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# Spirit AeroSystems Holdings, Inc. Second Quarter 2010 Performance Review

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**Jeff Turner**

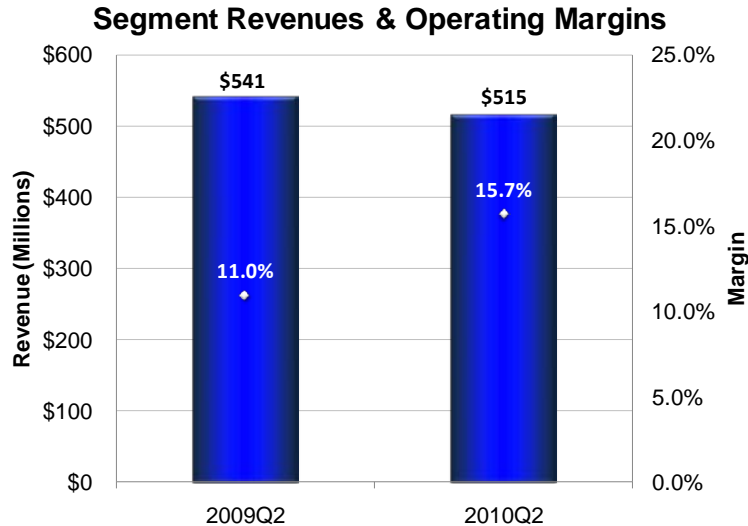
President and Chief Executive Officer

**Phil Anderson**

Senior Vice President and Chief Financial Officer

August 3, 2010

- **Solid second quarter results**
- **Core business performing well**
- **Making progress on development programs**
- **Executing our long-term strategy**
- **Favorable commercial market outlook... Strong demand for core products**
- **Substantial backlog at over \$27 billion**



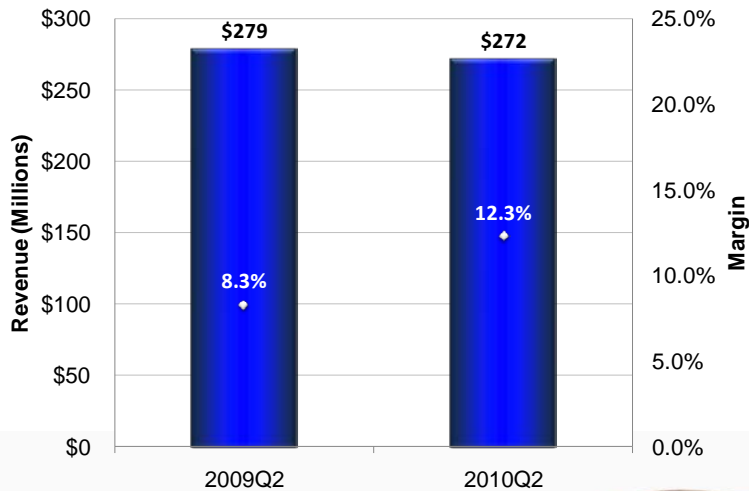
737 Fuselage Assembly

- **Solid operating performance**
- **Delivered unit 3,300 737 Next Generation fuselage**
- **Delivered 787 forward fuselage number twenty-four... Production progressing**
- **Delivered 1st 747-8 Intercontinental forward fuselage**
- **Sikorsky CH-53K progressing**
- **Continued progress on Airbus A350 fuselage**

