



---

# Spirit AeroSystems Holdings, Inc. Third Quarter 2008 Performance Review

---

**Jeff Turner**

President and Chief Executive Officer

**Rick Schmidt**

Chief Financial Officer

October 29, 2008

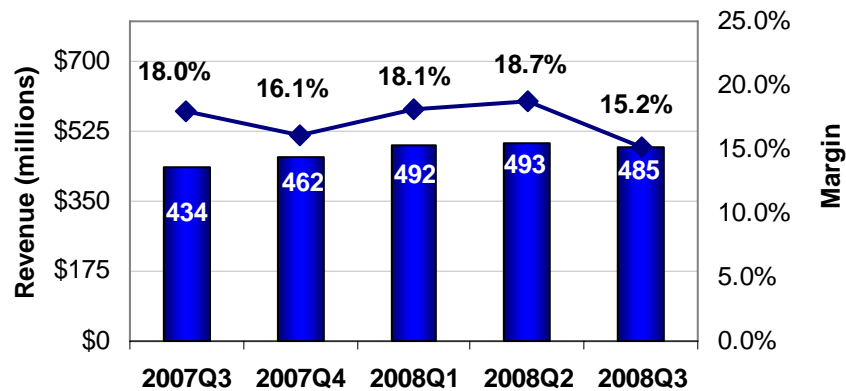
# Third Quarter 2008 Summary

- Responded to the machinist strike at Boeing... Balancing customer, employee and shareholder interests
- Financial results impacted by strike
- Balance sheet and liquidity remain strong
- Operating and productivity focus continues to yield results
- Continued progress on development programs
- **Multiple new program wins**
  - Announced Gulfstream G250 Business Jet Wing
  - A350-XWB Wing Component Package
  - Mitsubishi Regional Jet Pylon
  - Southwest Airlines Spare Parts Agreement
  - Continental Airlines Spare Parts Agreement
- Increased backlog to ~\$31.8B

*Financially Strong... Executing Our Strategy*

# Fuselage Systems

Segment Revenues & Operating Margins



777 Freighter  
Lower Lobe



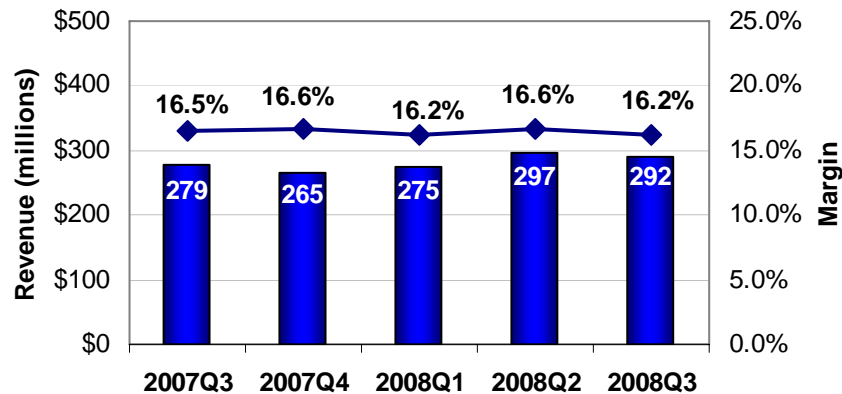
747-8  
Upper Lobe

- Revenue and operating margins impacted by strike at Boeing
- Completed first 747-8 Section 41
- Delivered third 777 Freighter unit
- Delivered second P-8A... third unit in production
- Sikorsky CH-53K and Cessna Columbus programs on track

