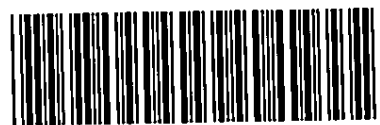


Cobham MAL Limited
(formerly SHOO 418 Limited)
Directors' report and financial statements
for the period 27 June 2008 to
26 December 2009

Registered number 6632600

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Cobham MAL Limited (formerly SHOO 418 Limited)
Directors' report and financial statements
for the period 27 June 2008 to 26 December 2009

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Cobham MAL Limited (formerly SHOO 418 Limited)

Directors' report for the period 27 June 2008 to 26 December 2009

The directors have pleasure in submitting their report, together with the audited financial statements of Cobham MAL Limited ("the Company"), for the 18 month period ended 26 December 2009. The Company trades under the name "Cobham Sensor Systems".

The date of incorporation was 27 June 2008 and the company's name was changed from SHOO 418 Limited to Cobham MAL Limited on 23 July, 2008. On 29 September 2008 the Company purchased the trade and assets of the M/A COM UK business from Tyco Electronics UK Limited and the Company commenced trading on 30 September 2008.

Results and dividends

The Company's results for the period are set out in the profit and loss account on page 8 showing a loss for the period after tax of £92,000. At 26 December 2009, the company has net liabilities of £92,000.

The ultimate parent undertaking, Cobham plc, has confirmed that it will provide financial support to the Company to enable it to both meet its liabilities as they fall due and to carry on business without a significant curtailment of operations. Accordingly, the financial statements have been drawn up on a going concern basis.

Principal activities and business review

The company's primary activity is to manufacture RF and microwave electronics, ranging from components to stand alone equipment for use within OEM systems, for the Aerospace and Defence market. The majority of products are customer specific and draw on well established technology platforms and processes, which are continually improved to sustain competitiveness.

The principal activities are not expected to change in the foreseeable future.

Although the company exceeded its operating profit target for the period, turnover was lower than expected for several reasons. The Aerospace and Defence market in Europe has remained soft, with government funding for major programs being delayed, primarily due to budget constraints in the current economic downturn and the need for the UK MoD to divert funds to troops in the Middle East. These factors seriously impacted the company's turnover for the period, however, due to significant cost base changes, operating profit remained ahead of target.

Encouraging progress was made towards developing a Transmit Receive Module (TRM) for the Active Electronically Scanned Array (AESA) radar market. As a consequence of recent research and development work the company has won a contract for inclusion into the UK's next generation missile program, which should lead to a five year production program worth in excess of £10m. The directors see the development of TRM applications as key to the growth of the business together with its expansion into the Asia/Pacific market. Penetration into India during the year has been successful and new opportunities exist for both TRM and legacy products in this market.

Directors

The following directors held office during the period from incorporation to the date of signing this report:

S Sharma	appointed 27 June 2008, resigned 21 July 2008
Shoosmiths Secretaries Limited	appointed 27 June 2008, resigned 21 July 2008
S Collier	appointed 28 July 2008
J Kelly	appointed 28 July 2008
D Gaggin	appointed 28 July 2008, resigned 16 September 2009
J Wensinger	appointed 16 September 2009

Cobham MAL Limited (formerly SHOO 418 Limited)

Directors' report for the period 27 June 2008 to 26 December 2009

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

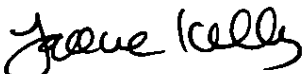
Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

By order of the board



J Kelly

Company secretary

18th March, 2010

Cobham MAL Limited (formerly SHOO 418 Limited)

Independent auditors' report to the members of Cobham MAL Limited

We have audited the financial statements of Cobham MAL Limited for the period ended 26 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 26 December 2009 and of its loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the eighteen month financial period, for which the financial statements are prepared, is consistent with the financial statements.

