



2010 Final Results Acquisitions & Placing

March 2011

2010 Highlights

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|--|--|
| Improving market conditions | <ul style="list-style-type: none">▪ Continued recovery in B&GA flying hours benefitting Flight Support, and Aftermarket in H2 |
| Strong performance | <ul style="list-style-type: none">▪ Market growth and share gain driven revenue increases, supported by continuing operational improvement |
| Maintained capital discipline | <ul style="list-style-type: none">▪ Driving sustained cash generation and improving returns on invested capital |
| Continued execution of strategy | <ul style="list-style-type: none">▪ Important investments across both divisions |
| Dividend increase | <ul style="list-style-type: none">▪ Maintained through the downturn, progressive dividend resumed |



Financial Review

Mark Hoad

Group Finance Director

Financial Highlights

| | |
|-----------------------------|---|
| Growth resumed | <ul style="list-style-type: none">▪ Organic revenue growth 4%▪ 10% increase in underlying operating profits |
| Earnings progression | <ul style="list-style-type: none">▪ Operating profit growth complemented by reduction in interest charge, tax rate maintained▪ Adjusted EPS increased 21% to 17.6p |
| Cash generation | <ul style="list-style-type: none">▪ Continued strong cash flow of £115.2m, cash conversion of 124%▪ De-levered to 2.1x |
| ROIC improvement | <ul style="list-style-type: none">▪ Group ROIC up 110bps to 9.5%, with both divisions improving |

Income statement

| £m | 2010 | 2009 as reported | Change | Change constant FX |
|---|----------------|---------------------|---------|-----------------------|
| Revenue | 1,183.0 | 1,080.8 | 9% | 9% |
| Revenue (fuel adjusted ⁽¹⁾) | - | 1,124.6 | 5% | 5% |
| Operating Profit ⁽²⁾ | 110.6 | 100.5 | 10% | 10% |
| Margin % ⁽²⁾ | 9.3% | 9.3% | - | - |
| Margin % ⁽²⁾ (fuel adjusted ⁽¹⁾) | - | 8.9% | +40bps | - |
| Net Interest | (15.2) | (22.3) | 32% | 32% |
| Profit Before Tax ⁽²⁾ | 95.4 | 78.2 | 22% | 22% |
| EPS ⁽²⁾ | 17.6p | 14.6p | 21% | 20% |
| Dividend | 8.1p | 7.6p | 7% | - |
| Return on Invested Capital ⁽³⁾ | 9.5% | 8.4% | +110bps | - |

