Spirit AeroSystems Holdings, Inc. Second Quarter 2013 Performance Review

Larry Lawson
President and Chief Executive Officer

Phil Anderson
Senior Vice President and Chief Financial Officer

August 12, 2013

Second Quarter 2013 Summary

- Strategic review update and actions
- Strong revenue growth
- Cash flow improvement
- Charges in Wing Related to Gulfstream Programs

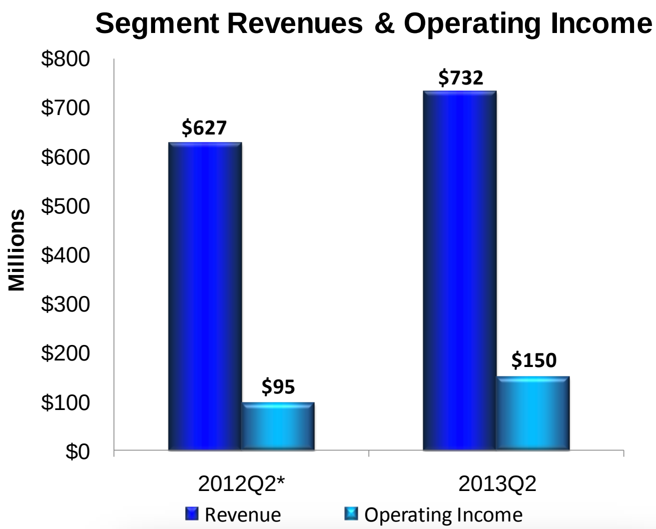
Strong Operating Performance…Excluding Charges

Spirit AeroSystems Holdings, Inc.
Second Quarter 2013
Performance & Financial Results

Phil Anderson
Senior Vice President and Chief Financial Officer

August 12, 2013

Fuselage Systems



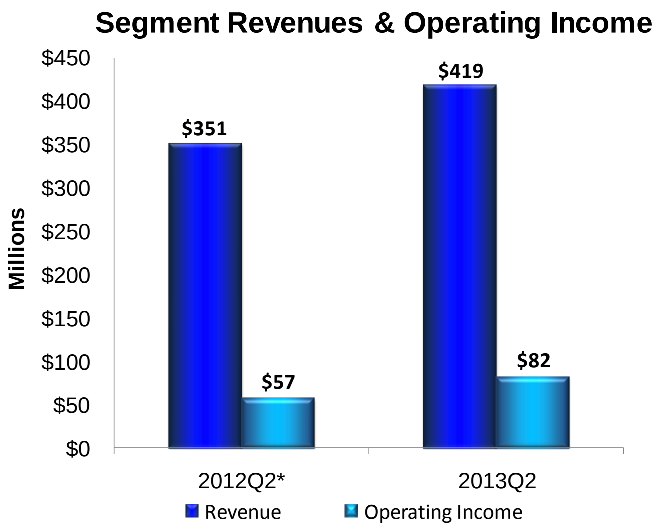
737 MAX

- Strong top-line growth and operating performance
- Delivered unit 4,500 737 Next Generation fuselage…Together Boeing & Spirit have delivered 7,643 737's
- Delivered the 130th 787 forward fuselage
  - Boeing backlog stands at 864 with 58 customers
  - Boeing recently announced -10 derivative
  - Boeing and Spirit Partnered for Success
- Shipped sixth A350 XWB composite center fuselage…Airbus A350 XWB achieved first flight

*Warranty reserve in 2012 reclassified from segment operating income to unallocated cost of sales to conform to current year presentation.

Strong Growth and Operating Performance

Propulsion Systems



737 Thrust Reverser

- Strong top-line growth and operating performance
- Delivered unit 4,500 for 737 Next Generation pylon and thrust reverser
- Shipped unit 1,120 for 777 nacelle and pylons
- Shipped 132nd unit of 787 engine pylons
- Achieving development program milestones