***Executing Core Business Well... Developing New Products***

# Propulsion Systems

Segment Revenues & Operating Margins

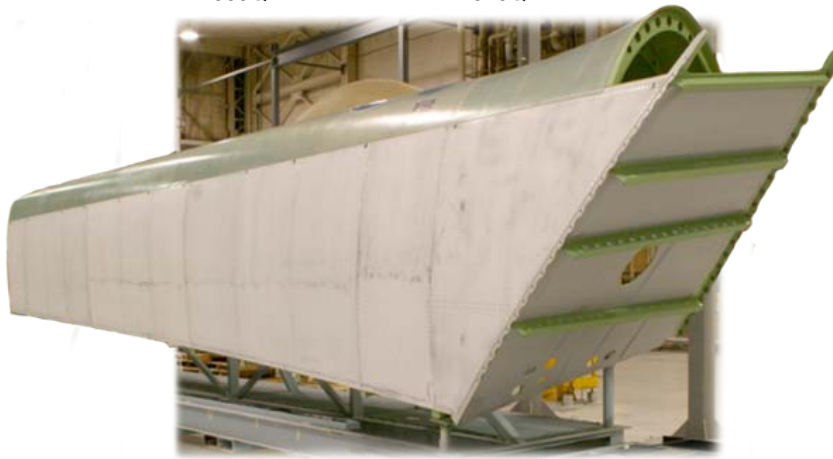
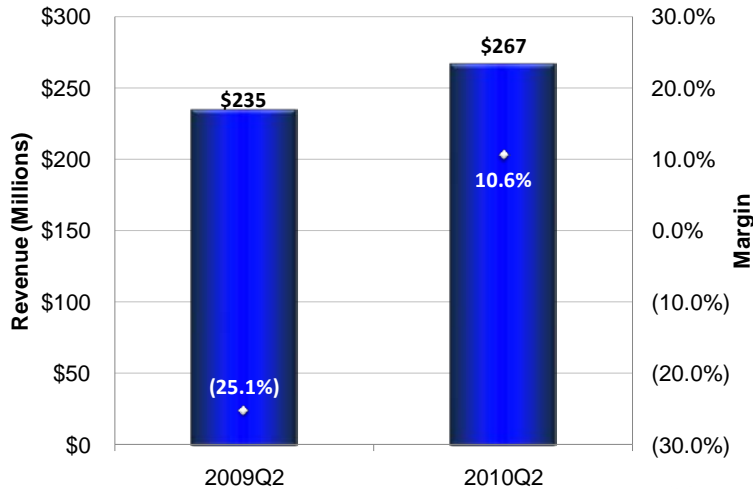


- **Solid operating performance**
- **Delivered unit 3,300 for 737 Next Generation Pylon and Thrust Reverser**
- **Shipped twenty-fifth 787 Engine Pylon**
- **Delivered eighth 747-8 Inlet, thirteenth Pylon shipset**
- **Supporting Rolls-Royce BR725 test phases**
- **Continued development progress on MRJ and Bombardier CSeries**



***Executing Core Business Well... Developing New Products***

## Segment Revenues & Operating Margins



747-8 Fixed Leading Edge Wing Assembly

- **Solid operating performance**
- **Delivered unit 3,300 for 737 Next Generation Slats / Flaps**
- **Shipped eighteenth 747-8 Fixed Leading Edge Wing section**
- **Supporting Gulfstream G250 and G650 test phases**
- **Continued progress on Airbus A350 wing leading edge structure**

***Executing Core Business Well... Developing New Products***



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# Spirit AeroSystems Holdings, Inc.

