Preliminary Results

27th February 2007

BBA Aviation

Michael Harper

Executive Chairman

BBA Aviation PLC Prelims 2006

• Highlights	Michael Harper
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Group Highlights

- Sales up 9% to £950m
- Operating profits up 24% to £103m
- Operating margins increased to 10.8% (9.5%)
- Strong recovery in Aftermarket Services and Systems
- Final dividend 5.0p, full year 8.5p (rebased, full year 7.1p)
- Continued development of quality, capacity and scale of Signature Flight Support network
- Acquisitions performing well
- Sale of Becorit
- B&GA markets strong
- Uniquely positioned for further development

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Board

Executives

Michael Harper - Executive Chairman (from 18.01.07)

Andrew Wood

Bruce Van Allen

Non-executives

John Roques

David Rough

Bob Phillips

Mark Harper (from 01.12.06)

Nick Land (from 01.08.06)

Hansel Tookes (from 19.02.07)

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Andrew Wood

Finance Director

Income Statement

	2006 adjusted † £m	2006 £m	2005 £m	Change
Revenue	950.1	950.1	875.1	9%
Operating Profit*	102.8	102.8	83.0	24%
Margin % *	10.8%	10.8%	9.5%	-
EBITDA*	134.6	134.6	112.0	20%
EBITDA % *	14.2%	14.2%	12.8%	-
Net Interest	(17.0)	(24.6)	(20.9)	-
Pre Tax**	85.8	78.2	62.1	27%
EPS*	14.6p	11.4p	9.7p	-
Dividend	7.1	8.5	11.8	(27%)
Interest Cover	6.0	4.2	4.0	-

* Pre restructuring costs amortisation of acquired intangibles and non-recurring items (continuing operations)

** Operating profit from continuing operations less interest

† Assuming Fiberweb was demerged on 01.01.2006

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Income Statement

	2006 £m	2005 £m
Pre Tax Profit*	78.2	62.1
Restructuring costs	(7.4)	(13.3)
Amortisation of acquired intangibles	(0.6)	(0.3)
Non-recurring items	-	(10.2)
(Loss)/Profit after tax from discontinued Operations	(76.2)	22.6
Profit/(Loss) on disposal/closure	16.5	21.5
Profit/(Loss) for the period	(10.2)	75.3
Tax rate	29.9%	25.4%

* Pre restructuring costs and non-recurring items (continuing operations)

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Analysis of discontinued operations

	£m	£m
Fiberweb Operating Profit (inc. Central)	17.8	
Becorit	2.9	20.7
Fiberweb impairment	(70.5)	
Restructuring and Other	(14.4)	(84.9)
Advisor Fees	(29.4)	
Bonus	(3.2)	
Other	(1.1)	(33.7)
Fiberweb and Becorit Interest		(1.5)
(Loss) before Tax		(99.4)
Tax		23.2
(Loss) after Tax		(76.2)

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Flight Support

2006			2005		
Sales £m	Op Profit £m	Margin %	Sales £m	Op Profit £m	Margin %
556.4	65.5	11.8	514.4	60.3	11.7

- Organic revenue growth of 2%, impacted by poor de-icing season
- Strong last quarter 2006 - volume growth in Signature
- Margins 11.8% despite 40bps impact of higher fuel costs
- Share based payments – income of £1.1m in year (2005: cost £1.5m)
- Divisional ROIC improved to 13.2% (2005: 12.5%)

Aftermarket Services & Systems

2006			2005		
Sales £m	Op Profit £m	Margin %	Sales £m	Op Profit £m	Margin %
393.7	44.6	11.3	360.7	31.3	8.7

- 11% organic revenue growth
- Operating profits up 43%
- Revenues impacted by contract change
- Improvement to operating margins due to productivity and rationalisation initiatives and the impact of acquisitions
- Divisional ROIC improved to 9.0% (2005: 6.5%)