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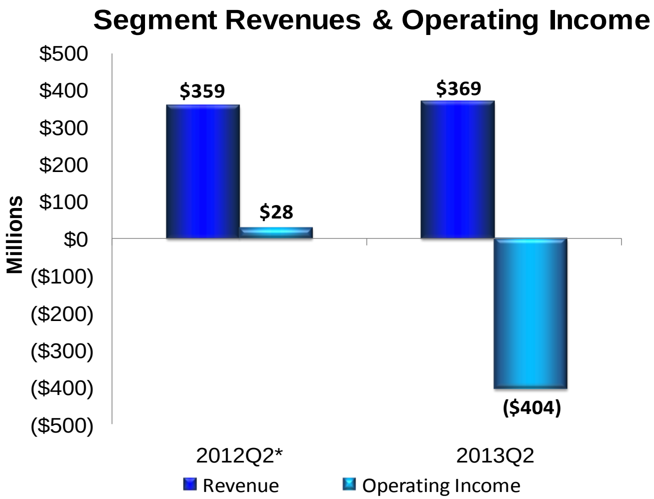
Strong Growth and Operating Performance

Wing Systems



Industry Leading Customers

Oklahoma Product Mix

Business Jet Wings for Gulfstream

- G650: Flight Ready Wing
- G280: Flight Ready Wing

Sub-assemblies for Boeing

- 737: Leading Edge Slats/Flaps/Edge Kits
- 747: Fixed Leading Edge/Bulkheads/Pressure Floor/Panels
- 777: Floor Beams/Inboard & Outboard Slats
- 787: Fixed & Movable Leading Edges
- Defense: AWACS Radome Refurbish

- Margins impacted by new program forward losses
- Delivered 5,800th A320 wing components
- Delivered unit 4,500 for 737 Next Generation slats / flaps
- Delivered the 134th 787 slats
- Initiated process to divest Oklahoma sites

