2018 Interim Results

3rd August 2018

01

Introduction

David Lockwood

Highlights

Encouraging operational progress

KC-46 programme update

More focused portfolio and strengthened Balance Sheet

02

Financial Results

David Mellors

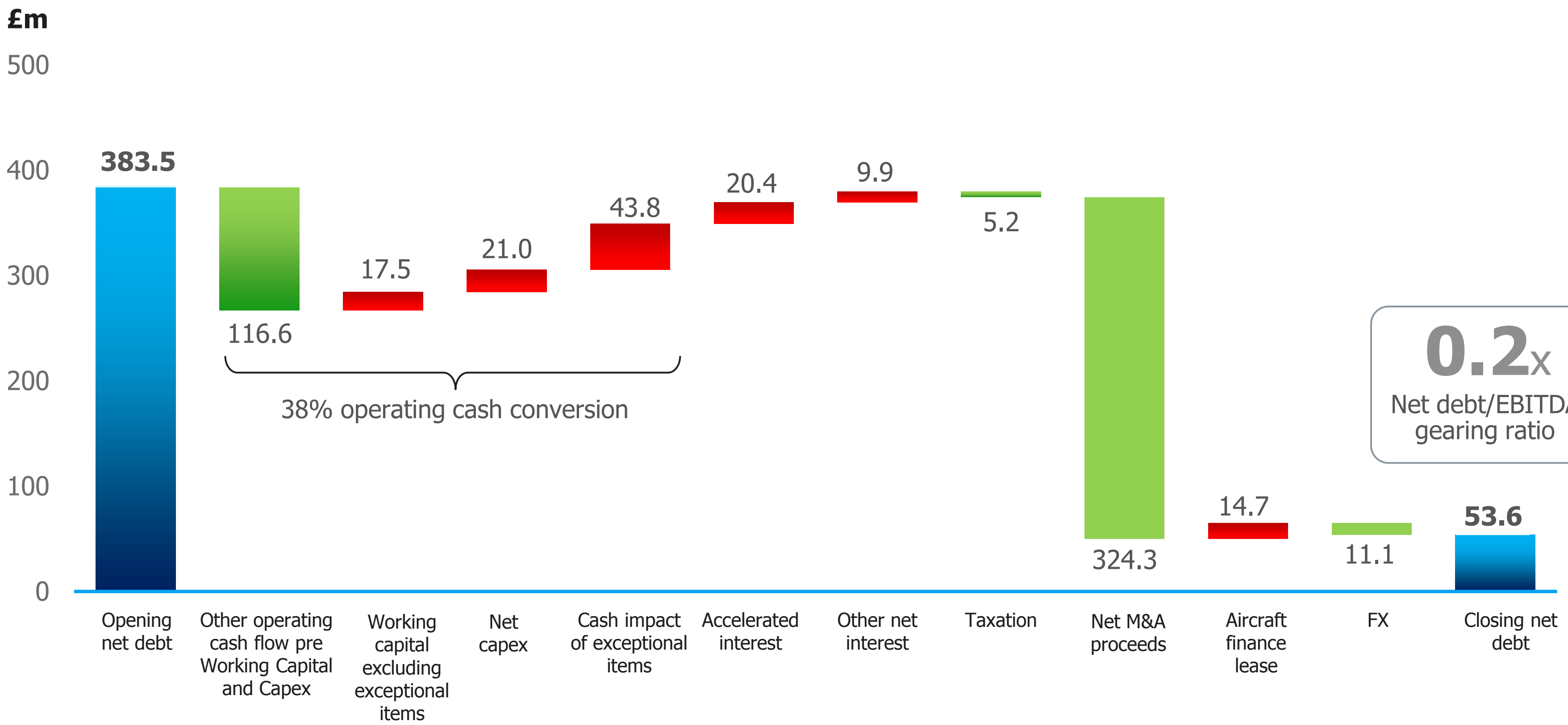
Summary Financial Headlines

COBHAM

£m	H1 2018	Organic(2) H1 2017	H1 2017(1)
Order intake	**1,027.1**	822.1	915.8
Revenue	**924.5**	922.9	1,028.2
Underlying operating profit	**90.4**	84.4	94.1
Underlying operating margin	**9.8%**	9.1%	9.2%
Underlying earnings per share (pence)	**2.0**		2.7
Operating cash flow	**34.3**		108.3
Operating cash conversion	**38%**		115%
Net debt	**53.6**		460.8
Net debt:EBITDA ratio	**0.2x**		1.5x

(1) Restated for adoption of IFRS15
(2) "Organic" comparatives have been restated to provide like for like comparison adjusted for the impact of divestments and exchange rates

Movements in Net Debt



0.2x
Net debt/EBITDA gearing ratio

Balance Sheet Progress

COBHAM

£m	30 June 2018	31 Dec 2017[1]	30 June 2017[1]	31 Dec 2016[1]
Working capital	328	302	368	**399**
Net debt	(54)	(384)	(461)	**(1,028)**
Provisions	(146)	(152)	(189)	**(212)**
Pension deficit	(49)	(63)	(64)	**(87)**

(1) Restated following adoption of IFRS15
Note: Contingent liabilities have been disclosed in the note 16 in Interim Statement