Cash Flow / Debt

	2006 Adjusted † £m	2006 £m	2005 £m
Cash Generated by Operations	135.9	128.3	183.7
Capital Expenditure (Net)	44.8	85.9	70.0
Capital Expenditure to Depreciation	1.4x	1.3x	0.9x
Free Cash Flow *	55.0	3.1	86.3
Acquisitions	49.6	52.7	28.0
Disposals		27.8	46.7
Debt		356.9	527.1

* Cash generated by operations plus dividends from associates less tax, interest, pref dividends and capital expenditure

† Assuming Fiberweb was demerged on 01.01.2006

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Capital Expenditure

	2006 £m	2005 £m
Signature	23	14
ASIG	6	10
Flight Support	29	24
ERO	6	12
APPH	4	2
Oxford	6	2
Aftermarket Services & Systems	16	16
Group	45	40

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Operating Cash Flow* (£m)

	Flight Support	Aftermarket	Central	Total Operating Cash Flow
2006	56.3	39.2	(14.1)	81.4
2005	61.7	16.7	(9.5)	68.9

Cash Conversion %

2006	89%	95%	-	86%
2005	111%	104%	-	116%

* Operating cash flow = cash generated by operations less net capital expenditure

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Looking Forward

- Exchange rates
- Tax rate
- Interest cost
- Restructuring costs
- Capital expenditure

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Market Overview & Divisional Performance

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BBA Aviation – Strategy

Maintain a balanced portfolio of aviation services and aftermarket businesses which have clear barriers to entry and a focus on the business and general aviation sector, and which produce attractive growth rates and financial returns

- Develop and expand Flight Support locations and services globally
- Secure new aftermarket OEM licenses and engine authorizations
- Fully exploit synergies across all business units
- Continuously improve operational performance and productivity

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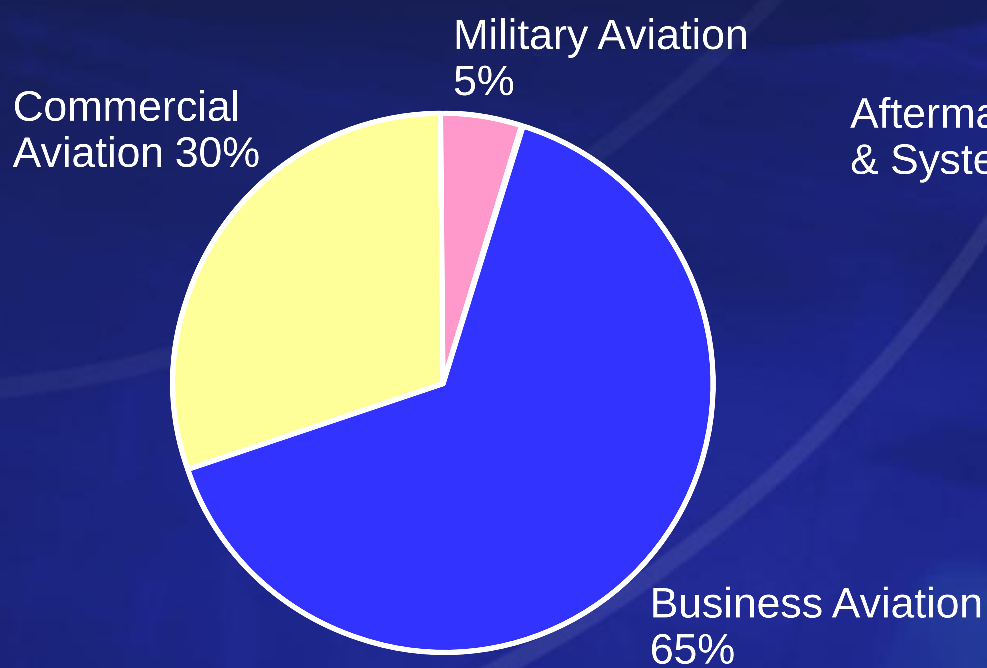
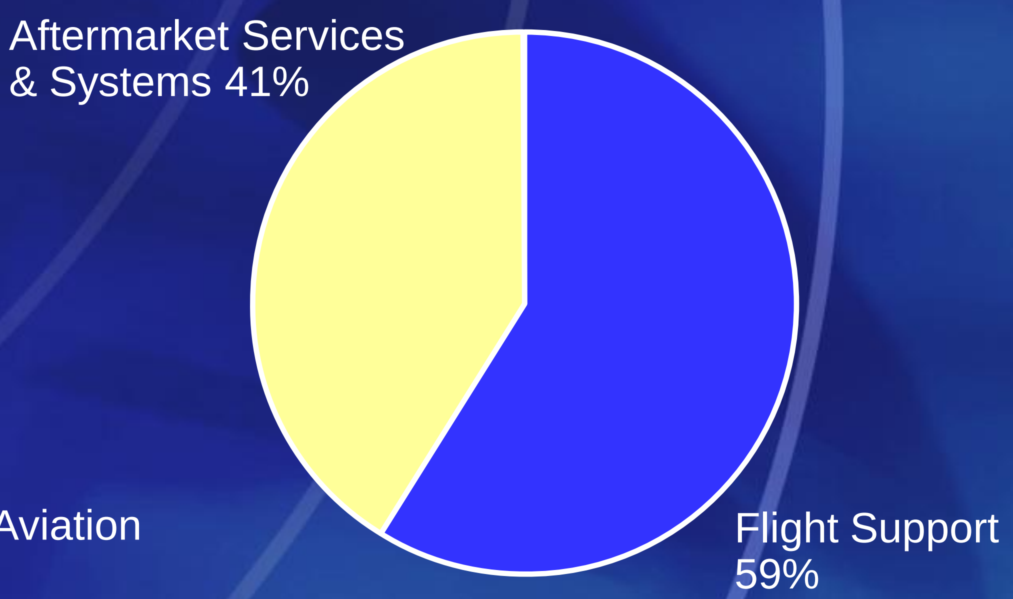
BBA Aviation presence by end markets (£ Revenue)