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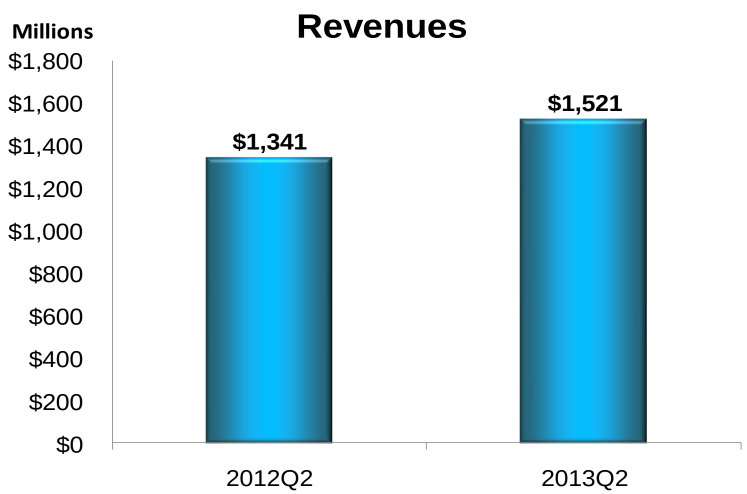
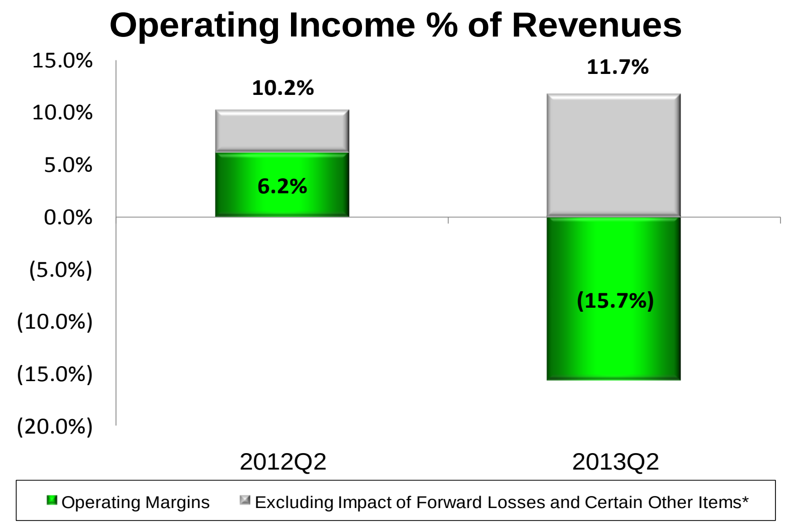
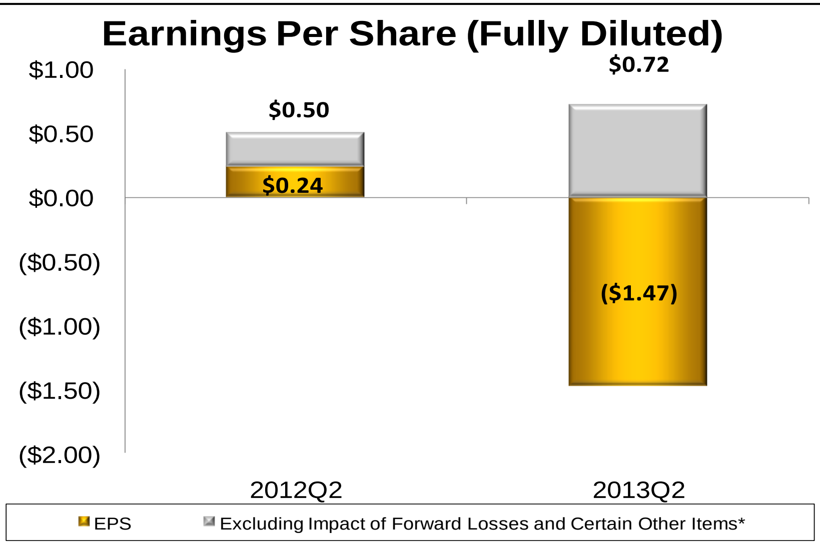
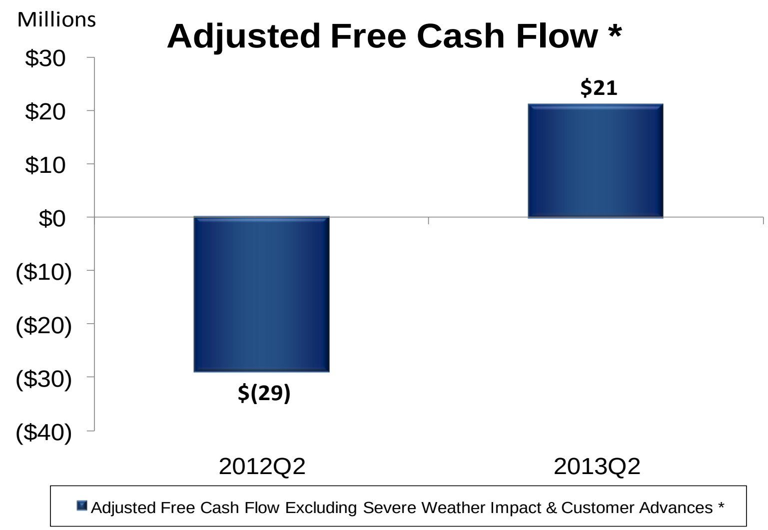
Strong Operating Performance…Excluding Charges