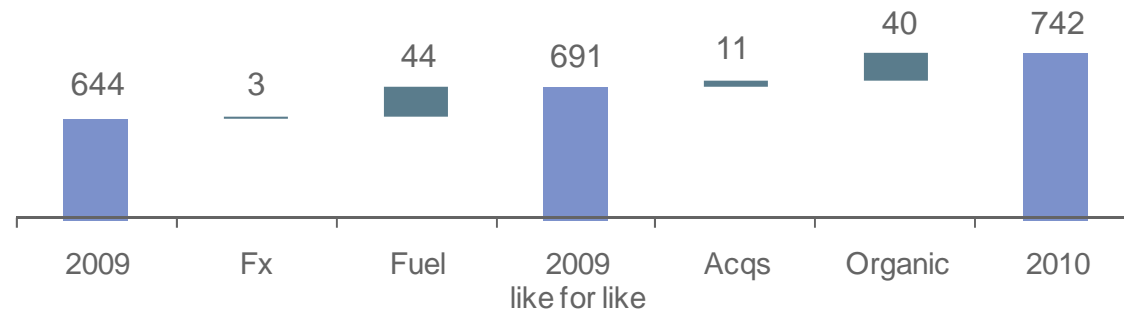
(1) Constant fuel price

(2) Pre exceptional items

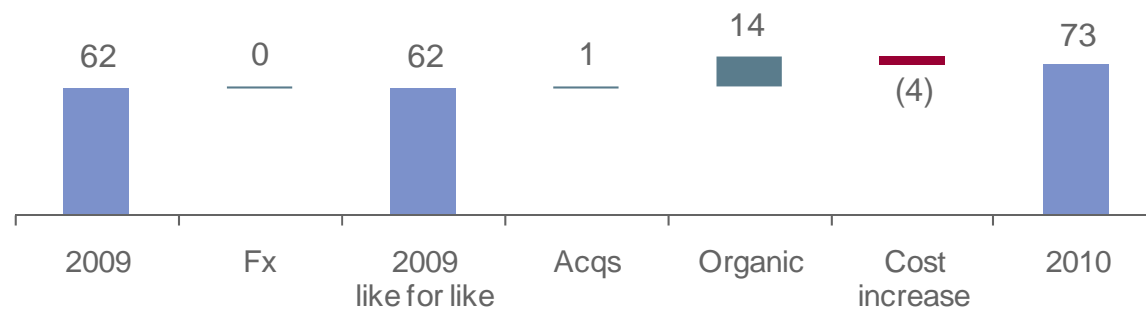
(3) 12 month constant currency average

Flight Support

Revenue Bridge (£m)



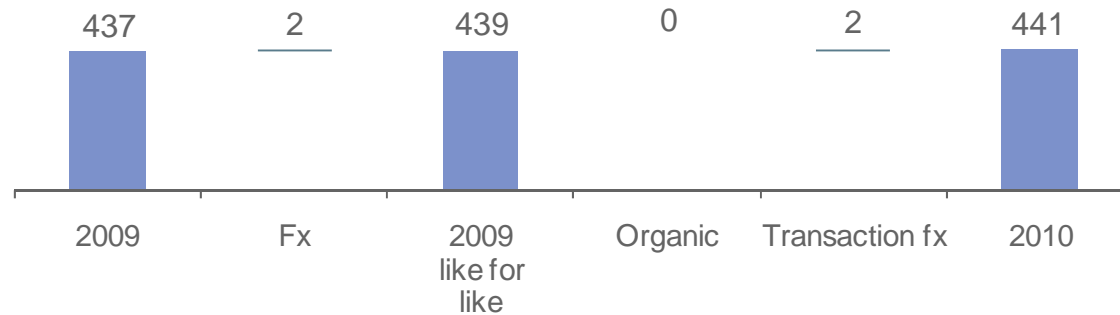
Operating Profit Bridge (£m)



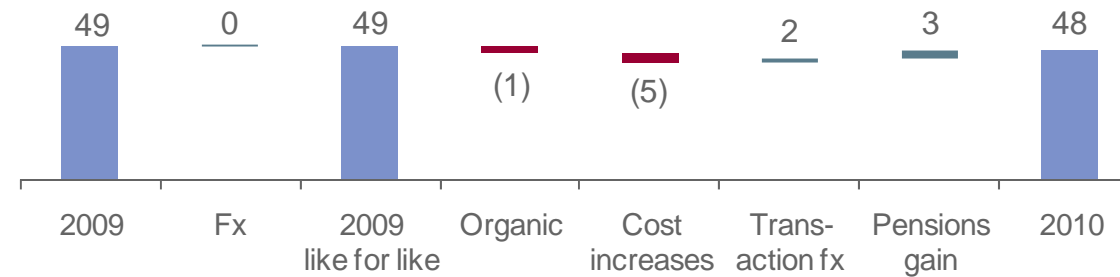
- Organic revenue increase of 6%
 - Signature 8%, ASIG 2%
- Underlying operating profit up 19% at constant exchange rates
- Margin of 9.9% up 90 basis points on like-for-like basis (2009: 9.0%)
- Cash conversion 115% (2009: 143%)
- Divisional ROIC 9.7% (2009: 7.9%)

Aftermarket Services & Systems

Revenue Bridge (£m)



Operating Profit Bridge (£m)



- Organic revenue flat for the year, but up 3% in H2
- Underlying operating profit broadly flat
- Prior year organic includes engine gains (£4.6m OP), net pensions gain in current year (£3.0m OP)
- Operating margins of 10.9% (2009: 11.1%)
- Cash conversion 124% (2009: 218%)
- Divisional ROIC 9.1% (2009: 8.9%)

Exceptional items

Total exceptional charge £10.2m (2009: £18.2m)

Restructuring costs £4.2m (2009: £6.0m)

- Primarily relates to closure of APPH's Bolton landing gear facility and compression of ERO's Neosho overhaul facility
- Prior year costs related to headcount reductions

Other operating expenses £2.3m (2009: £nil)