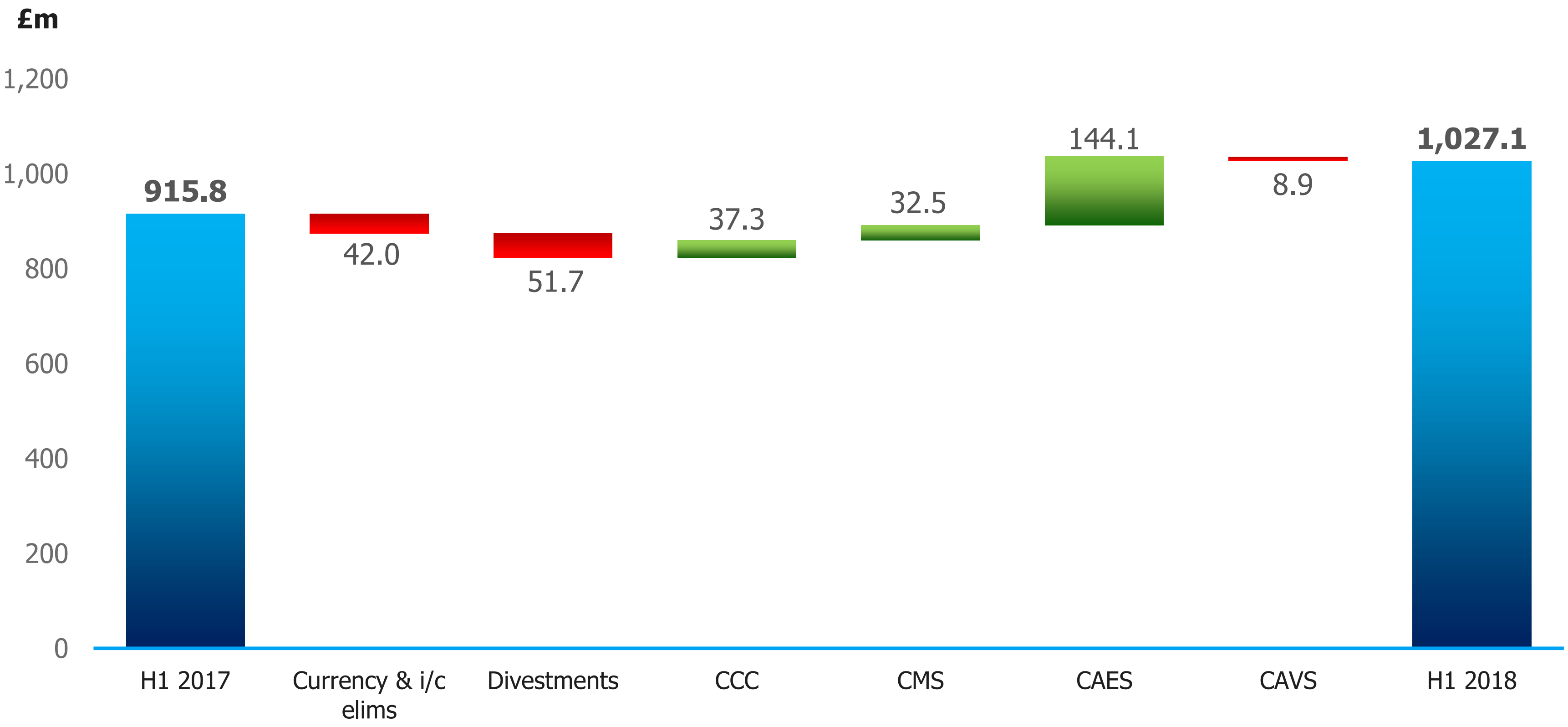
2016 Exceptional Charges Update

£m	Opening balance	Utilised [cashflow]	(Charge)/released [income statement][(2)]	FX	Closing balance[(3)]
2017	(191)[(1)]	67	9	3	**(112)**
2018 H1	(112)	44	(38)	(7)	**(113)**
Cumulative totals @ 30 June 2018	**(191)**	**111**	**(29)**	**(4)**	**(113)**

(1) Opening balance comprises 2016 non-underlying charges of £237m which included £56m of asset write offs and IFRS15 restatement
(2) Non-underlying in the income statement
(3) Closing balance comprises amounts held in working capital £26m (31 December 2017: £30m) and provisions £87m (31 December 2017: £82m)
Note: Boeing damages assertions are not included in these amounts

