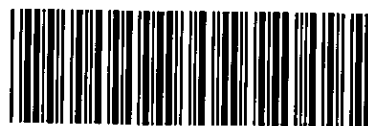


MEGGITT INTERNATIONAL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2008

THURSDAY



AD9M2AF9

A19

04/06/2009

76

COMPANIES HOUSE

MEGGITT INTERNATIONAL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

CONTENTS	PAGE
Officers and Professional Advisers	1
The Directors' Report	2
Independent Auditor's Report	4
Profit and Loss Account	6
Statement of Total Recognised Gains and Losses	7
Balance Sheet	8
Notes to the Financial Statements	9

MEGGITT INTERNATIONAL LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

T Twigger
M L Young
P E Green
S G Young

Company secretary

M L Thomas

Registered office

Atlantic House
Aviation Park West
Bournemouth International Airport
Christchurch
Dorset
BH23 6EW

Auditor

PricewaterhouseCoopers LLP
Chartered Accountants
& Registered Auditors
9 Greyfriars Road
Reading
Berkshire
RG1 1JG

MEGGITT INTERNATIONAL LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2008

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2008. The directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company is an intermediate parent company owning shares in certain subsidiaries of Meggitt PLC, its ultimate parent company. In addition to its activity as an intermediate parent company, it receives royalty income from a fellow subsidiary of Meggitt PLC.

On 7 January 2008 Meggitt International Limited acquired 100% of the share capital of Ferroperm Piezoceramics A/S ('Ferroperm') for up to £9.8 million. Ferroperm is located in Kvistgaard, Denmark and is a world leader in the manufacture of advanced piezo-ceramic materials for a range of specialist sensor applications, such as vibration, dynamic pressure, underwater acoustics and medical ultrasound.

Further on 30 November 2008 the Company acquired an investment in Meggitt (Xiamen) Sensors and Controls Co Limited from a fellow subsidiary of the Meggitt PLC group.

The directors are hopeful that 2009 will prove to be another successful year for the company's subsidiaries.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £20,873,000 (2007: profit £38,863,000). Particulars of dividends paid are detailed in note 11 to the financial statements.

DIRECTORS

The directors who served the company during the year and up to the date of signing the financial statements were as follows:

T Twigger
M L Young
P E Green
S G Young

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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, in which case there should be supporting assumptions or qualifications as necessary.

MEGGITT INTERNATIONAL LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES *(continued)*

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITORS

The company has dispensed with the requirement to appoint auditors annually under s386 of the Companies Act 1985. Each of the persons who is a director at the date of approval of these financial statements confirms that in so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of directors on 1 June 2009 and signed by order of the board:



M L Thomas
Company Secretary

MEGGITT INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MEGGITT INTERNATIONAL LIMITED

YEAR ENDED 31 DECEMBER 2008

We have audited the financial statements of Meggitt International Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's member as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' report, the Officers and Professional Advisers and all of the other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

MEGGITT INTERNATIONAL LIMITED

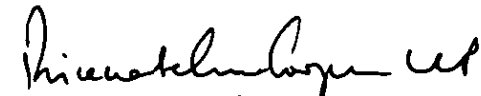
INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MEGGITT INTERNATIONAL LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2008

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants & Registered Auditors
Reading

2 June 2009

MEGGITT INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2008

	Note	2008 £000	2007 £000
Net administrative expenses		12,074	(710)
Other operating income	2	2,695	2,417
OPERATING PROFIT	3	14,769	1,707
Profit on disposal of fixed asset investments	4	—	418
		14,769	2,125
Income from shares in group undertakings	6	408	24,643
Interest receivable and similar income	7	15,756	12,771
Amounts written back to group balances	8	4,942	1,822
Interest payable and similar charges	9	(4,523)	(1,058)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		31,352	40,303
Tax on profit on ordinary activities	10	(10,479)	(1,440)
PROFIT FOR THE FINANCIAL YEAR	19	<u>20,873</u>	<u>38,863</u>

All of the activities of the company are classed as continuing.

There is no material difference between the profit on ordinary activity before taxation and the profit for the financial year stated above and their historical cost equivalents.

The notes on pages 9 to 17 form part of these financial statements.

