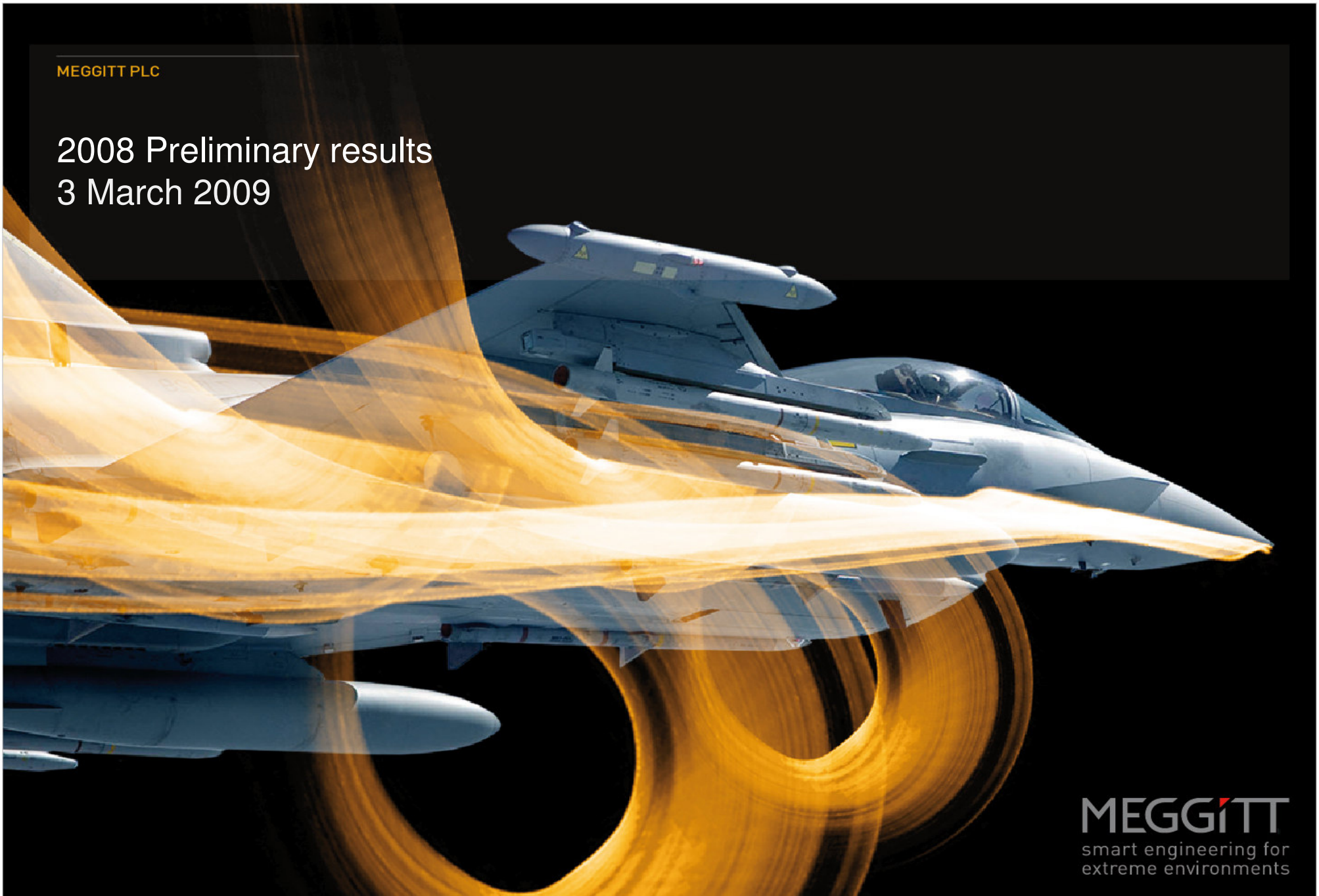


MEGGITT PLC

2008 Preliminary results
3 March 2009



MEGGITT
smart engineering for
extreme environments

Excellent progress in 2008

- Significant growth in orders, revenues and underlying operating profit
- Continued investment in the future
- Significant new business wins
- K&F integration savings on track
- Operational excellence benefits
- Refinanced bank facilities

Well positioned in a challenging environment

- ▶ **Balanced portfolio**
 - 46% of the Group revenues generated from the civil aerospace market,
 - 39% from military market and,
 - 15% from other markets, primarily energy.
- ▶ **Proprietary technology and large installed base generating significant aftermarket revenues**
- ▶ **Operational excellence programmes producing incremental savings**
- ▶ **Further savings at the rate of £50m a year by the end of 2010**
- ▶ **Meggitt's balance sheet is strong**
 - Net debt/EBITDA (covenant calculation basis) at 2.35x
 - Bank financing through to March 2012

Income statement

£m	Statutory		Underlying			Statutory	
	2008	Adj*	2008	2007		Adj*	2007
Revenue	1,162.6	-	1,162.6	878.2	+32%	-	878.2
EBITDA	281.2	62.2	343.4	249.7	+38%	35.2	214.5
Operating profit	172.4	124.0	296.4	216.3	+37%	73.6	142.7
Finance costs: Pension	(4.7)	-	(4.7)	(1.2)		-	(1.2)
Interest	(48.4)	-	(48.4)	(36.1)		-	(36.1)
Profit before tax	119.3	124.0	243.3	179.0	+36%	73.6	105.4
Tax	(20.2)	(47.9)	(68.1)	(49.2)		(33.1)	(16.1)
<i>Tax rate</i>			28.0%	27.5%			
Profit after tax	99.1	76.1	175.2	129.8		40.5	89.3
EPS	15.0p	11.5p	26.5p	22.1p	+20%	7.5p	14.6p
Dividend	8.45p		8.45p	8.20p	+3%		8.20p

* A full explanation of adjustments is given in Notes 3 and 7 of today's preliminary announcement.

Impact of currency* and acquisitions

£m	Revenue			Underlying operating profit			Underlying profit before tax		
	2008	2007	change	2008	2007	change	2008	2007	change
Reported	1,162.6	878.2	32%	296.4	216.3	37%	243.3	179.0	36%
Convert to 2007 FX	(82.2)			(20.2)			(15.7)		
At constant currency	1,080.4	878.2	23%	276.2	216.3	28%	227.6	179.0	27%
Add K&F H1 07		100.2			35.5			20.3	
Organic	1,080.4	978.4	10%	276.2	251.8	10%	227.6	199.3	14%

* Effective FX rates (£1=): transaction 2008 \$1.84; (2009 is fully hedged at \$1.82)
translation 2008 \$1.83 (2007: \$2.02)