Cobham MAL Limited (formerly SHOO 418 Limited)

Independent auditors' report (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Helen Orton, Senior Statutory Auditor
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

Cobham MAL Limited (formerly SHOO 418 Limited)

Statement of accounting policies

Accounting convention

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards. The principal accounting policies, which have been applied consistently throughout the period, are set out below.

Going concern

The Company has net liabilities at 26 December 2009. The directors have prepared the financial statements on the going concern basis as confirmation has been received from Cobham plc, the Company's ultimate parent undertaking, that they will provide financial support to Cobham MAL Limited to enable it to both meet its liabilities as they fall due and to carry on business without a significant curtailment of operations.

Turnover

Turnover is measured at the fair value of the right to consideration and excludes value added tax, other sales taxes and trade discounts. Turnover is recognised at the point when substantially all of the risks and rewards of ownership are transferred to the customer, normally this is on despatch.

Current taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Intangible assets

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of the separable net assets. It has been capitalised and is being written off in equal instalments over its estimated useful life of 20 years. This is the period over which the directors estimate that the value of the underlying business acquired is expected to exceed the value of the underlying assets.

Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at their purchase cost together with any directly attributable costs of acquisition, net of depreciation and provisions, where required, for any impairment.

Cobham MAL Limited (formerly SHOO 418 Limited)

Statement of accounting policies (continued)

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful economic life. The expected useful economic lives used for this purpose are

Leasehold land and buildings	Over the term of the lease
Plant and machinery	3 to 10 years
Fixtures, fittings, tools and equipment	3 to 15 years

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost on a first-in first-out basis, which includes an appropriate proportion of production overheads, and net realisable value. Provision is made where necessary for obsolete, slow moving and defective stock.

Pension costs

The Company makes contributions into a stakeholder scheme held by its employees. Contributions are charged to the profit and loss account in the year to which they relate.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Foreign currencies

Transactions denominated in foreign currencies are translated at an average monthly rate of exchange which approximates to the actual daily rate throughout the year.

Monetary assets and liabilities denominated in foreign currencies are expressed in sterling, translated at the rates of exchange ruling at the balance sheet date.

All exchange differences are dealt with in the profit and loss account.

Leases

Lease arrangements are accounted for as finance leases where substantially all the risks and rewards of ownership of the leased asset are retained by the Company. All other leases are classified as operating leases. Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Research and development

Research and development expenditure not chargeable to customers is written off in the period in which it is incurred.

Cobham MAL Limited (formerly SHOO 418 Limited)

Statement of accounting policies (continued)

Estimation techniques

In certain circumstances the measurement of values cannot be made with absolute certainty either because absolute costs are unknown or they require a degree of subjective review. An example would be the calculation of degrees of obsolescence of stock. In such instances the directors utilise the skills, knowledge and experience of suitably qualified persons to generate appropriate values. All appropriate accounting standards are adhered to in generating such values.

Share-based payments

For grants made under the group's share-based payment schemes, amounts which reflect the fair value of options awarded to employees of the Company as at the time of grant are charged to the profit and loss account over the vesting period of the option and recognised as a capital contribution in equity.

The valuation of the options utilises a methodology based on the Black-Scholes model, modified where required to allow for the impact of market related performance criteria. The impacts of changes in assumptions of the number of options that are expected to vest due to non market related conditions are assessed at each balance sheet date and adjusted through the profit and loss account on a cumulative basis.

Cobham MAL Limited (formerly SHOO 418 Limited)

Profit and loss account for the eighteen months ended 26 December 2009

	Note	Period ended 26 December 2009 £000
Turnover	1	11,125
Cost of sales		(7,591)
Gross profit		3,534
Selling and distribution costs		(882)
Administrative expenses		(1,630)
Operating profit		1,022
Interest receivable and similar income	3	5
Interest payable and similar charges	4	(1,144)
Loss on ordinary activities before taxation		(117)
Tax on loss on ordinary activities	5	25
Loss for the period	17	(92)

The loss on ordinary activities before taxation and the loss for the financial period have been calculated on the historical cost basis. All of the Company's activities are classed as continuing in the current period.

