhead recovery at Wimborne due to Eaton Aerospace having now vacated the site and delays in obtaining some planning consents relating to the facility rationalisation. The management team has been strengthened to deliver cost efficiencies and the California site is being integrated into existing facilities in Iowa and New York, USA. The benefits of this and the Wimborne site rationalisation are expected from 2010 onwards.

The drivers of organic revenue growth included:

- Delivery of micro climate cooling systems with orders received for the US Army Air Warrior programme, including installations for the Bradley Fighting vehicle and the M88-A2 recovery vehicle;
- Completion and delivery of Lot 3 production of the Small Diameter Bomb (SDB) weapons carriage release system for the F-15E and commencement of Lot 4. Over 500 carriages have been delivered to date.

There were a number of important business developments in the year:

- As previously announced, receipt of the FSTA order for wing pods and fuselage refuelling units, with a 27 year support contract and a follow on contract for a further five years' support of the French Air Force tanker fleet;
- Receipt of the purchase order for Lot 5 of the SDB weapons carriage systems, as previously announced in December, worth US$26.5m. Activities are ongoing to bring the SDB capability to the F/A-22 and F-35 platforms;
- Receipt of a £25m order for Typhoon equipment for Saudi Arabia, including the Missile Eject Launcher and defensive aids systems for which Cobham is the design authority;

- Selection to provide the On Board Inert Gas Generating System for Sikorsky's new CH-53K military heavy-lift helicopter and a three year US$20m launch order for the new PHANTOM Parachutist Oxygen System which was developed with PV funding.

Cobham Aviation Services

Revenue increased by 15% to £222m from organic revenue growth of 10% and favourable currency translation exchange rates. Both the UK and Australian operations contributed to this growth.

The Division's margin was slightly lower than the previous year at 11.2% (2007: 11.4%), primarily reflecting the higher pilot costs in Australia reported in the first half.

The drivers of organic revenue growth included:

- Entry into service in July of the tenth 'all electronic' aircraft for the Australian Sentinel contract. A 10% increase in the rate of effort began in October, providing additional revenue in the year;
- Strong demand for flying hours under the new NATO EW training contract, with over 900 hours flown. Cobham is now the sole provider of EW training to NATO in Europe.

There were a number of important business developments in the year:

- Receipt of the FSTA contract in May to convert A330 aircraft to tankers. The contract is valued at over £50m and enables a strategic relationship to be developed with Airbus Military;
- Selection as the preferred bidder for conversion of the fixed wing aircraft element of the stage 1 rear crew training requirement for UK Royal Navy observers, part of the larger Military Flying Training System contract;
- Selection by AgustaWestland as an approved supplier and strategic partner on a UK Ministry of Defence programme known as the Joint Modification Service, under which helicopters will be modified at FR Aviation's Hurn, UK facility;
- Cobham was assessed by the UK Ministry of Defence as the top rated supplier in December 2008.

OUTLOOK

Cobham has delivered another set of strong results, with double digit organic revenue and underlying earnings per share growth and excellent cash generation in a challenging economic environment. These results reflect the Group's strategy of focusing on high growth markets and its continuing commitment to invest in advanced technologies that provide Cobham's customers with distinctive technologies across a broad range of programmes.

Cobham's core military and government markets remain robust, despite the more challenging economic environment. The Group has exciting opportunities for organic growth and will benefit from the US$1.2bn of acquisitions completed in the year. The long term visibility provided by the Group's £2.7bn order book and the resilient nature of the core customer base gives the Board confidence of achieving further progress in 2009.

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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 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.