- 2010 acquisition related costs reported in exceptionals due to changes in IFRS 3

Amortisation of acquired intangibles £3.7m (2009: £3.8m)

- In line with prior year

Cash flow / debt

| £m | 2010 | 2009 |
|---|--------|--------|
| Underlying EBITDA | 149.1 | 139.3 |
| Working capital movement | 15.9 | 57.9 |
| Net capital expenditure | (22.8) | (18.0) |
| Net interest and tax paid | (17.3) | (36.1) |
| Exceptional items | (4.8) | (3.8) |
| All other movements | (4.9) | (1.8) |
| Free Cash Flow | 115.2 | 137.5 |
| Dividends | (17.4) | (21.9) |
| Acquisitions and disposals (incl. licences) | (4.9) | (7.4) |
| Other | (3.2) | (1.0) |
| Net cash flow | 89.7 | 107.2 |
| Net Debt | 313.9 | 391.6 |
| Net Debt to EBITDA | 2.1x | 2.8x |

Cash flow

| Cash flow item | Comment | % of Operating Profit |
|----------------------------------|---|-----------------------|
| Operating profit | <ul style="list-style-type: none"> Driven by market growth and active cost management | 100% |
| Capex – depreciation | <ul style="list-style-type: none"> Capex c. 0.7x-1.2x depreciation | -10% to +10% |
| Working capital | <ul style="list-style-type: none"> Flight Support neutral, Aftermarket modest consumption, still some structural opportunity | -10% to 0% |
| Pensions | <ul style="list-style-type: none"> c. £5-6m per annum over next 3-4 years | -5% |
| Other | <ul style="list-style-type: none"> No other major items expected | 0% |
| Operating cash conversion | | 75% - 105% |

- Capex growing to 1.0x depreciation as gradual recovery continues
- One-off working capital benefits in 2010 likely to reverse in 2011
- Pensions and other items as per previous guidance
- In line with strategy, \$100m of cross-currency swaps closed out in 2011 - £11m cash cost below free cash flow line

Placing

Rationale

- Financing acquisitions announced today for aggregate investment of \$80m
- Provides flexibility to continue consolidation strategy – strong acquisition pipeline
- Enhances our ability to access debt markets

Placing structure

- Up to 43.2m shares, representing up to 9.99% of current issued share capital
- Eligible for proposed final 2010 dividend of 5.7p

Financial impact

- Expected gross proceeds of c.£95m
- Combination of acquisition and placing marginally dilutive to EPS before further investment



Strategic & Operational Review

Simon Pryce

Group Chief Executive

BBA Aviation

Delivering on the growth potential

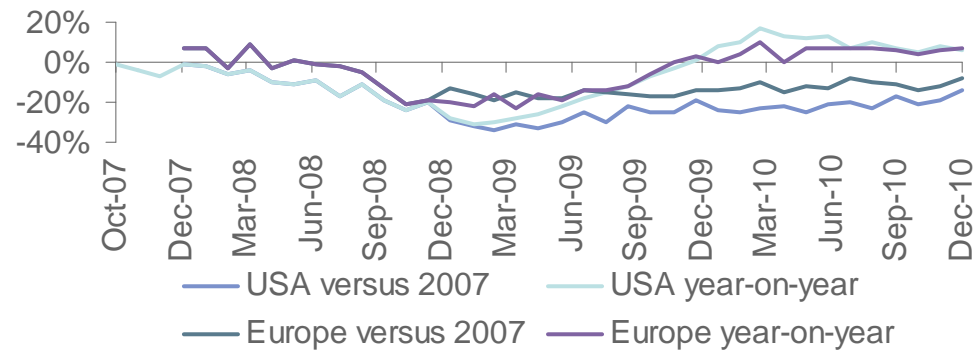
B&GA market recovering

- 13th month of year-on-year growth
- US still 21% below the 2007 peak
- Longer-term correlation to GDP

