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# Spirit AeroSystems Holdings, Inc. Third Quarter 2007 Performance Review

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**Jeff Turner**

President and Chief Executive Officer

**Rick Schmidt**

Chief Financial Officer

November 01, 2007

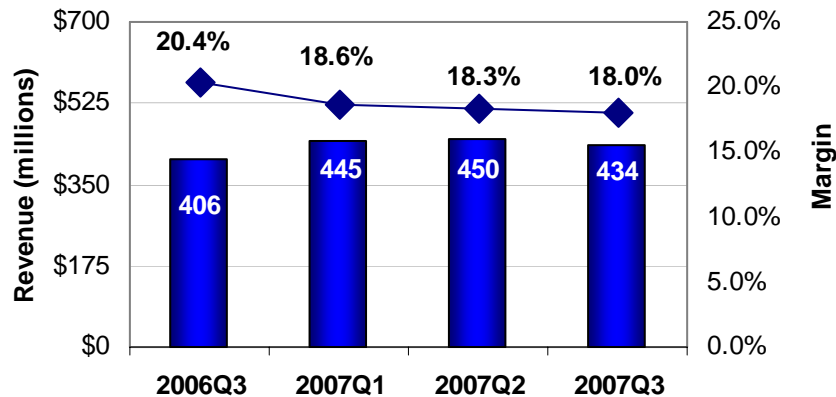
# Third Quarter 2007 Summary

- **Continued year-to-year growth in revenues, operating income and EPS**
- **Performing well across the company...  
Development programs moving forward**
- **Backlog increased to \$23.5B**
- **Adjusted 2007 revenue and earnings guidance to reflect 787 schedule change and lower effective tax rate**
- **2008 financial guidance reflects increases in revenue and profitability**

***In-line 3Q Performance... Building Momentum***

# Fuselage Systems

Segment Revenues & Operating Margins



1,400<sup>th</sup> 747 Forward Fuselage Delivery



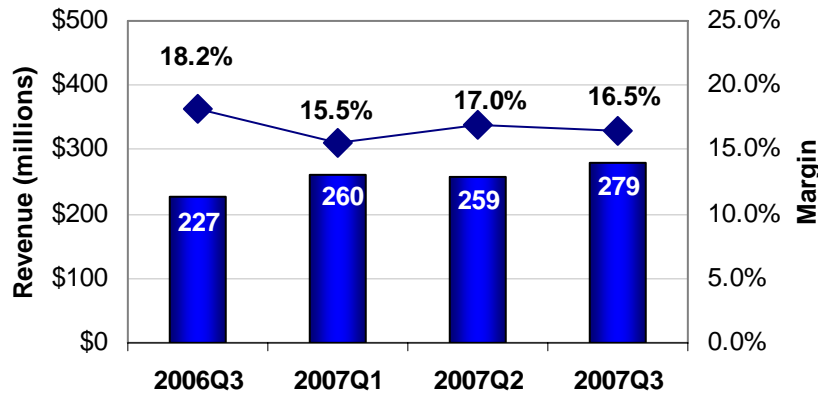
2,400<sup>th</sup> 737 Fuselage Delivery

- **Solid operating margins**
- **Delivered 2,400<sup>th</sup> 737 NG Fuselage... 1,400<sup>th</sup> 747 Forward Fuselage**
- **Completed CH-53K System Requirements Review**
- **Joined the P-8A Poseidon industry team**
- **Supporting higher deliveries in 2008**

***Executing Backlog... Growing the Business***

# Propulsion Systems

Segment Revenues & Operating Margins



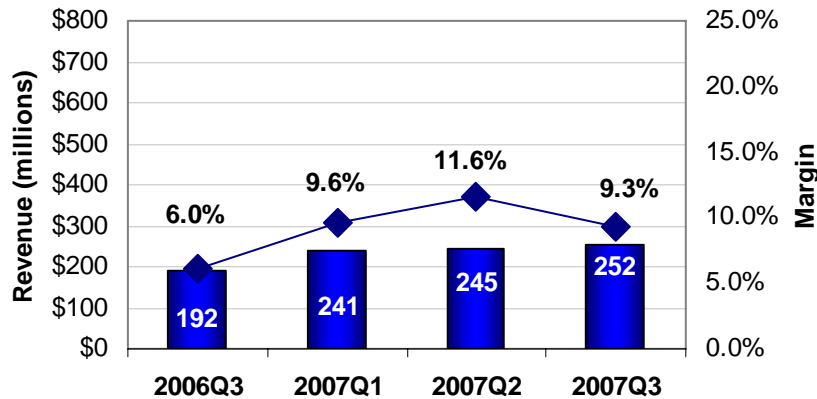
747-8 One Piece Inlet

- Solid operating margins
- Delivered 2,400<sup>th</sup> 737 NG pylon shipset
- Completed and delivered first One-piece inlet for 747-8 program
- 787 engine pylon production progressing smoothly... Incorporating schedule revisions