The Company has no recognised gains or losses other than the amounts above and therefore no separate statement of total recognised gains and losses has been prepared.

Cobham MAL Limited (formerly SHOO418 Limited)

Balance sheet as at 26 December 2009

	Note	£000	£000
Fixed assets			
Intangible assets	9		6,313
Tangible assets	10		847
			7,160
Current assets			
Stocks	11	1,498	
Debtors amounts falling due within one year	12	2,337	
Debtors amounts falling due after one year	12	22	
Cash at bank and in hand		2,194	
		6,051	
Creditors amounts falling due within one year	13	(12,479)	
Net current liabilities			(6,428)
Total assets less current liabilities			732
Provisions for liabilities	14		(824)
Net liabilities			(92)
Capital and reserves			
Called up share capital	15		-
Profit and loss account	16		(92)
Total shareholders' deficit	17		(92)

The financial statements on pages 8 to 20 were approved by the board on 18th March 2010 and were signed on its behalf by



Steve Collier
Director

Registered number in England 6632600

Cobham MAL Limited (formerly SHOO 418 Limited)

Notes to the financial statements for the eighteen month period ended 26 December 2009

1. Turnover

All sales are made in the United Kingdom and are deemed as being attributable to one class of business

An analysis of turnover by geographical destination is given below

	Period ended 26 December 2009 £000
United Kingdom	3,214
Other EU countries	2,497
United States of America	3,809
Rest of the world	1,605
	11,125

2. Operating profit

	Period ended 26 December 2009 £000
Operating profit is stated after charging/(crediting)	
Depreciation - owned assets	399
Operating lease charges	
- plant and machinery	76
- other	260
Amortisation of goodwill	422
Loss on disposal of tangible fixed assets	3
Exchange differences	(356)
Auditors' remuneration fees for the audit of the Company's annual accounts	19

Fees paid to the Company's auditor, PricewaterhouseCoopers LLP and its associates for services other than the statutory audit of the Company are not disclosed in these financial statements since the consolidated group financial statements of the ultimate parent undertaking, Cobham plc, disclose the non-audit fees on a consolidated basis

Cobham MAL Limited (formerly SHOO 418 Limited)

Notes to the financial statements continued

3. Interest receivable and similar income

	Period ended 26 December 2009 £000
Bank interest receivable	5
	5

4. Interest payable and similar charges

	Period ended 26 December 2009 £000
Interest payable to group undertakings (note 13)	1,144
	1,144

5. Tax on loss on ordinary activities

	Period ended 26 December 2009 £000
Current tax	
UK corporation tax on loss for the year	(3)
Total current tax credit	(3)
Deferred tax	
Capital allowances for the year in excess of depreciation	(22)
Total deferred tax (note 12)	(22)
Tax on loss on ordinary activities	(25)

Cobham MAL Limited (formerly SHOO 418 Limited)

Notes to the financial statements continued

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 28.0%. The differences are explained below -

	Period ended 26 December 2009 £000
Loss on ordinary activities before taxation	(117)
Loss on ordinary activities multiplied by the standard rate in the UK of 28.0%	(33)
Effects of	
Expenses not deductible for tax purposes	8
Capital allowances for the year in excess of depreciation	22
Total current tax	(3)

6. Directors' emoluments

All directors in office during the trading period were employed by, and received their emoluments from, another group undertaking. No other amounts have been paid or are owed at 26 December 2009 in respect of services supplied by the directors to the Company, since their services are incidental to their services to the group as a whole.

7. Employee costs

	Period ended 26 December 2009 £000
Wages and salaries	3,617
Social security costs	379
Pension costs (note 18)	227
Other costs	9
	4,232

Included within employee costs above is £366,115 in respect of Cobham Defence Electronic Systems M/A COM field sales and engineering teams. Although these employees are employees of the Company, their full costs are recovered from other group companies. The associated income has been recognised within selling and distribution costs in the profit and loss account.