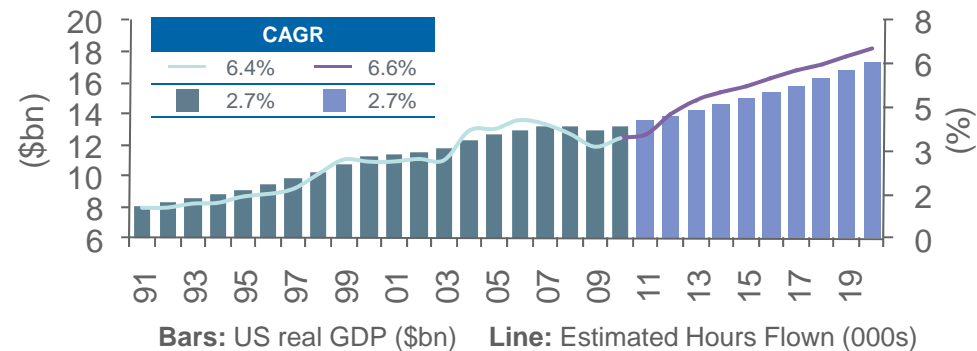
Consolidation opportunities being realised

- Flight Support
 - Further extension of FBO network in 2010
 - FBO market remains fragmented
 - Commercial service bolt on opportunities, outsourcing potential
- Aftermarket
 - Service and authorisation expansion
 - Fragmented legacy market with service opportunity
 - Acquisition of strategically core legacy business

B&GA market activity based on aircraft movements (US) ¹



US GDP vs US turbojet hours flown through-cycle²



(1) Source: FAA, Eurocontrol
 (2) Source: General Aviation Manufacturers Association (Turbo Jet data)
 FAA Aerospace Forecasts (Turbo Jet data)
 Bureau of Economic Analysis (Gross domestic product (GDP) at chained 2005 market prices)

Flight Support

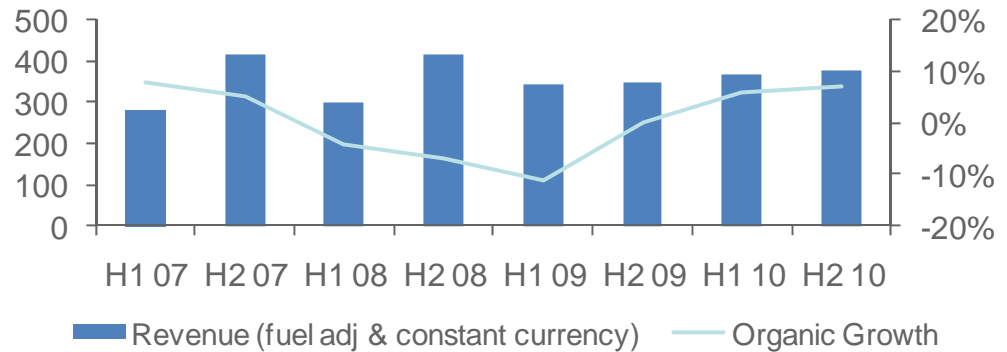
Signature

- Strong volume recovery
- Improved operational efficiency, scale benefits
- Continued market outperformance

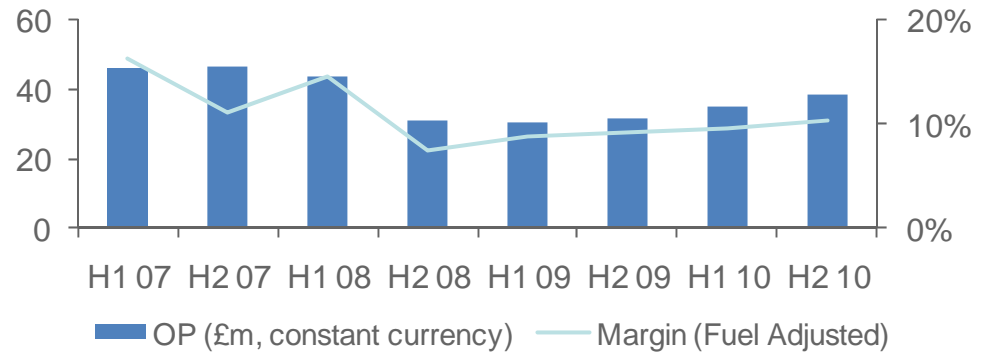
ASIG

- Improved operational efficiency
- Good net new business wins
- Enhanced service offering
- Emerging market expansion

Flight Support – revenue and organic growth



Flight Support – operating profit and margin



Aftermarket Services & Systems

Engine repair and overhaul

- Later-cycle, returned to growth in H2
- Centres of excellence created to enhance operational performance
- Ongoing management of parts supply constraints
- New/renewed authorisations, service extension, emerging market expansion

