

COBHAM



The most important thing we build is trust

Acquisition of M/A-COM

13 may 2008

Transaction Overview

- // Cash consideration of \$425m with effective price of \$380m after allowable tax expense relating to goodwill amortisation
- // Aerospace & defence represents just under 40% of M/A-COM revenue of \$477.7m, with typical DoD margins
- // Intend to accelerate IRAD/PV investment to increase growth rate
- // Effective multiple approximately 8x estimated 2008 EBITDA for aerospace and defence business
- // Aerospace and defence earnings enhancing in 2008 and will cover cost of capital in second full year of ownership
- // Plan to divest the commercial business as it is non core
- // Expected completion in second half 2008, subject to customary regulatory approval

M/A-COM Background



- // One of the world's most recognised and trusted brand for microwave and millimeter wave semiconductors, components and subsystems solutions
- // Proven track record through 50+ year heritage of providing innovative product design and manufacturing solutions to the world's leading OEMs
- // Breadth and depth of engineering expertise and proprietary technologies
- // World class channel to market serving global customer base
- // Growth through migration to higher valued solutions, capturing opportunities in emerging markets and extending core RF capabilities to digital, software and systems engineering

Rapidly develop and deploy cutting edge technologies



M/A-COM Overview

	PRODUCTS	MAJOR MARKETS / APPLICATIONS	SEGMENT
A&D Components and Subsystems	A&D Components - Amplifiers, Mixers, Switches	Missile, Electronic Warfare ("EW"), Radar, Communications, Space	ADS
	A&D Microwave Subsystems	Missile, Guided Munitions, EW, Radar, Force Protection Space	
	Signal Intelligence - Broadband Microwave Receivers and Peripherals	Electronic Intelligence	
	Antenna & RF Cable Assemblies	Missile, Guided Munitions, EW, Radar, Communications, Launch Vehicles	
Semiconductors	Silicon Power Transistors and Assemblies	Avionics, Radar, Broadcast, Industrial, Medical	CPS
	GaAs, SiGe MMICs Si, GaAs and Laser Diodes	Broadband, CATV, Cellular Infrastructure, Defense, Point-to-Point Radio, WiMAX	CPS
Infrastructure Components	Ferrites Synthesizers Passive Components Semi-based Components	Cellular Infrastructure, WiMAX	CPS
Automotive Antennas	GPS and Satellite Radio Antennas	Automotive, GPS and Satellite Radio	CPS
RFID	RFID Portals, RF Subsystems, Antennas, Components	Retail Supply Chain Management and Promotion, Industrial Asset-Tracking and Real-Time Location	CPS

Aerospace & Defence Footprint



Aerospace and Defence Product Overview

SUBSYSTEMS



Product Lifecycle: 2 – 20 years

- High-performance, highly-integrated subsystems for missiles (guidance and fusing) and EW (receivers and transmitters)
- Affordable T/R (Transmit/Receive) modules for phased array radar
- Subsystems and systems for Force Protection applications
- Subsystems for Space applications

ANTENNA & CABLE ASSEMBLIES



COMPONENTS

Product Lifecycle: 3 – 20 years

SIGNAL INTELLIGENCE



- Receivers for ELINT
 - 500-MHz to 20-GHz search receivers
 - Collection and analysis receivers
 - 20 to 60-GHz frequency extenders
- Peripherals
 - Controls and displays
 - Frequency converters

Product Lifecycle: 5 -10 years

Major Aerospace and Defence Programmes

	Programme/ Platform	Ship Set Value \$	2008	2009	2010	2011	2012	2013	2014	2015
Missiles	AMRAAM-C	\$40k	→	→	→	→	→	→	→	→
	AMRAAM-D	\$100k	→	→	→	→	→	→	→	→
	STANDARD MISSILE	\$25k	→	→	→	→	→	→	→	→
	ESSM	\$25k	→	→	→	→	→	→	→	→
	PAC-3	\$10k	→	→	→	→	→	→	→	→
	JAGM	\$5k						→	→	→
Aerospace	MMA	\$35k		→	→	→	→	→	→	→
	JSF	\$150k	→	→	→	→	→	→	→	→
	IDECM	\$70k	→	→	→	→	→	→	→	→
	AIDEWS	\$100k	→	→	→	→	→	→	→	→

Major Aerospace and Defence Customers

Raytheon

NORTHROP GRUMMAN



ITT

BAE SYSTEMS



BOEING



COBHAM

Driving Growth

Vision

To be the most trusted global partner for leading edge aerospace and defence technologies

Strategic Objectives

1

Be a leading subsystems supplier with a comprehensive range of distinctive technologies



2

To be in the top three in each of our chosen markets



3

Grow faster organically than the markets in which we operate



4

Materially enhance growth through strategic acquisitions



5

Develop a global market presence with a unified brand and identity



6

Have an efficient organisation with a high performance culture and motivated people



Summary

- // Purchasing one of the largest Original Equipment Manufacturers of microwave subsystems in the world
- // M/A-COM has been an acquisition target for many years
- // It is a great strategic fit – highly complementary and a significant step forward in the execution of our strategy
- // Excellent opportunities for collaboration with existing CDES businesses, particularly REMEC on business and product development
- // Anticipate divestment of the CPS business expeditiously for a price that supports the business case