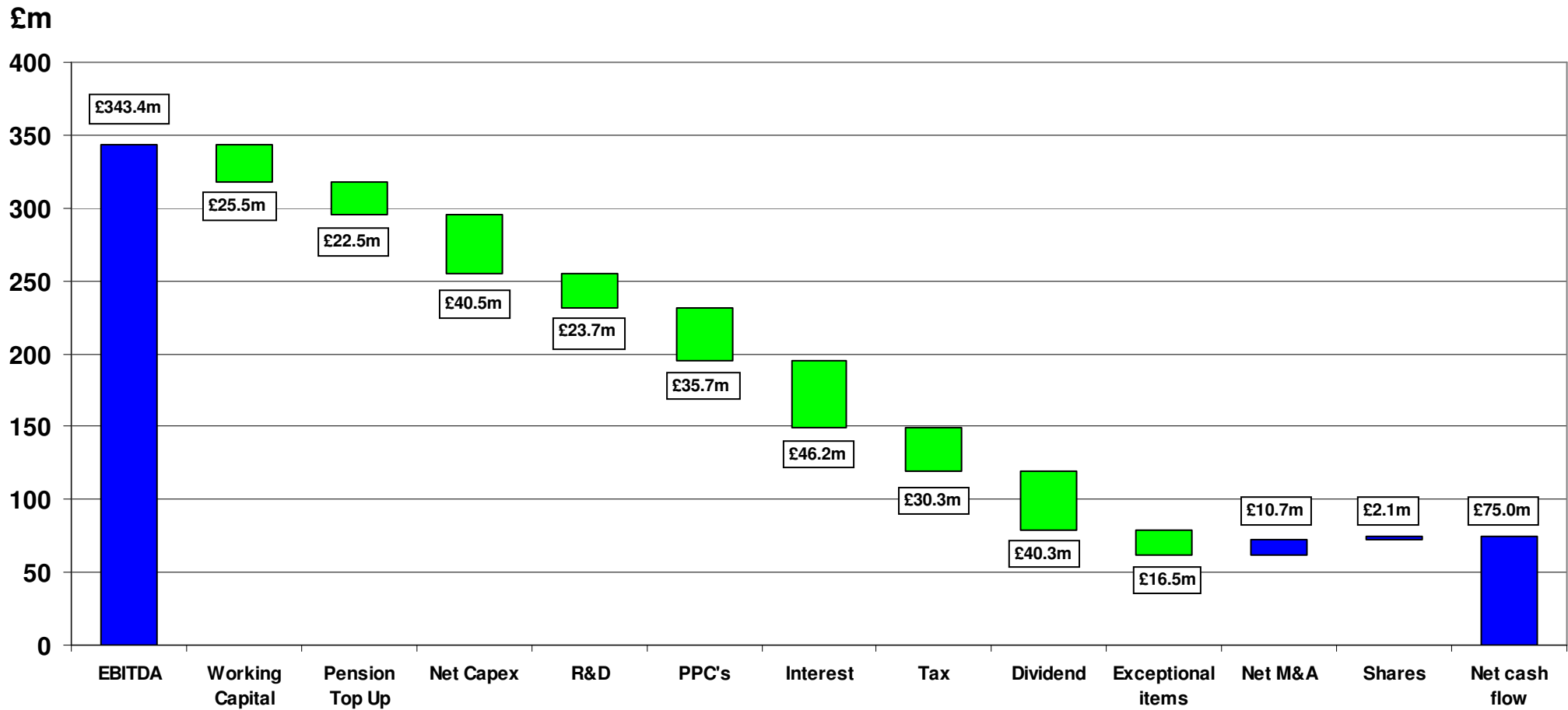
2009 currency sensitivity: ± 5 cents = ± £5m PBT

Segmental analysis

£m Revenue				Underlying Operating Profit			Return on Sales %	
2008	2007	change		2008	2007	change	2008	2007
763.7	528.1	+45%	Aerospace Equipment	230.6	158.2	+46%	30.2%	30.0%
		+14%	<i>Organic*</i>			+10%		
267.8	235.9	+14%	Sensing Systems	46.7	41.5	+13%	17.4%	17.6%
		+4%	<i>Organic*</i>			+9%		
131.1	114.2	+15%	Defence Systems	19.1	16.6	+15%	14.6%	14.5%
		+6%	<i>Organic*</i>			+4%		
<u>1,162.6</u>	<u>878.2</u>	<u>+32%</u>	Total	<u>296.4</u>	<u>216.3</u>	<u>+37%</u>	<u>25.5%</u>	<u>24.6%</u>

* Organic growth includes K&F results (unaudited) for H1 2007 and is measured using constant 2007 exchange rates. No adjustment has been made for the minor impacts of the acquisition of Ferroperm and disposal of S-Tec.

Cash flow



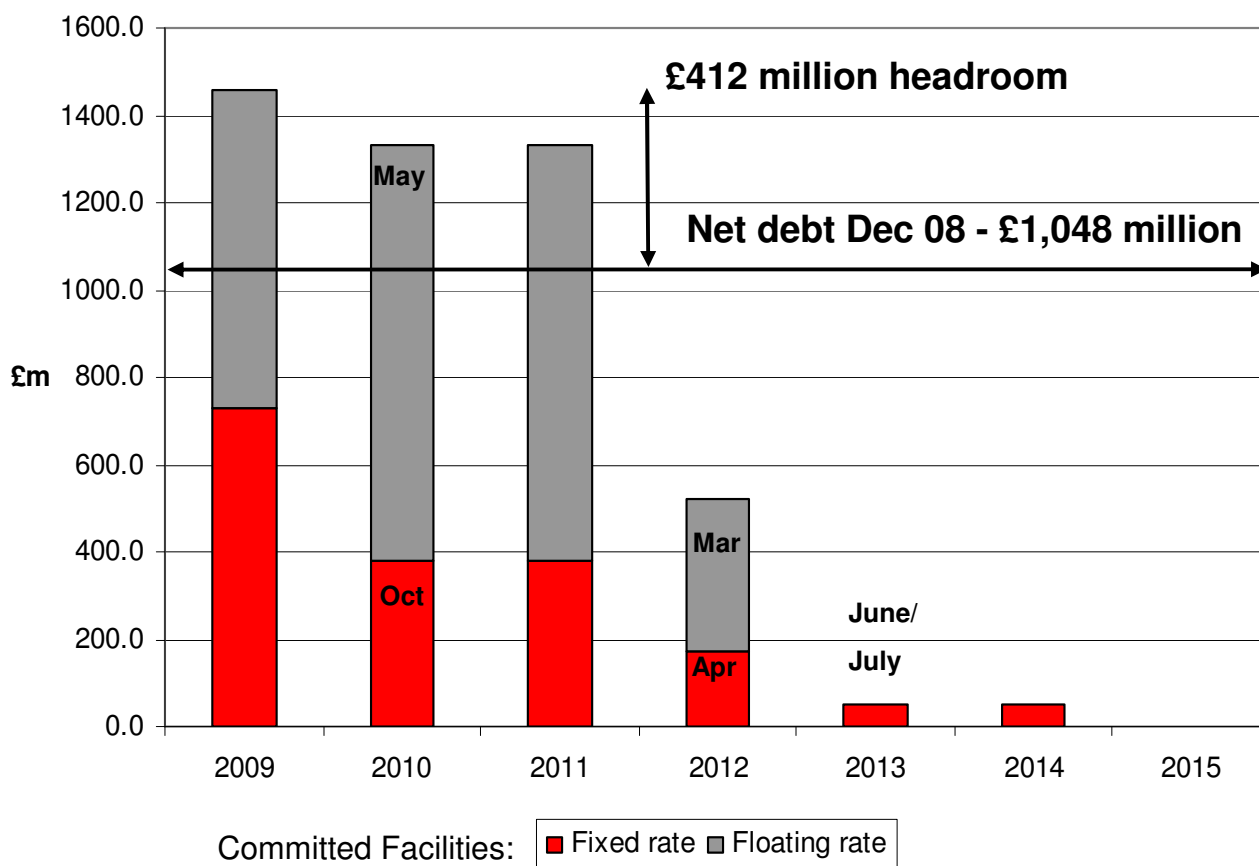
• Estimates for 2009 pension top-up payments, capex, R&D, PPCs given in Appendices

