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Hawker Beechcraft Obtains Additional Liquidity, Enters into Forbearance Agreement with Lenders



BY TEXTRON AVIATION

Hawker Beechcraft, Inc. today announced it has reached an agreement with certain lenders that will provide the company with approximately \$120 million of additional liquidity through an incremental term loan facility under its existing credit facility. The company intends to use the proceeds of this loan to fund its ongoing operations as Hawker Beechcraft continues working with its lenders toward a comprehensive recapitalization. As part of the agreement, lenders currently holding approximately 70 percent of Hawker Beechcraft bank debt have agreed to defer the company's obligation to make certain interest payments on the company's senior secured revolving and term loans when due, and have granted the company relief from certain existing loan covenants. This forbearance agreement is scheduled to expire on June 29, 2012.

Robert S. (Steve) Miller, CEO of Hawker Beechcraft, Inc., said, “Like others in the industry, Hawker Beechcraft has been impacted by the prolonged weakness in our markets. In the last three years the company has made aggressive transformational changes in all operational functions. While these steps have been effective, the company is operating with a debt load that is restricting its ability to succeed and fully execute on its strategy. We believe this agreement will stabilize the company’s current financial position and ensure Hawker Beechcraft continues manufacturing the best airplanes for our customers and providing first-class service and support. At the same time, the agreement provides Hawker Beechcraft and its lenders with additional time and flexibility to work together to recapitalize the company and better position Hawker Beechcraft for the future. We believe this loan demonstrates confidence in the long-term value of the company.”

Hawker Beechcraft, Inc., the parent company of Hawker Beechcraft Corporation, is a world-leading manufacturer of business, special mission, light attack 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 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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