Second Quarter 2013 Financial Highlights









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

Revenue & Earnings Growth on Commercial Business

Second Quarter 2013 Adjusted EPS*

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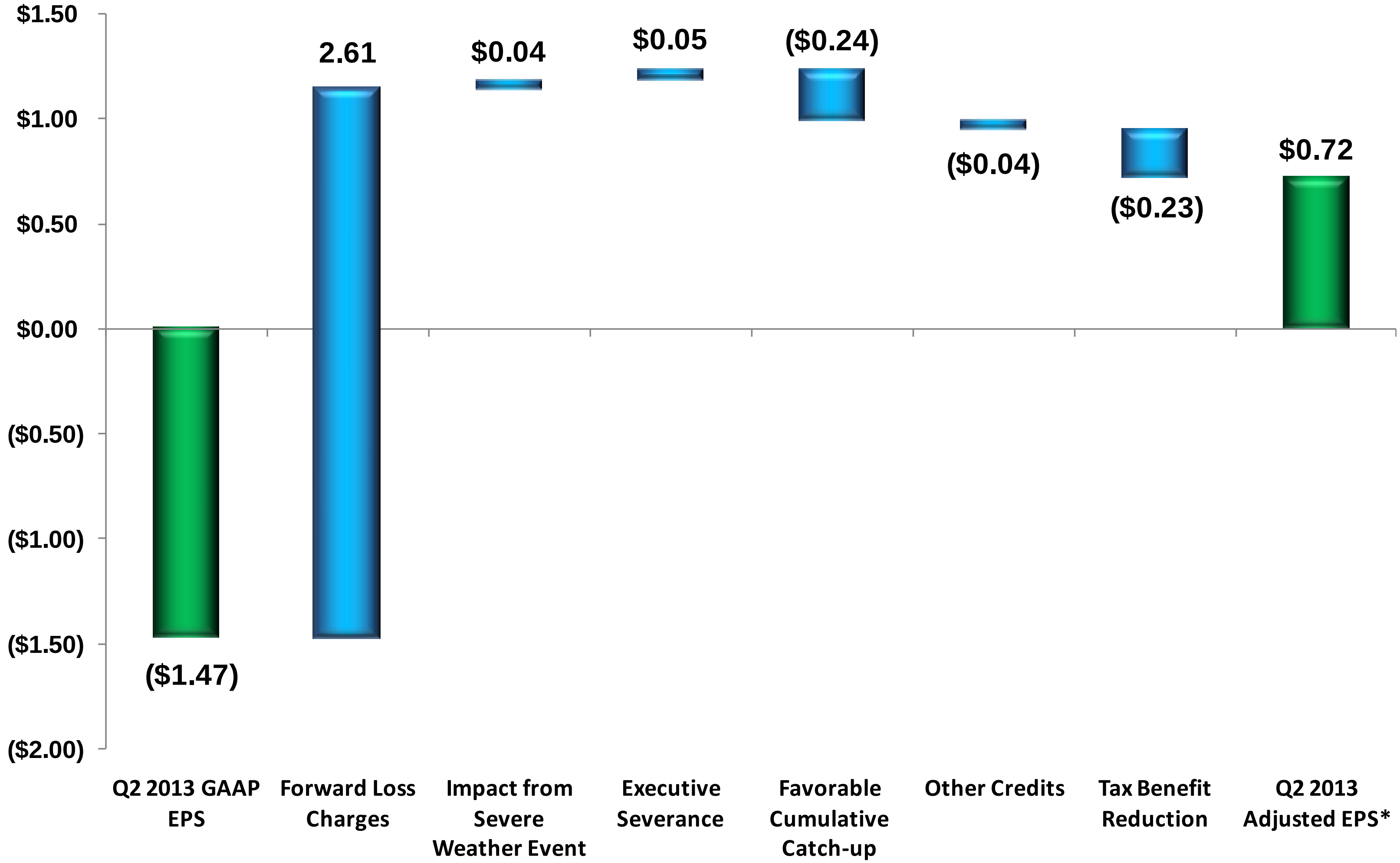

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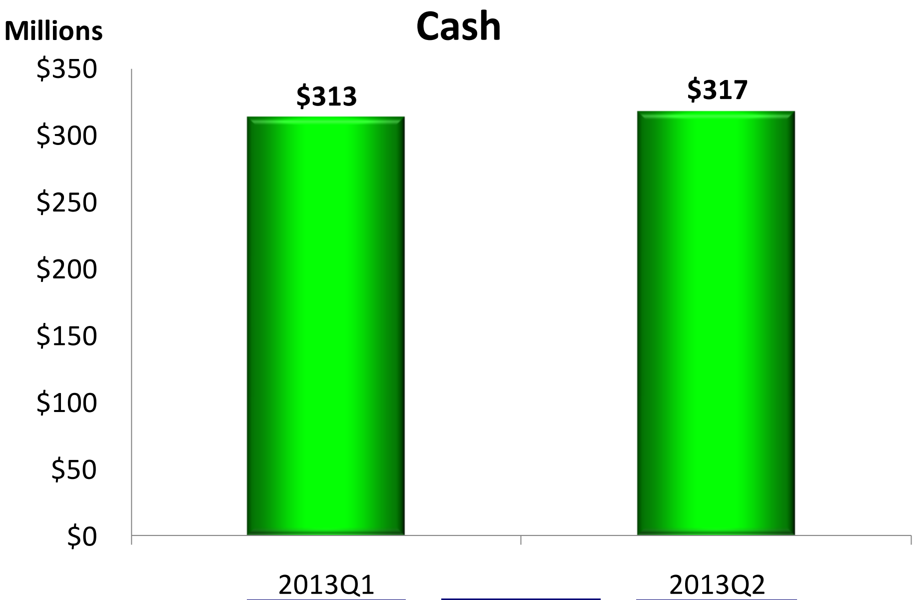
Adjusted EPS