**Adjusted Output Due To Strike... Working to Maintain Efficiencies**

# Propulsion Systems

Segment Revenues & Operating Margins



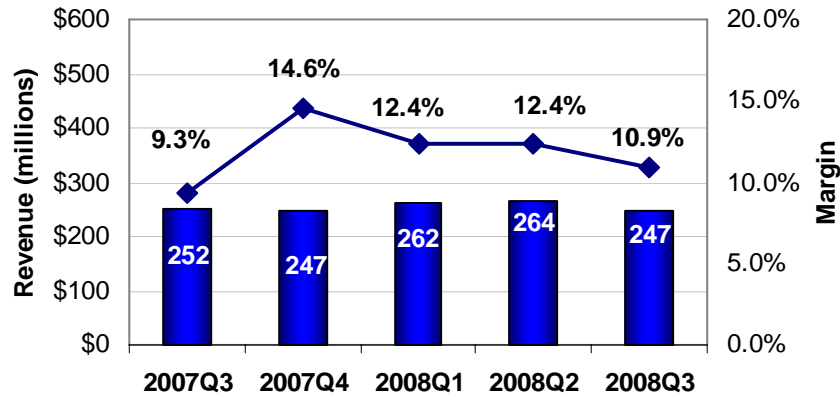
Mitsubishi Regional Jet

- Revenue and operating margins impacted by strike at Boeing
- Won pylon design and build for Mitsubishi Regional Jet
- First 747-8 unit in production
- Third P-8A unit in production
- Delivered first 777 Rolls Royce Thrust Reversers to HAECO
- Building BR725 flight test hardware
- Increased Aftermarket revenues

***Continuing To Execute Well... Increasing Market Share***

# Wing Systems

Segment Revenues & Operating Margins



- Revenue and operating margins impacted by strike at Boeing
- Airbus programs on track
- Announced the Gulfstream G250 wing design and build program
- Progressing on 747-8 and G650 programs
- Steady progress on A350 XWB program
- Opened European Repair Station



European Repair Station  
Grand Opening



Gulfstream G250

***Solid Core Business... Expanding Portfolio of Products***

# 787 Update



**Aircraft Number Five -  
Forward Fuselage**

- **Shipped aircraft number four forward fuselage**
- **Condition of assembly met on aircraft number five**
- **Overall product quality excellent**
- **Continuing to work supply base health to support ramp-up**
- **Supporting engineering change activity**



# Spirit AeroSystems Holdings, Inc. Third Quarter 2008 Financial Results

**Rick Schmidt**

Chief Financial Officer

October 29, 2008

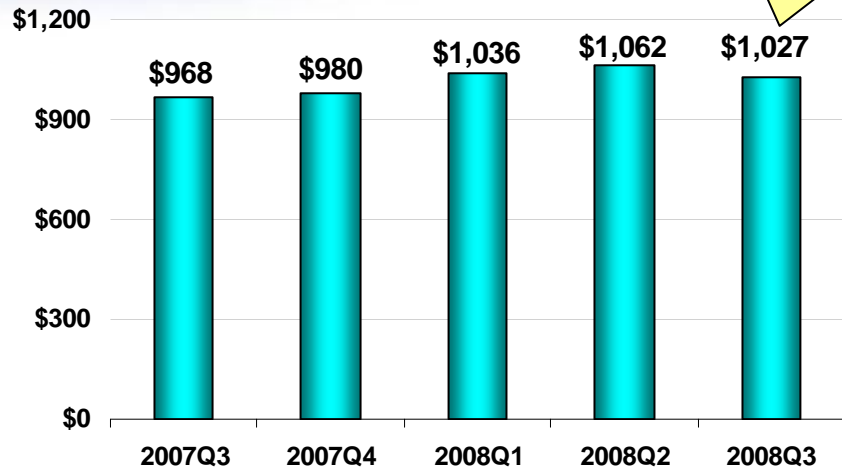
# Third Quarter 2008 Financial Summary

- **Solid Financial results despite machinist strike at Boeing**
  - Delivered 9 units less than expected, equating to \$53M revenue and \$0.13 EPS... Including \$18M negative cumulative-catch adjustment
  - Q3 Revenues \$1.027 billion, up 6% from Q3 2007
  - Q3 Operating Margins 10.8% vs Q3 2007 of 11.0%
  - Q3 Fully diluted earnings per share decreased 12% to \$0.53
- **Operating cash flow in Q3 of ~\$68 million**
  - Includes customer advances and working capital investment for new programs
- **Solid balance sheet and liquidity**
  - \$178M cash balance at quarter end... \$636M undrawn credit-line
  - Net Debt to Total Capital ratio 21.5%, down from 23.7% at Q2 2008