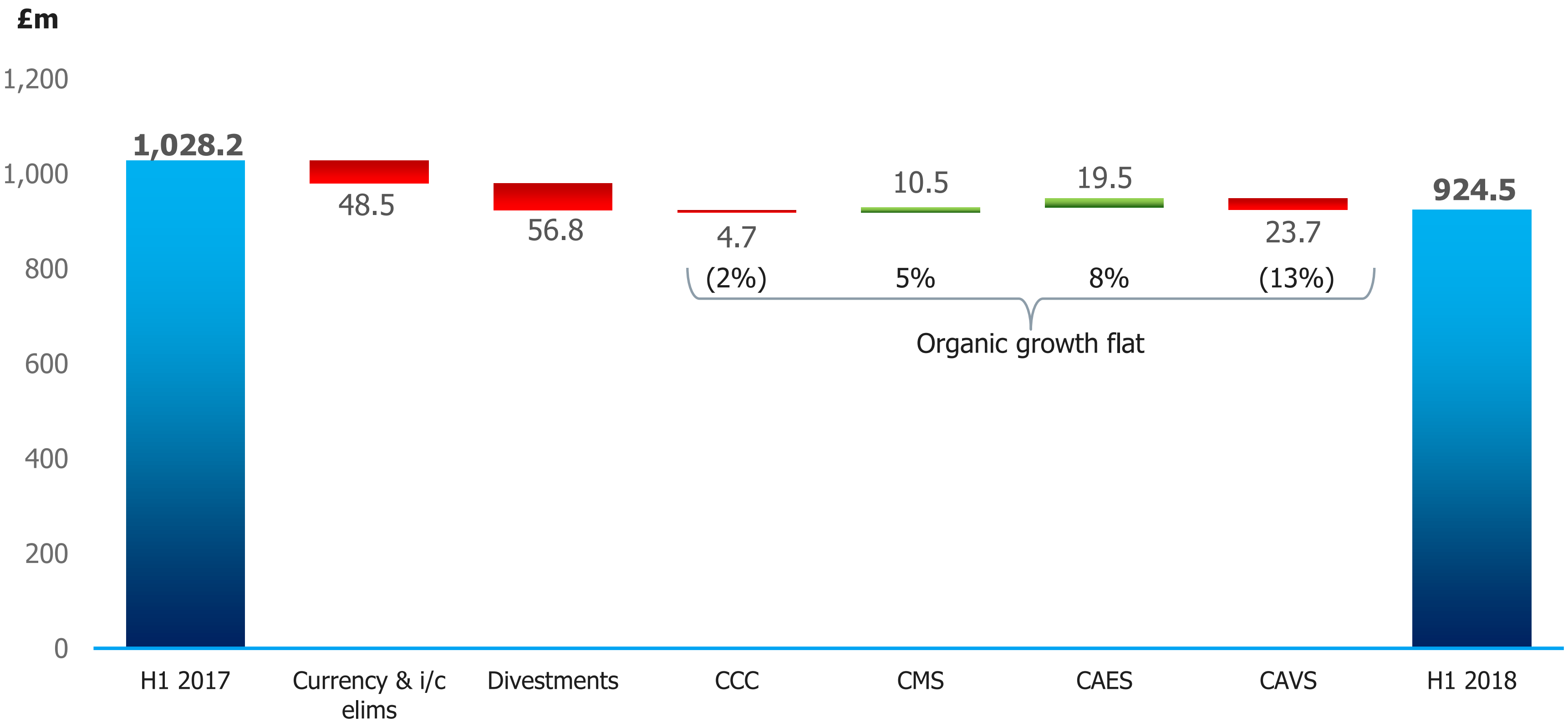
Order Intake Bridge

H1 2017 to H1 2018



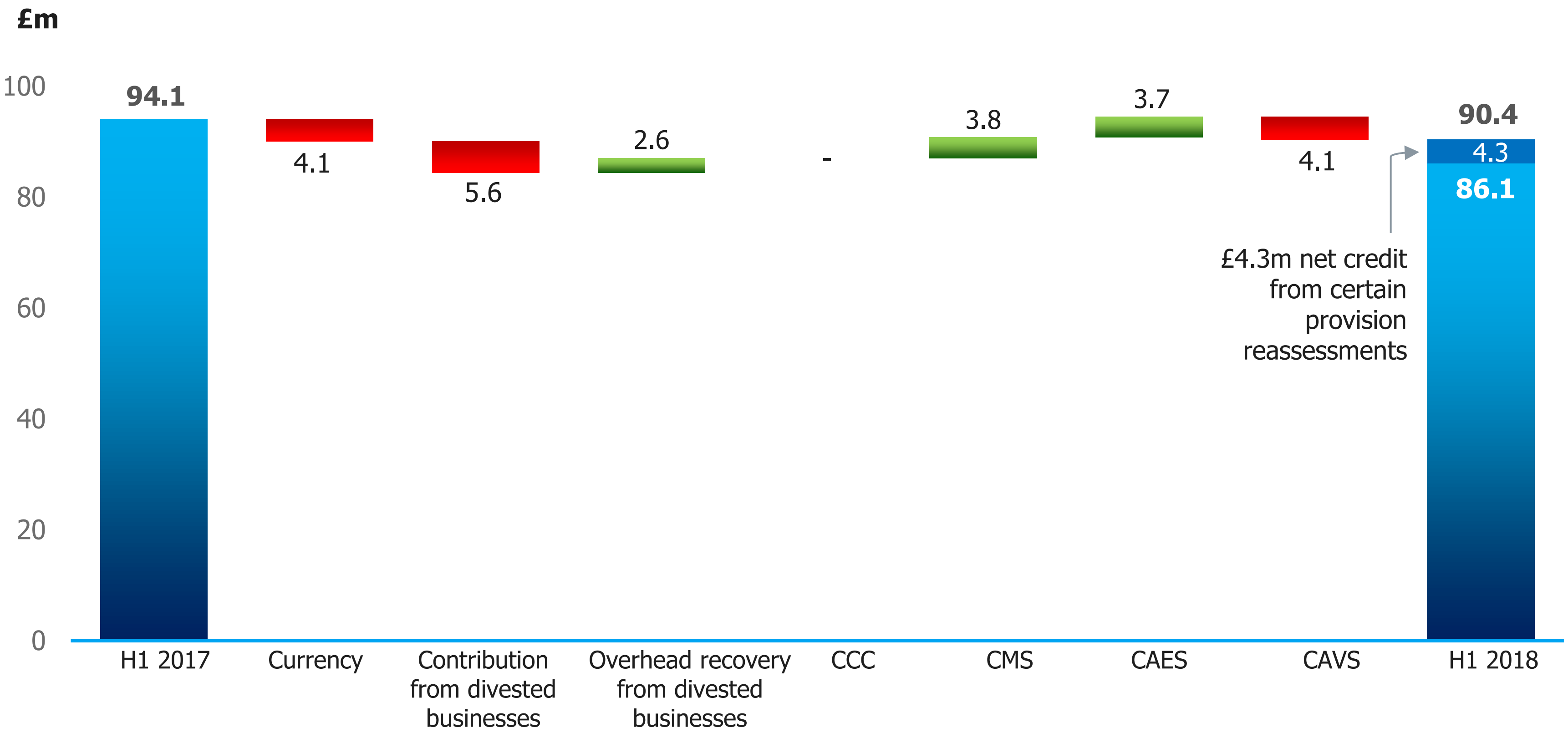
Revenue Bridge

H1 2017 to H1 2018



Underlying Operating Profit Bridge

H1 2017 to H1 2018



Communications and Connectivity

COBHAM

£m	H1 2017	FX	Divested	Organic	H1 2018
Order intake	354.5	(3.9)	(51.7)	37.3	**336.2**
Revenue	345.8	(4.4)	(56.8)	(4.7)	**279.9**
Underlying operating profit	25.7[(1)]	0.2	(3.0)	-	**22.9**
Underlying operating margin	7.4%	0.2%	0.4%	0.2%	**8.2%**
Order book	263.4				**284.1**

Organic revenue:

- Lower maritime and land SATCOM:
  - Non-repeat of large 2017 defence orders and grand station.
  - New fire fighting mandate in commercial maritime partial offset.
- Growth in Aerospace Connectivity (Antennas)
  - Airborne search and rescue products
  - Counter IED equipment

Profit impacted by:

- Improved sales mix
- Lost contribution from divestments
- Increased inventory and receivables provisions (£4.3m)
- Increased PV investment including Aviator 'S' product

(1) after previously announced restated analysis of Sector underlying profit
Note: Revenue by currency; USD 27%, EUR/DKK 56%

Mission Systems

£m	H1 2017[2]	FX	Organic	H1 2018
Order intake	219.6	(15.0)	32.5	**237.1**
Revenue	212.4	(13.9)	10.5	**209.0**
Underlying operating profit	26.9[1]	(1.9)	3.8	**28.8**
Underlying operating margin	12.7%	(0.1%)	1.2%	**13.8%**
Order book	663.0			**762.0**

Organic revenue increase driven by:

- Increased aerial refuelling production including on C-130J and A330 MRTT aircraft
- Fuel tank inerting for defence and commercial customers

Profit increased due to:

- Higher production volumes, particularly Davenport business
- But increased costs to improve quality and supply chain resources
- KC-46 additional charge of £40m not in underlying operating profit

(1) after previously announced restated analysis of Sector underlying profit
(2) restated following the adoption of IFRS15
Note: Revenue by currency; USD 78%

Advanced Electronic Solutions

£m	H1 2017[2]	FX	Organic	H1 2018
Order intake	257.2	(21.7)	144.1	**379.6**
Revenue	283.4	(23.5)	19.5	**279.4**
Underlying operating profit	28.2[1]	(2.0)	3.7	**29.9**
Underlying operating margin	10.0%	0.1%	0.6%	**10.7%**
Order book	520.3			**606.4**

Organic revenue increase driven by:

- Growth in radar, missile programmes and circuit card assemblies
- Increase in volumes on F-35 Joint Strike Fighter

(1) after previously announced restated analysis of Sector underlying profit
(2) restated following the adoption of IFRS15
Note: Revenue by currency; USD 98%

Profit increased due to:

- Reassessed legal, property and inventory provisions of £4.2m credit
- Higher production volumes
- Increased costs due to:
  - Increased PV investment
  - Cost of delivery on certain programmes
  - Continued investment in facilities and supporting functions

Aviation Services

COBHAM

£m	H1 2017	FX	Organic	H1 2018
Order intake	86.0	(2.3)	(8.9)	**74.8**
Revenue	187.8	(7.1)	(23.7)	**157.0**
Underlying operating profit	13.3(1)	(0.4)	(4.1)	**8.8**
Underlying operating margin	7.1%	-	(1.5%)	**5.6%**
Order book	1,276.1			**1,004.4**

Organic revenue decrease driven by:

- Completed helicopter contracts;
  - Trinidad & Tobago / Qatar in 2017
  - UK DHFS in Q1 2018
- Reduced flying for Australian natural resources customers

Profit impacted by:

- Lower revenue from completed contracts
- Includes large offsetting items:
  - Lease servicing and make good credit of £4.4m
  - Restructuring charge of £3.4m

(1) after previously announced restated analysis of Sector underlying profit

Note: Revenue by currency; AUS$ 66%

FY18 Guidance

- Underlying operating profit expectations unchanged with a range of outcomes
- Limited free cash flow
  - Capital expenditure c.£80m (pre asset disposals)
  - Interest c.£20m (pre make whole payments)
  - Tax c.£25m (including £9m H1 refund)

