



C. K. COOPER & COMPANY

Our Insight, Your Growth

PMA MANUFACTURING & ENGINEERING INVESTMENT BANKING PERSPECTIVES

DANIEL E. SIRVENT

DIRECTOR, CORPORATE FINANCE

AEROSPACE, DEFENSE & GOVERNMENT MARKETS

949.975.2055

DSIRVENT@CKCOOPER.COM

C. K. COOPER & COMPANY

18300 VON KARMAN AVENUE

SUITE 700

IRVINE, CA 92612

WWW.CKCOOPER.COM

14TH ANNUAL GORHAM PMA-DER CONFERENCE

MARCH 22, 2012

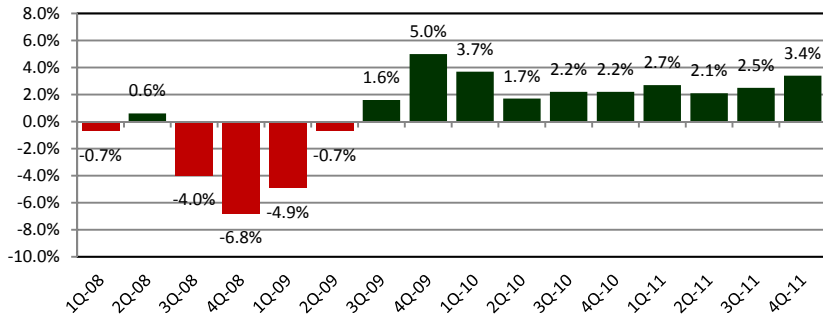
SAN DIEGO, CA



DASHBOARD OF KEY ECONOMIC INDICATORS

U.S. GROSS DOMESTIC PRODUCT GROWTH

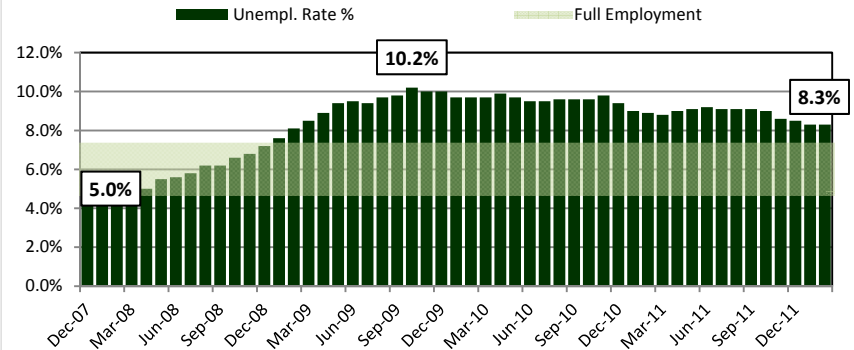
U. S. GROSS DOMESTIC PRODUCT
SEASONALLY ADJUSTED ANNUAL GROWTH RATES



Source: Bureau of Economic Analysis

U.S. UNEMPLOYMENT RATES

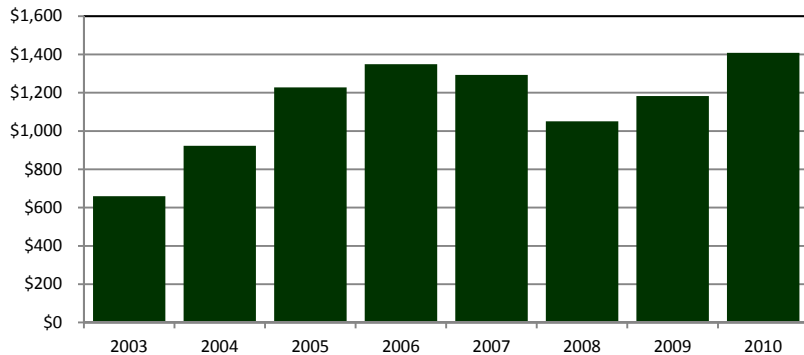
U.S. NATIONAL UNEMPLOYMENT RATES



Source: Bureau of Economic Analysis

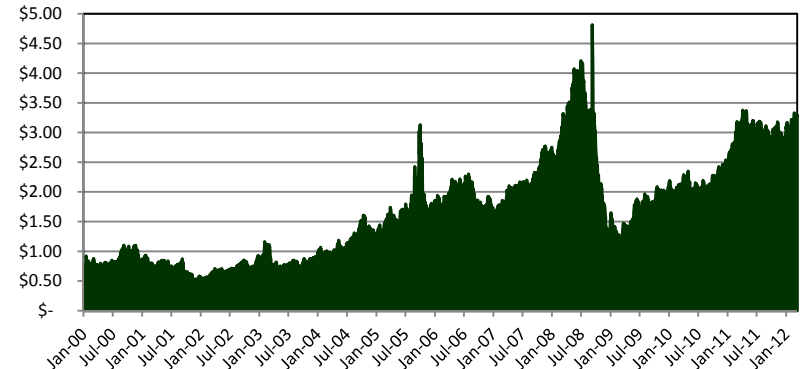
U.S. CORPORATE PROFITS

U.S. CORPORATE PROFITS - \$Bns



JET FUEL PRICES

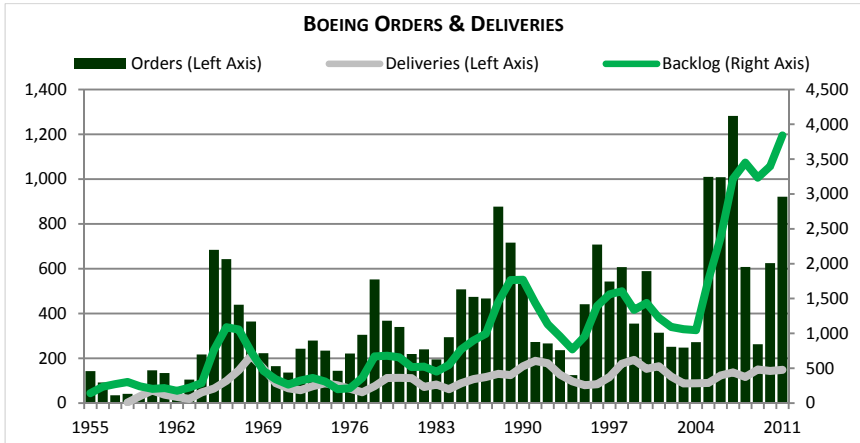
