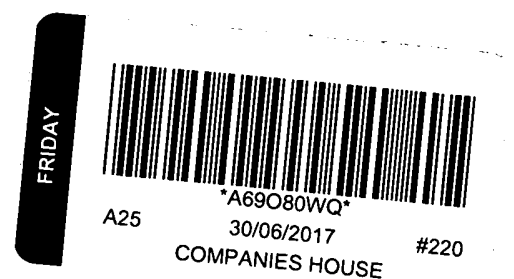


Registered number: 09002080

Esterline Technologies Global Limited

Report and Financial Statements

For the Period from 3 October 2015 to 30 September 2016



Esterline Technologies Global Limited

Registered No: 09002080

Directors

R George
A Yost

Secretary

Taylor Wessing Secretaries Limited

Auditors

Ernst & Young LLP
Wessex House
19 Threefield Lane
Southampton
SO14 3QB

Bankers

Wells Fargo Bank, N.A.
Grand Cayman Branch
P.O. Box 501 Cardinal Avenue
Grand Cayman, Cayman Islands

Solicitors

Taylor Wessing LLP
5 New Street Square
London
EC4A 3TW

Registered office

Taylor Wessing LLP
5 New Street Square
London
EC4A 3TW

Strategic report

Principal activities and review of the business

The company acts as a holding company for European acquisitions and investments made on behalf of the company's ultimate parent, Esterline Technologies Corporation.

Future developments

The company will continue to serve as a holding company for current investments and a vehicle for future European acquisitions in line with the strategy of its ultimate parent.

Principal risks and uncertainties

As an investment holding company, the principal risks and uncertainties faced by the Company arise from the underlying trading activity of its subsidiary investments and the resulting input on the value of the investments held, and in the movements in foreign exchange, in particular the U.S. dollar, the GB pound and the Euro. These risks are managed as part of the overall Esterline Group risk management process and set out in more detail in the financial statements of the Esterline Technologies Corporation, the ultimate parent undertaking.

On behalf of the board



R. George
Director

Date: 26/6/2017

Registered No. 09002080

Directors' report

The directors present their report and financial statements of the company for the period from 3 October 2015 to 30 September 2016.

Results and dividends

The company's profit for the period, after taxation, amounted to \$13,558,000 (2015: loss of \$20,007,000). The directors do not recommend payment of a dividend by the company.

Going Concern

The ultimate parent company has confirmed that it will provide ongoing support to this and enable the company to meet its liabilities as and when they fall due. After making an assessment of this and the company's financial position, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors and their interests

The directors during the period were as follows:

R George
A Yost

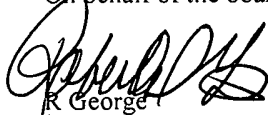
Esterline Technologies Corporation, the company's ultimate parent has indemnified one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year and at the date of signing this report.

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board


R George
Director

Date: 26/6/2017
Registered No. 09002080

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' 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). Under company law, the directors must not approve the financial statements unless they are satisfied that they 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 those 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Independent auditors' report

to the members of Esterline Technologies Global Limited

We have audited the financial statements of Esterline Technologies Global Limited for the period from 3 October 2015 to 30 September 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently inconsistent based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 and of its (loss)/profit for the period from 3 October 2015 to 30 September 2016;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

to the members of Esterline Technologies Global Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Emil Yang LL

David Marshall (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Southampton

Date: 29/6/2017

Statement of comprehensive income

for the year ended 30 September 2016

		Year ended 30 September 2016 \$000	Period from 1 November 2014 to 2 October 2015 \$000
	Notes		
Administrative expenses	2	(8)	(173)
Operating loss		(8)	(173)
Interest receivable and similar income	4	13,713	11,823
Interest payable and similar charges	5	(147)	(31,657)
Profit/(loss) on ordinary activities before taxation		13,558	(20,007)
Taxation	4	—	—
Profit/(loss) after taxation		13,558	(20,007)
Other comprehensive income		—	—
Total comprehensive (loss)/income		<u>13,558</u>	<u>(20,007)</u>

All the activities of the company are classed as continuing.