Balance sheet

£m	At 1 Jan	FX	Other	At 31 Dec
Total assets (excluding cash)	2,681.1	748.9	72.7	3,502.7
Retirement benefit obligations	(153.3)	(44.8)	(43.1)	(241.2)
Other liabilities	(649.0)	(176.3)	(101.9)	(927.2)
Capital employed	<u>1,878.8</u>	<u>527.8</u>	<u>(72.3)</u>	<u>2,334.3</u>
Net debt	<u>(815.4)</u>	<u>(312.0)</u>	<u>79.5</u>	<u>(1,047.9)</u>
Net assets	<u>1,063.4</u>	<u>215.8</u>	<u>7.2</u>	<u>1,286.4</u>

Financing

Maturity profile of credit facilities:



Covenant tests:

	<u>Per bank agreements</u>		<u>Memo per accounts</u>
	<u>Covenant</u>	<u>Actual</u>	
Net debt/ EBITDA	≤ 3.5x	2.4x	3.1x
Interest cover	≥ 3.0x	6.6x	5.6x

Appendix 3 outlines covenant principles. Summary:

- Calculations are based on 'frozen' UK GAAP as defined by credit agreements
- Exchange rates used in debt and EBITDA calculations based on trailing 12 month average

Good covenant (net debt/EBITDA) headroom

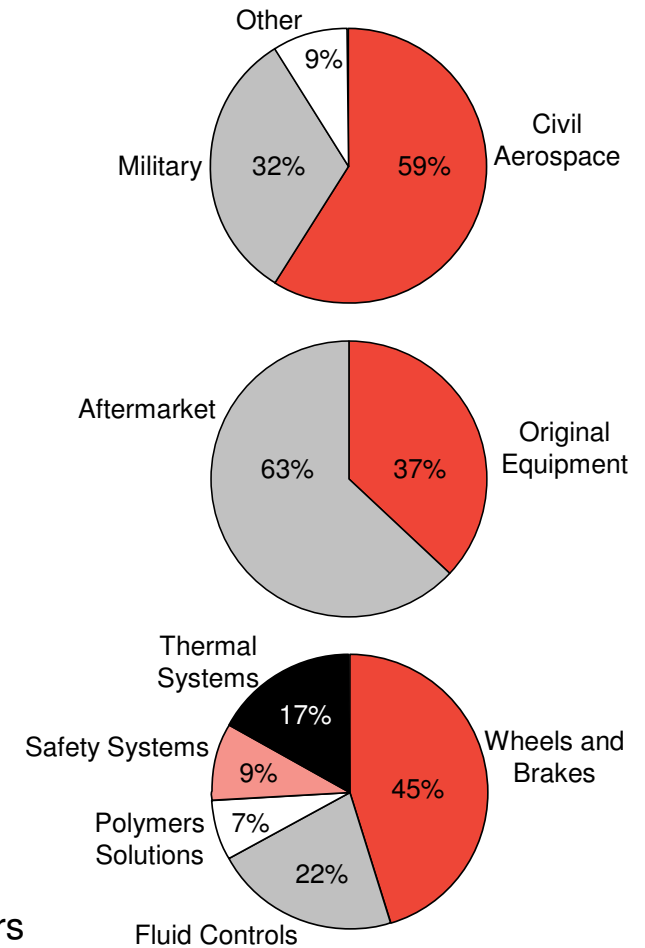
		EBITDA (before exceptionals)				
			-10%	-20%	-30%	
Net debt (FX sensitivity)	Avge \$1.50	2.3	2.6	3.0	3.5	(-29% EBITDA ≤ 3.5x)
	Avge \$1.25	2.4	2.7	3.2	3.7	(-26% EBITDA ≤ 3.5x)
	Avge \$1.00	2.5	2.9	3.3	3.8	(-24% EBITDA ≤ 3.5x)

Ratios calculated in accordance with credit agreements.
Sensitivity scenario assumes that 2008 results in currency are repeated in 2009.
This is for illustrative purposes only and is not a forecast.

Aerospace Equipment update

- ▶ Excellent organic growth
- ▶ Multiple programme wins for military and commercial markets
 - Gulfstream G650; G250 and Embraer Legacy 450/500
 - A350 fire detection system
 - Significant wins on MULE and Mantis unmanned vehicles
- ▶ Investment in new technologies and sub-systems
 - Motor control technology for more electric vehicles
 - Lightweight seals
 - Ebrake®
- ▶ Continued focus on operational improvement
 - K&F integration on track
 - Targeted savings for 2008 exceeded
 - Savings for 2009 £18m, 2010 £22m on plan
 - Consolidated two UK Polymer factories
 - Expanded low cost manufacturing for wheels & brakes, polymers and ground fuelling

2008 Revenue Breakdown



Sensing Systems update

Strong organic growth

- Good growth in condition monitoring for the Aerospace and Energy markets
 - Some weakness in other markets, particularly consumer goods
 - Advanced Airborne Vibration Monitor on all new Boeing 737 Next-Generation aircraft
 - Multiple monitoring systems for steam and gas turbines
- Numerous avionics wins for the military market

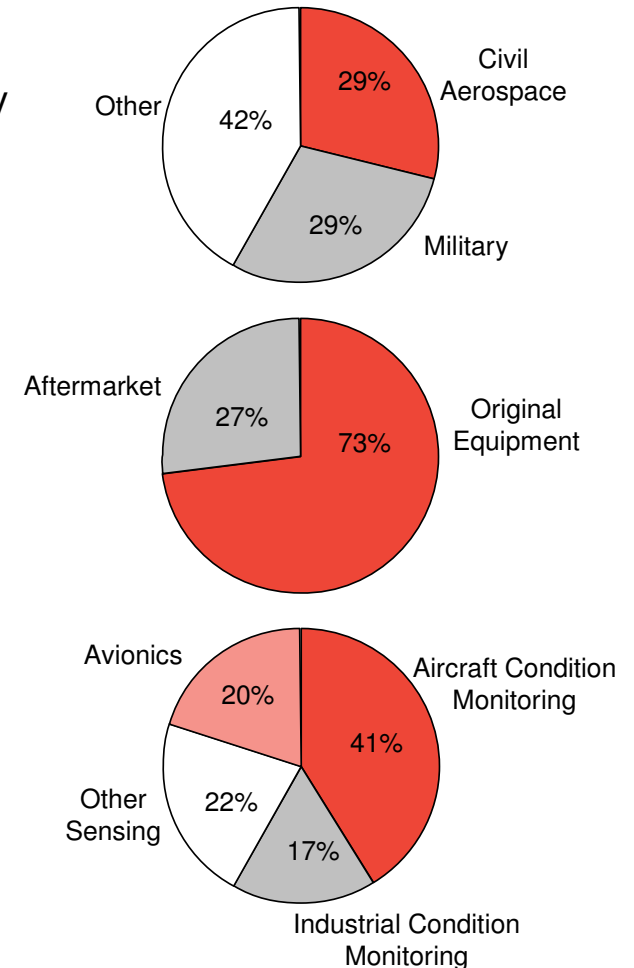
Investing in leading-edge technologies

- Acquired Ferroperm high temperature sensing capability
- Founding member of IVHM research consortium with Cranfield University