Cash and Debt Balances

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



$0 M	Credit Line Borrowing	$0 M

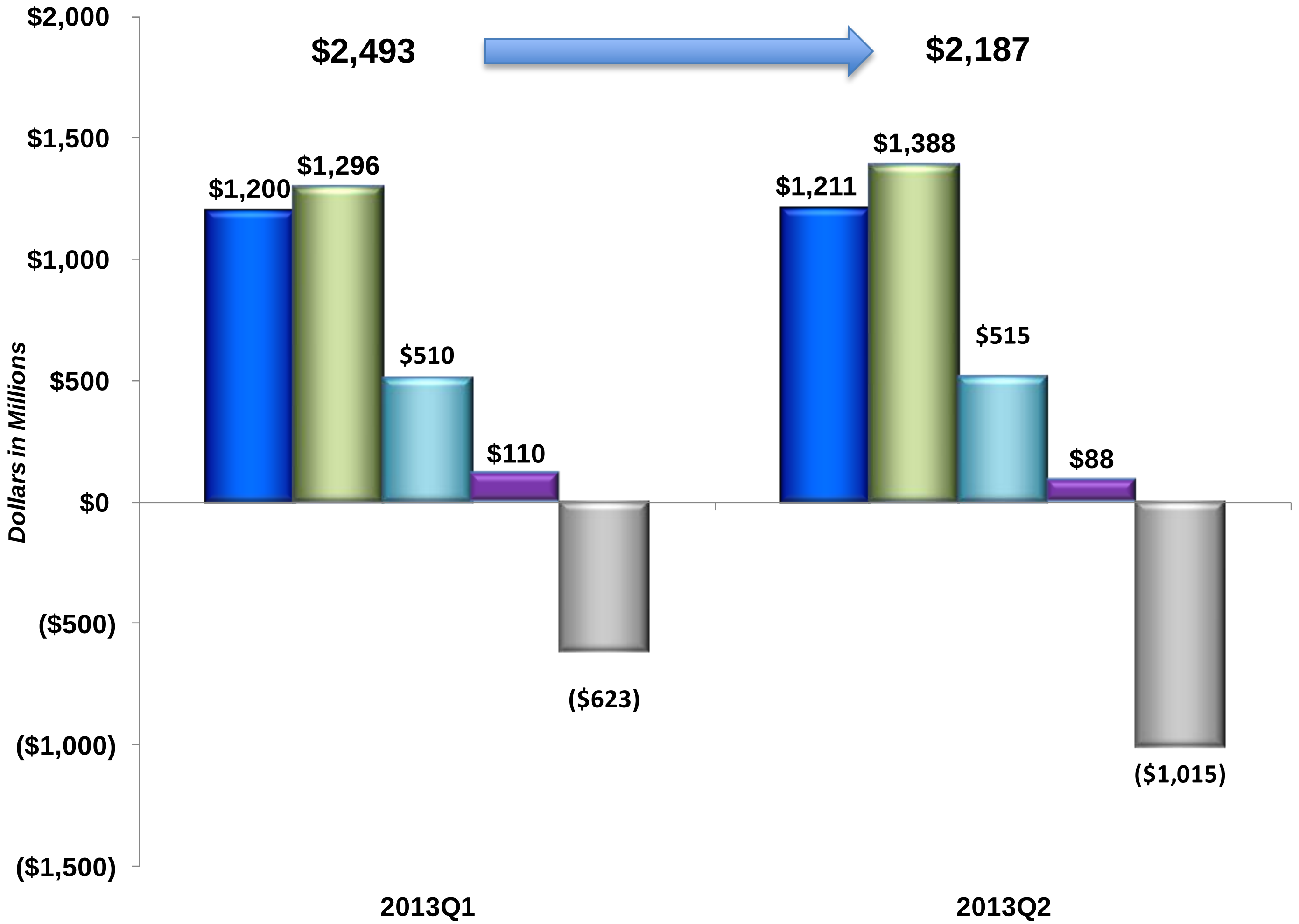
$0 M	Credit Line Borrowing	$0 M

- **$650 million undrawn credit-line at 6/27/2013**
- **As of 6/27/2013, Total Debt/Total Capital = 39%**