Source: BBA Aviation

BBA Aviation – Markets Served

		Segment	Operating Units	2006 Revenue	~Market Size
Flight Support		**Business & GA**	**Signature**	**$650m**	**~ $5bn**
		**Commercial**	**ASIG**	**$360m**	**~ $30bn**
Aftermarket Systems & Services*		**Engine R&O**	**Dallas Airmotive Premier Turbines H+S Aviation**	**$480m**	**~ $4bn**
		**Component R&O**	**Ontic, ITS, Barrett IGS**	**$90m**	**~ $1-2bn**
		**Landing Gear & Hydraulics**	**APPH**	**$100m**	**~ $1-2bn**

* Excludes Oxford Aviation

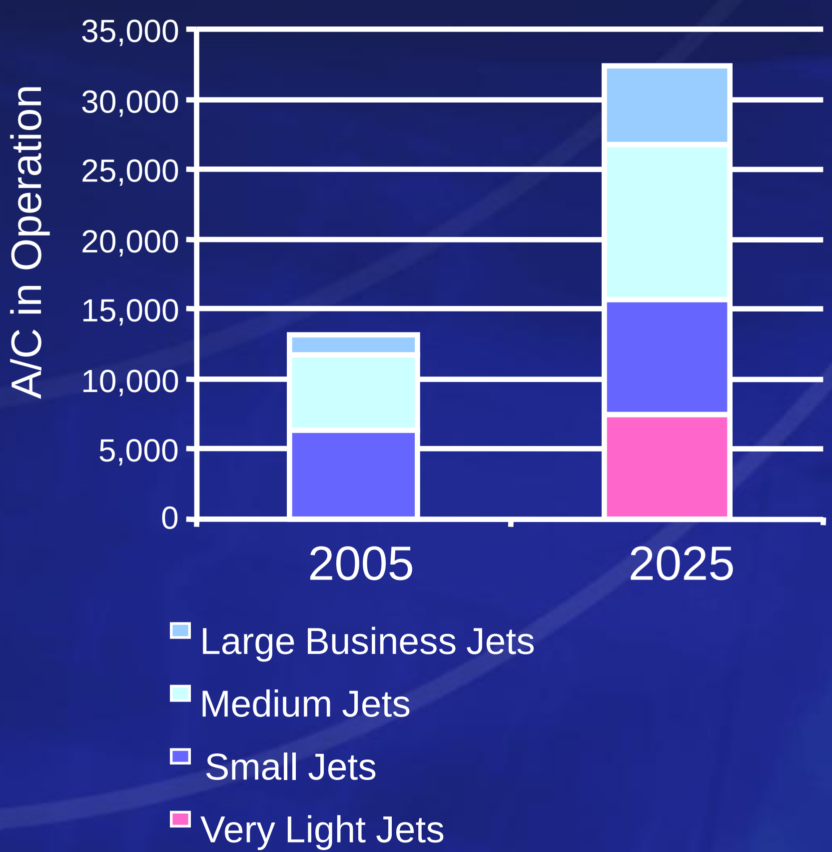
Strong forward looking industry forecasts

- OEMs reporting major increases in business jet orders
  - Turbofan deliveries +18% in 2006*
  - Turboprop deliveries +11.5% in 2006*
- FAA forecast CAGR of 7.4% in hours flown
- Continued fractional growth
- VLJs projected to grow strongly