COBHAM

Consolidated income statement

For the year ended 31 December 2008

£m	Note	2008	2007
Continuing operations			
Revenue	2	**1,466.5**	1,061.1
Cost of sales		**(1,008.5)**	(717.3)
Gross profit		**458.0**	343.8
Selling and distribution costs		**(76.0)**	(61.3)
Administrative expenses		**(200.0)**	(116.8)
Share of post-tax results of joint ventures		**6.0**	5.8
Unrealised losses on revaluation of currency instruments		**(59.5)**	(5.7)
Operating profit	2	**128.5**	165.8
Finance income	5	**56.5**	49.0
Finance expense	5	**(64.3)**	(41.3)
Profit on continuing operations before taxation		**120.7**	173.5
Tax on continuing operations	6	**(28.1)**	(47.3)
Profit on continuing operations after taxation		**92.6**	126.2
Discontinued operations			
Profit after taxation from discontinued operations		**2.9**	5.8
Profit after taxation for the year		**95.5**	132.0
Profit attributable to equity shareholders		**95.4**	131.7
Profit attributable to minority interests		**0.1**	0.3
Profit after taxation for the year		**95.5**	132.0
Earnings per Ordinary Share	8		
- Basic		**8.38p**	11.61p
- Diluted		**8.34p**	11.55p
Earnings per Ordinary Share from continuing operations	8		
- Basic		**8.13p**	11.10p
- Diluted		**8.08p**	11.04p

Trading profit is calculated as follows:

£m	Note	2008	2007
Operating profit from continuing operations		**128.5**	165.8
Adjusted to exclude:		**-**	-
Portfolio restructuring	4	**7.4**	9.5
Unrealised losses on revaluation of currency instruments	3	**59.5**	5.7
Amortisation of intangible assets arising on acquisition	3	**46.8**	13.8
Acquisition related adjustments	3	**9.4**	4.0
Trading profit	3	**251.6**	198.8

Consolidated balance sheet

As at 31 December 2008

£m	Note	2008	2007
Assets			
Non-current assets			
Intangible assets		**1,211.8**	476.1
Property, plant and equipment		**291.1**	203.8
Investment properties		**13.0**	7.2
Investments in joint ventures		**16.9**	18.8
Trade and other receivables		**22.2**	10.7
Derivative financial instruments		**0.7**	7.0
Deferred taxation assets		**9.0**	8.3
		1,564.7	731.9
Current assets			
Inventories		**246.8**	170.1
Trade and other receivables		**357.4**	236.6
Corporation tax		**12.6**	2.8
Derivative financial instruments		**1.1**	4.9
Cash and cash equivalents		**311.0**	444.5
		928.9	858.9
Assets classified as held for sale		**66.0**	-
		994.9	858.9
Liabilities			
Current liabilities			
Borrowings		**(823.9)**	(243.1)
Trade and other payables		**(333.8)**	(220.6)
Derivative financial instruments		**(45.3)**	(2.2)
Corporation tax		**(45.1)**	(65.3)
Provisions		**(75.2)**	(29.5)
		(1,323.3)	(560.7)
Liabilities classified as held for sale		**(19.4)**	-
		(1,342.7)	(560.7)
Non-current liabilities			
Borrowings		**(128.4)**	(123.5)
Trade and other payables		**(37.6)**	(10.6)
Derivative financial instruments		**(67.1)**	(1.9)
Deferred taxation liabilities		**(58.0)**	(22.5)
Provisions		**(25.8)**	(30.3)
Retirement benefit obligations		**(51.2)**	(37.2)
		(368.1)	(226.0)
Net assets		**848.8**	804.1
Capital and reserves			
Called up share capital		**28.5**	28.4
Share premium account		**103.9**	98.8
Translation reserve		**45.1**	1.4
Other reserves		**(7.9)**	17.9
Retained earnings		**678.6**	657.2
Total shareholders' equity		**848.2**	803.7
Minority interest in equity		**0.6**	0.4
Total equity		**848.8**	804.1
Net (debt)/cash	9	**(641.3)**	77.9

Consolidated cash flow statement

For the year ended 31 December 2008

£m	Note	**2008**	2007
Cash flows from operating activities			
Cash generated from continuing operations	9	**315.5**	199.2
Corporation taxes paid		**(58.2)**	(23.3)
Interest paid		**(39.6)**	(16.5)
Interest received		**33.5**	17.6
Net cash from operating activities		**251.2**	177.0
Cash flows from investing activities			
Dividends received from joint ventures		**8.9**	3.2
Net capital expenditure	9	**(55.0)**	(42.6)
Net acquisitions and disposals of undertakings	9	**(616.6)**	(17.7)
Restructuring costs		**(2.2)**	(3.7)
Net cash used in investing activities		**(664.9)**	(60.8)
Cash flows from financing activities			
Issue of share capital		**5.2**	4.7
Dividends paid	7	**(52.7)**	(43.8)
Purchase of treasury shares		**(1.1)**	-
New borrowings		**388.3**	89.3
Repayment of borrowings		**(48.7)**	(96.7)
Repayment of obligations under finance leases		**(0.1)**	(0.3)
Net cash from / (used in) financing activities		**290.9**	(46.8)
Net (decrease) / increase in cash and cash equivalents		**(122.8)**	69.4
Cash and cash equivalents at start of year		**432.0**	360.4
Exchange movements		**(4.8)**	2.2
Cash and cash equivalents at end of year		**304.4**	432.0