## Second Quarter 2010

### Financial Results

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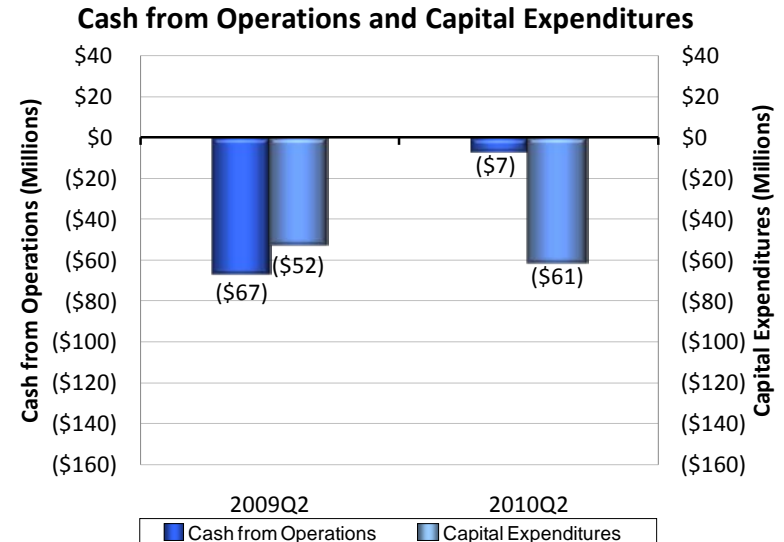
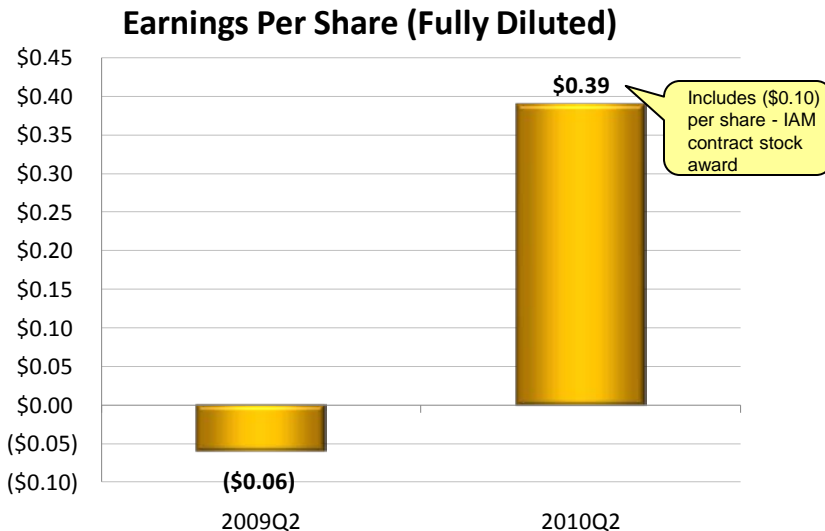
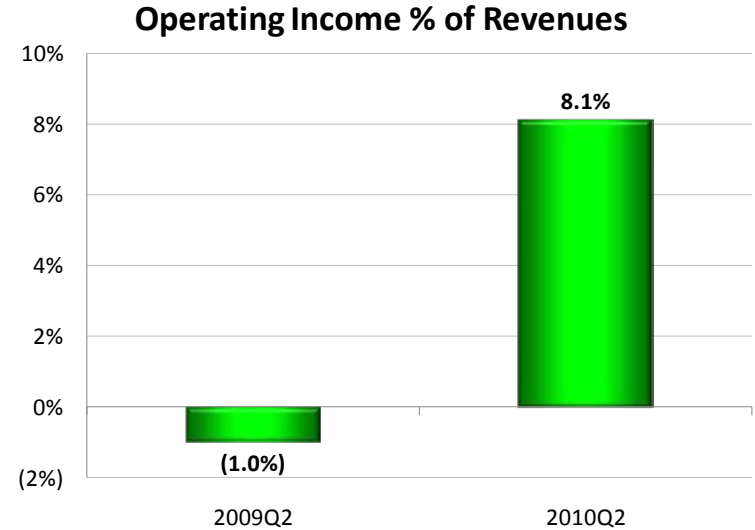
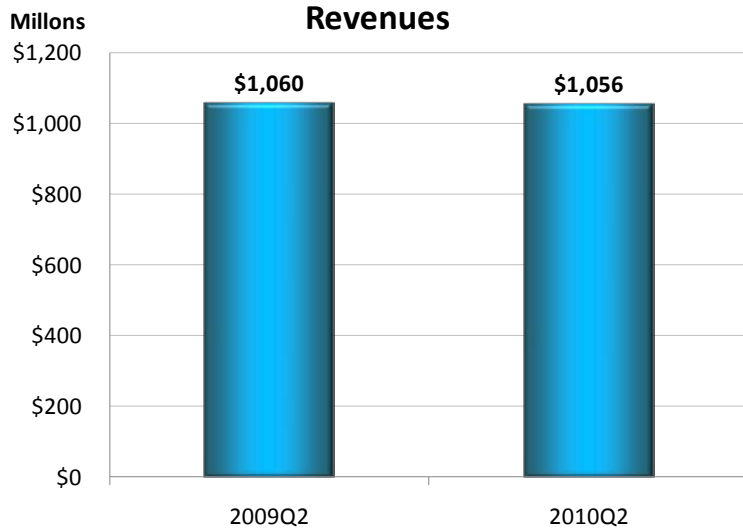
**Phil Anderson**