- Longer lead times at OEMs driving pre-owned market where inventories continue to reduce

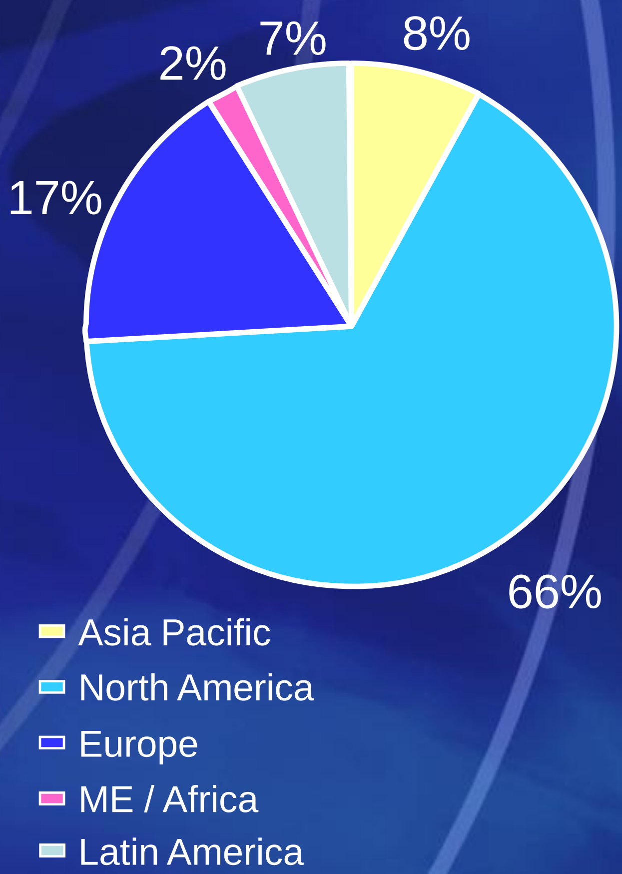
* Source: GAMA

Industry Forecasts*

Worldwide business jet fleet growth



Deliveries by region 2006 to 2025



*Source: Rolls-Royce Market Outlook 2006

2007 VLJ Launch

- Will continue to stimulate demand across all markets and segments

Single engine c $1m, not yet certified

Diamond DJ

Small cabin

$1m-$2m

c 2,500 orders

Eclipse

Large cabin

$2m-$4m

c 1,000 orders

Adams
Cessna
Embraer
Honda

Market dynamics creating opportunities

- OEM capacity issues create opportunities for aftermarket licensing and ERO authorisations
- Ageing fleet
  - Higher parts and component consumption
  - No new military models
- VLJs
  - New authorisations
  - Expansion of flight support requirements
- More flight support outsourcing from major carriers in higher skill and margin areas

