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Hawker Beechcraft Acquisition Company, LLC Provides Financial Update



BY TEXTRON AVIATION

Hawker Beechcraft Acquisition Company, LLC (“HBAC”) today announced that revenue for the fourth quarter of 2009 is expected to be approximately \$1.1 billion, bringing estimated full-year 2009 revenue to approximately \$3.2 billion. Operating income for the fourth quarter of 2009 is expected to be between approximately zero to a loss of \$15 million, with full year 2009 operating loss estimated to be between \$725 and \$740 million.

Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA) for the full year 2009 is expected to be between \$95 million and \$110 million after adjusting for certain non-recurring items expected to have an approximate net \$330 million negative effect on operating income. The primary non-recurring items include third-quarter 2009 impairment and other charges of \$613 million as well as restructuring charges and losses on derivative instruments expected to total \$65 million, partially offset by gains of \$352.1 million related to purchases of the Company’s debt securities earlier in the year. A reconciliation of Adjusted EBITDA to Operating Income is included in the Appendix.

The Company also announced that it has received cancellation notices from NetJets, Inc. for a significant number of aircraft previously contracted to be delivered over several years beginning in 2011. The impact of the cancellations will be to reduce the Company's current backlog by approximately \$2.6 billion. HBAC has previously disclosed that NetJets, while a considerable source of backlog, was not expected to provide the Company any substantial revenue during 2009 or 2010 and has historically not represented more than 10 percent of the Company's annual revenue. The cancellations represent approximately 90 percent of the Company's previously contracted backlog with NetJets.

After removing the cancelled NetJets orders from backlog and considering the anticipated sales and order activity for the fourth quarter, backlog is expected to be approximately \$3.5 billion at December 31, 2009. The Company continues to expect depressed demand in the near term.

Hawker Beechcraft Corporation is a world-leading manufacturer of business, special-mission and trainer aircraft – designing, marketing and supporting aviation products and services for businesses, governments and individuals worldwide. The company's headquarters and major facilities are located in Wichita, Kan., with operations in Salina, Kan.; Little Rock, Ark.; Chester, England, U.K.; and Chihuahua, Mexico. The company leads the industry with a global network of more than 100 factory-owned and authorized service centers. For more information, visit www.hawkerbeechcraft.com.

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