03
Business Review

David Lockwood

Our Progress

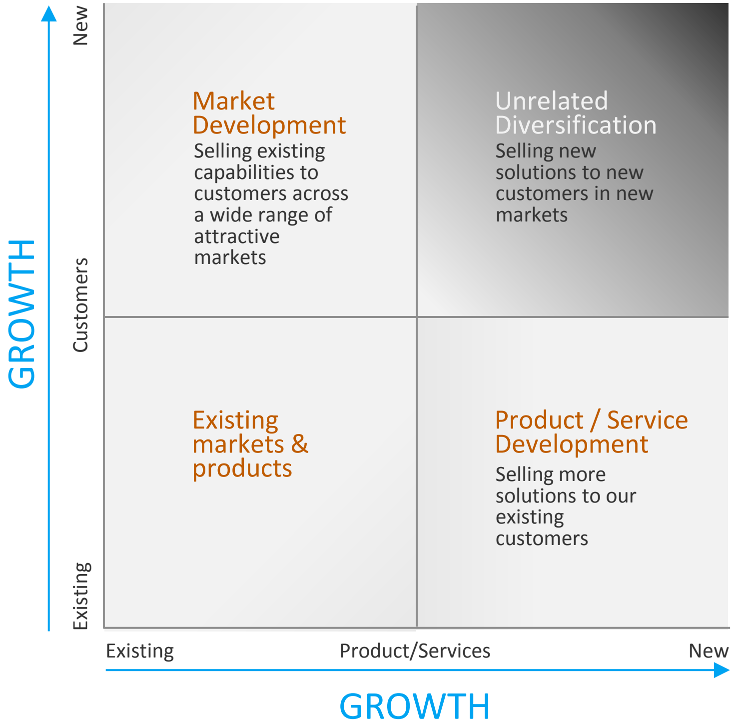
COBHAM

Identified improvement area	We said…	Progress
Structural actions:		
1 Fix the balance sheet	“The Group is targeting a net debt/ EBITDA value of c1.5x	Balance Sheet strengthened; 0.2x Net debt/EBITDA at 30 June 2018 – capital allocation policy to follow
2 Portfolio review	“We are commencing a review of the breadth and shape of the portfolio	Divestment of AvComm and Wireless T&M - *Mar 2018* ‘Opera’ software business divested – *May 2018*
Ongoing actions:		
3 Manage through legacy issues	“We provided £179m of exceptional charges against certain of our fixed price customer contracts, including the KC-46 US tanker programme	KC-46 progress update on 26 July 2018 – see next slide
4 Improve operational performance and effect cultural change	“We have set the following priorities i) Customer focus ii) Leadership and simplification iii) Control & execution	Encouraging progress, businesses responding at different speeds

KC-46 Update

- KC-46 update on 26 July
  - Centerline Drogue System qualification testing successfully completed
  - First conformed Wing Aerial Refuelling Pods delivered
  - Unquantified damages assertions disputed; payment withhold
  - Additional non-underlying £40m charge – latest estimate for Cobham costs to complete

Strengthening the Fundamentals



Improved execution drives margin enhancement and revenue growth

Aviation Services – Restructuring the Sector to Improve Focus and Efficiency

COBHAM

3 BU's

Helicopter Services

- Training
- Third party operational support

Led by UK

Special Mission

- Training
- Government outsourced flying
- Third party operational support

UK / Australia

Commercial

- Commercial outsourced flying

Australia

2 BU's

UK & EMEA

- Training
- Third party operational support

Australia

- Commercial & Government outsourced flying

Greater regional customer focus and significant cost of global management removed

Summary and Outlook

- First half results slightly ahead of expectations; FY 2018 Group underlying profit expectations unchanged
- Continue to engage with Boeing on KC-46 tanker issues
- AvComm and Wireless test and measurement divestments completed; further focus on defence, aerospace and space with strengthened balance sheet

04

Questions

Appendices

Revenue and Underlying Operating Profit by Sector

Summary at constant exchange[1]

	Revenue £m		Underlying Operating Profit £m	
	H1 2018	H1 2017	H1 2018	H1 2017
CCC	**279.9**	284.6	**22.9**	22.9
Margin			*8.2%*	*8.0%*
CMS	**209.0**	198.5	**28.8**	25.0
Margin			*13.8%*	*12.6%*
CAES	**279.4**	259.9	**29.9**	26.2
Margin			*10.7%*	*10.1%*
CAVS	**157.0**	180.7	**8.8**	12.9
Margin			*5.6%*	*7.1%*
HO and eliminations	**(0.8)**	(1.3)	-	(2.6)
Subtotal	**924.5**	922.4	**90.4**	84.4
Margin			*9.8%*	*9.2%*
Divestments	**-**	56.8	-	5.6
Exchange	**-**	49.0	-	4.1
Cobham Group – as reported	**924.5**	1,028.2	**90.4**	94.1
Margin			*9.8%*	*9.2%*

(1) 2017 data presented at at 2018 exchange rates

NB: prior year margins come out slightly differently due to impact of FX on mix

Income Statement

COBHAM

£m	H1 2018	H1 2017
Revenue	**924.5**	**1,028.2**
Underlying operating profit	**90.4**	**94.1**
Underlying net finance costs	(29.5)	(20.4)
Underlying profit before taxation	**60.9**	**73.7**
Specific adjusting items	118.4	(55.2)
Profit before taxation	**179.3**	**18.5**
Taxation	**(13.9)**	**0.7**
Profit after taxation	**165.4**	**19.2**

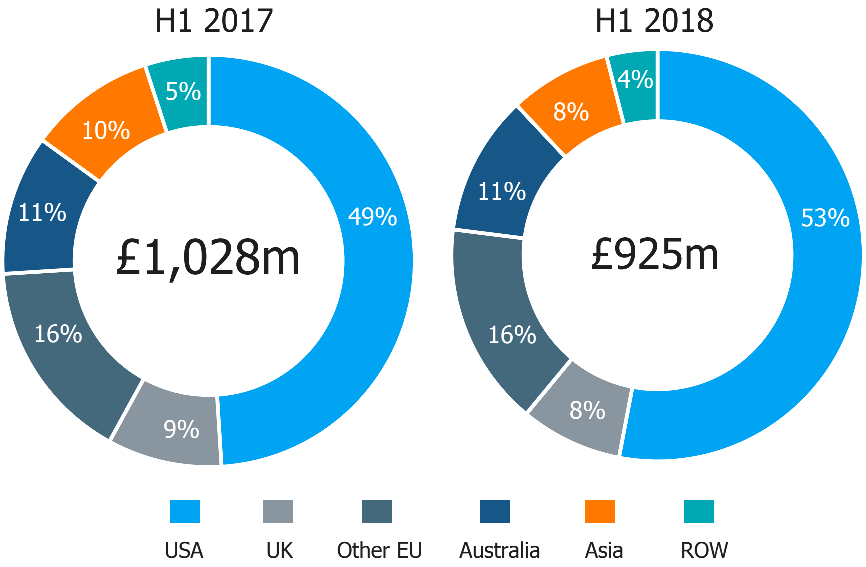
Income Statement – Specific Adjusting Items

COBHAM

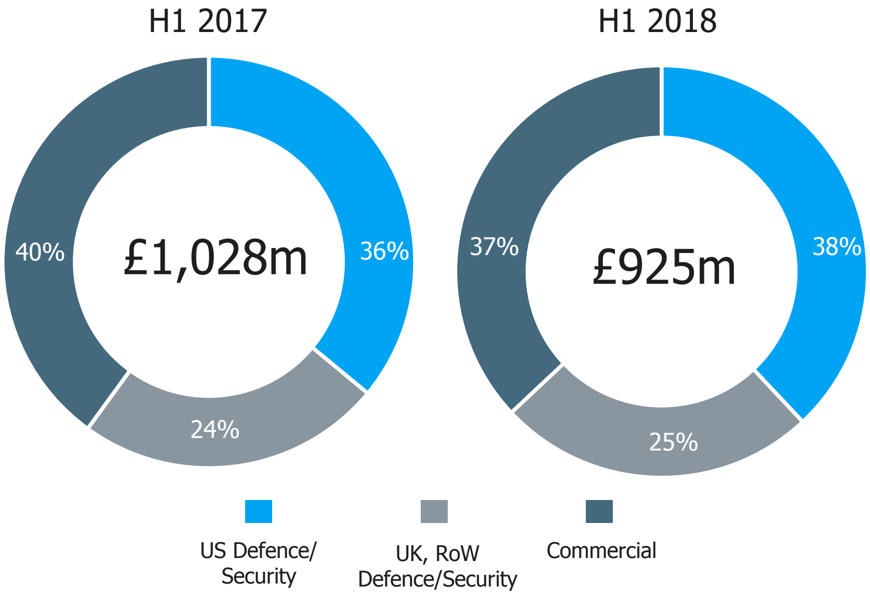
£m	H1 2018	H1 2017
Amortisation of intangible assets arising on business combinations	(45.9)	(72.4)
Derivative financial instruments	(13.7)	18.2
Carrying values of other assets provided at 31 December 2016	-	1.4
Legal and other provisions provided at 31 December 2016	1.7	-
Amounts related to prior periods' restructuring programmes	-	(2.4)
Profit on divestments	216.3	-
Estimates of fixed price contract profitability	(40.0)	-
	118.4	**(55.2)**