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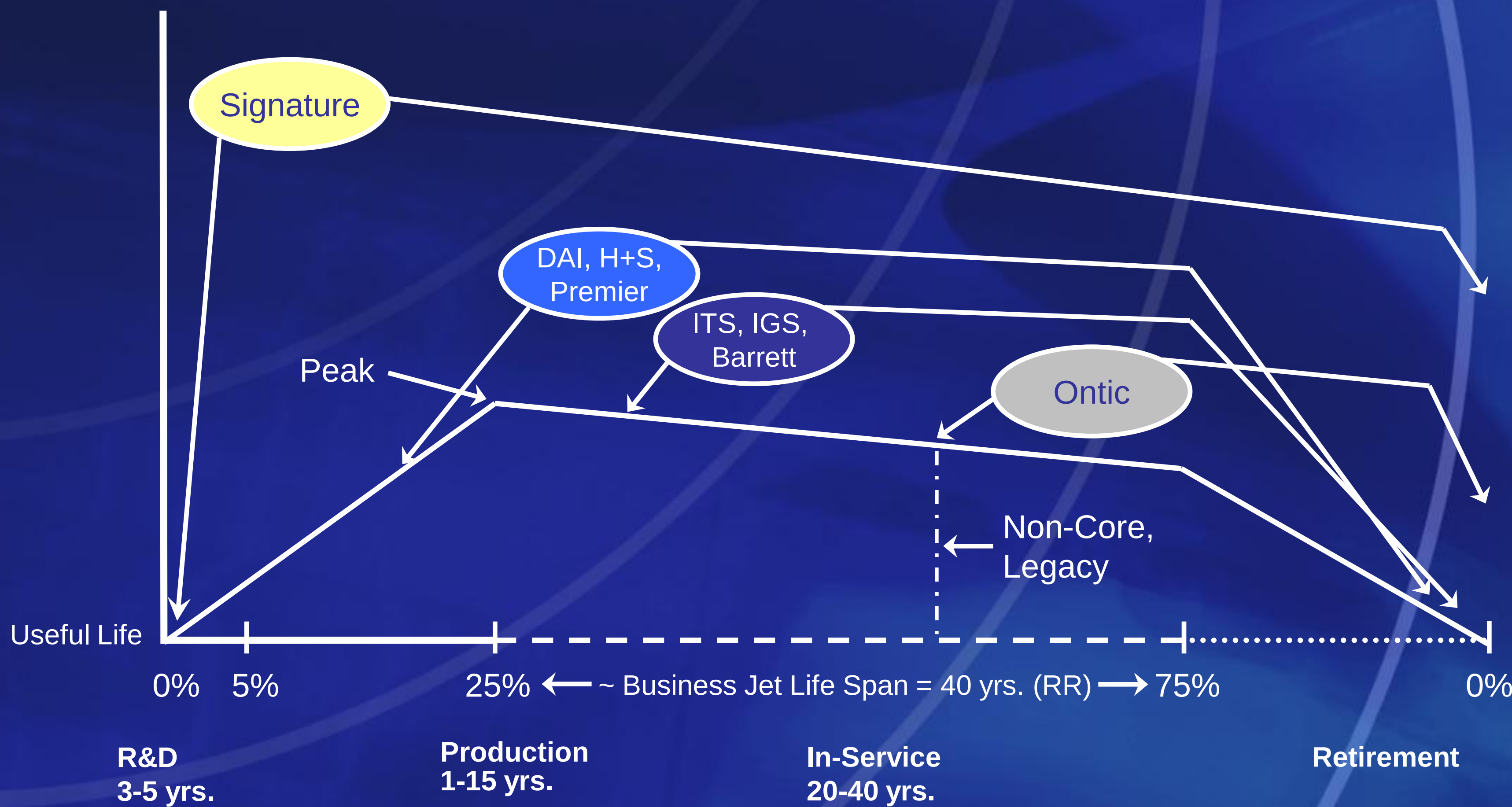
BBA Aviation well positioned at each stage of cycle