Strong Liquidity…Proactively Managing Capital Structure

Inventory

Inventory Balance



Physical – Relatively stable

Deferred – Increase driven by A350 and Gulfstream programs

Pre-Production – Increase driven by A350 program

Non-Recurring – Decrease driven by 787 and 737 programs

Forward Loss Provision – Increase driven by Gulfstream and 787 programs in Tulsa

Reinvesting for Growth

Looking Forward

- Focus and Discipline
  - What we do best
  - Performance
  - Cost
  - Cash flow

Forward-Looking Information

Cautionary Statement Regarding Forward-Looking Statements:

This press release 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: our ability to continue to grow our business and execute our growth strategy, including the timing, execution and profitability of new programs; our ability to perform our obligations and manage costs related to our new commercial and business aircraft development programs and the related recurring production; margin pressures and the potential for additional forward-losses on aircraft development programs; our ability to accommodate, and the cost of accommodating, announced increases in the build rates of certain aircraft; the effect on business and commercial aircraft demand and build rates of the following factors: continuing weakness in the global economy and economic challenges facing commercial airlines, a lack of business and consumer confidence, and the impact of continuing instability in global financial and credit markets, including, but not limited to, any failure to avert a sovereign debt crisis in Europe; customer cancellations or deferrals as a result of global economic uncertainty; the success and timely execution of key milestones such as deliveries of Boeing’s B787; and certification and first delivery of Airbus’ A350 XWB aircraft program, receipt of necessary regulatory approvals, and customer adherence to their announced schedules; our ability to successfully negotiate new pricing under our main supply agreement with Boeing; our ability to enter into profitable supply arrangements with additional customers; the ability of all parties to satisfy their performance requirements under existing supply contracts with Boeing and Airbus, our two major customers, and other customers and the risk of nonpayment by such customers; any adverse impact on Boeing’s and Airbus’ production of aircraft resulting from cancellations, deferrals or reduced orders by their customers or from labor disputes or acts of terrorism; any adverse impact on the demand for air travel or our operations from the outbreak of diseases or epidemic or pandemic outbreaks; returns on pension plan assets and the impact of future discount rate changes on pension obligations; our ability to borrow additional funds or refinance debt; our ability to sell our Oklahoma sites for a price acceptable to us; competition from original equipment manufacturers and other aerostructures suppliers; 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; 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 possibility that our cash flows and borrowing facilities may not be adequate for our additional capital needs or for payment of interest on and principal of our indebtedness; our exposure under our existing senior secured revolving credit facility to higher interest payments should interest rates increase substantially; the effectiveness of any interest rate and foreign currency hedging programs; the outcome or impact of ongoing or future litigation, claims and regulatory actions; our exposure to potential product liability and warranty claims; and the accuracy or completeness of our assessment of damage and costs of restoration and recovery from the severe weather event that hit our Wichita, Kan. facility on April 14, 2012. 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 that 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.

Operating Income % of Revenues Excluding Impact of Forward Losses and Certain Other Items

	Second Quarter	
	2012	**2013**
Operating Income under GAAP	$ 82.5	$ (238.5)
Adjustments to Operating Income:		
2012 Second Quarter Forward Loss	$ 6.5 *a*	
Impact from Severe Weather Event	$ 54.5	$ 6.3
Net 2013 Second Quarter Forward Losses		$ 448.3 *b*
Favorable Cumulative Catch-up Adjustment	$ (6.3)	$ (40.6)
Executive Severance		$ 9.3
Other Credits		$ (7.0) *c*
Total Adjustments	$ 54.7	$ 416.3
Adjusted Operating Income	$ 137.2	$ 177.8
Revenue	$ 1,341.0	$ 1,520.7
Adjusted Operating Income % of Revenues	10.2%	11.7%

a A350 Non-Recurring Forward Loss expense of $6.5 million.

b Net 2013 Second Quarter Forward Loss expense of $448.3 million, including G650 Forward Loss of $234.2 million, G280 Forward Loss of $191.5 million, 787 Forward Loss of $22.0 million, 747-8 Forward Loss of $5.0 million, 767 Forward Loss of $4.0 million, and BR725 Forward Loss Reduction of $8.4 million.

c Other Credits of $7.0 million, including BR725 Returns Credit of $4.4 milllion and French R&D Tax Credit of $2.6 million.