Statement of financial position

at 30 September 2016

		30 September 2016 \$000	2 October 2015 \$000
	Notes		
Fixed assets			
Investments	7	125,788	125,788
Current assets			
Debtors			
- amounts falling due within one year	8	213,165	199,359
Cash at bank and in hand		<u>111</u>	<u>199</u>
		213,276	199,558
Creditors: amounts falling due within one year	9	<u>38,362</u>	<u>38,202</u>
Net current assets		<u>174,914</u>	<u>161,356</u>
Total assets less current liabilities		<u>300,702</u>	<u>287,144</u>
Capital and reserves			
Called up share capital	10	-	-
Share premium account		307,171	307,171
Profit and loss account		<u>(6,469)</u>	<u>(20,027)</u>
Total equity		<u>300,702</u>	<u>287,144</u>

These financial statements were approved by the board of directors on 26 June 2017
and were signed on its behalf by:


R George
Director

Statement of changes in equity

For the period from 3 October 2015 to 30 September 2016

	<i>Share capital \$000</i>	<i>Share premium account \$000</i>	<i>Profit and loss account \$000</i>	<i>Total equity \$000</i>
At 1 November 2014	—	273,636	(20)	273,616
Shares issued	—	33,535	—	33,535
Retained loss for the period	—	—	(20,007)	(20,007)
At 2 October 2015	—	307,171	(20,027)	287,144
Retained profit for the period	—	—	13,558	13,558
At 30 September 2016	—	307,171	(6,469)	300,702

Notes to the financial statements

at 30 September 2016

1. Accounting policies

Statement of compliance

Esterline Technologies Global Limited is a limited liability company incorporated in England. The Registered Office is 5 New Street Square, London EC4A 3TW. The Company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Company for the period ended.

The company transitioned from previously extant UK GAAP to Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) as at 1 November 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 12.

The directors consider the functional currency of the company to be US dollars. Accordingly, the financial statements have also been presented in US dollars.

Basis of preparation

The financial statements of Esterline Technologies Global Limited were authorised for issue by the Board of Directors on the date shown on the statement of financial position. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in US dollars and rounded to the nearest \$'000.

Consolidation

Group financial statements have not been prepared as the company is a wholly owned subsidiary and is included in the financial statements of a larger group incorporated in the USA with comparable accounting policies and is therefore entitled to take advantage of the exemption granted by section 400-402 of the Companies Act 2006. Consequently, these financial statements present information about the company as an individual undertaking and not about its group.

Going concern

The ultimate parent company has confirmed that it will provide ongoing support to enable the company to meet its liabilities as and when they fall due. After making an assessment of this and the company's financial position, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Notes to the financial statements

at 30 September 2016

Exemptions for Qualifying Entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of disclosure exemptions by the company's shareholders. The results of Esterline Technologies Global Ltd are included in the consolidated financial statements of Esterline Technologies Corporation which are available from 500 108th Avenue NE, Suite 1500, Bellevue, WA 98004, USA.

The company has taken advantage of the following disclosure exemptions under FRS 102 reduced disclosure framework:

- (a) The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- (b) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d);
- (c) The requirements of Section 11 and 12 Financial Instruments, paragraphs 11.39 to 11.48A and Section 12, paragraphs 12.26 to 12.29A;
- (d) The requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23; and
- (e) The requirements of Section 33 Related Party Disclosures paragraph 33.7 and 33.8 to 33.14.

Fixed asset investments

Investments are initially recorded at cost. Where investments are acquired as part of a group reorganisation and a share-for-share exchange, the investments are recorded at fair value. The carrying values of fixed asset investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exceptions:

Notes to the financial statements

at 30 September 2016

1. Accounting policies (continued)

Deferred taxation

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Loan notes

Loan notes which are basic financial instruments are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest method.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Functional currency

The company reviewed its functional currency as part of the transition to FRS 102, based upon its operations with the Esterline Group, and the requirements of FRS 102. The company's principal activity is that of an intermediate holding company, acting on behalf of the ultimate parent company. As the company is considered to be an extension of the ultimate parent, the directors concluded that the functional currency should be US dollars (US\$). Under previous UK GAAP, the functional currency was considered to be Euros (€).

