



Third Quarter 2014 Earnings Review



Larry Lawson
President and Chief Executive Officer

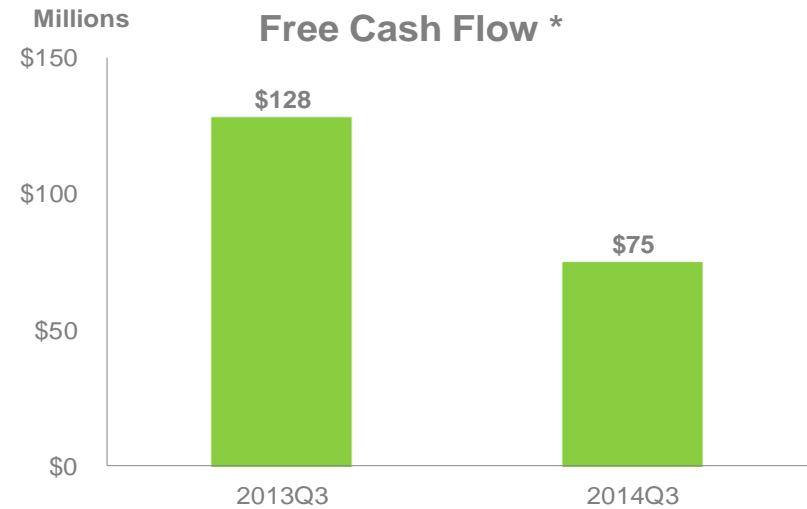
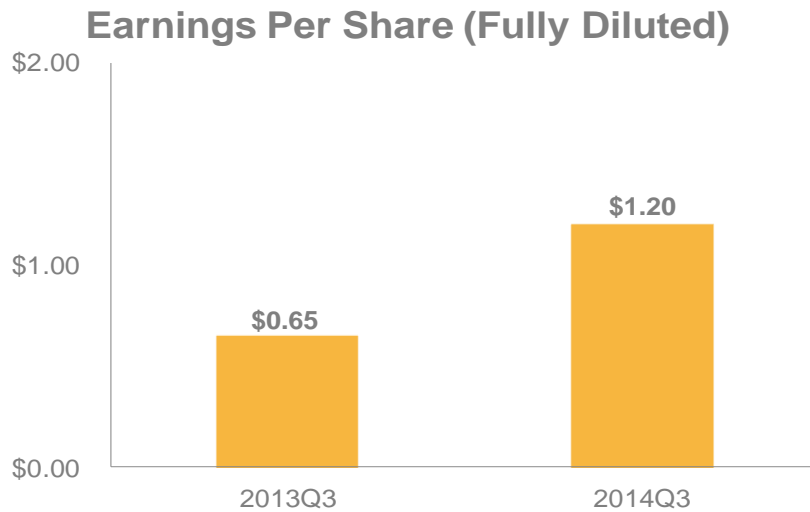
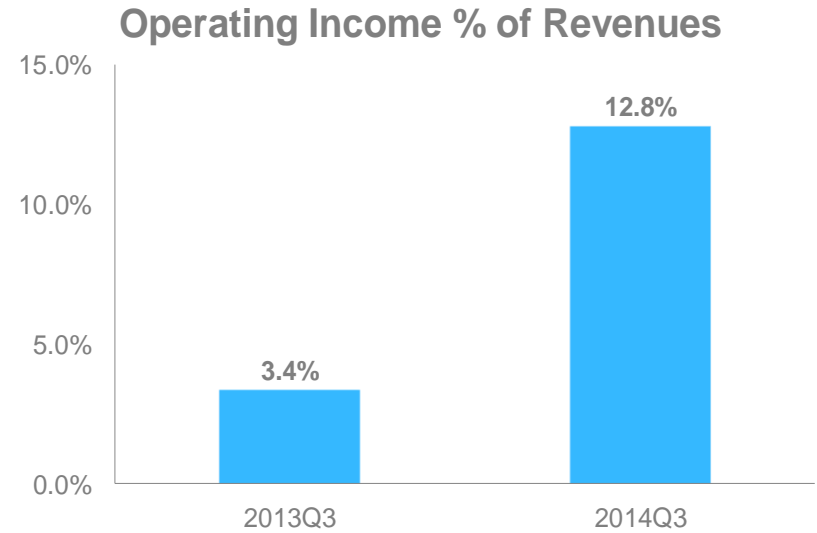
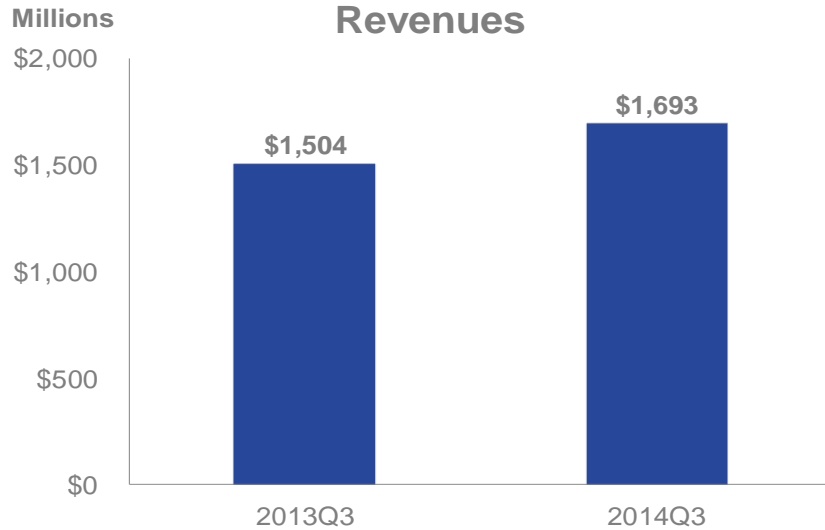
Sanjay Kapoor
Senior Vice President and Chief Financial Officer