*Delivering Solid Profitability*

# Wing Systems

Segment Revenues & Operating Margins



787 Slat Automated Robotic Drill



A380 Fixed Leading Edge

- Improving operating margins year over year
- Resumed A380 deliveries
- Preparing for production increases on Airbus and Boeing products
- 787 program on-track... Incorporating schedule revision
- Business jet development programs moving forward

*Improving Margins... Increasing Volumes for Airbus*

# 787 Update



Forward Fuselage Delivery



Line Unit #10  
13<sup>th</sup> Section Fabricated



Rolls Royce Pylon



Fatigue Test Unit

- Two forward fuselages delivered... 13<sup>th</sup> section fabricated
- Thirteen pylons delivered
- Six fixed leading edges delivered
- Overall product quality is excellent
- Working with selected suppliers to improve performance
- Incorporating engineering changes
- Adjusting to revised schedule
- Evaluating 2008 cash flow impact

***Excellent Progress... Customer Focused Execution Plan***





# Spirit AeroSystems Holdings, Inc. Third Quarter 2007 Financial Results

**Rick Schmidt**

Chief Financial Officer

November 01, 2007

# Third Quarter 2007 Financial Summary

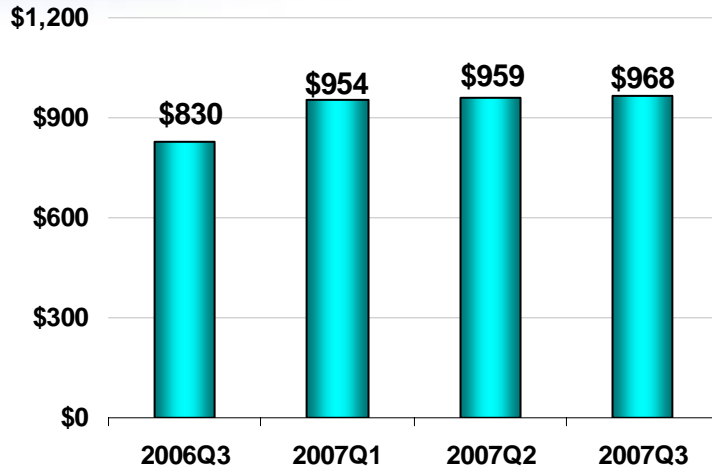
- **Strong revenue growth**
  - Q3 Revenues \$968M, up 17% from Q3 2006
- **Improving operating margins company-wide**
  - Q3 Operating Margins 11.0% vs Q3 2006 of 9.3%
- **Lower effective tax rate in 2007**
- **Operating cash flow in Q3 of \$42 million**
  - Continuing to invest in 787
- **Solid balance sheet**
- **\$105M cash balance at quarter end**
  - Net Debt to Total Capital ratio 30.5%, down from 34% at YE 2006