Consolidated statement of recognised income and expense

For the year ended 31 December 2008

£m	2008	2007
Profit after taxation for the year	**95.5**	132.0
Net translation differences on investments in overseas subsidiaries	**51.8**	10.3
Actuarial loss on pensions	**(27.2)**	(23.7)
Actuarial loss on other retirement obligations	**(0.8)**	-
Movements on cash flow hedges	**(53.1)**	(2.1)
Deferred tax relating to items charged directly to retained earnings	**22.9**	7.1
Deferred tax (charged)/credited directly to reserves	**(2.0)**	0.2
Net expense recognised directly in equity	**(8.4)**	(8.2)
Total recognised income for the year	**87.1**	123.8
Equity holders of the parent	**87.0**	123.5
Minority interest	**0.1**	0.3
	87.1	123.8

Notes to the financial information

1. Basis of preparation

The attached audited financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, International Financial Reporting Interpretation Council (IFRIC) interpretations and those parts of the Companies Act 1985 applicable to companies reporting under IFRS.

The accounting policies remain as published in the financial statements for the year ended 31 December 2007.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

There have been no new standards or amendments to existing standards adopted during the current year. The revision to IAS 23, Borrowing Costs, was adopted early with effect from 1 January 2007 and no adjustments to Group accounting policies were required on adoption of this amendment.

The following interpretations to existing standards which are effective for the current year are not considered to have any significant impact on the Group's financial statements:

- IFRIC 11, IFRS 2 Share-based payment – Group and Treasury Share Transactions
- IFRIC 12, Service Concession Arrangements
- IFRIC 14, IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The financial information set out in this statement does not constitute the Group's statutory accounts for the years ended 31 December 2008 and 31 December 2007. Statutory accounts for the year ended 31 December 2007 have been delivered to the Registrar of Companies, and those for 2008 will be delivered following the Company's Annual General Meeting. The auditors have reported on those accounts; their reports were unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and did not contain any statements under section 237 (2) or (3) of the Companies Act 1985.

2. Business segments

The Group is organised into four operating Divisions and other activities. These Divisions are the basis on which primary segmental information is reported. The principal activities of the Group's operating Divisions are:

Cobham Avionics & Surveillance	Providing a suite of end-to-end avionics products, law enforcement and national security solutions, and satellite communication equipment for land, sea and air applications.
Cobham Defence Systems	Critical technology for network centric and intelligence operations, moving information around the digital battlefield with customised and off-the-shelf solutions for people and systems to communicate on land, sea and air.
Cobham Mission Systems	Providing safety and survival systems for extreme environments, nose-to-tail refuelling systems and wing-tip to wing-tip mission systems for fast jets, transport aircraft and rotor craft.
Cobham Aviation Services	Delivering outsourced aviation services for military and civil customers worldwide through military training, special mission flight operations, outsourced commercial aviation and aircraft engineering.

'Other Activities' include head office results (net of recoveries) and costs and recoveries associated with the bid process for the Future Strategic Tanker Aircraft project.

Details for these primary segments are shown below:

£m	Avionics & Surveillance	Defence Systems	Mission Systems	Aviation Services	Other Activities	Total
Revenue						
Year to 31 December 2008						
Revenue	**432.8**	**529.3**	**302.0**	**221.9**	**(1.0)**	
Inter-segmental revenue	**(12.1)**	**(6.8)**	**(1.3)**	**(0.2)**	**1.9**	
Total third party revenue	**420.7**	**522.5**	**300.7**	**221.7**	**0.9**	**1,466.5**
Year to 31 December 2007						
Revenue	326.9	299.9	262.8	192.5	(1.1)	
Inter-segmental revenue	(12.7)	(7.8)	(1.3)	-	1.9	
Total third party revenue	314.2	292.1	261.5	192.5	0.8	1,061.1
Result						
Year to 31 December 2008						
Result before joint ventures	**56.5**	**62.9**	**46.6**	**18.3**	**(61.8)**	**122.5**
Share of post-tax results of joint ventures	**-**	**-**	**-**	**6.0**	**-**	**6.0**
Operating profit	**56.5**	**62.9**	**46.6**	**24.3**	**(61.8)**	**128.5**
Portfolio restructuring	**2.9**	**-**	**4.5**	**-**	**-**	**7.4**
Unrealised loss on revaluation of currency instruments	**-**	**-**	**-**	**-**	**59.5**	**59.5**
Amortisation of intangible assets on acquisition	**11.8**	**33.4**	**1.1**	**0.5**	**-**	**46.8**
Acquisition related adjustments	**0.5**	**8.9**	**-**	**-**	**-**	**9.4**
Total trading profit	**71.7**	**105.2**	**52.2**	**24.8**	**(2.3)**	**251.6**
Year to 31 December 2007						
Result before joint ventures	47.0	67.2	53.3	15.6	(23.1)	160.0
Share of post-tax results of joint ventures	-	-	-	5.8	-	5.8
Operating profit	47.0	67.2	53.3	21.4	(23.1)	165.8
Portfolio restructuring	-	-	-	-	9.5	9.5
Unrealised loss on revaluation of currency instruments	-	-	-	-	5.7	5.7
Amortisation of intangible assets on acquisition	4.9	7.6	0.8	0.5	0.1	13.9
Acquisition related adjustments	-	-	-	-	3.9	3.9
Total trading profit	51.9	74.8	54.1	21.9	(3.9)	198.8

3. Underlying profit and earnings per share

In addition to the information required by IAS 33, Earnings per share, the directors believe that it is helpful to calculate an underlying earnings per share figure.

Trading profit and underlying earnings have been defined to exclude the impacts of certain acquisition related costs, portfolio restructuring costs, the marking to market of currency instruments not realised in the period and impairments of goodwill.

Acquisition related costs excluded from trading profit and underlying earnings include the amortisation of intangible assets recognised on acquisition, the writing off of the pre-acquisition profit element of inventory written up on acquisition, costs charged post-acquisition related to acquired share options and direct costs associated with exceptional terminated acquisitions.

Portfolio restructuring costs comprise exceptional profits or losses arising on disposals actually completed, as well as exceptional costs or profits associated with the restructuring of the Group's business and site integrations.

£m	Note	2008	2007
Operating profit		**128.5**	165.8
Portfolio restructuring		**7.4**	9.5
Unrealised losses on revaluation of currency instruments		**59.5**	5.7
Amortisation of intangible assets arising on acquisition		**46.8**	13.8
Acquisition related adjustments:			
Costs charged post-acquisition for acquired share options		**5.5**	-
Fair value adjustments to inventory on acquisition		**3.9**	0.1
Costs associated with terminated acquisition		**-**	3.9
Trading profit		**251.6**	198.8
Net finance (expense)/income	5	**(7.8)**	7.7
Underlying profit before taxation		**243.8**	206.5
Taxation charge on underlying profit		**(68.2)**	(57.8)
Minority interest		**(0.1)**	(0.3)
Underlying profit after tax attributable to equity shareholders		**175.5**	148.4
Underlying basic EPS		**15.42p**	13.09p
Underlying diluted EPS		**15.33p**	13.01p

Underlying administrative expenses amounted to £140.3m (2007: £89.5m). This excludes portfolio restructuring costs, amortisation of intangible assets recognised on acquisition, costs charged post-acquisition for acquired share options and costs associated with the terminated acquisition as above.

4. Portfolio restructuring

During 2008 the Group continued with the portfolio restructuring strategy announced in 2005. Principal projects in 2008 include the rationalisation of the Cobham Mission Systems Division's US production facilities, the consolidation of the Cobham Avionics & Surveillance Division's Idaho, USA, flight instrumentation technical centre into its newly acquired facility in Texas, USA, and the transfer of audio radio communications businesses to an existing facility in Arizona.

Restructuring projects in 2007 also included the consolidation of the diving products business based in Mississauga, Canada, into existing facilities in Iowa, USA and the integration of the antennas business based in Southampton, UK, into the new purpose designed facility in Marlow, UK.