On this basis the comparatives for the period ended 2 October 2015 have been restated into US dollars and the current period financial statements are also presented in US dollars. The impact on the reported financial position of the company as at 1 November 2014 (the transition date to FRS 102) and at 2 October 2015 is set out in Note 12.

Notes to the financial statements

at 30 September 2016

2. Operating loss

This is stated after charging:

	<i>Year ended 30 September 2016 \$000</i>	<i>Period from 1 November 2014 to 2 October 2015 \$000</i>
Auditor's remuneration – audit services	<u>8</u>	<u>14</u>

3. Employees' and directors' remuneration

None of the directors received remuneration in respect of qualifying services provided to the company (2015: nil). The company has no employees other than the directors.

4. Interest receivable and similar income

	<i>Year ended 30 September 2016 \$000</i>	<i>Period from 1 November 2014 to 2 October 2015 \$000</i>
Interest receivable on loans from group undertaking	13,152	11,823
Foreign exchange gain	<u>561</u>	<u>–</u>
Total interest receivable and similar income	<u>13,713</u>	<u>11,823</u>

5. Interest payable and similar charges

	<i>Year ended 30 September 2016 \$000</i>	<i>Period from 1 November 2014 to 2 October 2015 \$000</i>
Interest payable on loan notes to group undertaking	(147)	(102)
Foreign exchange loss	<u>–</u>	<u>(31,555)</u>
Total interest payable and similar charges	<u>(147)</u>	<u>(31,657)</u>

Notes to the financial statements

at 30 September 2016

6. Taxation

(a) Tax on ordinary activities

The tax charge/(credit) is made up as follows:

	Year ended 30 September 2016 \$000	Period from 1 November 2014 to 2 October 2015 \$000
<i>Current tax:</i>		
UK corporation tax (credit) on the profit for the period	—	—
Adjustments in respect of a prior period	—	—
Total current tax credit (note 6(b))	—	—

(b) Factors affecting tax charge for the period:

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 20.00% (2015: 20.45%). The differences are explained below:

	Year ended 30 September 2016 \$000	Period from 1 November 2014 to 2 October 2015 \$000
Profit (Loss) on ordinary activities before tax	13,558	(20,007)
Profit (Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK 20.00% (2015: 20.45%)	2,712	(4,091)
<i>Effects of:</i>		
Expense/(income) not chargeable for tax	(112)	6,453
Group relief received for nil payment	(2,600)	(2,362)
Current tax charge/(credit) for the period (note 6 (a))	—	—

(c) Deferred Tax:

There are no recognised or unrecognised deferred tax balances.

Notes to the financial statements

at 30 September 2016

7. Investments

*Investment in
subsidiary
undertakings
\$000*

Cost or valuation:

At 2 October 2015 and 30 September 2016

125,788

In the opinion of the directors, the aggregate value of the investment in subsidiary undertakings is not less than the amount at which they are stated in the balance sheet.

Details of directly and indirectly held investments in subsidiary undertakings at 30 September 2016 were as follows:

<i>Name of Company</i>	<i>Country of Incorporation</i>	<i>% owned</i>	<i>Direct/Indirect</i>	<i>Subsidiary of</i>
Esterline Belgium BVBA	Belgium	100%	Direct	Esterline Technologies Global Ltd
Esterline Avionics & Controls France	Belgium	99.99%	Indirect	Esterline Belgium BVBA
Esterline Israel	Israel	100%	Indirect	Esterline Belgium BVBA
Esterline Singapore PTE. Ltd.	Singapore	100%	Indirect	Esterline Belgium BVBA

8. Debtors

<i>30 September 2016 \$000</i>	<i>2 October 2015 \$000</i>
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Amounts falling due within one year
Amounts owed by group undertakings

<u>213,165</u>	<u>199,359</u>
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Included above is a 6.50% per annum interest bearing loan note receivable of €165,387,000 (2015: €165,387,000) issued on 27 October 2014, which is due and payable on demand along with any interest thereon.