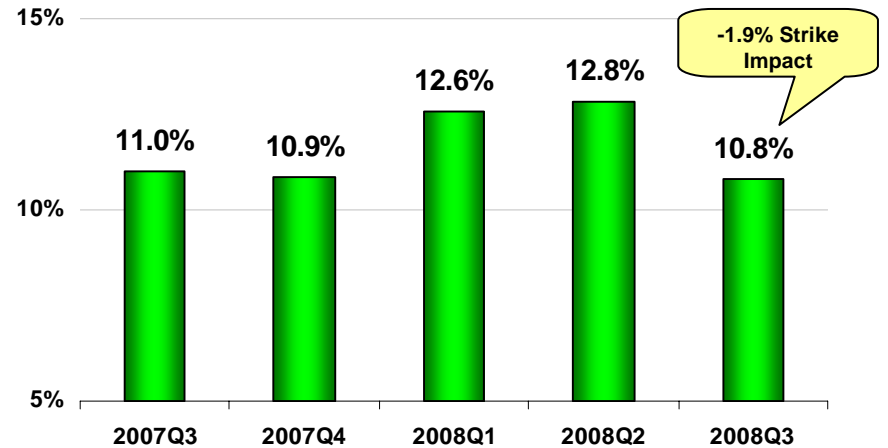
***Strike Impacted Results... Financially Strong***

# Third Quarter 2008 Financial Results

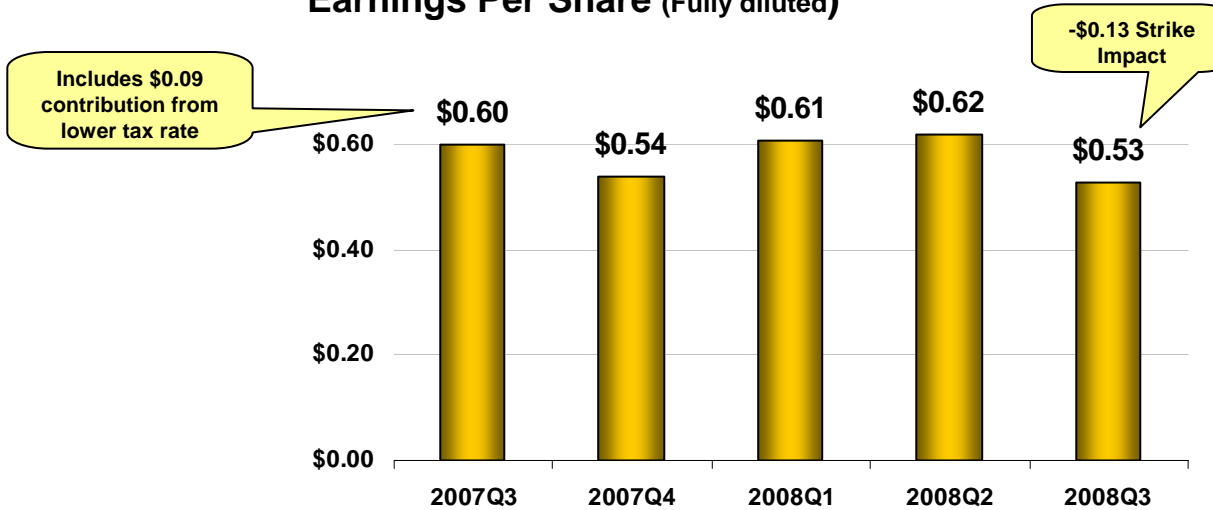
Revenues (Millions)