Revenue by Destination and Market Segment

Group Revenue by Destination



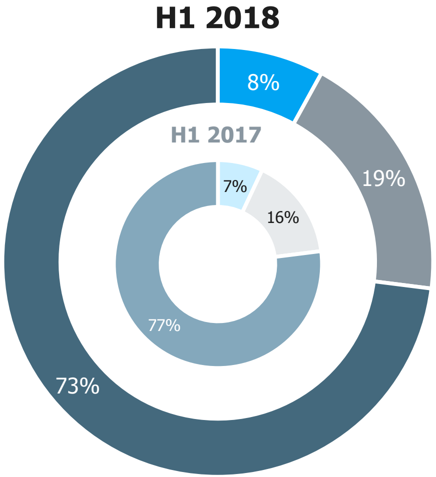
Group Revenue by Market Segment



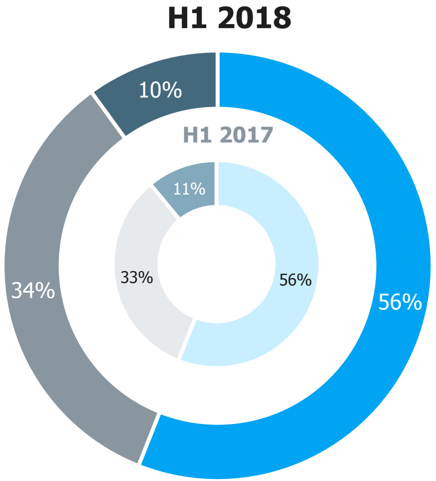
Market Segment Revenue by Sector

COBHAM

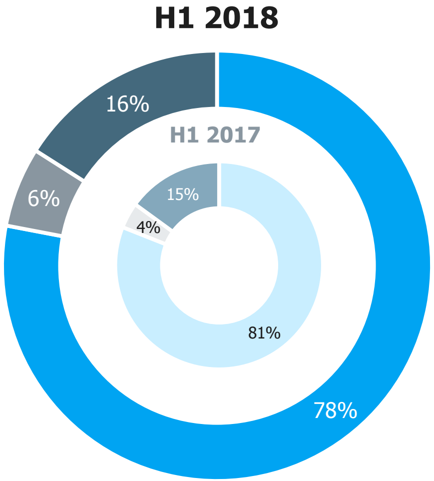
Communications and Connectivity



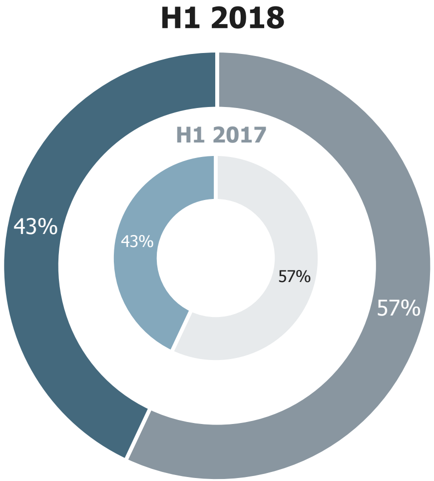
Mission Systems



Advanced Electronic Solutions



Aviation Services



US Defence/ Security

UK, RoW Defence/Security

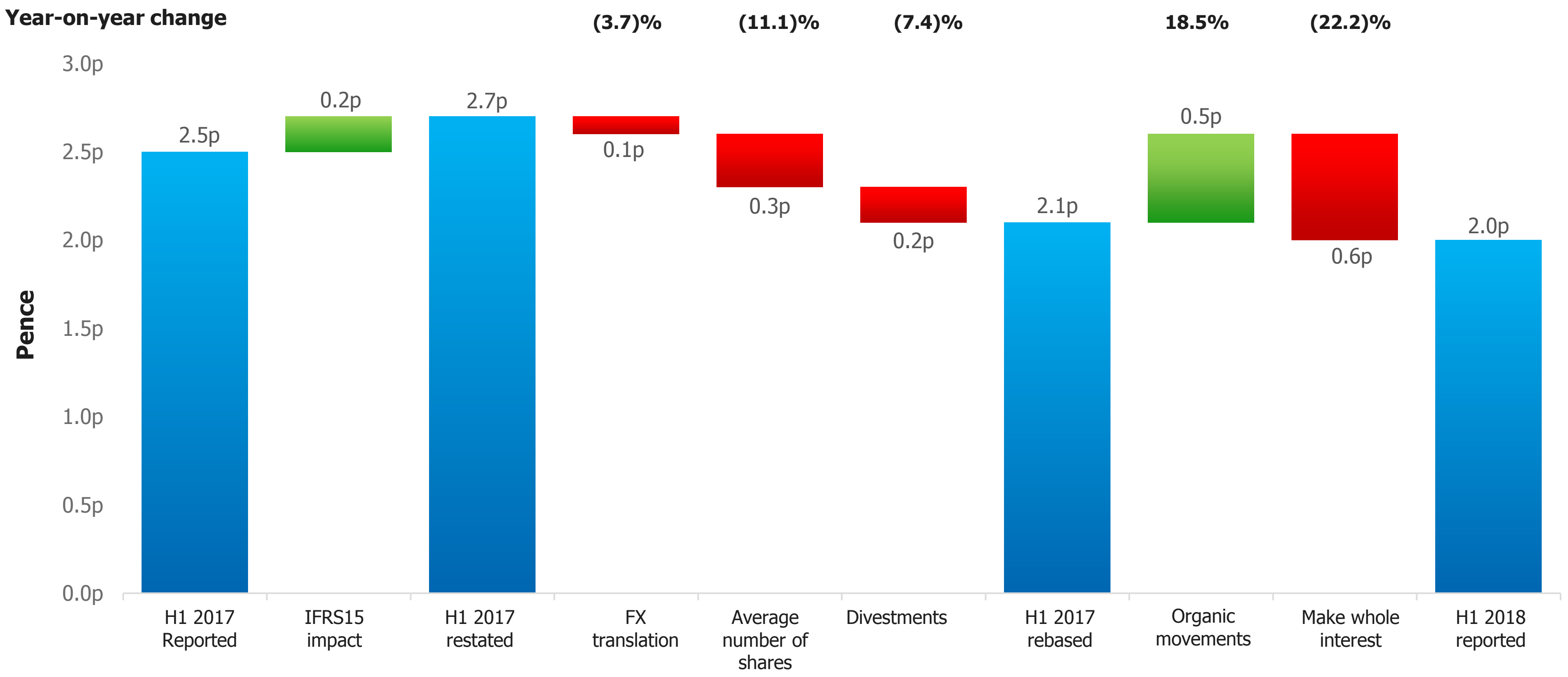
Commercial

Taxation

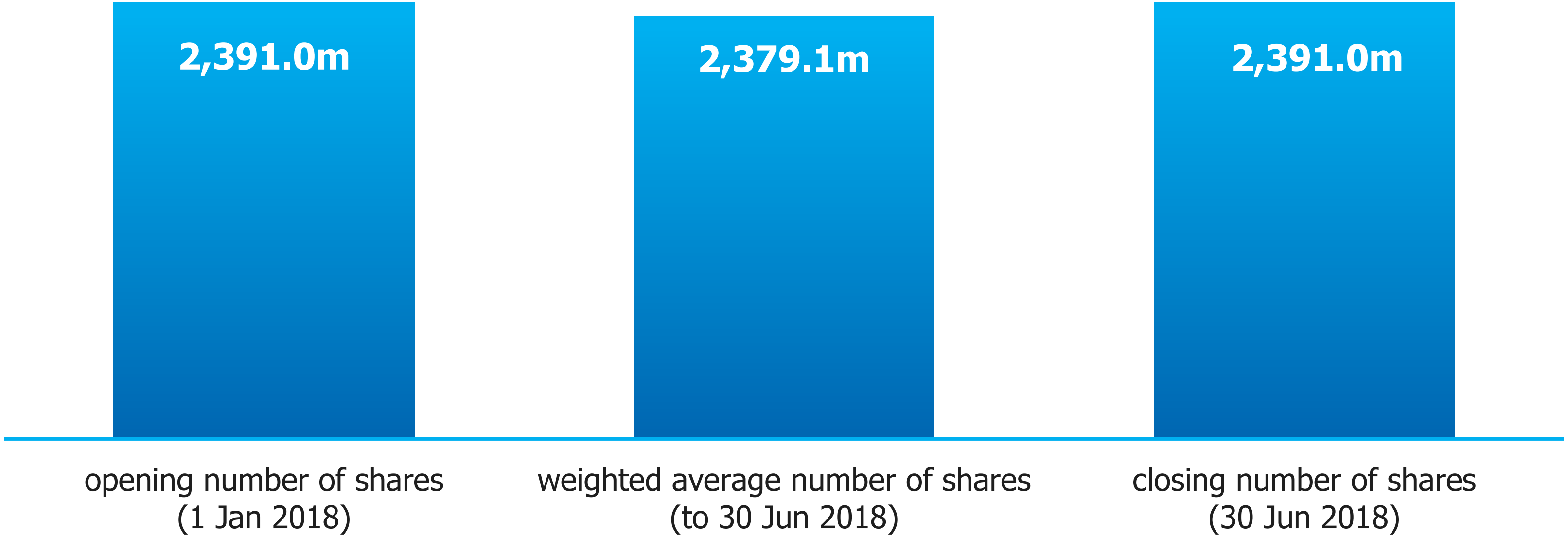
	H1 2018 £m	H1 2017 £m
Underlying tax charge	**(14.0)**	(17.7)
Tax credit on specific adjusting items	**0.1**	18.4
Headline tax (charge)/credit	**(13.9)**	0.7
Underlying tax rate	**23.0%**	24.0%

Underlying Earnings Per Share

COBHAM



Shares in Issue



Note: Shares held in Treasury within the Cobham Employee Benefit Trust are excluded from the weighted average number of shares calculation

Cash flow – working capital

£m	Inventory	Contract Assets	Receivables	Contract Liabilities	Payables	Current working capital	Non-current	Total working capital
Balance at 1 Jan 2018	254.2	154.8	293.8	(134.1)	(347.8)	**220.9**	81.2	302.1
FX	3.5	2.9	2.2	(1.3)	(1.5)	**5.8**	0.3	6.1
Underlying cash outflow/(inflow)	**16.4**	**(16.0)**	**13.3**	**(6.6)**	**13.3**	**20.4**	**0.9**	**21.3***
Other	1.2	-	2.4	(2.5)	(2.3)	**(1.2)**	-	(1.2)
Balance at 30 June 2018	275.3	141.7	311.7	(144.5)	(338.3)	**245.9**	82.4	328.3

** £3.8m of this working capital outflow relates to 2016 exceptional charges*

Balance Sheet

COBHAM

£m	30 Jun 2018	31 Dec 2017
Intangible assets	856.1	893.8
Property, plant and equipment	375.8	380.9
Other non-current assets	209.3	188.7
Non Current Assets	**1,441.2**	**1,463.4**
Inventories	275.3	254.2
Contract assets	141.7	154.8
Trade and other receivables < 1 year	311.7	293.8
Contract liabilities	(144.5)	(134.1)
Trade and other payables < 1 year	(338.3)	(347.8)
Current Working Capital	**245.9**	**220.9**