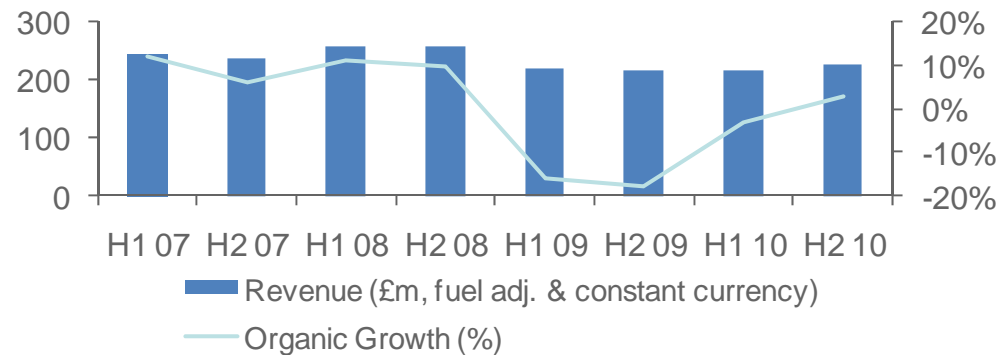
Legacy

- Strong H2 supported by process enhancement
- Positive operational improvements
- Record order book

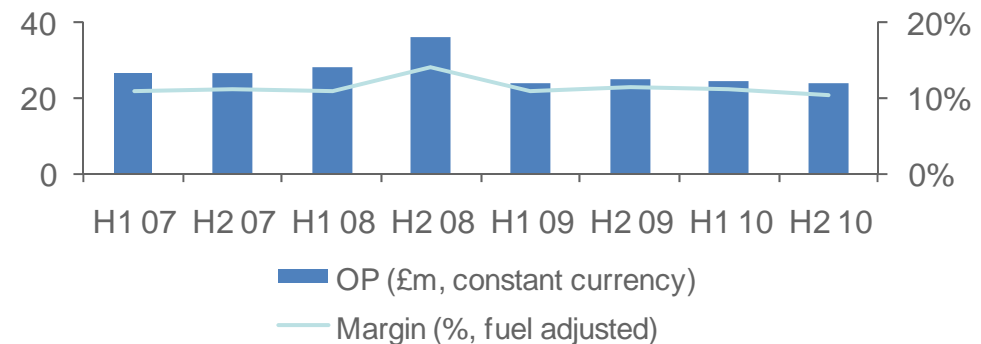
APPH

- Late cycle, first signs of MRO improvement
- Operational progress and footprint optimisation

Aftermarket Services & Systems – revenue and organic growth



Aftermarket Services & Systems – operating profit and margin



Acquisitions in Legacy Support and Signature

| | |
|--------------------------------------|--|
| Strategically core | <ul style="list-style-type: none">▪ UK based global fuel measurement business, mature, stable technology▪ Important resort FBO |
| Improved scale and capability | <ul style="list-style-type: none">▪ Legacy - critical mass in UK, increased customer and potential licensor access, enhanced capability▪ Expanded Signature presence in Pacific Northwest |
| Key legacy platforms | <ul style="list-style-type: none">▪ Commercial - A300/310/320, B737,747,757,777▪ Military - Hawk, EH101, Typhoon▪ High utilisation rates and long forecast service lives |
| Good value creation potential | <ul style="list-style-type: none">▪ Legacy acquisition - \$62.5m cash consideration plus \$7m investment, expected to meet Group ROIC targets by year three▪ FBO acquisition Bozeman, Montana - \$10.5m |
| Placing | <ul style="list-style-type: none">▪ Funds the announced transactions and pipeline▪ Enhances ability to access debt markets |

2010 Summary

| | |
|---------------------------------|---|
| Improving market conditions | ✓ |
| Strong performance | ✓ |
| Maintained capital discipline | ✓ |
| Continued execution of strategy | ✓ |
| Dividend increase | ✓ |