The profits on disposal of discontinued activities before tax relate to businesses disposed of in prior years.

Profits from all of these activities have been excluded from trading profit and underlying earnings for the Group. Restructuring costs are included within administrative expenses.

£m	**2008**	2007
Restructuring costs	**(7.4)**	(9.5)
Profit on disposal of discontinued activities before tax	**2.9**	5.8
	(4.5)	(3.7)
Tax effect of portfolio restructuring	**2.5**	2.9
	(2.0)	(0.8)

5. Finance income and expense

£m	**2008**	2007
Finance income:		
Bank interest	**27.2**	20.3
Expected return on pension scheme assets	**28.1**	28.1
Other interest	**1.2**	0.6
Total finance income	**56.5**	49.0
Finance expense:		
Interest on bank overdrafts and loans	**(36.2)**	(17.7)
Interest on pension scheme liabilities	**(26.5)**	(22.7)
Other interest	**(1.6)**	(0.9)
Total finance expense	**(64.3)**	(41.3)
Net finance (expense)/income	**(7.8)**	7.7

6. Income tax expense

£m	2008	2007
Current tax	36.5	44.0
Deferred tax	(8.4)	3.3
Total tax charge for the year	28.1	47.3

The total income tax expense is analysed between UK and overseas tax as follows:

£m	2008	2007
United Kingdom	9.6	20.4
Overseas	18.5	26.9
Total tax charge for the year	28.1	47.3
Tax charge included in share of post-tax results of joint ventures	1.7	1.7

Income tax for the UK is calculated at a weighted average rate of 28.5% (2007: 30%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. On 1 April 2008 the standard rate of corporation tax in the UK changed from 30% to 28%.

In addition to the income tax expense charged to the income statement, a deferred tax credit of £20.9m (2007: £7.3m charge) has been recognised in equity in the year as shown in the consolidated statement of recognised income and expense.

7. Dividends

The following dividends on Ordinary Shares were authorised and paid during the year:

£m	2008	2007
Final dividend of 3.28p per share for 2007 (2006: 2.64p)	37.3	30.0
Interim dividend of 1.345p per share for 2008 (2007: 1.22p)	15.4	13.8
	52.7	43.8

In addition to the above, the directors are proposing a final dividend in respect of the financial year ended 31 December 2008 of 3.61 pence per share which will absorb an estimated £41.1m of shareholders' funds. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. If authorised, it will be paid on 1 July 2009 to shareholders who are on the register of members as at 29 May 2009. The total dividend in respect of the financial year ended 31 December 2008 will therefore be 4.955 pence per share (2007: 4.50 pence). The total amount paid in respect of 2008 will be £56.5m (2007: £51.1m).

8. Earnings per Ordinary Share

From continuing and discontinued operations

	2008			2007		
	Earnings £m	**Weighted average number of shares million**	**Per-share amount pence**	Earnings £m	Weighted average number of shares million	Per-share amount pence
Basic earnings per share (EPS)						
Earnings attributable to ordinary shareholders	**95.4**	**1,137.8**	**8.38**	131.7	1,134.0	11.61
Effect of dilutive securities:						
Options		**4.3**			6.4	
Long term incentive plans		**2.4**			-	
Diluted EPS	**95.4**	**1,144.5**	**8.34**	131.7	1,140.4	11.55

From continuing operations

	2008			2007		
	Earnings £m	**Weighted average number of shares million**	**Per-share amount pence**	Earnings £m	Weighted average number of shares million	Per-share amount pence
Basic earnings per share (EPS)						
Earnings attributable to ordinary shareholders	**95.4**			131.7		
Earnings from discontinued operations	**(2.9)**			(5.8)		
Earnings from continuing operations	**92.5**	**1,137.8**	**8.13**	125.9	1,134.0	11.10
Effect of dilutive securities:						
Options		**4.3**			6.4	
Long term incentive plans		**2.4**			-	
Diluted EPS	**92.5**	**1,144.5**	**8.08**	125.9	1,140.4	11.04