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Adjusted Earnings Per Share Excluding Impact of Forward Losses and Certain Other Items

	Second Quarter					
	2012			2013		
	Earnings Per Share			Earnings Per Share		
GAAP Diluted Earnings Per Share	$	0.24		$	(1.47)	
2012 Second Quarter Forward Loss	$	0.03	*a*			
Impact from Severe Weather Event	$	0.26	*b*	$	0.04	*c*
Net 2013 Second Quarter Forward Losses				$	2.61	*d*
Favorable Cumulative Catch-up Adjustment	$	(0.03)	*e*	$	(0.24)	*f*
Executive Severance				$	0.05	*g*
Other Credits				$	(0.04)	*h*
Tax Benefit Reduction				$	(0.23)	*i*
Diluted Shares		142.7			141.3	
Earnings Per Share Excluding Impact of Forward Losses and Certain Other Items	$	0.50		$	0.72	

a Represents the net earnings per share impact of A350 Non-Recurring Forward Loss expense of $6.5 million. The earnings per share amount is presented net of income taxes of 30.4 percent.

b Represents the net earnings per share impact of Severe Weather Event expense of $54.5 million. The earnings per share amount is presented net of income taxes of 30.4 percent.

c Represents the net earnings per share impact of Severe Weather Event expense of $6.3 million. The earnings per share amount is presented net of income taxes of 17.7 percent.

d Represents the net earnings per share impact of Net 2013 Second Quarter Forward Loss expense of $448.3 million, including G650 Forward Loss of $234.2 million, G280 Forward Loss of $191.5 million, 787 Forward Loss of $22.0 million, 747-8 Forward Loss of $5.0 million, 767 Forward Loss of $4.0 million, and BR725 Forward Loss Reduction of $8.4 million. The earnings per share amount is presented net of income taxes of 17.7 percent.

e Represents the net earnings per share impact of Favorable Cumulative Catch-up Adjustment of $6.3 million. The earnings per share amount is presented net of income taxes of 30.4 percent.

f Represents the net earnings per share impact of Favorable Cumulative Catch-up Adjustment of $40.6 million. The earnings per share amount is presented net of income taxes of 17.7 percent.

g Represents the net earnings per share impact of Executive Severance expense of $9.3 million. The earnings per share amount is presented net of income taxes of 17.7 percent.

h Represents the net earnings per share impact of Other Credits of $7.0 million, including BR725 Returns Credit of $4.4 milllion and French R&D Tax Credit of $2.6 million. The earnings per share amount is presented net of income taxes of 17.7 percent.

i Represents the net earnings per share impact of the Tax Benefit Reduction of $32.6 million due to the differences attributable to net losses driven by Q2 events.
Q1 YTD effective tax rate – Q2 QTD effective tax rate = rate impact from net losses * Q2 earnings before tax = earnings impact
30.5% - 17.7% = 12.8% * (254.5) earnings before tax = $32.6

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Free Cash Flow

	2nd Quarter	
	2012	2013
Cash Provided by Operating Activities	$121.2	$59.7
Capital Expenditures	($49.6)	($54.8)
Free Cash Flow	$71.6	$4.9

Adjusted Free Cash Flow

	2nd Quarter	
	2012	2013
Cash Provided by Operating Activities	$121.2	$59.7
Net Severe Weather Impact	($50.5)	$6.3
A350 Customer Advances	($50.0)	
Adjusted Cash Provided by (used in) Operating Activities	$20.7	$66.0
Capital Expenditures	($49.6)	($54.8)
Severe Weather Impact		$9.9
Adjusted Capital Expenditures	($49.6)	($44.9)
Adjusted Cash Provided by (used in) Operating Activities	$20.7	$66.0
Adjusted Capital Expenditures	($49.6)	($44.9)
Adjusted Free Cash Flow	($28.9)	$21.1

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