Cobham MAL Limited (formerly SHOO 418 Limited)

Notes to the financial statements continued

The average total monthly number of employees (including executive directors) employed by the Company during the period was

By activity	Period ended 26 December 2009
Assembly and other	66
Production and engineering	12
Marketing	8
Management and administration	9
	95

During the period 10 employees had employment contracts with MAL but worked for Cobham Defence Electronic Systems M/A COM 6 of these employees were transferred with the M/A COM Tech business sale in March 2009 but remained MAL employees until November 2009

8. Share-based payments

The Company's ultimate parent undertaking, Cobham plc, operates a number of incentive schemes which are open to certain senior executives employed within the Group which include both equity settled and cash-settled awards. The Company has not participated in any of these schemes, further details of which can be found in the 2009 Annual Report of Cobham plc.

During the period, the Company participated in the Cobham Savings Related Share Option Scheme (ShareSave), which is available to all employees of the Company. Employees may purchase shares of Cobham plc at 80% of the closing market price on the date of grant during a two-week period each year, up to a maximum contribution value of £3,000 in any one year. The shares so purchased are generally placed in an employee's share savings plan and will only be released to employees who remain in the Cobham plc group's employment for a period of three years from the date of grant.

During the period, employees applied for, and were granted 102,266 ShareSave awards at an exercise price of £1.69, all of which were outstanding at 26 December 2009. As the savings period for these awards did not commence until February 2010, no expense has been recognised in the accounts for the period to 26 December 2009 in connection with these awards.

Cobham MAL Limited (formerly SHOO 418 Limited)

Notes to the financial statements continued

9. Intangible assets

	Goodwill £000
Cost	
Additions	6,735
At 26 December 2009	6,735
Accumulated amortisation	
Charge for the period	422
At 26 December 2009	422
Net book amount	
At 26 December 2009	6,313

Goodwill arose on the acquisition of the M/A COM UK business from Tyco Electronics UK Ltd in September 2008. The goodwill is being amortised on a straight-line basis over 20 years. This is the period over which the directors estimate that the value of the underlying business acquired is expected to exceed the value of the underlying assets.

Goodwill arose on this acquisition as follows

	Net Assets Acquired £000	Fair Value Adjustment £000	Balance £000
Tangible fixed assets	1,034	-	1,034
Stocks	1,874	-	1,874
Debtors	2,332	-	2,332
Creditors	(297)	-	(297)
Provisions	(67)	(745)	(812)
Net assets acquired	4,876	(745)	4,131
Goodwill	-	-	6,735
Consideration (in cash)	-	-	10,847
Acquisition costs professional fees	-	-	19

Cash consideration being settled by an intercompany loan

Cobham MAL Limited (formerly SHOO 418 Limited)

Notes to the financial statements continued

10. Tangible assets

	Leasehold land and buildings (long lease) £000	Plant and machinery (including vehicles) £000	Fixtures fittings, tools and equipment £000	Total £000
Cost				
Assets acquired in the Period	108	845	81	1,034
Additions	-	215	-	215
Disposals	-	(16)	-	(16)
At 26 December 2009	108	1,044	81	1,233
Accumulated depreciation				
Charge for the period	98	276	25	399
Disposals	-	(13)	-	(13)
At 26 December 2009	98	263	25	386
Net book amount				
At 26 December 2009	10	781	56	847

Cobham MAL Limited (formerly SHOO 418 Limited)

Notes to the financial statements continued

11. Stocks

	26 December 2009 £000
Raw materials and consumables	346
Work in progress	1,131
Finished goods and goods for resale	21
	1,498

There is no significant difference between the replacement cost and the value of stocks shown