October 31, 2014

Third Quarter 2014 Summary

- ▶ Meeting commitments
- ▶ Focused on cost reduction
- ▶ Strong operating performance
- ▶ Continued cash flow improvement

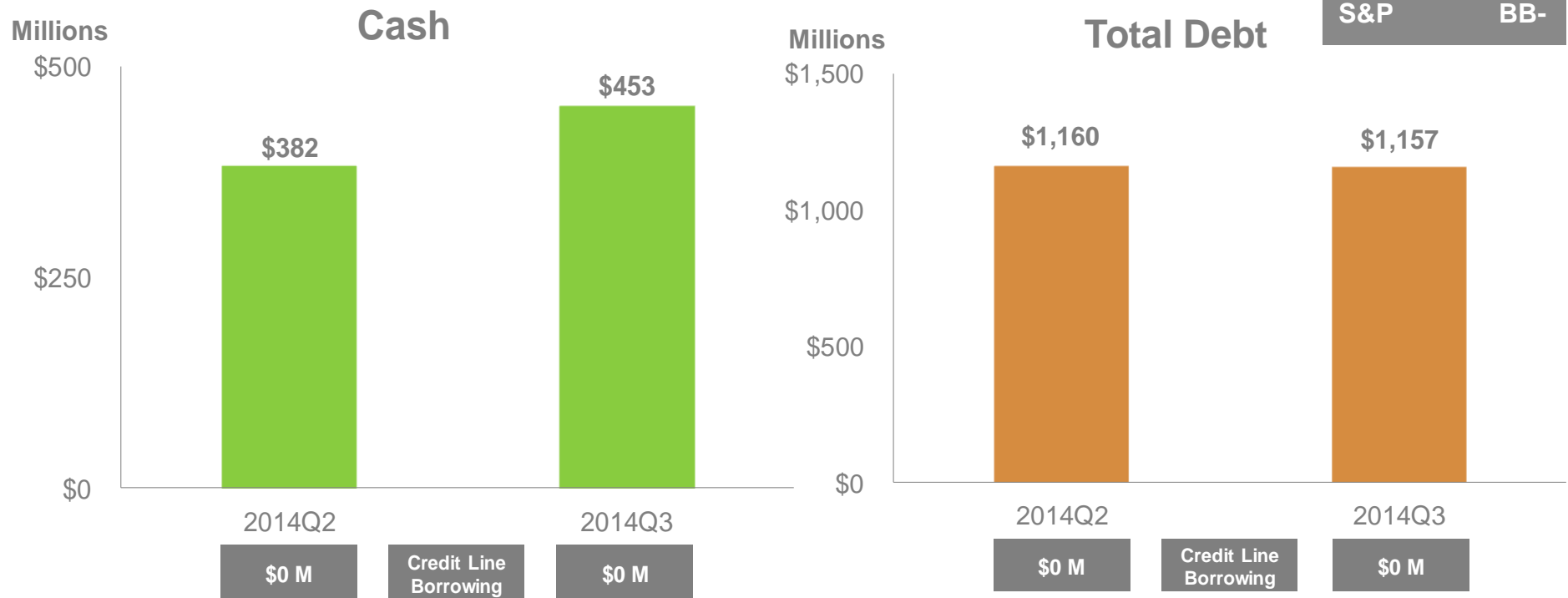
Third Quarter Financial Highlights



*Non-GAAP measure. Definitions, reconciliations, and further disclosures regarding this non-GAAP measure are appended to this document.

Cash and Debt Balances

Credit Ratings:
Moody's Ba2
S&P BB-



▪ \$650 million undrawn credit-line at 10/2/2014

▪ As of 10/2/2014, Total Debt/Total Capital = 39%

Inventory

Inventory Balance

Millions

\$2,000

\$1,000

\$0

(\$1,000)

(\$2,000)

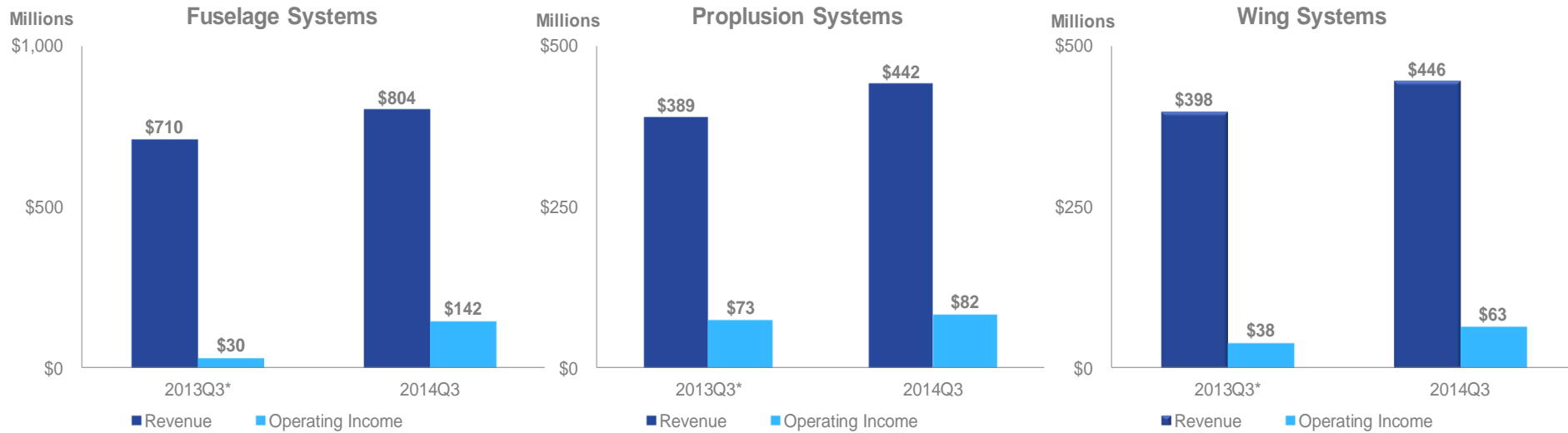


- Physical** – Stable
- Deferred** – Increase driven by Gulfstream and A350 programs
- Pre-Production** – Decrease driven by 787 and Gulfstream programs
- Non-Recurring** – Stable
- Forward Loss Provision** – Balance sheet reclassification

2014Q2

2014Q3

Segment Results



A350-900 Certification



777 Nacelle Composite Inner Wall



A320neo First Flight

*SG&A and R&D in 2013 reclassified from segment operating income to unallocated expense to conform to current year presentation.

2014 Financial Guidance

Financial Guidance updated October 31, 2014

Previous 2014 Guidance

2014 Guidance

Revenues

\$6.7 - \$6.9 billion

\$6.8 - \$6.9 billion



Earnings Per Share (Fully Diluted)

\$2.90 - \$3.05

\$3.35 - \$3.45



Effective Tax Rate**

~30.0% - 31.0%

~30.0% - 31.0%

Free Cash Flow*

~\$250 million

~\$275 million



**Effective tax rate guidance, among other factors, assumes the benefit attributable to the extension of the U.S. Research Tax Credit and does not assume an impact for any potential adjustment to the valuation allowance recorded against the U.S. net deferred tax assets at the end of 2013.