Expanding in energy markets

- Developing new innovative products and service offering
- Expanding sales infrastructure, including new office in India

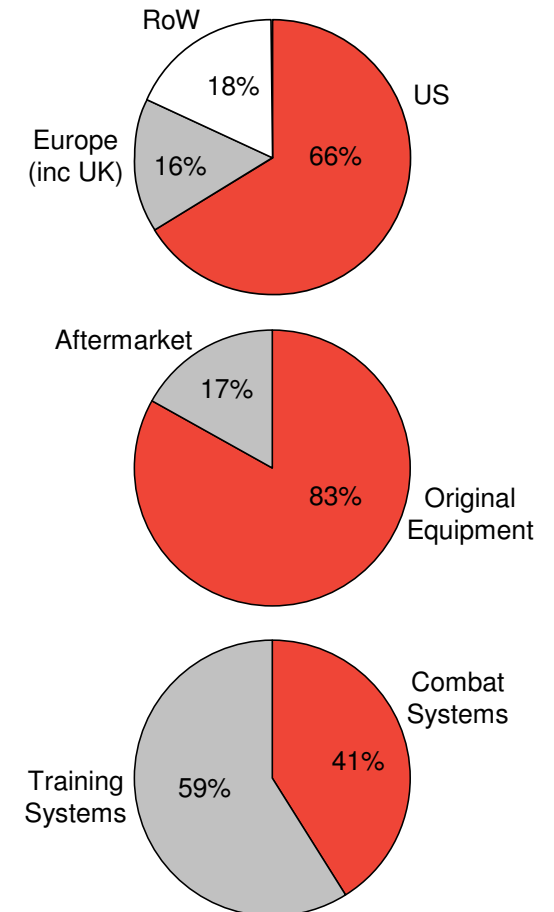
2008 Revenue Breakdown



Defence Systems update

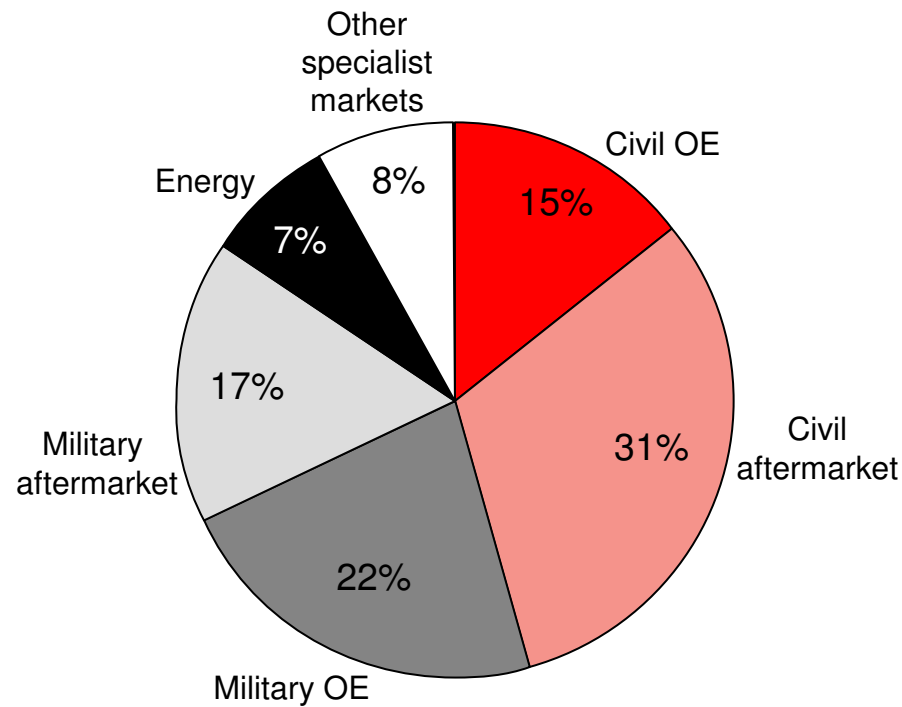
- ▀ Better second half drives full year growth
 - Training Systems
 - Record number of Banshee targets (380) delivered
 - Won follow-on contract for LM RVS virtual convoy trainer
 - Combat Systems
 - Strong demand for electronics cooling capability, including contract for M1A2SEP Abrams TMS
 - Further automatic 105 mm ammunition replenisher systems for Stryker
- ▀ Investment in products and markets
 - Launched two new products into law enforcement markets
 - Opened office in Middle East to position for growth in International markets
- ▀ Consolidation complete
 - Completed integration of live-fire and virtual capability in Atlanta
 - Seven factories consolidated into three (2US; 1UK) since early 2007