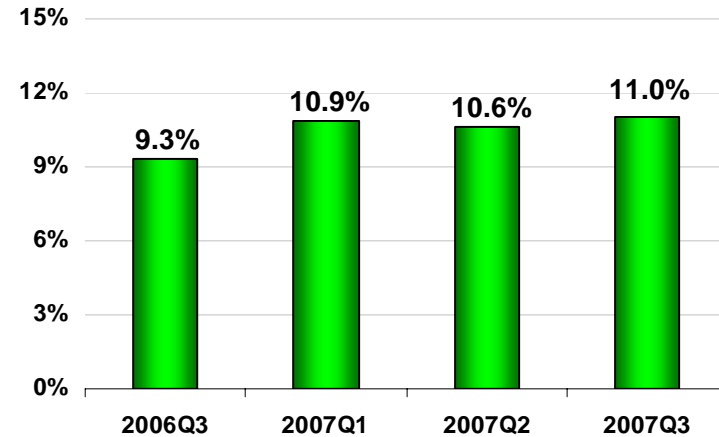


# Third Quarter 2007 Financial Results

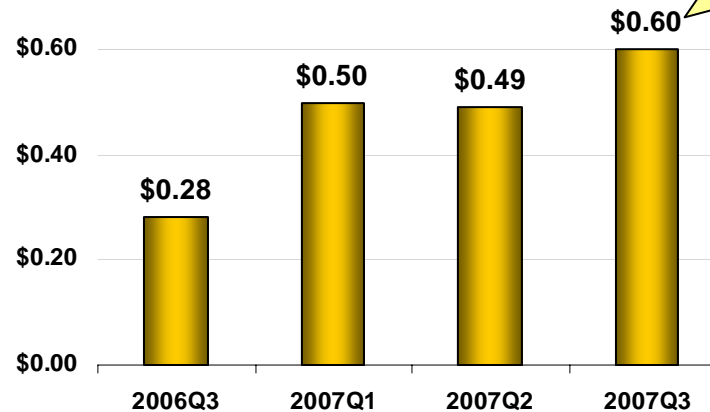
Revenues (Millions)



Operating Margins (% of Revenues)



Earnings Per Share (Fully diluted)



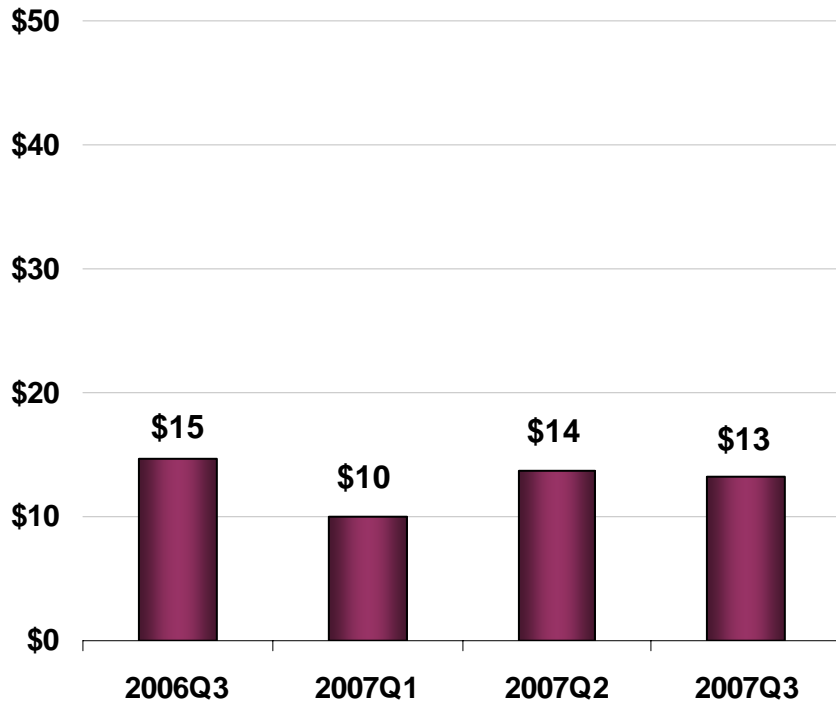
Includes \$0.09 of EPS contribution from lower tax rate

**Growing Revenue and Income... Consistent, Strong Results**

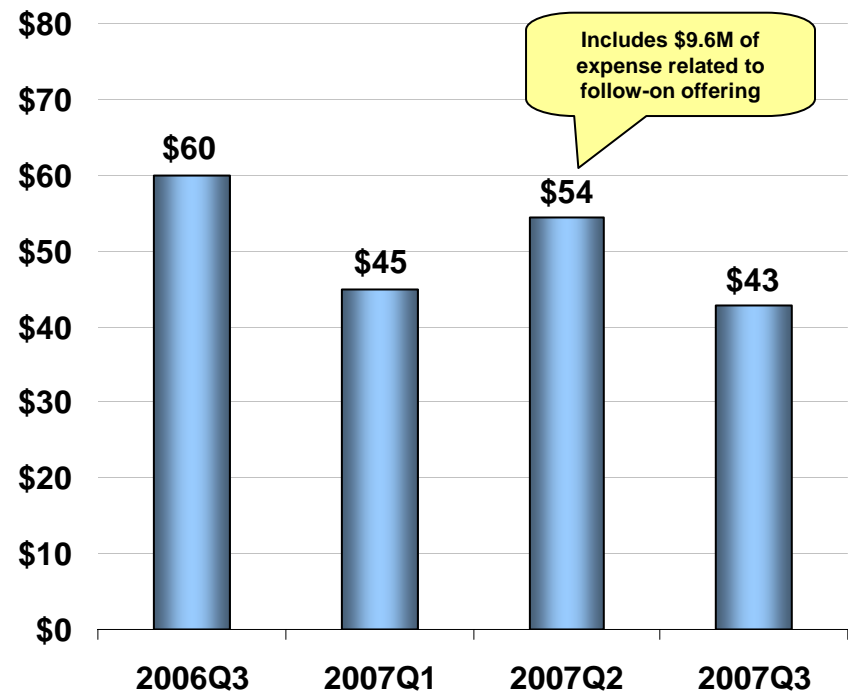


# Third Quarter 2007 Financial Results

Research & Development Expense (Millions)