2011 and beyond

| | |
|--------------------------------------|---|
| Strategic consistency | <ul style="list-style-type: none">▪ Maintained aviation services and aftermarket focus |
| Organic growth | <ul style="list-style-type: none">▪ Continued steady market recovery▪ Structural growth▪ Enhanced service offering▪ New authorisations, licences and outsourcing opportunities |
| Strong underlying performance | <ul style="list-style-type: none">▪ Continued operational improvement▪ Cross-business synergies |
| Consolidation opportunities | <ul style="list-style-type: none">▪ Fragmented markets▪ Expanding product/technical expertise |
| Superior long-term returns | <ul style="list-style-type: none">▪ Sustained through-cycle growth well in excess of GDP▪ Pre-tax through-cycle return on invested capital >12%▪ Progressive dividend policy |



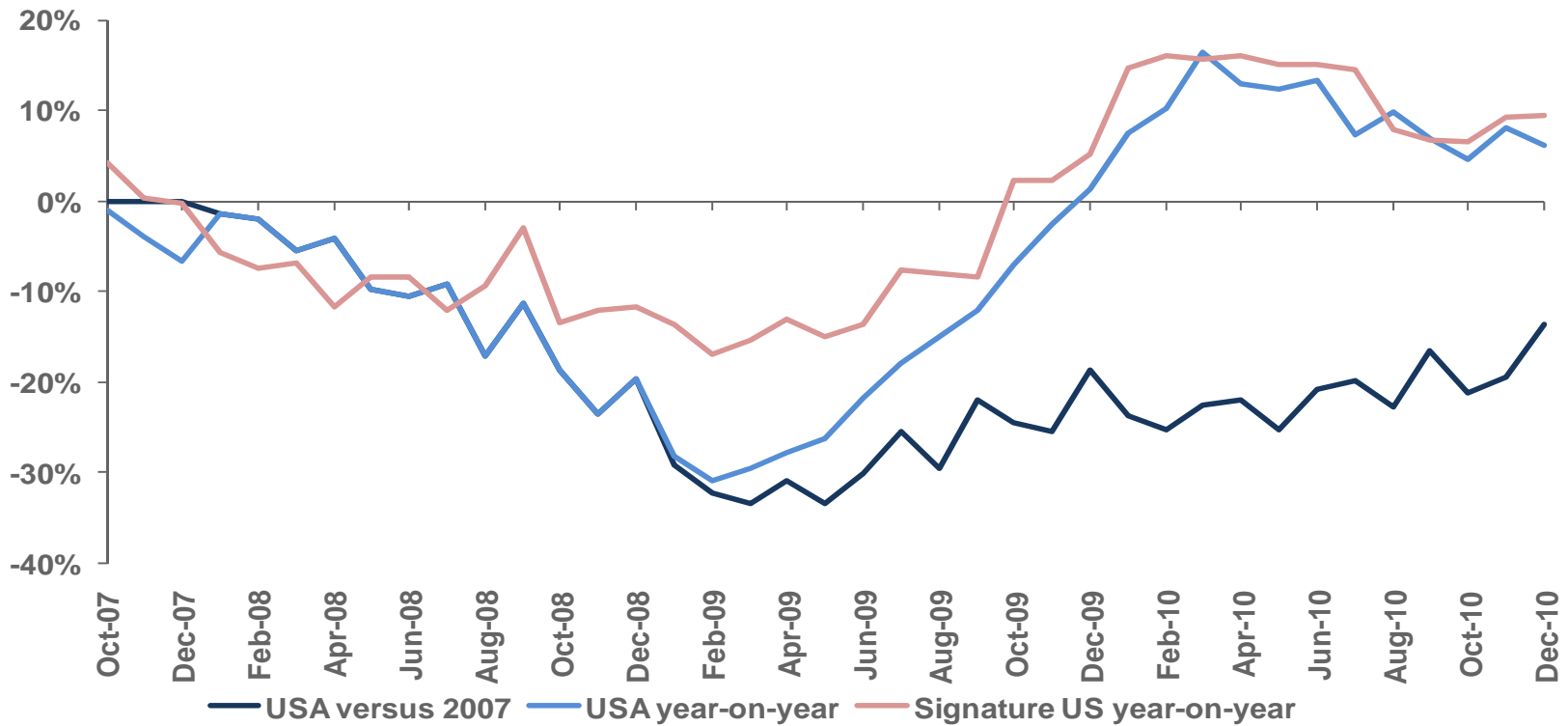
Q&A



Appendix

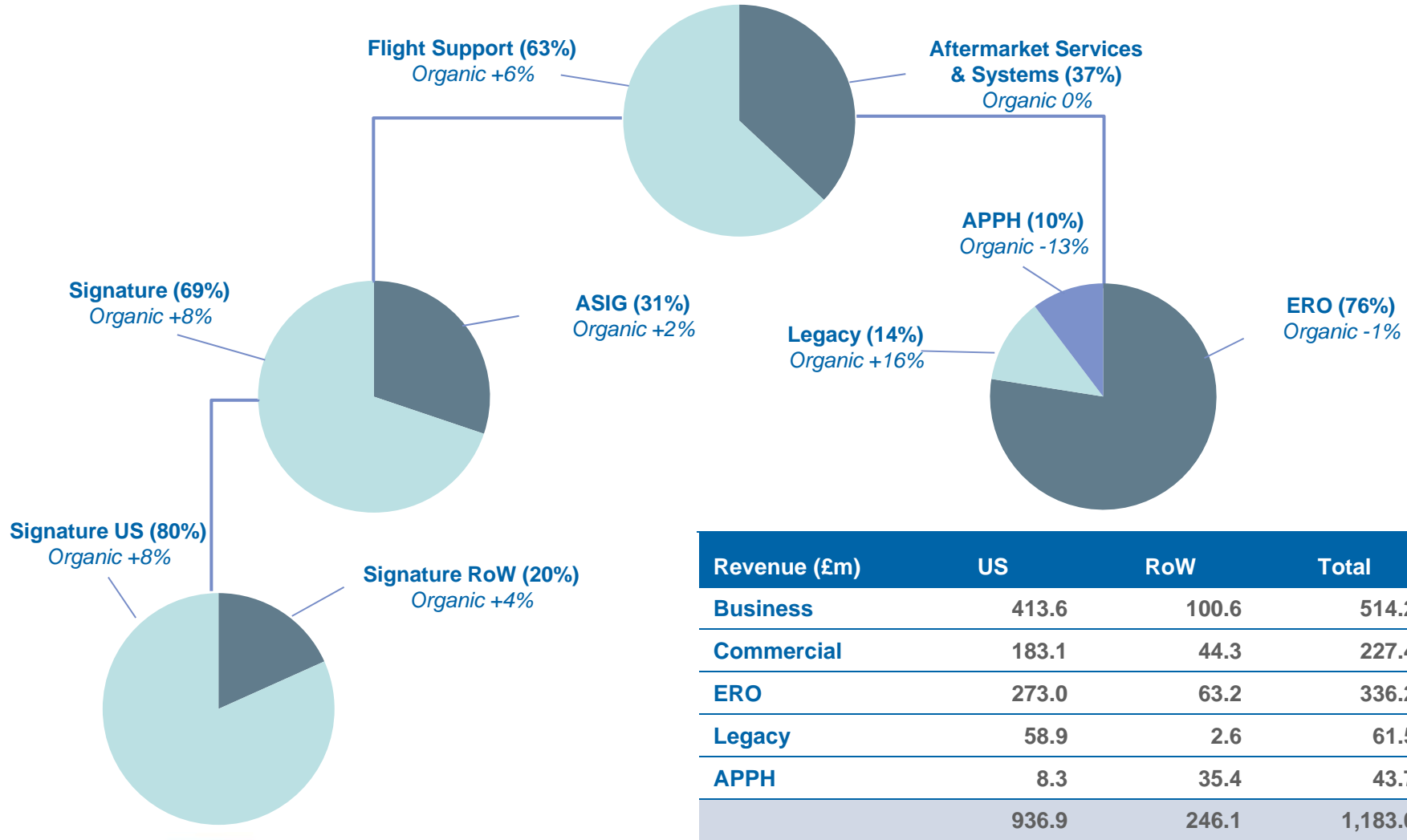
Signature's market outperformance

Signature volumes vs market activity



Source: FAA, Company data

Revenue split and organic growth



Exchange rates

| | 2010 | | 2009 | |
|------------|------|------|------|------|
| | \$ | € | \$ | € |
| Average | 1.55 | 1.16 | 1.56 | 1.12 |
| Period end | 1.57 | 1.17 | 1.61 | 1.13 |

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