Operating Income % of Revenues



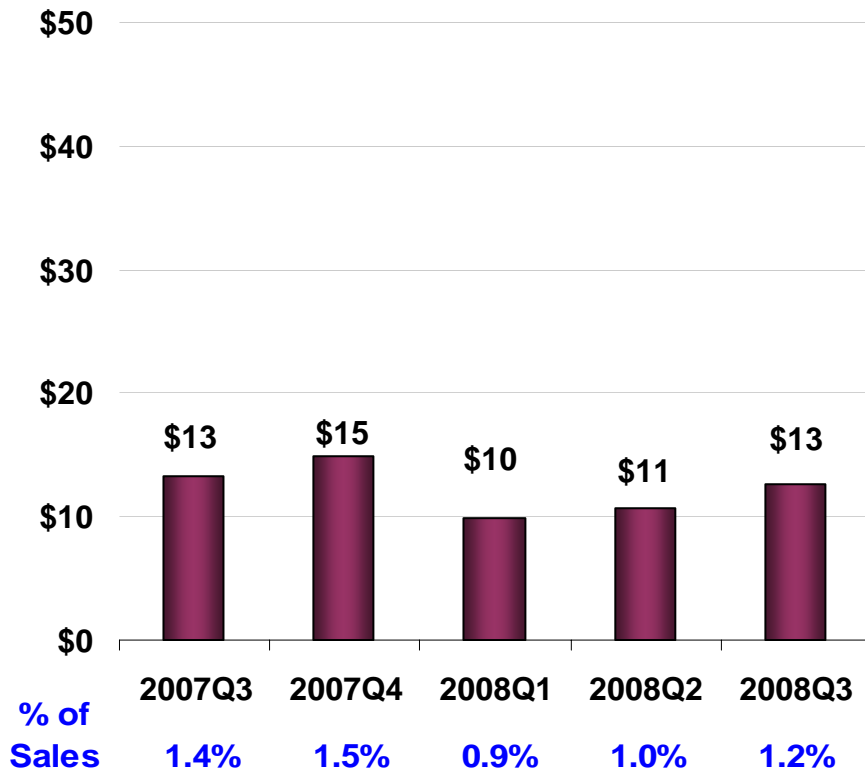
Earnings Per Share (Fully diluted)



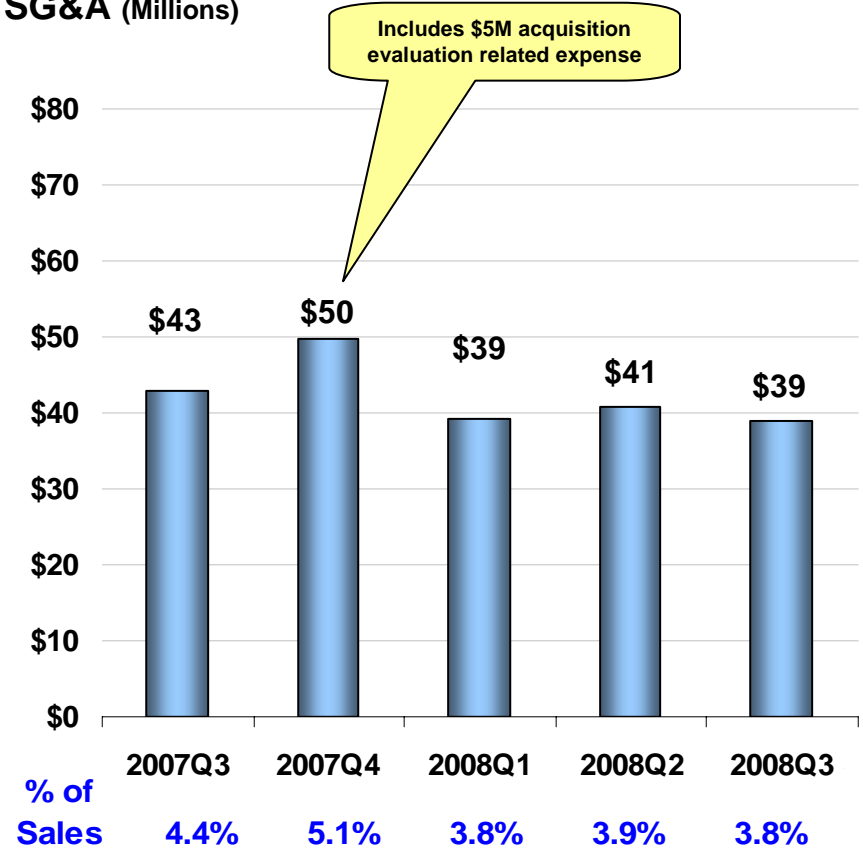
**Strike Impacting Operating Efficiencies and Profitability**

# Third Quarter 2008 Financial Results

Research & Development Expense (Millions)



SG&A (Millions)