SG&A (Millions)



*Right-sized R&D Investments... Disciplined Expense Management*



# Third Quarter 2007 Income Statement

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

(Dollars in Millions, Except Per Share Data)	<u>3Q07</u>	<u>3Q06</u>	<u>% Change</u>	<u>9M07</u>	<u>9M06</u>	<u>% Change</u>
<b>Net Revenues</b>	\$ 968	\$ 830	17%	\$ 2,880	\$ 2,356	22%
Cost of sales	805	678	19%	2,388	1,927	24%
Selling, general and administrative	43	60	(28%)	142	160	(11%)
Research and development	13	15	(9%)	37	85	(56%)
<b>Operating Income</b>	107	78	38%	313	184	70%
<b>Operating Income % of Revenues</b>	11.0%	9.3%	170 BPS	10.8%	7.8%	300 BPS
<b>Net Income</b>	<u>\$ 84</u>	<u>\$ 34</u>	<u>146%</u>	<u>\$ 221</u>	<u>\$ 86</u>	<u>157%</u>
<b>Fully Diluted Weighted Avg Shares</b>	139.5	121.2		139.2	121.7	
<b>EPS (Fully diluted)</b>	\$ 0.60	\$ 0.28	114%	\$ 1.59	\$ 0.71	124%

***Delivering Results***

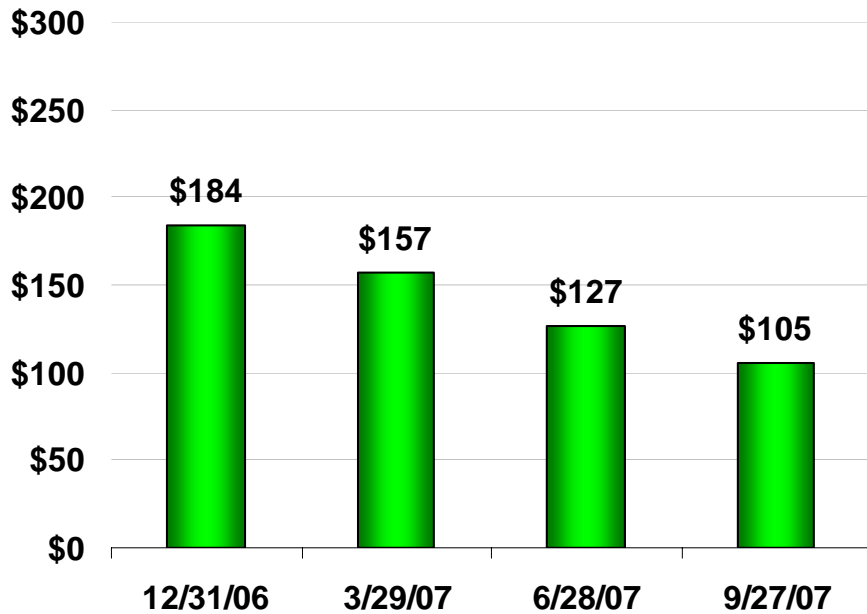


# Cash and Debt Balances

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

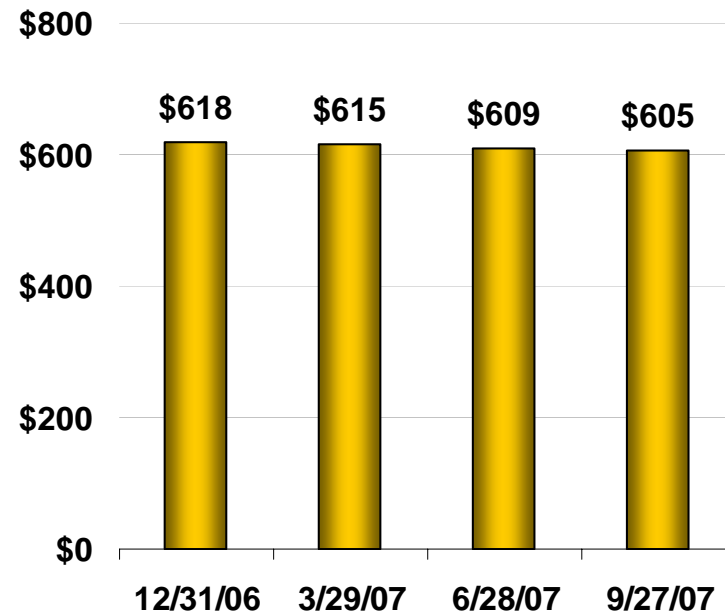
Millions

## Cash



Millions

## Total Debt



*Solid Balance Sheet and Liquidity*

# Cash Flow

\$ Millions	9M07	9M06
Net Earnings	\$ 221	\$ 86
Depreciation & Amortization	\$ 73	\$ 37
Excess Tax Benefit	\$ (33)	\$ -
Other Non-Cash Items	\$ 15	\$ 26
Working Capital/Accrued Liabilities	\$(342)	\$( 93)
Customer Advances	\$ 94	\$ 300
Other	\$ 79	\$ (30)
<b>Operating Cash Flow</b>	<b>\$ 107</b>	<b>\$ 326</b>
Capital Expenditures	\$(228)	\$(233)
Customer Reimbursed Capital Expenditures	\$ 23	\$ -
Excess Tax Benefit	\$ 33	\$ -

- **Investing in future growth**

- Development costs (Pre-production)
- Increasing work-in-process
- Preparing for rate increases
- Capital expenditure investments for tooling and equipment

***Significant 787 Investment Reducing Operating Cash Flow***



# 2007 Financial Guidance

	<u>2007 Guidance</u>	
Revenues	<del>\$4.0B - \$4.1B</del>	\$3.9B - \$4.0B
Operating Income	<del>\$410M - \$430M</del>	\$415M - \$425M
% of Sales	<del>10.0% - 10.7%</del>	10.4% - 10.7%
Depreciation and Amortization	\$115M - \$120M	
Earnings Per Share (Fully Diluted)	<del>\$1.90 - \$2.00</del>	\$2.10 - \$2.15
Effective Tax Rate	<del>~33.5%</del>	+/- 29.5%
Cash Flow From Operations	<del>+ / - \$280M</del>	+/- \$250M
Capital Expenditures	+ / - \$300M	
Customer Reimbursement of Capital Expenditures	+ / - \$45M	

***Incorporating Schedule Changes and Lower Effective Tax Rate***



# 2008 Financial Guidance

	<u>2007 Guidance</u>	<u>2008 Guidance</u>
Revenues	\$3.9B - \$4.0B	~ \$4.7B
Earnings Per Share (Fully Diluted)	\$2.10 - \$2.15	\$2.30 - \$2.40
Effective Tax Rate	+/- 29.5%	33%-34%

*Providing Cash Flow Guidance with 2007 Year-End Results*