Net current tax liabilities	(140.0)	(128.6)
Net debt	(53.6)	(383.5)
Provisions	(146.1)	(152.3)
Retirement benefit obligations	(49.3)	(63.2)
Net assets classified as held for sale	-	122.6
Other assets / liabilities	(47.0)	(46.9)
Net Assets	**1,251.1**	**1,032.4**

Cash Conversion

COBHAM

£m	H1 2018	H1 2017
Underlying operating profit (less post tax share of JV results)	**90.3**	**94.1**
Depreciation and amortisation	37.9	41.4
Share based payments	3.2	2.3
Movement in provisions	(46.3)	(16.0)
Pension contributions in excess of pension charges	(8.5)	(8.6)
(Increase) / decrease in working capital	(21.3)	21.7
Gross capital expenditure	(27.1)	(27.4)
Proceeds on disposal of property, plant and equipment	6.1	0.8
Operating cash flow	**34.3**	**108.3**
Cash conversion	**38%**	**115%**
Cash flow on exceptional items provided at 31 December 2016	*43.8*	*25.0*
Operating cash flow before net cash flow from exceptional items	***78.1***	***133.3***
Cash conversion before net cash flow from exceptional items	***86%***	***142%***

Movement in Net Debt

£m	H1 2018	H1 2017
Operating cash flow	**34.3**	**108.3**
Net interest paid	(30.3)	(21.4)
Net taxation received/(paid)	5.2	(17.0)
Amounts related to prior years' restructuring programmes	-	(5.3)
Free cash flow	**9.2**	**64.6**
Dividends paid	-	-
Net divestments	324.3	(0.6)
Net Rights Issue proceeds and allocation of treasury shares	-	497.0
Finance lease	(14.7)	-
Exchange movements	11.1	6.4
Decrease in net debt	**329.9**	**567.4**
Opening net debt	(383.5)	(1,028.2)
Closing net debt	**(53.6)**	**(460.8)**

Capital Expenditure and Depreciation

£m	H1 2018		H1 2017	
	Net Capex(1)	Depn(2)	Net Capex(1)	Depn(2)
Cobham Communications and Connectivity	**2.5**	**4.2**	3.0	7.7
Cobham Mission Systems	**3.3**	**3.3**	1.1	3.2
Cobham Advanced Electronic Solutions	**10.4**	**7.5**	6.9	8.1
Cobham Aviation Services	**4.6**	**16.7**	15.0	18.0
Head Office	**0.2**	**6.2**	0.6	4.4
Cobham Group	**21.0**	**37.9**	26.6	41.4