*Disciplined Expense Management*



# Third Quarter 2008 Income Statement

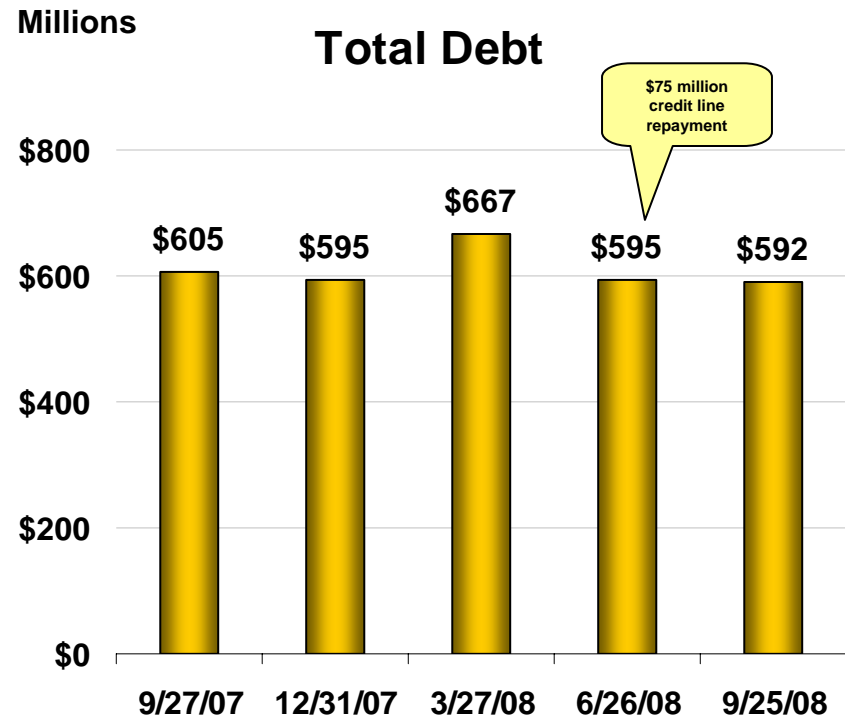
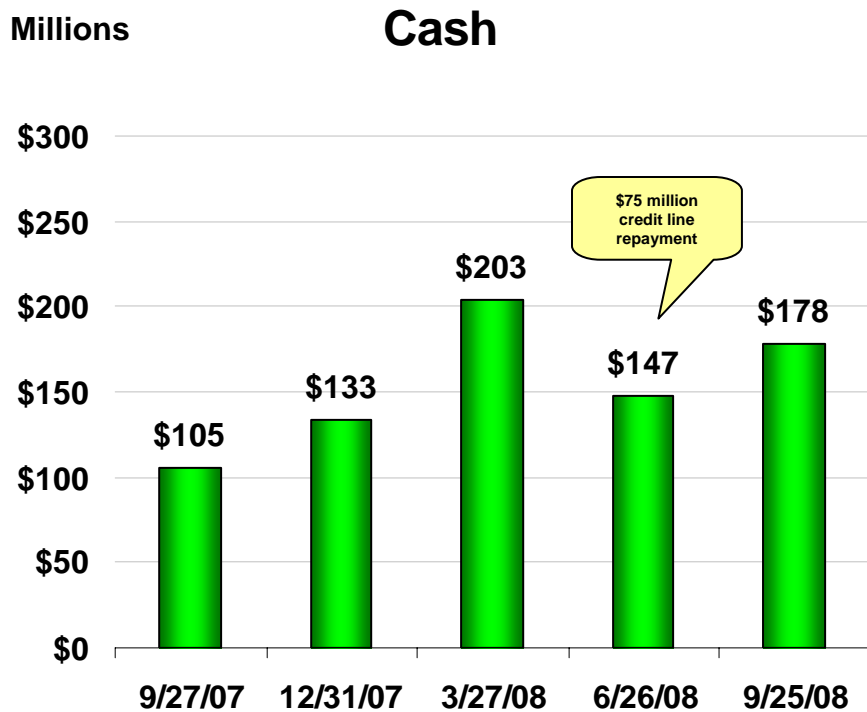
**SPIRIT AEROSYSTEMS HOLDINGS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**(Unaudited)**

(Dollars in Millions, Except Per Share Data)	<u>3Q08</u>	<u>3Q07</u>	<u>% Change</u>	<u>9M08</u>	<u>9M07</u>	<u>% Change</u>
<b>Net Revenues</b>	\$ 1,027	\$ 968	6%	\$ 3,126	\$ 2,880	9%
Cost of sales	864	805	7%	2,596	2,388	9%
Selling, general and administrative	39	43	(9%)	119	142	(16%)
Research and development	13	13	0%	33	37	(11%)
<b>Operating Income</b>	111	107	4%	378	313	21%
<b>Operating Income % of Revenues</b>	10.8%	11.0%	(20) BPS	12.1%	10.8%	130 BPS
<b>Net Income</b>	<u>\$ 74</u>	<u>\$ 84</u>	<u>(11%)</u>	<u>\$ 246</u>	<u>\$ 221</u>	<u>11%</u>
<b>Fully Diluted Weighted Avg Shares</b>	139.1	139.5	0%	139.2	139.2	0%
<b>EPS (Fully diluted)</b>	\$ 0.53	\$ 0.60	(12%)	\$ 1.76	\$ 1.59	11%

