

# **Hawker Beechcraft Acquisition Company, LLC**

## **Earnings Presentation**

**For The Third Quarter 2008**

# Proforma EBITDA

## Three Months and Nine Months Ended September 30, 2008 and September 30, 2007

	Three Months Ended		Nine Months Ended	
	Sept 28, 2008	Sept 30, 2007	Sept 28, 2008	Sept 30, 2007
Income (Loss) Before Income Taxes	\$ (31.6)	\$ 7.5	\$ (41.6)	\$ (62.6)
Interest Expense	48.0	54.4	142.5	119.3
Proforma operating income adjustments:				
Environmental expense recorded (reduced) at sites retained by Raytheon Company	-	-	-	(0.8)
Expense recorded related to product liability coverage retained by Raytheon Company	-	-	-	3.8
Revenue recognized related to a receivables portfolio retained by Raytheon Company	-	-	-	(1.1)
Expense recorded related to aircraft leases retained by Raytheon Company	-	-	-	2.7
Reduction in pension expense due to additional funding at closing per the acquisition agreement and the impact of purchase accounting	-	-	-	6.2
Reduction in cost of sales related to Premier deliveries due to the application of purchase accounting	-	-	-	18.1
Depreciation and amortization, including as a result of purchase accounting	39.7	37.4	117.6	96.9
Proforma EBITDA	<u>\$ 56.1</u>	<u>\$ 99.3</u>	<u>\$ 218.5</u>	<u>\$ 182.5</u>
Adjustments to proforma EBITDA:				
Reduction in corporate expenses associated with separation from Raytheon Company	-	-	-	3.9
Transition expenses to establish services previously performed by Raytheon Company	-	1.6	0.5	5.8
Exclude income statement impact of inventory step-up resulting from purchase accounting	0.8	19.7	9.1	79.6
Exclude purchase accounting adjustment associated with contract booking rate changes to present the impact as a period event consistent with prior quarters	-	1.4	-	1.4
Exclude purchase accounting adjustment related to accretion of long term warranty liability	-	1.0	-	1.0
Exclude non-cash stock-based and deferred compensation	(0.8)	4.0	7.9	10.1
Proforma Adjusted EBITDA	<u>\$ 56.1</u>	<u>\$ 127.0</u>	<u>\$ 236.0</u>	<u>\$ 284.3</u>

*Proforma Adjusted EBITDA is a non-GAAP financial measure that is useful in evaluating the ability of issuers of "high-yield" securities to meet their debt service obligations. It is not intended as a substitute for an evaluation of our results as reported under GAAP. We have presented Proforma Adjusted EBITDA as if the acquisition of the Raytheon Aircraft business had occurred at the beginning of the period presented. This information is for informational purposes only and does not purport to represent our financial condition had the acquisition occurred at the beginning of the period presented or to project the results for any future period.*

# Proforma EBITDA

## Trailing Four Quarters For The Period Ended September 28, 2008

	Trailing 12 Months	September 28 2008	June 29 2008	March 30, 2008	December 31, 2007
Income (Loss) Before Income Taxes	\$ 32.6	\$ (31.6)	\$ 39.3	\$ (49.3)	\$ 74.2
Interest Expense	190.4	48.0	\$ 46.9	\$ 47.6	\$ 47.9
Proforma operating income adjustments:					
Environmental expense recorded (reduced) at sites retained by Raytheon Company	-	-	-	-	-
Expense recorded related to product liability coverage retained by Raytheon Company	-	-	-	-	-
Revenue recognized related to a receivables portfolio retained by Raytheon Company	-	-	-	-	-
Expense recorded related to aircraft leases retained by Raytheon Company	-	-	-	-	-
Reduction in pension expense due to additional funding at closing per the acquisition agreement and the impact of purchase accounting	-	-	-	-	-
Reduction in cost of sales related to Premier deliveries due to the application of purchase accounting	-	-	-	-	-
Depreciation and amortization, including as a result of purchase accounting	158.1	39.7	39.4	38.7	40.3
Proforma EBITDA	<u>\$ 381.1</u>	<u>\$ 56.1</u>	<u>\$ 125.6</u>	<u>\$ 37.0</u>	<u>\$ 162.4</u>
Adjustments to proforma EBITDA					
Reduction in corporate expenses associated with separation from Raytheon Company	-	-	-	-	-
Transition expenses to establish services previously performed by Raytheon Company	5.7	-	-	0.5	5.2
Exclude income statement impact of inventory step-up resulting from purchase accounting	34.6	0.8	3.7	4.5	25.6
Exclude purchase accounting adjustment associated with contract booking rate changes to present the impact as a period event consistent with prior quarters	-	-	-	-	-
Exclude purchase accounting adjustment related to accretion of long term warranty liability	0.4	-	-	-	0.4
Exclude stock-based and deferred compensation	14.5	(0.8)	3.8	4.9	6.6
Proforma Adjusted EBITDA	<u>\$ 436.3</u>	<u>\$ 56.1</u>	<u>\$ 133.1</u>	<u>\$ 46.9</u>	<u>\$ 200.2</u>

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# Aircraft Delivery Units

	Three Months Ended		Nine Months Ended	
	Sept 28, 2008	Sept 30, 2007	Sept 28, 2008	Sept 30, 2007
Hawker 4000	2	-	3	-
Hawker 900XP	10	8	33	8
Hawker 800/850XP	6	10	11	30
Hawker 750	9	-	15	-
Hawker 400XP	5	12	19	27
Premier	2	5	23	32
King Airs	33	40	112	102
Pistons	19	31	71	81
Business & General Aviation Total	<u>86</u>	<u>106</u>	<u>287</u>	<u>280</u>
T-6	-	2	36	25
Total Deliveries	<u><u>86</u></u>	<u><u>108</u></u>	<u><u>323</u></u>	<u><u>305</u></u>