Senior Vice President and Chief Financial Officer

August 3, 2010



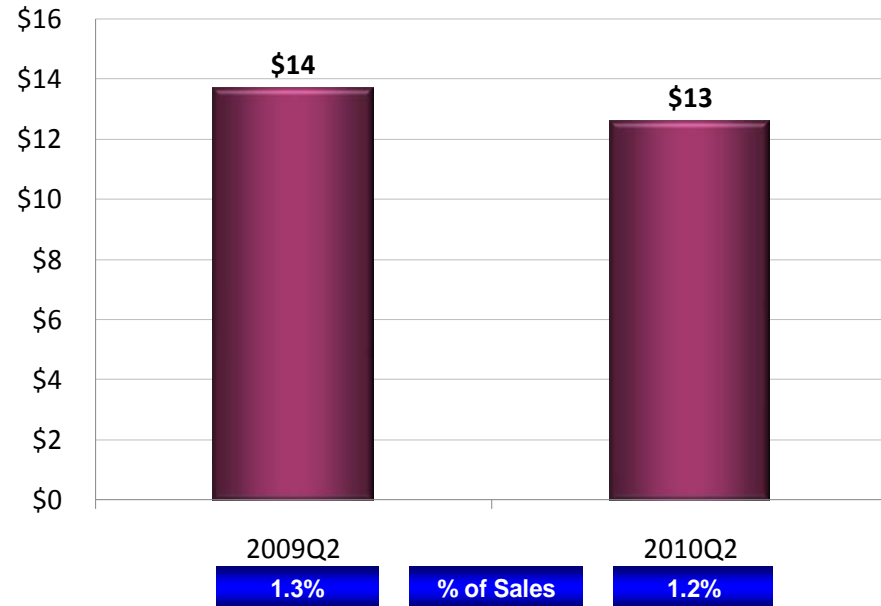
# Second Quarter 2010 Financial Highlights



