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COBHAM REACHES AGREEMENT TO PURCHASE US SURVEILLANCE AND ATTACK BUSINESS FOR US\$240 MILLION

Cobham plc ('Cobham') is pleased to announce that it has reached agreement to purchase the Surveillance and Attack business unit of BAE Systems Inc ('BAE Systems') for a cash consideration of US\$240 million on a debt and cash free basis payable on completion. The goodwill arising on completion is an allowable tax expense with an estimated net present value of US\$45 million, resulting in an effective price of US\$195 million. The acquisition is expected to complete in the first quarter of 2008, subject to regulatory approval. On completion, the unit, which is based in Lansdale, Pennsylvania, USA, will be renamed Sensor and Antenna Systems, Lansdale Inc ('Lansdale').

Information on the Business

Lansdale is a world leading developer of Electronic Warfare ('EW') technology and supplier of EW subsystems for military aircraft. The equipment is used primarily for stand-off radar and communication jamming and also self-protection radar warning on US Military aircraft. Products include high power transmitters, antennas, integrated microwave assemblies, control electronics and subsystems, which are currently used on fixed wing military platforms including the F-16, F-18, EA-6B, EA-18G, V-22 and on rotary military platforms such as the MH-47 and MH-60. Lansdale employs approximately 400 people, including some 90 engineers. The acquisition brings with it a strong management team who will stay with Lansdale.

Rationale and benefits of the acquisition

The acquisition is consistent with Cobham's stated strategy of increasing shareholder value through organic growth and selective, value enhancing acquisitions within the Aerospace and Defence sector.

The acquisition is highly complementary to the existing Cobham Defence Electronic Systems ('CDES') US microwave business, bringing additional subsystem product and design resource. It will be operated under the existing Special Security Agreement with the US Department of Defense.

The acquisition will accelerate Cobham's plans to establish itself as a premier RF (radio frequency) front-end subsystem company. In addition, the Monolithic Microwave Integrated Circuit technology and antenna expertise existing within CDES, particularly within the REMEC Defense and Space business, is highly complementary and will benefit Lansdale and provide new opportunities for growth in this area. The

acquisition significantly enhances Cobham's ability to develop products that meet the large and growing worldwide market for C4IEWSR equipment (Command, Control, Communications, Computers, Intelligence, Electronic Warfare, Surveillance and Reconnaissance) while also both deepening and diversifying Cobham's customer and platform base.

Additional investment on product development, technology and marketing is planned to fully exploit the growth potential of Lansdale. It is anticipated that Lansdale will grow in line with the rest of the Sensor and Antenna Systems business over the medium term.

Financial Information

For the year ended 31 December 2006, the Business generated operating profits of US\$14 million on revenue of US\$91 million. At 30 September 2007, gross assets were approximately US\$34 million. The effective price represents a multiple of approximately 11.1x 2006 EBITDA. It is expected that the acquisition will be earnings enhancing in 2008.

Allan Cook, Cobham Chief Executive, said:

"This acquisition greatly accelerates our development into antenna front-end subsystems as well as the defence electronics attack market. Lansdale, with its established subsystem capabilities and positions on a number of important fixed and rotary wing aircraft, is an excellent fit with our strategy."

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ENQUIRIES

Cobham plc

Allan Cook, Chief Executive	+44 (0)1202 882020
Warren Tucker, Group Financial Director	+44 (0)1202 882020
Julian Wais, Director of Investor Relations	+44 (0)1202 857998
Julian Hellebrand, Group Director of Communications	+44 (0)1202 857651

Weber Shandwick Financial

Susan Ellis/Louise Robson	+44 (0)20 7067 0700
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NOTES

1. Cobham plc is an international company engaged in the development, delivery and support of advanced aerospace and defence systems for land, sea and air platforms. The Company specialises in the provision of components, sub-systems and services that keep people safe, improve communications and enhance the performance of aerospace and defence platforms.

2. Cobham Defence Electronic Systems (CDES) designs and manufactures microwave components, integrated assemblies and sub-systems for the US Department of Defense and other military and government customers around the world. It is a leading developer of all classes of air, ground and shipboard antenna sub-systems, positioners, radomes, high-power microwave components and integrated assemblies, and is the market leader for many niche microwave products. CDES is also the world leader in advanced tactical military vehicle intercom systems and soldier and ground vehicle situation awareness products.

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.