2008 Revenue Breakdown



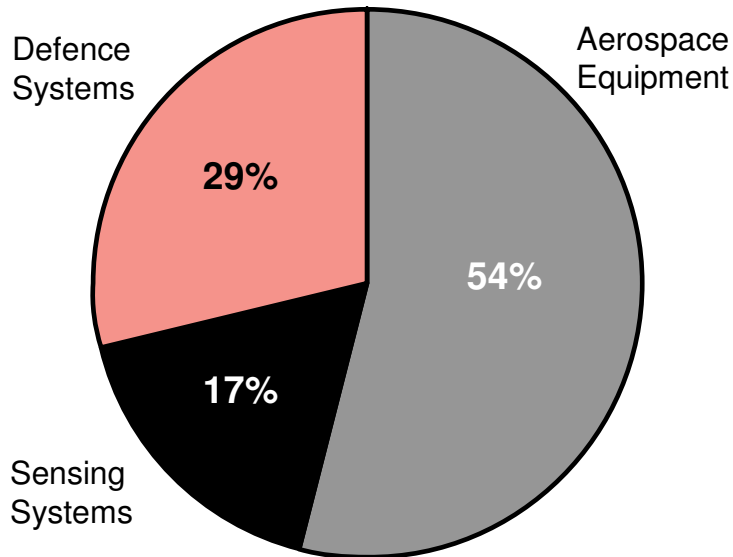
Group 2008 revenue

Revenue by market segment
£1,162.6m

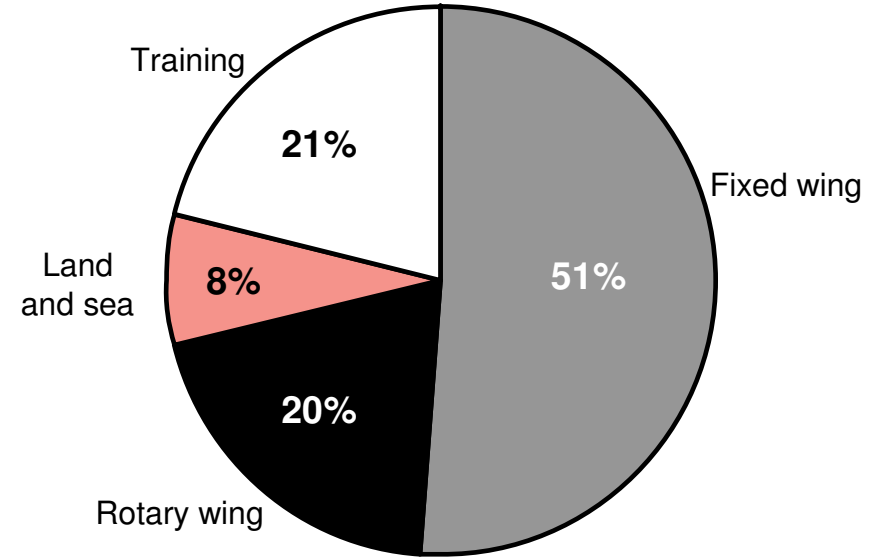


Military 2008 – 39% of Group revenues

Military Revenues by Division
£455.8m

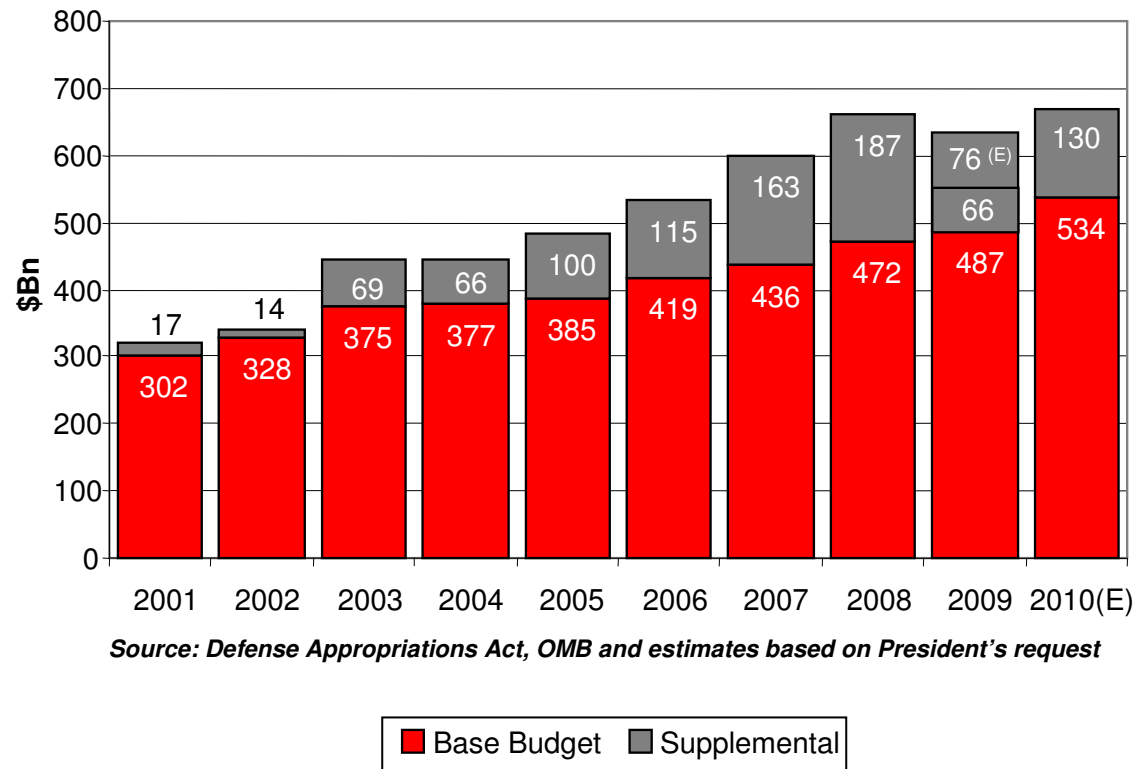


Military Revenues by Market Segment
£455.8m



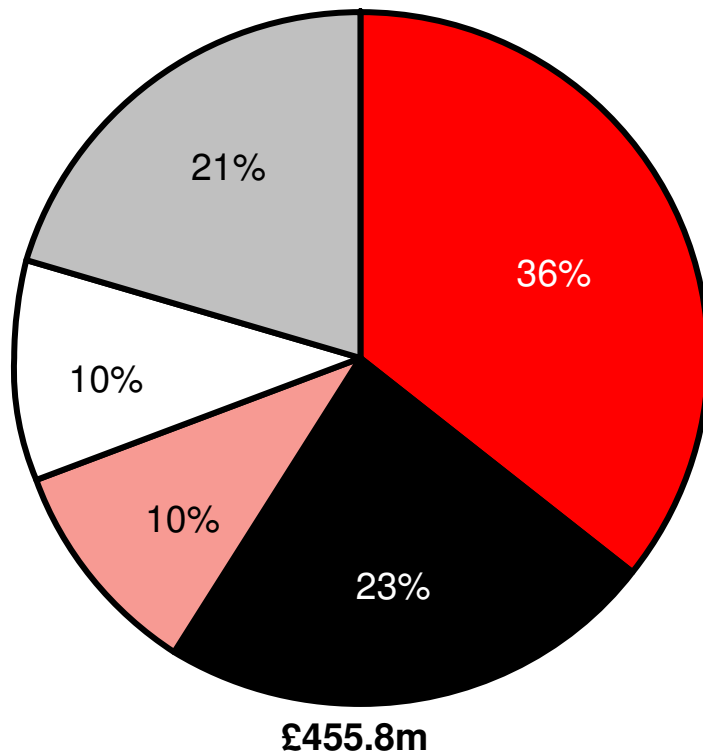
DoD budget – opportunities for growth

- Base budget grew by 3% in FY2009 and is expected to grow by up to 10% in FY2010, to address reset requirements
- Supplementals are expected to reduce in line with gradual withdrawal from Iraq and shift of reset to the base budget



Well positioned for military revenue growth

Breakdown of military revenue across lifecycle



- Growth military platforms**
Platforms with expanding fleets and current production build rates at 25% to 100% of peak levels, or development programs
- Stable military platforms**
Platforms with stable fleet sizes for at least 5 to 20 years, ongoing upgrades, budget support, but have low production rates (<25% of peak) or are out-of-production
- Mature military platforms**
Platforms where fleet size may see some decline (gradual erosion not extinction) during the next 5 years
- Other military platforms**
Programmes at various lifecycle stages, growth to mature
- Training**
Targets, training systems and countermeasure products