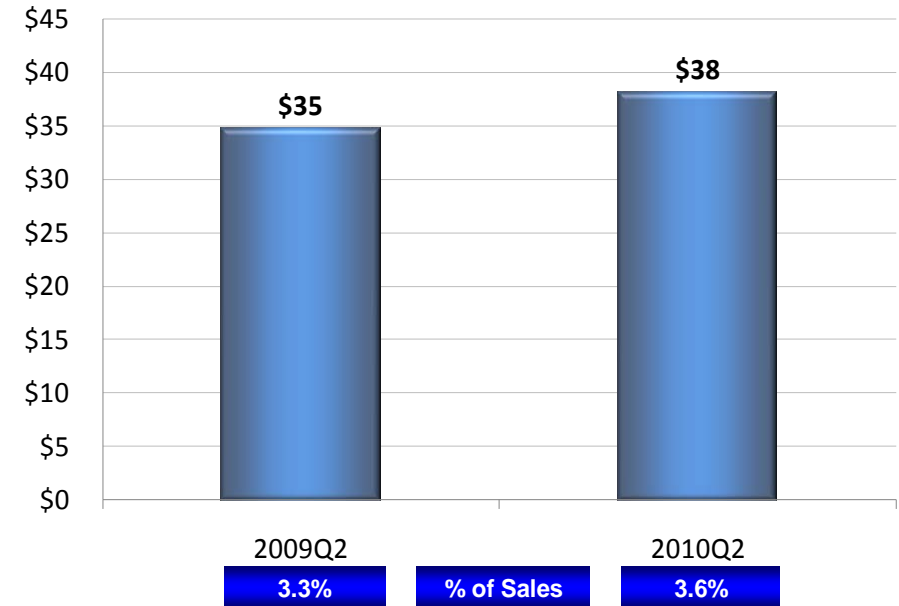
**Strong Financial Performance**

# Second Quarter 2010 Period Expenses

**Research & Development Expense (Millions)**



**S G & A Expense (Millions)**

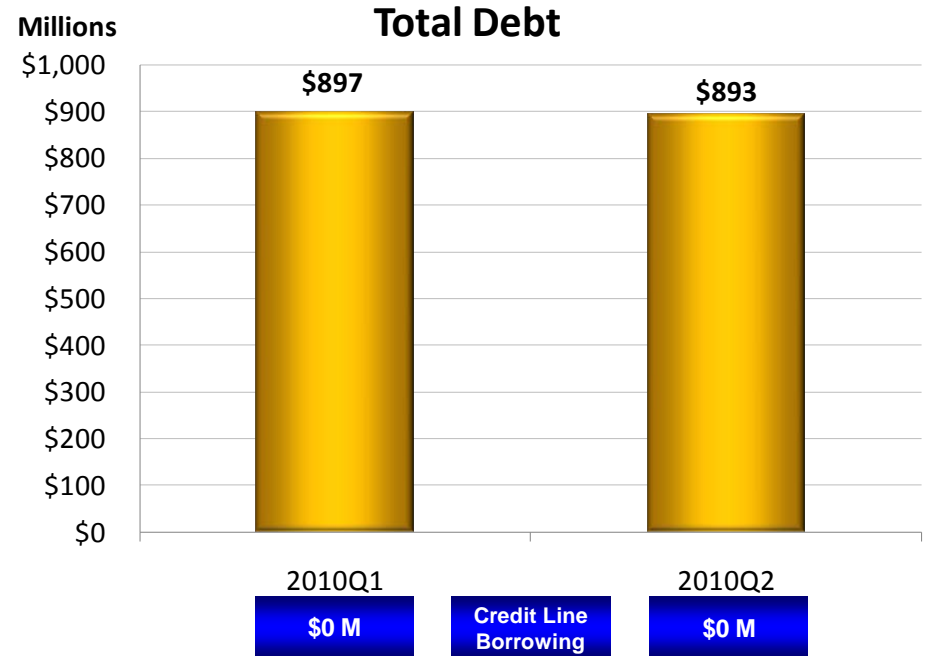
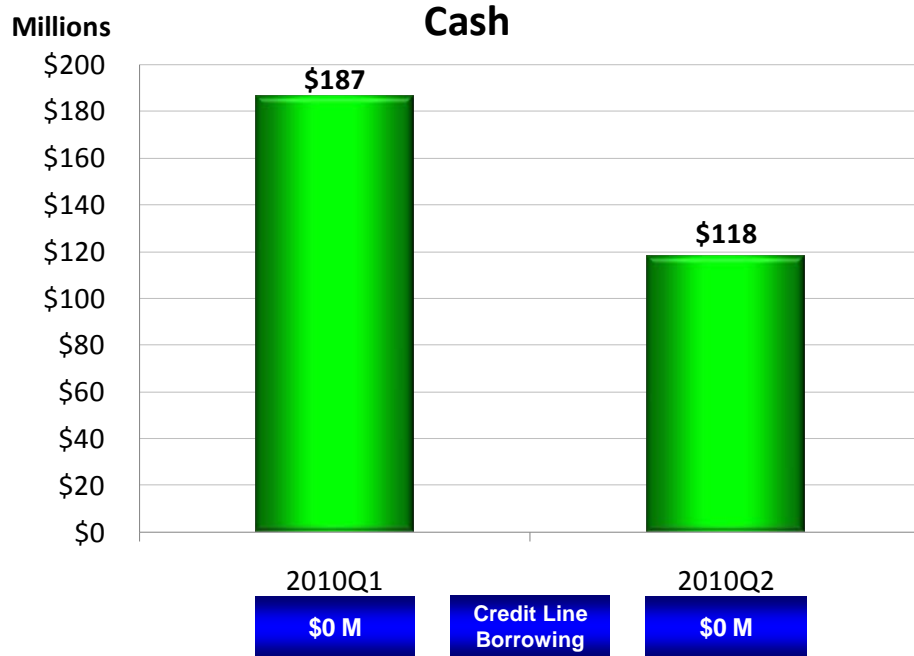