1) *Shown net of proceeds on disposal of property, plant and equipment.*
2) *Depreciation excludes amortisation of acquired intangibles but includes amortisation of other intangibles of £5.5m (H1 2017: £5.3m). Shown net of profit/loss on sale of property, plant and equipment.*

Defined Benefit Pension Schemes

COBHAM

	H1 2018 £m	FY 2017 £m
Scheme assets	**793.7**	816.3
Present value of scheme liabilities	**(843.0)**	(879.5)
Net pension liability before deferred tax	**(49.3)**	(63.2)

Primary assumptions		
Discount rate	**2.50%**	2.35%
Inflation rate	**3.25%**	3.35%
Life expectancy of male aged 65 in 2045	**90yrs**	90yrs

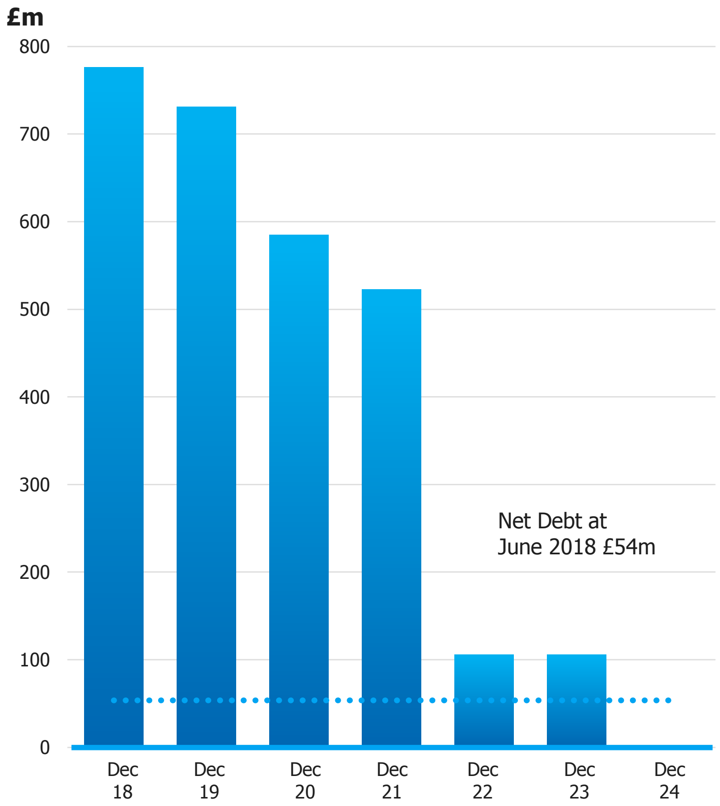
Sensitivity of scheme liabilities to primary assumptions*	**Change**	**Impact**
Discount rate	Increase by 1.0%	Decrease by 9%
Inflation rate	Increase by 0.5%	Increase by 3%
Life expectancy of male aged 65 in 2045	Increase by 1 year	Increase by 2%

** Sensitivity updated annually: figures are at 31 December 2017*

Credit Facilities

COBHAM

	Loan/ Facility £m	Usage £m
US$ senior notes		
US$59m Fixed rate (Oct 2019)	**45.0**	45.0
US$83m Fixed rate (Oct 2021)	**62.5**	62.5
US$140m Fixed rate (Oct 2024)	**106.2**	106.2
	213.7	213.7
Bank facilities		
US$40m Schuldschein agreement (May 2020)	**30.3**	30.3
EUR131m Schuldschein agreement (May 2020)	**115.9**	115.9
EUR4m Schuldschein agreement (May 2022)	**3.5**	3.5
US$45m multi-currency revolving facility (Dec 2022)	**34.1**	-
DKK320m multi-currency revolving facility (Dec 2022)	**38.0**	-
US$450m multi-currency revolving credit agreement (Dec 2022)	**340.8**	-
	562.6	149.7
Total committed facilities	**776.3**	**363.4**
Prepaid fees	-	(0.6)
Overdrafts	-	10.6
Finance leases	13.9	13.9
Gross debt	**790.2**	**387.3**
Cash		(333.7)
Net debt	**790.2**	**53.6**



Covenants

	H1 2018	FY 2017	H1 2017	FY 2016
Net debt (£m) – balance sheet	**(53.6)**	(383.5)	(460.8)	(1,028.2)
Net debt (£m) – average rate [1]	**(51.5)**	(405.3)	(469.6)	(937.9)
EBITDA [2] (£m)	**289.9**	308.5	314.8	316.5
Net debt to EBITDA (not to exceed 3.5 times)	**0.2**	**1.3**	**1.5**	**3.0**
EBITA (£m)	**238.2**	234.3	238.9	245.2
Net interest (£m)	**43.7**	34.7	41.7	48.0
Interest cover (at or above 3 times)	**5.5**	**6.8**	**5.7**	**5.1**

1) For covenant purposes net debt is typically expressed at average translation rates
2) EBITDA includes pro forma adjustments in respect of acquisitions and divestments

IFRS 15 Revenue from Contracts with Customers

£m	H1 2017 Reported	IFRS 15 Impact	H1 2017 Restated	FY 2017 Reported	IFRS15 Impact	FY 2017 Restated
Impact on income statement						
Revenue	1,003	25	1,028	2,053	39	2,092
Underlying operating profit	90	4	94	210	3	213
Underlying EPS (pence)	2.5	0.2	2.7	6.0	0.2	6.2
Impact on Balance sheet - Assets						
Inventories				389	(135)	254
Contract Assets				-	219	219
Trade and other receivables				393	(71)	322
Other assets				2,011	1	2,012
				2,793	**14**	**2,807**
Impact on Balance sheet - Liabilities						
Contract liabilities				-	(134)	(134)
Trade and other payables				(484)	124	(360)
Provisions				(156)	4	(152)
Deferred Tax				(2)	(4)	(6)
Other liabilities				(1,123)	-	(1,123)
				(1,765)	**(10)**	**(1,775)**
Net assets				**1,028**	**4**	**1,032**

Exchange Rates

	Average Rate	Period End Rate
H1 2018		
US$	**1.37**	**1.32**
AUS$	**1.78**	**1.79**
EUR	**1.14**	**1.13**
DKK	**8.46**	**8.43**
FY 2017		
US$	1.29	1.35
AUS$	1.68	1.73
EUR	1.14	1.13
DKK	8.49	8.39
H1 2017		
US$	1.26	1.30
AUS$	1.67	1.69
EUR	1.16	1.14
DKK	8.64	8.47

	Impact of pro rata 10 cent movement	
£m	**Revenue**	**Underlying Operating Profit**
US$	91	11
AUS$	17	1
EUR/DKK	24	1
Other	3	1
	135	14