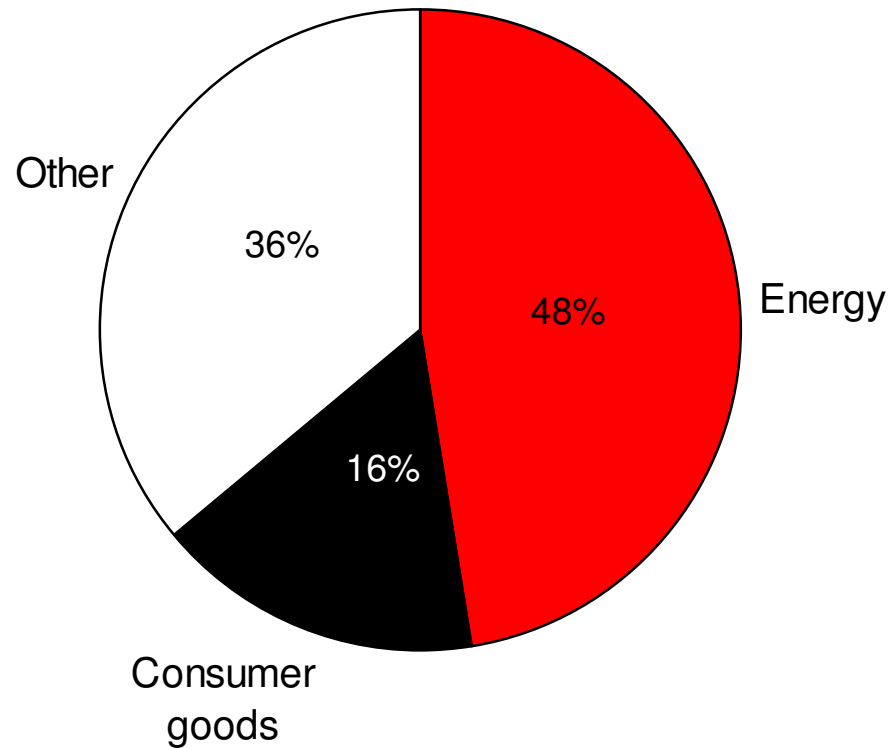
Summary of Meggitt's military business

- ▶ Military revenues balanced throughout Group and across platform segments
- ▶ Excellent content on new fighters and rotary wing platforms will provide a stable growth base throughout next decade
 - Eurofighter Typhoon
 - F-35 Lightning II JSF
 - Apache, Black Hawk and V22
- ▶ Meggitt is winning strategic positions on long term unmanned air and land vehicle technology programmes
 - Key wins include Mantis and the MULE programme
- ▶ Well positioned to capture funding for reset and repair
 - Apache, Black Hawk, Stryker, M1A1 tank
- ▶ Well positioned to capture training funding
- ▶ Meggitt's military business is significant, secure and growing