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Signature – Performance Overview

- Fractional fuel volumes up 10% during year, now 30% of revenue
- 3 FBO acquisitions, 1 successful tender
- Investment in new facilities at Indianapolis, Chicago and Paris. 10 year lease extension and investment at Boston Logan
- New pricing and customer loyalty programmes
- Expect further consolidation/scale growth of networks

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Signature – Priorities and Growth Strategy

- Maintain leading market position via addition of new FBO locations worldwide
  - Additional major US markets
  - Emerging secondary markets (as VLJ trends materialize)
  - Europe, Middle and Far East & South America
- Drive incremental volume growth through new pricing and customer service programmes
- Generate additional revenues through partnerships

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ASIG – Performance Overview

- Impacted by poor de-icing season
- Margin improvement focus
- Continued global expansion
  - 20 year Bangkok fuelling license
  - Fuelling services at Vienna and Durham
- New business wins for higher margin services
- ‘Best Airport Operator’ for second year
- Continued market competitiveness
- Continued growth in outsourcing - higher skill and margin areas
- Further consolidation likely

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ASIG – Priorities & Growth Strategy

- Continue to expand worldwide
  - North America
  - Asia
  - Europe
- Continued focus on margin improvement
- Growth in higher margin sectors
- Exit non economic business

Engine Repair and Overhaul – Performance Overview

- Organic revenue growth of 10% driven by:
  - PWC 300/500
  - Double digit growth in Honeywell
  - Rolls-Royce corporate care programme
- Improvements delivered in turn time, labour utilisation and quality costs
- Rationalisation programme improving operating margins
- Order backlog up 25% into 2007
- New VLJ authorisations under discussion

Engine Repair and Overhaul – Priorities & Growth Strategy

- Focus on margin expansion
- Secure new revenue streams
  - Leverage OEM relationships and BBA infrastructure
  - New engine programmes
- Expand service network
- Exploit benefits of wider group e.g. Component Repair and Overhaul

Component Repair and Overhaul – Performance Overview

- Integration of Ontic a catalyst for growth
- New products added – Honeywell
- Pipeline of new products and services
- Legacy military aircraft provides stable base
- Increasing need for OEMs to outsource non-core and legacy products

Component Repair and Overhaul – Priorities & Growth Strategy

- Continue to drive growth from existing products/markets
- Add support capabilities for new product lines
- Bolt-on acquisitions
- Expand margins through cost reduction programmes
- Exploit group synergies

Landing Gear & Hydraulics – Performance Overview

- Markets strong – growth across lifecycle
  - Order book, major Korean and Chinese contract wins
  - Spare parts
  - R & O
- Footprint expanded
  - Arnoni 2006
  - CAP 2007

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Landing Gear & Hydraulics – Priorities & Growth Strategy

- Expand system integration capability
- Increase expertise in hydraulic and electro-mechanical control systems
- Exploit synergy opportunities of BBA Aviation portfolio companies

Oxford: Performance Overview

- OAT sales up 17%
  - Phoenix
  - Use of technology
- Netjets contract
- Opportunities for emerging market training
- Oxford airport plans approved
  - ILS Summer 2007
  - Opportunities for further site development

BBA Aviation Summary

- Focused on business aviation
- Strong markets
- Clear strategy
- Good performance in 2006
- Encouraging start to 2007
- Significant opportunities
- Further progress anticipated

Preliminary Results

27th February 2007

Q&A

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