9. Notes to the consolidated cash flow statement

Cash flows from operating activities

£m	Note	2008	2007
Profit after taxation for the year		**95.5**	132.0
Profit after taxation for the year - discontinued operations		**(2.9)**	(5.8)
Adjustments for:			
Tax charge	6	**28.1**	47.3
Share of post-tax profits of joint ventures		**(6.0)**	(5.8)
Net finance expense/(income)	5	**7.8**	(7.7)
Depreciation		**32.6**	35.3
Amortisation of intangible assets		**48.4**	14.7
Profit on sale of property, plant and equipment		**0.3**	(1.5)
Portfolio restructuring	4	**7.4**	9.5
Costs charged post-acquisition for acquired share options		**5.5**	-
Fair value adjustments to inventory on acquisition		**3.9**	0.1
Costs of terminated acquisition		**-**	3.9
Unrealised losses on revaluation of currency instruments		**59.5**	5.7
Pension contributions in excess of pension expenditure		**(6.1)**	(5.5)
Share-based payments		**6.1**	4.6
Increase/(decrease) in provisions		**7.7**	(2.2)
Operating cash flows before movements in working capital		**287.8**	224.6
Decrease/(increase) in inventories		**4.7**	(9.4)
Increase in trade and other receivables		**(1.3)**	(45.7)
Increase in trade and other payables		**24.3**	29.7
Movements in working capital		**27.7**	(25.4)
Cash generated from operations		**315.5**	199.2

Cash flows from investing activities

	2008	2007
Net capital expenditure		
Purchase of property, plant and equipment	**(52.0)**	(67.4)
Purchase of intangible assets	**(6.3)**	(0.5)
Capitalised expenditure on intangible assets	**(0.1)**	(0.2)
Proceeds on disposal of property, plant and equipment	**3.4**	25.5
	(55.0)	(42.6)
Net acquisitions and disposals of undertakings		
Acquisition of subsidiaries net of cash acquired	**(603.4)**	(11.2)
Net deferred and contingent consideration	**(2.0)**	2.0
Other acquisition related costs	**(4.9)**	(3.2)
Special pension contributions relating to disposals in prior years	**(6.3)**	(5.3)
	(616.6)	(17.7)

Reconciliation of net cash flow to movement in net (debt)/cash

£m	2008	2007
(Decrease)/increase in cash and cash equivalents in the year	**(122.8)**	69.4
Net (increase in)/repayment of borrowings	**(339.5)**	7.7
Exchange movements	**(256.9)**	(0.1)
Movement in net (debt)/cash in the year	**(719.2)**	77.0
Net cash at beginning of year	**77.9**	0.9
Net (debt)/cash at end of year	**(641.3)**	77.9

10. Acquisitions

The following acquisitions took place during the year to 31 December 2008:

Name of business acquired	Principal activity	Date of acquisition	Proportion of shares acquired	Cost of acquisition
Cobham Defence Systems Division				
Sensor and Antenna Systems, Lansdale, Inc	Electronic warfare technology and subsystems	22 February 2008	asset purchase	US$243m
SPARTA Inc	Technical outsourcing for intelligence and missile defence	3 June 2008	100%	US$415m plus deferred consideration of up to US$26m
M/A-COM RF components and microwave subsystems business	Original equipment manufacturer of microwave subsystems	29 September 2008	asset purchase	US$441m
Cobham Avionics & Surveillance Division				
S-TEC Corporation Inc	Design, certification and manufacture of autopilots for general aviation aircraft	3 January 2008	100%	US$37m
MMI Research Limited	Specialist cellular telecommunications for law enforcement and national security markets	7 April 2008	100%	£16m plus contingent consideration of up to £3m
Global Microwave Systems Inc	Design and manufacture of digital equipment	1 October 2008	asset purchase	US$26m

M/A-COM Technology Solutions Inc, part of the M/A-COM business, was acquired with a view to immediate resale and its assets and liabilities are held at fair value less costs to sell. Accordingly, it has been classified as an investment held for sale at 31 December 2008 and its results have not been included in the results of the consolidated Group.

11. Events after the balance sheet date

Since the year end the business has signed a number of additional borrowing facilities providing access to committed lines during 2009 totalling US$250m, the facilities are all US dollar denominated. The respective agreements contain no provisions for charges over Group assets and include both financial and non-financial covenants. The terms of the financial covenants are mainly driven from adjusted IFRS results and are consistent with the Group's existing borrowing facilities.