12. Debtors

Amounts falling due within one year

	26 December 2009 £000
Trade debtors	2,075
Amounts owed by fellow subsidiary undertakings	97
Other debtors	4
Prepayments and accrued income	161
	2,337

Amounts falling due after one year

	26 December 2009 £000
Deferred tax asset	22
	22

Deferred taxation

The deferred tax asset represents

	26 December 2009 £000
Accelerated capital allowances	22

Cobham MAL Limited (formerly SHOO 418 Limited)

Notes to the financial statements continued

13. Creditors: amounts falling due within one year

	26 December 2009 £000
Trade creditors	349
Amounts owed to fellow subsidiary undertakings (trade)	916
Other creditors	56
Corporation tax	68
Other tax and social security	119
Amounts owed to fellow subsidiary undertakings (loan)	10,847
Accruals and deferred income	124
	12,479

Amount owed to fellow subsidiary undertakings (loan) is unsecured and attracts interest at a rate of 9% and is repayable on demand

14. Provisions for liabilities

	Dilapidation provisions £000	Warranty provisions £000	Total £000
Additions	745	67	812
Charged to the profit and loss account	-	19	19
Unused amounts reversed in the period	-	(7)	(7)
At 26 December 2009	745	79	824

Cobham MAL Limited (formerly SHOO 418 Limited)

Notes to the financial statements continued

15. Called up share capital

	26 December 2009 £
Authorised	
Ordinary shares of £1 each	1
Allotted, called up and fully paid	
Ordinary shares of £1 each	1

One fully paid up ordinary share was issued on 27 June 2008 at nominal value of £1

16. Profit and loss account

	Profit and loss account £000
Loss for the financial period	(92)
At 26 December 2009	(92)

17. Reconciliation of movements in total shareholders' deficit

	Period ended 26 December 2009 £000
Loss for the financial period and retained loss for the financial period	(92)
Net deduction from shareholders' deficit	(92)
Closing shareholders' deficit	(92)

18. Pension commitments

Stakeholder scheme

The Company contributes into a stakeholder scheme for its employees. The pension cost charged represents contributions payable by the Company to the fund and amounted to £227,411. At 26 December 2009 there were contributions outstanding of £25,279.

Cobham MAL Limited (formerly SHOO 418 Limited)

Notes to the financial statements continued

19. Contingent liabilities

The Company is a participant in a group banking arrangement under which all surplus cash balances are held as collateral for bank facilities advanced to group members. In addition, the Company has issued an unlimited guarantee to support these group facilities.

20. Capital commitments

The Company had capital commitments contracted for but not provided of £173,000 at 26 December 2009.

21. Financial commitments

The following annual operating lease commitments existed at 26 December 2009 expiring as follows:

	Land and Building £000	Other £000
Within one year	208	33
Between two and five years	-	14
After five years	-	1
	208	48

22. Ultimate parent undertaking

The Company's immediate parent undertaking is Cobham Defence Communications Limited.

The ultimate parent undertaking and controlling party is Cobham plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Cobham plc consolidated financial statements can be obtained from the Company Secretary at Cobham plc, Brook Road, Wimborne, Dorset BH21 2BJ.

23. Cash flow statement

As noted above, the Company is a wholly owned subsidiary of Cobham Defence Communications Limited and is included in the consolidated financial statements of Cobham plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cashflow statement under the terms of FRS 1 (revised 1996).

Cobham MAL Limited (formerly SHOO 418 Limited)

Notes to the financial statements continued

24. Related party disclosures

The Company has taken the exemption under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Cobham plc group or investees of the Cobham plc group

The Company has undertaken transactions, with the following related party, on an arm's length basis, prior to the sale of M/A COM Tech by Cobham plc on 31 March 2009. Activity during the period from 27 September 2008 to 31 March 2009 was as follows

	2009 Purchases in the period £000	2009 Creditor balance 26 December 2009 £000
M/A COM Tech	343	15

No amounts have been written off during the period, nor any doubtful debt provisions considered necessary