Included above is a 6.50% per annum interest bearing loan note receivable of €5,246,000 (2015: €5,246,000) issued on 27 October 2014, which is due and payable on demand along with any interest thereon.

Notes to the financial statements

at 30 September 2016

9. Creditors: amounts falling due within one year

	<i>30 September</i>	<i>2 October</i>
	<i>2016</i>	<i>2015</i>
	<i>\$000</i>	<i>\$000</i>
Amount owed to fellow group undertakings	<u>38,362</u>	<u>38,202</u>

Included above is a 0.39% per annum interest bearing loan note payable of €33,906,000 (2015: €33,906,000) issued on 23 January 2015, which is due and payable on demand along with any interest thereon.

10. Share capital

	<i>Allotted, called up and fully paid</i>	
	<i>30 September</i>	<i>2 October</i>
	<i>2016</i>	<i>2015</i>
	<i>No.</i>	<i>No.</i>
	<i>\$000</i>	<i>\$000</i>
Ordinary shares of €1 each	201 <u>—</u>	201 <u>—</u>

11. Ultimate parent undertaking

The directors consider the ultimate parent undertaking and controlling party to be Esterline Technologies Corporation, a company incorporated in the United States of America. Esterline Technologies Corporation is the parent of the smallest and largest group of undertakings of which the company is a member and for which group financial statements are prepared.

The financial statements of the ultimate parent undertaking, which include the company, may be obtained from Esterline Technologies Corporation, 500 108th Avenue NE, Suite 1500, Bellevue, WA 98004, USA.

Notes to the financial statements

at 30 September 2016

12. Transition to FRS 102

For all accounting periods up to and including the period ended 2 October 2015 the company prepared its financial statements in accordance with the previously extant United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the period from 3 October 2015 to 30 September 2016, are the first time the company has prepared in accordance with FRS 102.

Accordingly the company has prepared financial statements which company with FRS 102 applicable for the period beginning 1 November 2014 and the significant accounting policies meeting those requirements are described in the relevant notes.

The impact from the transition to FRS 102 is as follows:

Statement of Financial Position:

UK GAAP total equity at 1 November 2014 (Euro functional currency, Euro presentational currency)	€ 216,169,000
UK GAAP total equity at 1 November 2014 (Euro functional currency, USD presentational currency)	\$273,616,000
Change in value due to change in functional currency from Euro to USD	-
FRS 102 total equity at 1 November 2014 (USD functional currency, USD presentational currency)	<u>\$ 273,616,000</u>
UK GAAP total equity at 2 October 2015 (Euro functional currency, Euro presentational currency)	€255,805,000
UK GAAP total equity at 2 October 2015 (Euro functional currency, USD presentational currency)	\$288,292,000
Change in value due to change in functional currency from Euro to USD	<u>\$(1,148,000)</u>
FRS 102 total equity at 2 October 2015 (USD functional currency, USD presentational currency)	<u>\$ 287,144,000</u>

Income statement

The net income after tax for the 11 month financial period ended 2 October 2015 changed from a profit of €10,136,000 under previous UK GAAP to a loss of \$20,007,000 under FRS 102 due to the change in functional currency from Euro to USD and the resulting foreign exchange loss of \$31,555,000 which arose on the Euro loan note receivable balance in the period.

Notes to the financial statements

at 30 September 2016

12. Transition to FRS 102 (continued)

Transition relief

On transition to FRS 102 from previous UK GAAP, the group and company have taken advantage of the transitional relief provisions in section 35 of FRS 102 as follows:

- Investment in subsidiaries: The company has elected to treat the carrying amount of investments in subsidiaries under previous UK GAAP at the date of transition as deemed cost on transition to FRS 102.