Other markets 2008 – 15% of Group revenues

Other revenue by market segment

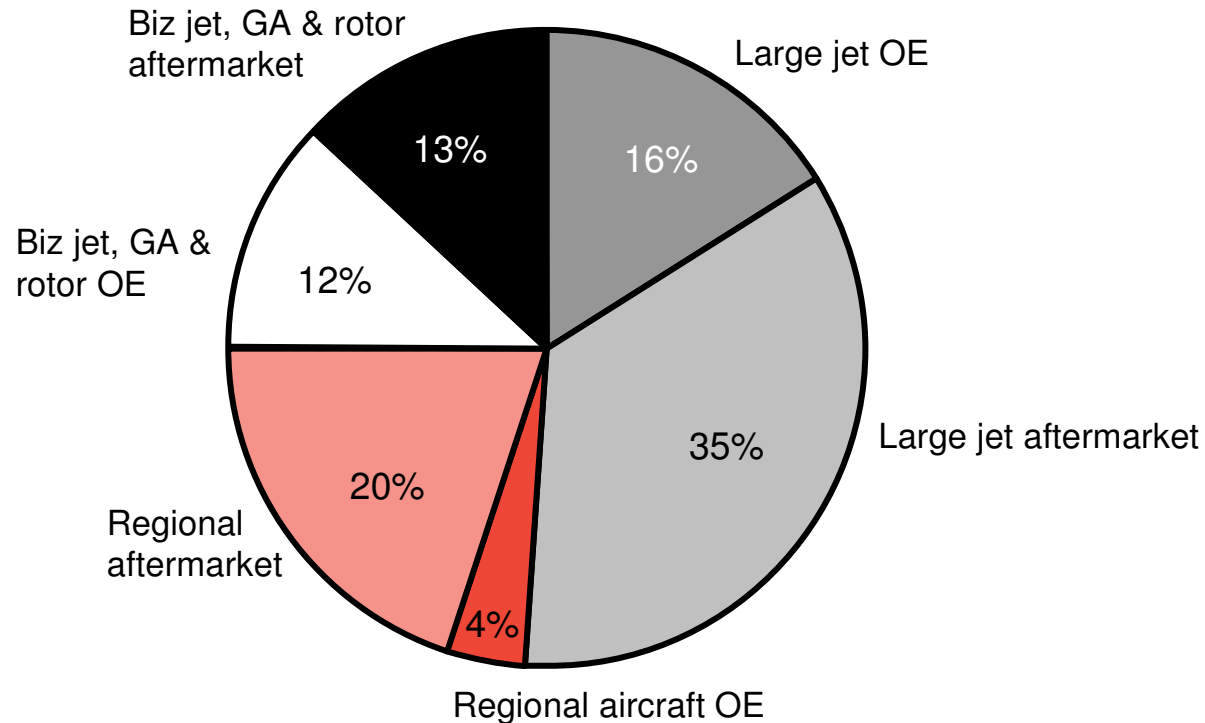
£179.4m





Civil aerospace - 46% of total revenues

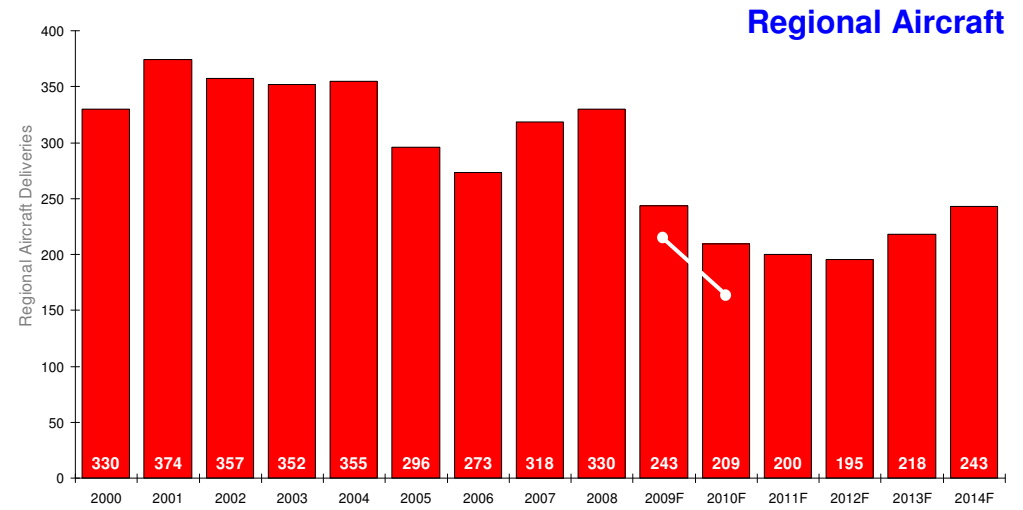
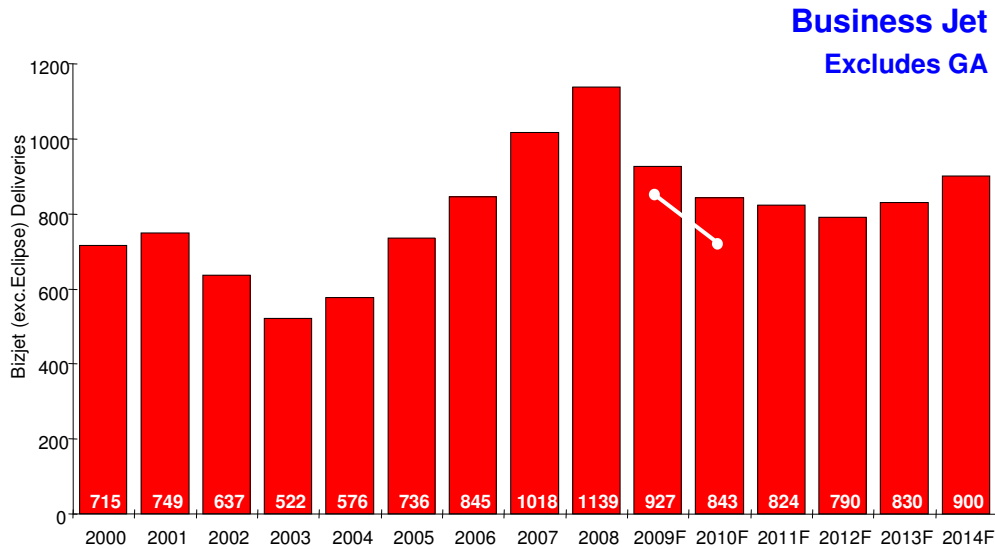
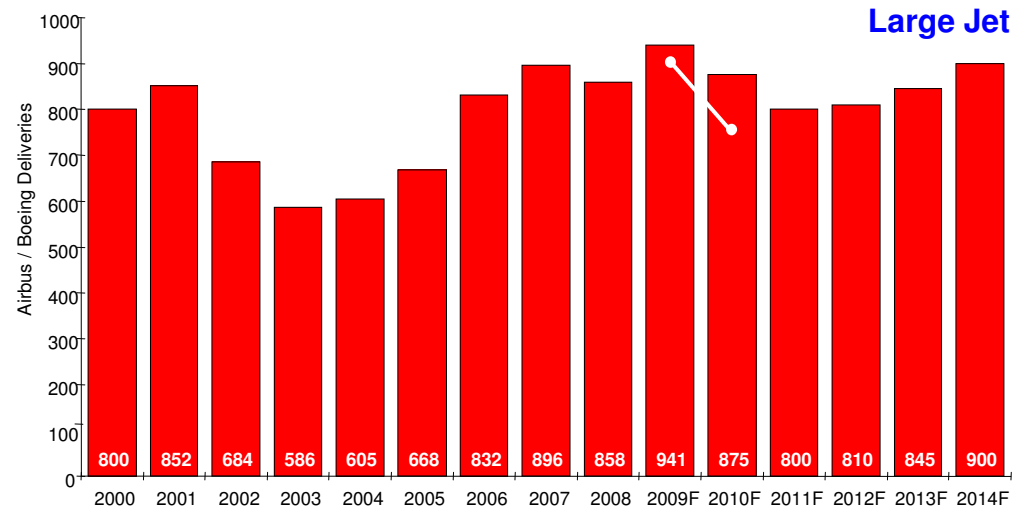
Civil revenues by market segment

£527.4m



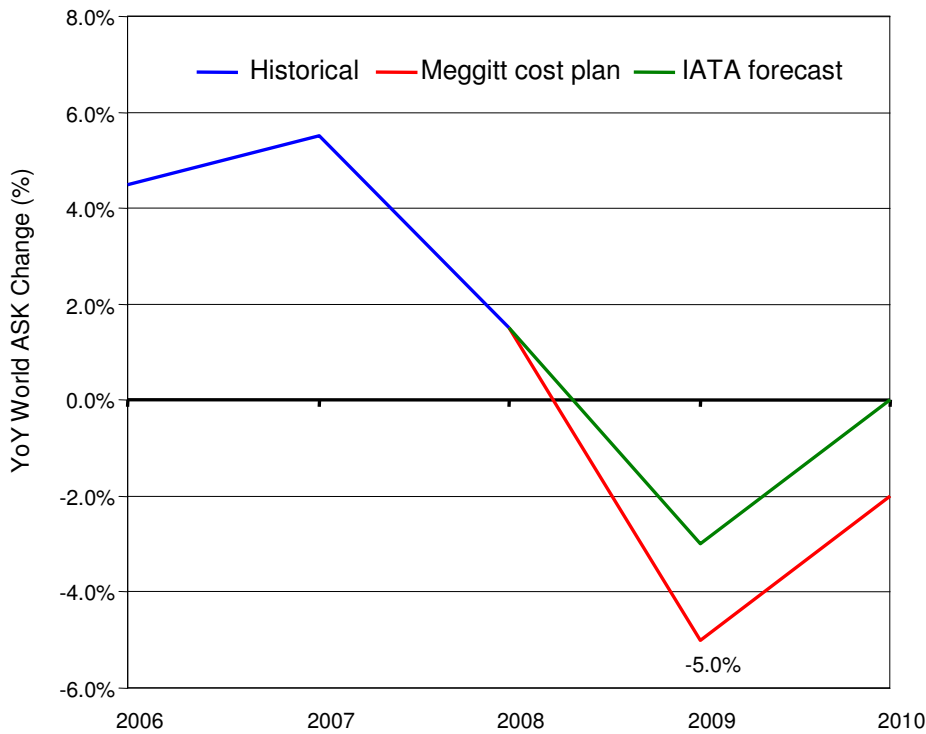
Aircraft OE deliveries

-  Meggitt cost plan
-  Meggitt view of consensus forecasts



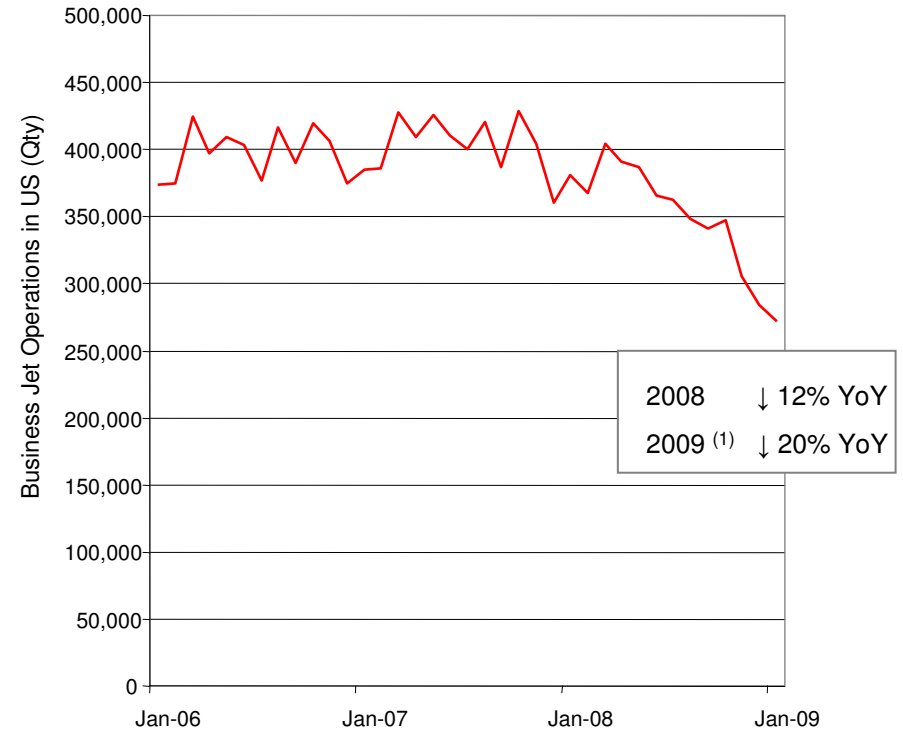
Civil aftermarket

Large Jet and Regional Aircraft



Source: IATA world forecast / Meggitt management estimates

Business Jet (excludes GA)