# Closing Comments

- Strong operational execution and financial performance across the business
- Preparing to increase volumes on Airbus and Boeing products
- Continuing to invest in the 787 program... Aligning to support revised delivery schedule
- Pursuing new business opportunities... A350XWB, Business Jets, Regional Jets and Military
- Well positioned for growth

*Focused on Customers, Productivity and Growth*

# Forward-Looking Information

## Cautionary Statement Regarding Forward-Looking Statements:

**This press release includes forward-looking statements that reflect the plans and expectations of Spirit AeroSystems Holdings, Inc. To the extent that statements in this press release do not relate to historical or current facts, they constitute forward-looking statements. Forward-looking statements can generally be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “project,” “continue,” or other similar words. These statements reflect Spirit AeroSystems Holdings, Inc.’s current view with respect to future events and are subject to risks and uncertainties, both known and unknown. Such risks and uncertainties may cause the actual results of Spirit AeroSystems Holdings, Inc. to vary materially from those anticipated in forward-looking statements, and therefore we caution investors not to place undue reliance on them. Potential risks and uncertainties include, but are not limited to: our customers’ aircraft build rates; the ability to enter into supply arrangements with additional customers and satisfy performance requirements under existing contracts; any adverse impact on our customers’ production of aircraft; the success and timely progression of our customers’ new programs including, but not limited to The Boeing Company’s 787 aircraft program; 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; the effect of new commercial and business aircraft development programs; the cost and availability of raw materials; the ability to recruit and retain highly skilled employees and relationships with unions; spending by the United States and other governments on defense; the continuing ability to operate successfully as a stand alone company; the outcome of ongoing or future litigation and regulatory actions; and exposure to potential product liability claims. Additional information as to factors that may cause actual results to differ materially from our forward-looking statements can be found in Spirit AeroSystems Holdings, Inc.’s filings with the United States Securities and Exchange Commission. Spirit AeroSystems Holdings, Inc. undertakes no obligation and does not intend to update publicly any forward-looking statements after the date of this press release, except as required by law.**