MEGGITT INTERNATIONAL LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 DECEMBER 2008

	2008	2007
	£000	£000
Profit for the financial year attributable to the shareholder	20,873	38,863
Currency translation differences on foreign currency net investments	–	6,019
Deferred tax credit on exchange differences charged to reserves	–	58
Total gains and losses recognised since the last annual report	<u>20,873</u>	<u>44,940</u>

The notes on pages 9 to 17 form part of these financial statements.

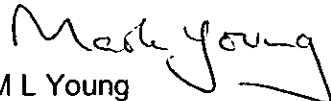
MEGGITT INTERNATIONAL LIMITED

BALANCE SHEET

31 DECEMBER 2008

	Note	2008 £000	2007 £000
FIXED ASSETS			
Intangible assets	12	13,269	10,279
Investments	13	223,551	206,596
		<u>236,820</u>	<u>216,875</u>
CURRENT ASSETS			
Debtors	14	174,375	233,674
CREDITORS: Amounts falling due within one year	15	(29,002)	(14,274)
NET CURRENT ASSETS		<u>145,373</u>	<u>219,400</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>382,193</u>	<u>436,275</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	16	(45)	—
NET ASSETS		<u>382,148</u>	<u>436,275</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	860	860
Share premium account	19	93,451	93,451
Other reserves	19	230,218	230,218
Profit and loss account	19	57,619	111,746
TOTAL SHAREHOLDERS' FUNDS	20	<u>382,148</u>	<u>436,275</u>

The financial statements on pages 6 to 17 were approved by the board of directors on 1 June 2009, and were signed on its behalf by:


M L Young
Director

The notes on pages 9 to 17 form part of these financial statements.

YEAR ENDED 31 DECEMBER 2008

MEGGITT INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES *(continued)*

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency are translated into sterling at the exchange rates ruling at the balance sheet date. All differences are dealt with through the Profit and Loss Account. Exchange differences arising on the translation of foreign currency borrowings, to the extent that they hedge the company's investment in foreign operations are reported in the Statement of Total Recognised Gains and Losses.

Investments

Investments held as fixed assets are stated at cost less provision for impairment in value arising from an annual review.

2. OTHER OPERATING INCOME

	2008	2007
	£000	£000
Other operating income - royalty income	<u>2,695</u>	<u>2,417</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2008	2007
	£000	£000
Amortisation of intangible assets	747	677
Net (gain)/loss on foreign currency translation	<u>(12,823)</u>	<u>33</u>

Audit fees are borne by Meggitt PLC who makes no recharge to the company, as it is not possible to make an accurate apportionment of the fees in respect of each of the subsidiaries.

4. PROFIT ON DISPOSAL OF FIXED ASSET INVESTMENTS

The profit on disposal of fixed asset investments in the prior year of £418,000 related to the disposal of Endevco France SA and Piher International SA.

5. PARTICULARS OF EMPLOYEES

The company paid no directors' emoluments during the financial year (2007: £nil). All of the directors are employees of Meggitt PLC and are remunerated by that company for their services to the group as a whole. The directors do not receive any remuneration in their capacity as directors of the company. The company had no employees during the year (2007: nil). Two of the directors exercised options in the shares of the ultimate holding company, Meggitt PLC, during the year (2007: two).

MEGGITT INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

6. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2008	2007
	£000	£000
Income from group undertakings	<u>408</u>	<u>24,643</u>

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2008	2007
	£000	£000
Interest from group undertakings	<u>15,756</u>	<u>12,771</u>

8. AMOUNTS WRITTEN BACK TO GROUP BALANCES

	2008	2007
	£000	£000
Amounts written off/(back) to intercompany balances	100	(41)
Amounts written back to investments	<u>(5,042)</u>	<u>(1,781)</u>
	<u>(4,942)</u>	<u>(1,822)</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£000	£000
Loans from group undertakings	<u>4,523</u>	<u>1,058</u>

MEGGITT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

10. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of tax charge in the year

	2008 £000	2007 £000
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 28.50% (2007 - 30%)	7,764	10,133
Under provision in prior year	-	1,170
	<u>7,764</u>	<u>11,303</u>
Double taxation relief	-	(10,561)
Total current tax	<u>7,764</u>	<u>742</u>
Deferred tax:		
Origination and reversal of timing differences	2,784	4,653
Adjustment in respect of previous years:		
Deferred tax	(69)	(3,955)
Total deferred tax (note 16)	<u>2,715</u>	<u>698</u>
Tax on profit on ordinary activities	<u>10,479</u>	<u>1,440</u>

(b) Tax included in statement of total recognised gains and losses

During the year £Nil (2007: £58,000) deferred tax was credited direct to the Statement of Total Recognised Gains and Losses. This relates to the revaluation of items qualifying for tax relief which is also taken to reserves.