Source: FAA ETMSC Database / Meggitt management estimates

Note: (1) Meggitt cost plan

Cost savings

- ▀ Management restructuring
- ▀ Additional operational improvements
- ▀ Plans in place for up to 15% reduction in Civil workforce
- ▀ Other initiatives
 - Executive pay freeze (top 200)
 - Overtime working minimised
 - Short time working in impacted factories
 - Pensions & medical benefits review

In total, the Group has plans to deliver cost savings of £20m in 2009, rising to an annual run rate of £50m by the end of 2010

2008 Summary

- Meggitt continued to make excellent progress in 2008, with good organic growth in revenue (10%) and profit (10%)
- Meggitt's military business continues to trade in line with expectations
- Our energy business is growing
- Cost reduction plans are being implemented
- The financial position of the Group is strong and we are comfortable with our covenant position
- The Board increased the total dividend by 3% to 8.45 pence

Outlook

- Meggitt has plans to respond to a challenging 2009
- Our military demand and energy business will remain robust in 2009
- Civil air traffic declining in 2009
 - Large jet deliveries will peak
 - Regional Jets and Business Jets deliveries will decline
 - Aftermarket impacted
- In response, the Group will cut costs
 - Savings of £20m in 2009
 - Rising to an annual run rate of £50m by the end of 2010
- The \$ exchange rate will provide a significant benefit in 2009 if it remains at current levels
- Well positioned for the long term

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Appendices

1. Group strategy
2. Operating exceptionals
3. Covenant definitions per credit agreements
4. Cash vs P&L for investment activity
5. Civil aftermarket maturity profile

Group strategy

Deliver sustainable upper quartile returns through focused leadership positions in Aerospace, Defence & specialist extreme environments



Group strategic objectives

Focused investment	Leverage group capabilities	Achieve Operational Excellence	Satisfy our customers	Maintain a culture of strong performance
<ul style="list-style-type: none"> - Components & value-added sub- systems - High technology content - Aftermarket value - Growth by organic investment & acquisition 	<ul style="list-style-type: none"> - Adding value with cross-business solutions - Leveraging scale of operations - Strengthening central functions - Shared services and best practices 	<ul style="list-style-type: none"> - Lean manufacturing and continuous improvement - Strategic sourcing - Low cost manufacturing 	<ul style="list-style-type: none"> - Develop strategic supplier relationships - Strengthen our customer and industry partnerships - Be easier to do business with 	<ul style="list-style-type: none"> - Delivering against targets - Leadership development - Financial rigour

Be the leading provider of smart engineering for extreme environments

Operating exceptionals

£m	2009	2010	2008-2010 Total
P&L charge			
K&F	8.7	5.4	14.1
Cost reduction plan	<u>16.0</u>	<u>9.0</u>	<u>25.0</u>
Total	24.7	14.4	39.1
Cash out			
K&F	12.2	5.4	17.6
Cost reduction plan	<u>12.0</u>	<u>13.0</u>	<u>25.0</u>
Total	24.2	18.4	42.6

Covenant definitions per credit agreements

Key principles

- Currency amounts translated to Sterling at trailing 12 month average exchange rates
- Calculations based on frozen UK GAAP and exclude changes brought in with IFRS
- Profit numbers are before exceptional items
- Financial covenants measured at 30 June and 31 December

Consequences

- EBITDA/EBITA calculated broadly consistent with Meggitt definition of 'underlying profit'
- Currency profit translated to Sterling at profit weighted average of preceding 12 month end rates (\$1.83 in 2008)
- Currency borrowings translated to Sterling at average of preceding 12 month end rates (\$1.84 in 2008)
- Covenants relatively insensitive to exchange rate movements

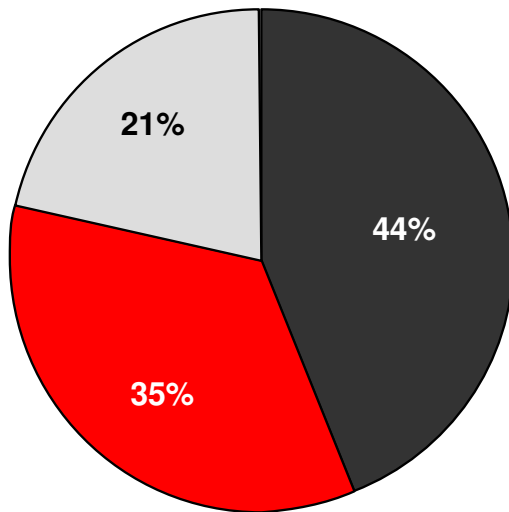
Cash vs P&L for investment activity

£m	2008	2009 est	2010 est
	\$1.83	\$1.50	\$1.50
1. R&D			
Total expenditure	78.8	85.7	81.4
Less: customer funded	(19.4)	(22.6)	(21.5)
Company spend	<u>59.4</u>	<u>63.1</u>	<u>59.9</u>
Capitalised	(23.7)	(28.7)	(27.3)
Amortised	<u>3.5</u>	<u>6.4</u>	<u>11.6</u>
P&L	<u>39.2</u>	<u>40.8</u>	<u>44.2</u>
2. Programme participation costs			
Capitalised	35.7	37.4	32.3
Amortised	14.1	19.1	20.0
3. Fixed assets			
Capex	40.9	36.6	36.6
Depreciation	26.6	36.7	39.8
4. Net capitalisation*	56.1	40.5	24.8
5. Pension deficit reduction payments	22.5	25.8	31.0

* Capitalised R&D, PPCs and fixed assets less depreciation/amortisation

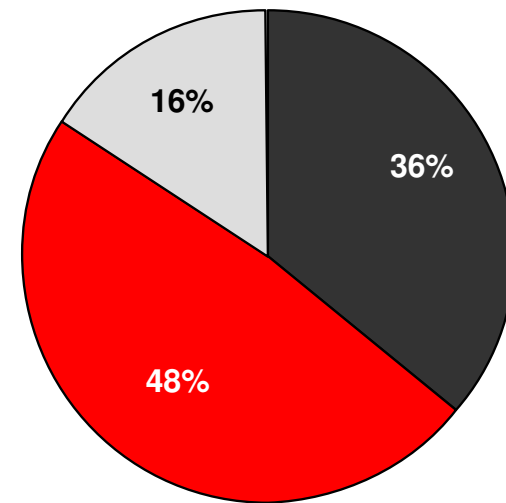
Civil aftermarket maturity profile

Meggitt civil fleet by age



■ 0 - 10 years ■ 10 - 20 years □ >20 years

Meggitt civil revenues by fleet age



■ 0 - 10 years ■ 10 - 20 years □ >20 years