***Disciplined Expense Management***



# Cash and Debt Balances

<b>Credit Ratings</b>	
S&P:	BB
Moody's:	Ba3



▪ \$409 million undrawn credit-line at 07/01/2010

▪ As of 07/01/2010, Total Debt/Total Capital = 34%

**Strong Liquidity and Balance Sheet**

# Cash Flow

<b>\$ Millions</b>	<b>2Q 10</b>	<b>2Q 09</b>
Net Income	\$ 55	\$ (8)
Depreciation & Amortization	\$ 31	\$ 34
Other Non-Cash Items	\$ (4)	\$ (5)
Working Capital/Accrued Liabilities	\$ (63)	\$ 20
Customer Advances, Net	\$ (36)	\$ (20)
Other	\$ 10	\$ (88)
<b>Operating Cash Flow</b>	<b>\$ (7)</b>	<b>\$ (67)</b>
Capital Expenditures	\$ (61)	\$ (52)
Customer Reimbursed Capital Expenditures	\$ -	\$ 29

- **Investing in new programs**
- **Capital expenditures discipline**

*Reinvesting for Growth and Diversification*



# 2010 Financial Guidance

*Financial Guidance Issued on August 3, 2010*

	<u>2009 Actual</u>	<u>2010 Guidance</u>
Revenues	\$4.1 billion	\$4.0 - \$4.2 billion
Earnings Per Share (Fully Diluted)	\$1.37	\$1.50 - \$1.70
Effective Tax Rate	29.7%	~27% *
Cash Flow from Operations	(\$14) million	~\$75 million
Capital Expenditures	\$228 million	~\$325 million
Customer Reimbursement	\$115 million	N/A**

\* Effective tax rate guidance, among other factors, assumes the benefit attributable to extending the U.S. research tax credit (Assumes ~2.5% benefit)

\*\* Although calculations for years through 2009 included customer reimbursements, these payments concluded in December 2009.

***2010 Guidance Unchanged***

# Closing Comments

- **Solid operating performance across the company**
- **Progressed on development programs**
- **Focused on execution and delivery on customer commitments**
- **Strong demand for core products...Well positioned**
- **Continued to execute our long-term strategy**

*Core Business Strength... Long Term Value Creation*

# Forward-Looking Information

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

This 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, 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 and execution 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; potential reduction in 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, which could be negatively impacted by continuing weakness in the global economy and economic challenges facing commercial airlines, and by a lack of business and consumer confidence and the impact of continuing instability in the global financial and credit markets, including, but not limited to, sovereign debt concerns in Europe; the inability to resolve significant claims with Boeing related to non-recurring and recurring costs on the B787 program; declining business jet manufacturing rates and customer cancellations or deferrals as a result of the weakened global economy; the success and timely execution of key milestones such as certification and delivery of Boeing’s new B787 and Airbus’ new A350 XWB aircraft programs, including receipt of necessary regulatory approvals and customer adherence to their announced schedules; 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 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 such as the influenza outbreak caused by the H1N1 virus, avian influenza, severe acute respiratory syndrome or other epidemic or pandemic outbreaks; returns on pension plan assets and impact of future discount rate changes on pension obligations; 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 cost and availability of raw materials and purchased components; our ability to successfully extend or renegotiate our primary collective bargaining contracts with our labor unions; 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 and the possibility that we may be unable to borrow additional funds or refinance debt; our exposure under our revolving credit facility to higher interest payments should interest rates increase substantially; the outcome or impact of ongoing or future litigation and regulatory actions; our exposure to potential product liability and warranty claims; and the other factors described under Item 1A, “Risk Factors,” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2009. 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.