**Strike Impacted Q3 Results**

# Cash and Debt Balances

**Credit Ratings**  
**S&P: BB**  
**Moody's: Ba3**



**Balance Sheet and Liquidity Remain Solid**

# Cash Flow – 9M 2008

\$ Millions	9M 2008	9M 2007
Net Income	\$ 246	\$ 221
Depreciation & Amortization	\$ 98	\$ 73
Other Non-Cash Items	\$ (22)	\$ (40)
Working Capital/Accrued Liabilities	\$ (431)	\$ (342)
Customer Advances	\$ 230	\$ 94
Other	\$ 25	\$ 99
<b>Operating Cash Flow</b>	<b>\$ 147</b>	<b>\$ 105</b>
Capital Expenditures	\$ (175)	\$ (228)
Customer Reimbursed Capital Expenditures	\$ 87	\$ 23

- **Non-Cash items**

- Depreciation increasing as capital for new programs placed in service
- Reduced stock compensation expense

- **Cash items**

- Increased working capital investments for new programs... 787 and 747-8
- Higher inventory due to Boeing strike
- Higher customer advance payments

- **Capital Expenditures**

- Lower YTD spending as 787 requirements are completed or rescheduled

***Strong Core Business Cash Flow... Reinvesting For Growth***

# Closing Comments

- Managing through machinists strike at Boeing
- Solid operating performance across the company
- Executing our strategy for growth and diversification
- Strong long-term market for large commercial aircraft and business jets
- Near-term economic outlook and market dynamics close watch item

# Forward-Looking Information

## **Cautionary Statement Regarding Forward-Looking Statements:**

This quarterly presentation contains “forward-looking statements.” Forward-looking statements reflect our current expectations or forecasts of future events. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “anticipate,” “intend,” “estimate,” “believe,” “project,” “continue,” “plan,” “forecast,” or other similar words. These statements reflect management’s current views with respect to future events and are subject to risks and uncertainties, both known and unknown. Our actual results may vary materially from those anticipated in forward-looking statements. We caution investors not to place undue reliance on any forward-looking statements. Important factors that could cause actual results to differ materially from forward-looking statements include, but are not limited to: our ability to continue to grow our business and execute our growth strategy; the build rates of certain Boeing aircraft including, but not limited to, the B737 program, the B747 program, the B767 program and the B777 program, and build rates of the Airbus A320 and A380 programs; the success and timely progression of Boeing’s new B787 and Airbus’s new A350 aircraft programs, including receipt of necessary regulatory approvals; the duration of the Boeing IAM strike, and our ability to balance the needs of employees, customers and suppliers as we adjust to Boeing’s strike-impacted delivery schedule; the continuing turmoil in global financial and credit markets; our ability to enter into supply arrangements with additional customers and the ability of all parties to satisfy their performance requirements under existing supply contracts with Boeing, Airbus, and other customers; any adverse impact on Boeing’s and Airbus’ production of aircraft resulting from cancellations or reduced orders by their customers; the impact of continuing high jet fuel prices on the commercial aviation market; future levels of business in the aerospace and commercial transport industries; competition from original equipment manufacturers and other aerostructures suppliers; the effect of governmental laws, such as U.S. export control laws, the Foreign Corrupt Practices Act, environmental laws and agency regulations, both in the U.S. and abroad; the effect of new commercial and business aircraft development programs, and the resulting timing and resource requirements that may be placed on us; the cost and availability of raw materials and purchased components; our ability to recruit and retain highly skilled employees and our relationships with the unions representing many of our employees; spending by the U. S. and other governments on defense; the outcome or impact of ongoing or future litigation and regulatory actions; and our exposure to potential product liability claims. These factors are not exhaustive, and new factors may emerge or changes to the foregoing factors may occur that could impact our business. Except to the extent required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