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Looking Forward



- ▶ Transformation continues
- ▶ Creating value
- ▶ Meeting commitments

Forward-Looking Information

Cautionary Statement Regarding Forward-Looking Statements:

This presentation contains “forward-looking statements” that may involve many risks and uncertainties. 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,” “should,” “expect,” “anticipate,” “intend,” “estimate,” “believe,” “project,” “continue,” “plan,” “forecast,” or other similar words, or the negative thereof, unless the context requires otherwise. 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 those reflected in such forward-looking statements and that should be considered in evaluating our outlook include, but are not limited to, the following: 1) our ability to continue to grow our business and execute our growth strategy; 2) our ability to perform our obligations and manage costs related to our new and maturing programs; 3) margin pressures and the potential for additional forward losses on new and maturing programs; 4) our ability to accommodate, and the cost of accommodating, announced increases in the build rates of certain aircraft; 5) the effect on business and commercial aircraft demand and build rates of changing customer preferences, global economic conditions, and conflicts in the Middle East or Asia; 6) the success and timely execution of key milestones, such as certification and first delivery of Airbus’ A350 XWB aircraft, receipt of necessary regulatory approvals and customer adherence to their announced schedules; 7) our ability to successfully negotiate future pricing under our agreements with Boeing, Airbus and our other customers; 8) our ability to enter into profitable supply arrangements with additional customers; 9) the ability of all parties to satisfy their performance requirements under existing supply contracts with our customers and the risk of nonpayment by such customers; 10) our ability to secure work for replacement programs; 11) any adverse impact on Boeing’s and Airbus’ production of aircraft; 12) any adverse impact on the demand for air travel or our operations from the outbreak of diseases or epidemic or pandemic outbreaks; 13) returns on pension plan assets and the impact of future discount rate changes on pension obligations; 14) our ability to borrow additional funds or refinance debt; 15) our ability to sell all or any portion of our Oklahoma sites on terms acceptable to us; 16) competition from commercial aerospace original equipment manufacturers and other aerostructures suppliers; 17) the effect of governmental laws, such as U.S. export control laws and U.S. and foreign anti-bribery laws such as the Foreign Corrupt Practices Act and United Kingdom Bribery Act, and environmental laws and agency regulations, both in the U.S. and abroad; 18) the cost and availability of raw materials and purchased components; 19) any reduction in our credit ratings; 20) our ability to recruit and retain highly skilled employees and our relationships with the unions representing many of our employees; 21) spending by the U.S. and other governments on defense; 22) the possibility that our cash flows and borrowing facilities may not be adequate; 23) our exposure under our existing senior secured revolving credit facility to higher interest payments should interest rates increase substantially; 24) the effectiveness of our interest rate and hedging programs; 25) the effectiveness of our internal control over financial reporting; 26) the outcome or impact of ongoing or future litigation, claims and regulatory actions; and 27) our exposure to potential product liability and warranty claims. These factors are not exhaustive and it is not possible for us to predict all factors that could cause actual results to differ materially from those reflected in our forward-looking statements. These factors speak only as of the date hereof, and new factors may emerge or changes to the foregoing factors may occur that could impact our business. As with any projection or forecast, these statements are inherently susceptible to uncertainty and changes in circumstances. Except to the extent required by law, we undertake no obligation to, and expressly disclaim any obligation to, publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additional information concerning these and other factors can be found in our filings with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

Non-GAAP Measure Disclosure

Management believes the non-GAAP (Generally Accepted Accounting Principles) measures used in this report provide investors with important perspectives into the company's ongoing business performance. The company does not intend for the information to be considered in isolation or as a substitute for the related GAAP measure. Other companies may define the measure differently.

Free Cash Flow (\$ in millions)

	3rd Quarter		Nine Months		Previous Guidance	Current Guidance
	2014	2013	2014	2013	2014	2014
Cash Provided by Operating Activities	\$118.8	\$185.0	\$328.3	\$199.3	\$460 - \$485	\$475 - \$500
Capital Expenditures	(44.4)	(56.5)	(134.0)	(191.5)	(210) - (235)	(200) - (225)
Free Cash Flow	\$74.4	\$128.5	\$194.3	\$7.8	~\$250	~\$275