Hedging
Transaction Exposure

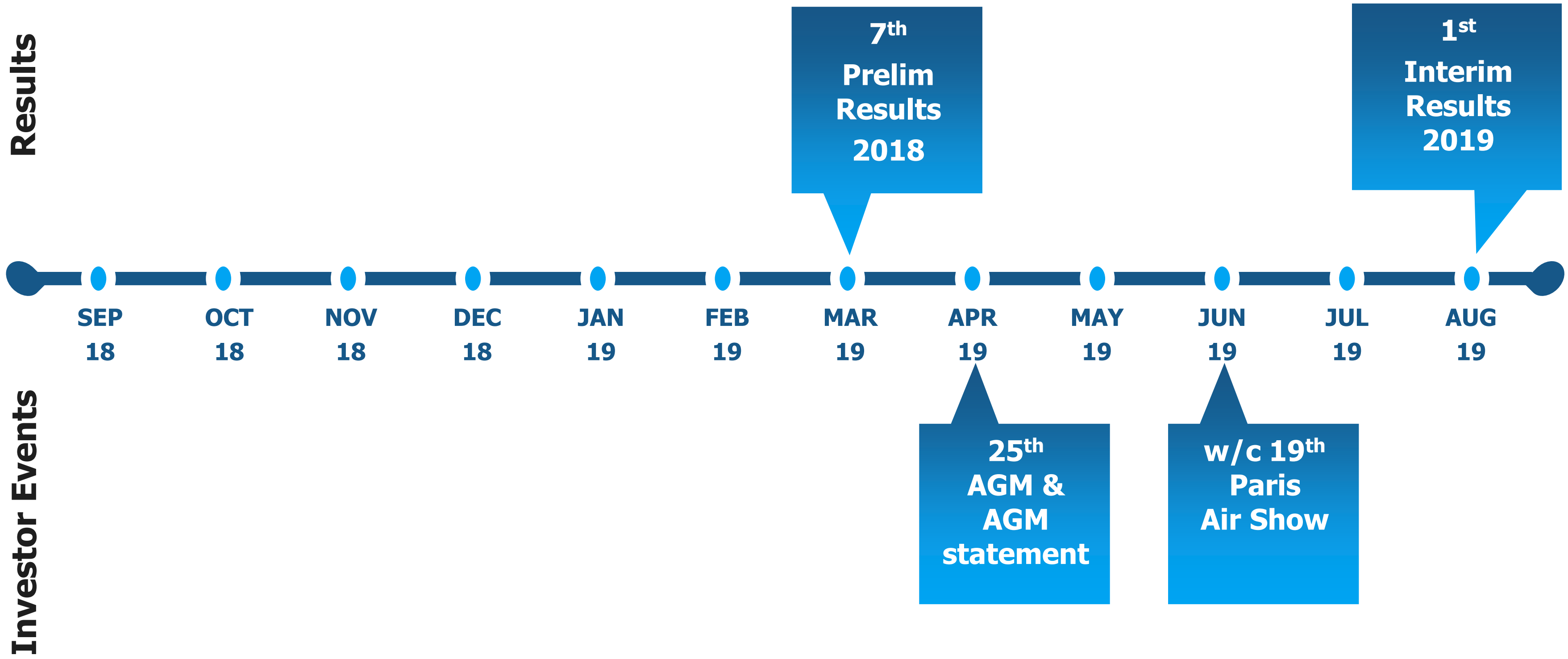
	$ / DKK		$ / £	
2018 Total	$102m		$124m	
Hedging in Place	$102m	100%	$124m	100%
Average Hedge Rate	*$1:DKK 6.29*		*$1.37:£1*	
2019	$75m		$103m	
Average Hedge Rate	*$1:DKK 5.93*		*$1.36:£1*	
2020 - 2022	$1m		$30m	
Average Hedge Rate	*$1:DKK 6.01*		*$1.50:£1*	

Historic Average Effective Rate

2014	$1.61: £1
2015	$1.59: £1
2016	$1.51: £1
2017	$1.41: £1

Dollar / Euro exposure predominantly hedged for 2018 with $57m @ 1.16

IR Calendar



Results
7th
Prelim
Results
2018
1st
Interim
Results
2019
SEP 18
OCT 18
NOV 18
DEC 18
JAN 19
FEB 19
MAR 19
APR 19
MAY 19
JUN 19
JUL 19
AUG 19
Investor Events
25th
AGM &
AGM
statement
w/c 19th
Paris
Air Show

Definitions

COBHAM

Underlying measures	To assist with the understanding of earnings trends, the Group has included within its published financial statements non-GAAP alternative performance measures including underlying operating profit and underlying profit. The non-GAAP measures used are not defined terms under IFRS and therefore may not be comparable to similar measures used by other companies. They are not intended to be a substitute for, or superior to, GAAP measures. Management uses underlying measures to assess the operating performance of the Group, having adjusted for specific items. They form the basis of internal management accounts and are used for decision making including capital allocation and a subset also forms the basis of internal incentive arrangements. By using underlying measures in our segmental reporting, this further ensures readers of the financial statements can recognise how incentive performance is targeted. Underlying measures are also presented in this report because the Directors believe they provide additional useful information to shareholders on comparative trends over time. Finally, this presentation allows for separate disclosure and specific narrative to be included concerning the adjusting items; this helps to ensure performance in any one year can be more clearly understood by the user of the financial statements. In 2016 certain exceptional items were adjusted for and excluded from underlying measures due to their unusual size and incidence, arising out of the January 2017 Balance Sheet review and including revisions to the carrying value of assets, additional contract loss provisions and legal and other provisions. Where relevant, updates to, and the final outcome of, these items are presented consistently with this treatment as exceptional charges or credits as appropriate. All underlying measures include the operational results of all businesses including those held for sale until the point of sale. These definitions are applied consistently on a year to year basis.
Underlying operating profit	This has been defined as operating profit from continuing operations excluding the impacts of business acquisition and divestment related activity and prior periods' business restructuring costs. Also excluded are changes in the marking to market of non-hedge accounted derivative financial instruments, gains and losses arising on dividend related foreign exchange contracts and other items deemed by the Directors to be of a non-operating nature including the impairment of intangible assets. Changes in items previously treated as exceptional in 2016 will also be adjusted.
Underlying profit before taxation	Underlying profit before taxation is defined as underlying operating profit less net underlying finance costs, which exclude business acquisition and divestment related items and specific finance costs.
Free cash flow and operating cash flow	Free cash flow and operating cash flow are considered to provide a consistent measure of the operating cash flow of the Group's business. These alternative performance measures are used in internal management accounts and for decision making including capital allocation. In addition to the underlying profit measures, underlying cash conversion is also used for internal incentive arrangements, and presenting this information allows users of the accounts to better understand the way in which performance is targeted. Free cash flow is defined as net cash from operating activities plus dividends received from joint ventures, less cash flows related to the purchase or disposal of property, plant, equipment and intangible assets but excluding payments relating to business acquisition and divestment related activities. Operating cash flow is free cash flow before payment of tax, interest and restructuring costs. Operating cash conversion is defined as operating cash flow as a percentage of underlying operating profit, excluding the share of post-tax results of joint ventures and associates.
Net debt	Net debt is defined as the net of borrowings less cash and cash equivalents at the balance sheet date.
Organic revenue	Organic revenue is defined as revenue stated at constant translation exchange rates, excluding the incremental effect of acquisitions and divestments.

Disclaimer

For the purposes of the following disclaimers, references to this 'document' shall be deemed to include references to the presenters' speeches, the question and answer session and any other related verbal or written communications.

This document contains certain 'forward-looking statements' with respect to the financial condition, results of operations and business of Cobham plc (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" (or the negative thereof). 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 and competition frameworks in which the Group operates; the impact of legal or other proceedings against or which affect the Group; changes to, delays in or commercial discussions relating to programmes in which the Group is involved; the completion of any acquisitions and divestitures and changes in commodity prices, inflation or 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.

No statement in this document is intended as a profit forecast and no statement in this document should be interpreted to mean that underlying operating profit for the current or future financial years would necessarily be above a minimum level, or match or exceed the historical published operating profits or set a minimum level of operating profit.

Notes

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