(c) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than (2007: lower) the standard rate of corporation tax in the UK of 28.50% (2007 - 30%).

	2008 £000	2007 £000
Profit on ordinary activities before taxation	<u>31,352</u>	<u>40,303</u>
Profit on ordinary activities multiplied by the standard rate in the UK of 28.50% (2007 - 30%)	8,935	12,091
Permanent differences	545	2,506
Timing differences	(2)	(4)
Utilisation of tax losses	(1,714)	(4,460)
Adjustments to tax charge in respect of previous periods	-	1,170
Double tax relief	-	(10,561)
Total current tax (note 10(a))	<u>7,764</u>	<u>742</u>

MEGGITT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

10. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(d) Factors that may affect future tax charges

No provision has been made for taxation that would arise in the event of overseas subsidiaries distributing their reserves unless the dividends have been accrued as receivable or there is a binding agreement to distribute them. Owing to the availability of foreign tax credits, it is currently estimated that no additional tax would arise if any such amounts were to be distributed.

At 31 December 2008 there were no unprovided deferred tax assets in respect of unutilised losses (2007: £Nil).

The standard rate of Corporation Tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 28.5% and will be taxed at 28% in the future.

11. DIVIDENDS

Equity dividends

	2008 £000	2007 £000
Paid during the year:		
Equity dividends on ordinary shares	<u>75,000</u>	<u>23,500</u>

On 19 December 2008 the directors approved the payment of an interim dividend of £87.18 per £1 ordinary share totalling £75,000,000 (2007: £27.32 per £1 ordinary share totalling £23,500,000).

12. INTANGIBLE FIXED ASSETS

	Goodwill £000
COST	
At 1 January 2008	13,707
Exchange rate adjustment	<u>5,247</u>
At 31 December 2008	<u>18,954</u>
AMORTISATION	
At 1 January 2008	3,428
Charge for the year	<u>747</u>
Exchange rate adjustment	<u>1,510</u>
At 31 December 2008	<u>5,685</u>
NET BOOK VALUE	
At 31 December 2008	<u>13,269</u>
At 31 December 2007	<u>10,279</u>

MEGGITT INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

13. INVESTMENTS

	Shares in subsidiary companies £000
Cost	
At 1 January 2008	230,759
Additions	11,913
At 31 December 2008	<u>242,672</u>
Amounts provided	
At 1 January 2008	24,163
Written back in the year	(5,042)
At 31 December 2008	<u>19,121</u>
Net book value	
At 31 December 2008	<u>223,551</u>
At 1 January 2008	<u>206,596</u>

The provision for impairment has been decreased to write the investments in subsidiaries back to their recoverable amounts.

The following is a listing of significant subsidiary companies at 31 December 2008:

Meggitt Asia Pacific Pte Limited - Singapore
Meggitt Holdings Canada Inc - Canada
Navarra de Componentes Electronicos SA - Spain
Endevco Vertriebs GmbH - Germany
Piher International GmbH - Germany
Meggitt BV - Netherlands
Piher International Nederland BV - Netherlands
Meggitt Holdings (USA) Inc - USA
Vibro Meter France SAS - France
Ferroperm Piezoceramics A/S - Denmark
Meggitt Aircraft Braking Systems Corp - USA
Meggitt Training Systems Inc - USA
Vibro Meter Inc - USA
Meggitt (Xiamen) Sensors & Controls Co Ltd - China

The ordinary shares of all subsidiaries are wholly owned by Meggitt International Limited except as indicated below. Companies are incorporated in the countries shown. Details of the activities of the principal subsidiaries are set out in the Report and Accounts of Meggitt PLC.

The company owns 100% of the common stock of Meggitt Holdings (USA) Inc and 25.36% of the Series A preferred stock.

In the opinion of the directors, the aggregate value of the investments in subsidiary undertakings is not less than the amounts at which these investments are carried on the balance sheet.

MEGGITT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

On 7 January 2008 Meggitt International Limited acquired 100% of the share capital of Ferroperm Piezoceramics A/S ('Ferroperm') for up to £9.8 million. Ferroperm is located in Kvistgaard, Denmark and is a world leader in the manufacture of advanced piezo-ceramic materials for a range of specialist sensor applications, such as vibration, dynamic pressure, underwater acoustics and medical ultrasound.

Further on 30 November 2008 the Company acquired an investment in Meggitt (Xiamen) Sensors and Controls Co Limited from a fellow subsidiary of the Meggitt PLC group.

14. DEBTORS

	2008 £000	2007 £000
Amounts owed by group undertakings	174,375	230,464
Group relief receivable	—	540
Deferred taxation (note 16)	—	2,670
	<u>174,375</u>	<u>233,674</u>

The debtors above include the following amounts falling due after more than one year:

	2008 £000	2007 £000
Deferred taxation	—	<u>2,670</u>

The bank account of Meggitt International Limited is in the name 'Meggitt PLC - Re Meggitt International Limited'. The legal title to this account rests with Meggitt PLC and thus rather than show a cash or overdraft balance at the year end it is shown as an inter-company trading balance. Amounts owed by group companies are interest bearing, unsecured and have no fixed date for repayment.

15. CREDITORS: Amounts falling due within one year

	2008 £000	2007 £000
Amounts owed to group undertakings	19,372	14,274
Group relief payable	7,682	—
Other creditors	1,948	—
	<u>29,002</u>	<u>14,274</u>

Amounts owed to group companies are interest bearing, unsecured and have no fixed date for repayment.

MEGGITT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

16. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

	2008 £000	2007 £000
Included in debtors (note 14)	-	(2,670)
Included in provisions	45	-
	<u>45</u>	<u>(2,670)</u>

The movement in the deferred taxation account during the year was:

	2008 £000	2007 £000
Balance brought forward	(2,670)	(3,310)
Profit and loss account movement arising during the year	2,715	698
Statement of total recognised gains and losses movement arising during the year	-	(58)
Balance carried forward	<u>45</u>	<u>(2,670)</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2008 £000	2007 £000
Excess of taxation allowances over depreciation on fixed assets	45	(986)
Tax losses available	-	(1,684)
	<u>45</u>	<u>(2,670)</u>

17. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS 8, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Meggitt PLC, whose accounts are publicly available.

18. SHARE CAPITAL

Authorised share capital:

	2008 £000	2007 £000
250,000,000 Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>

Allotted, called up and fully paid:

	2008 No.	£000	2007 No.	£000
Ordinary shares of £1 each	<u>860,290</u>	<u>860</u>	<u>860,290</u>	<u>860</u>

MEGGITT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

19. RESERVES

	Share premium account £000	Other reserves £000	Revaluation reserve £000	Profit and loss account £000
Balance at 1 January 2008	93,451	113,520	116,698	111,746
Profit for the year	–	–	–	20,873
Equity dividends	–	–	–	(75,000)
Balance at 31 December 2008	<u>93,451</u>	<u>113,520</u>	<u>116,698</u>	<u>57,619</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2008 £000	2007 £000
Profit for the financial year	20,873	38,863
Equity dividends	(75,000)	(23,500)
Other gains relating to the financial year	–	6,077
Exchange translation differences on revaluation reserve	–	(6,810)
Net (reduction)/addition to shareholder's funds	<u>(54,127)</u>	14,630
Opening shareholder's funds	436,275	421,645
Closing shareholder's funds	<u>382,148</u>	<u>436,275</u>

21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate and ultimate parent undertaking and controlling party is Meggitt PLC a company registered in England and Wales. Copies of the group financial statements of Meggitt PLC are publicly available from Meggitt PLC, Atlantic House, Aviation Park West, Bournemouth International Airport, Christchurch, Dorset BH23 6EW.