JET FUEL PRICES - \$USD/GALLON





AEROSPACE INDUSTRY GROWTH DRIVERS

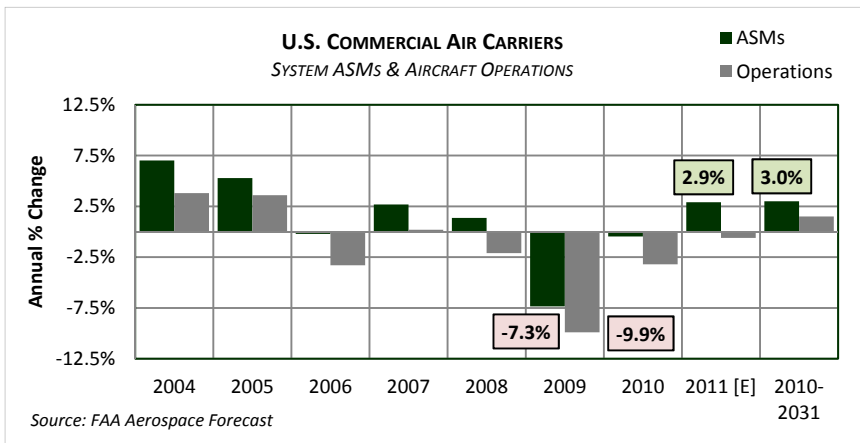
COMMERCIAL ORDERS & BACKLOGS



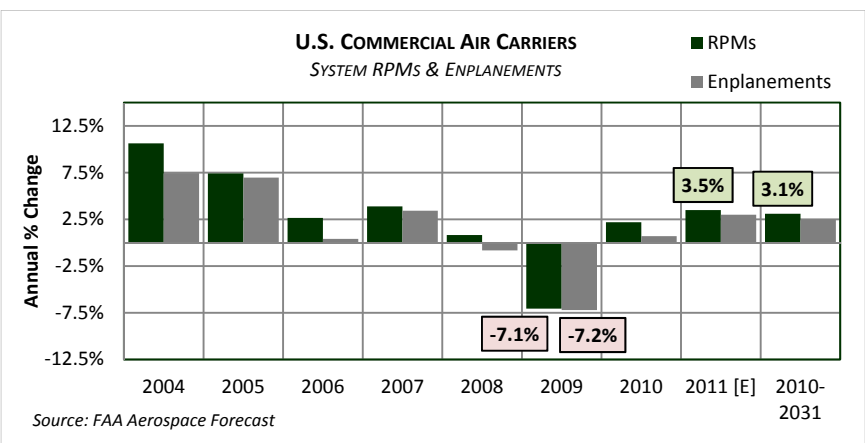
EXPANDING PRODUCTION PIPELINES

- BOEING & AIRBUS ANNOUNCED INCREASED PRODUCTION RATES ON MULTIPLE A/C PLATFORMS FOLLOWING STRONG 2011 BOOKINGS
- A320/NEO & B737/MAX PROGRAMS EXTEND THE LIFECYCLES OF THE 2 MOST SUCCESSFUL NARROW-BODIES IN HISTORY.
- B787 IN PRODUCTION MODE, WITH AGGRESSIVE FUTURE RATE TARGETS.
- A350XWB LINGERS IN DEVELOPMENT, BUT 2013/-15/-17 EIS DATES SUGGEST SOUND FOOTING FOR FUTURE SUPPLY REQUIREMENTS.
- CRJ1000 & G650 ARE ALSO RAMPING PRODUCTION, AND THE CORP/BIZ MARKETS PROVIDE UPSIDE AS THEY AREN'T EXPECTED TO BEGIN CONTRIBUTING MATERIALLY TO GROWTH UNTIL EARLY 2013.

SYSTEM CAPACITY: ASMs & OPERATIONS



SYSTEM LOAD: RPMs & ENPLANEMENTS





MARKET LANDSCAPE: PMA OVER/UNDER

HERE'S WHAT WE SAID LAST YEAR:

"DESPITE IMPROVING CONDITIONS, TENDENCIES TOWARD HIGHER EFFICIENCY, NEXT GENERATION AIRFRAME & ENGINE PLATFORMS WILL REQUIRE ADDITIONAL ATTENTION IN ORDER TO ALLOW PMA/DER FIRMS TO CAPTURE ADDITIONAL OPPORTUNITIES."

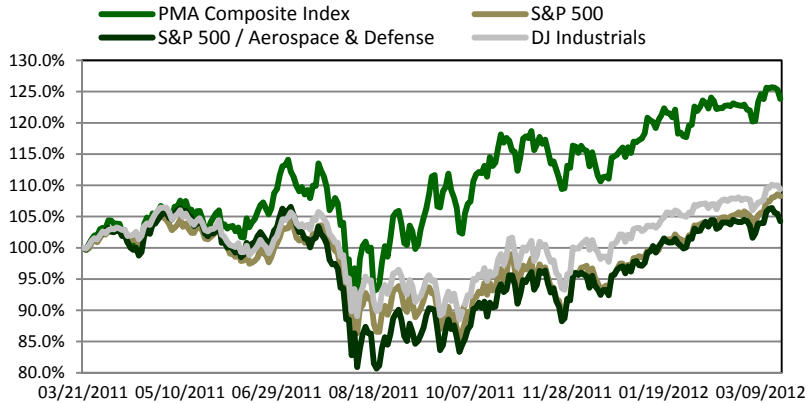
		2012 & Beyond		
Broad Market Trends	PMA Over/Under	OEMs	PMA	DER
Aircraft Lifecycle Factors				
B737-MAX & A320-NEO	20+ More Years!!	●	●	●
B787 & the Composites Generation	Structure v. Component	●	⊙	⊙
Power-Plant Partnerships (CFM/IAE/EA)	OEM Cartels & Merry-Go-Rounds	●	⊙	⊙
Long-Term Market Factors				
PMA Adoption & Penetration	Improved Acceptance / T&C Gaining Share	●	●	●
OEM Pricing Policies	PMA Adoption	●	●	●
Supply Chain Consolidation	Stronger PMA/DERs	●	●	●
Jet Fuel Prices	MRO vs. Acquisitions	●	●	●
Shifting Market Dynamics				
End-Market Demand	Long-Term Commercial A/C Cycle in Play	●	●	●
Replacements "trump" Repairs	Strong New A/C Pipeline & Re-Engining	●	●	●

Negative ● Neutral ⊙ Positive ●

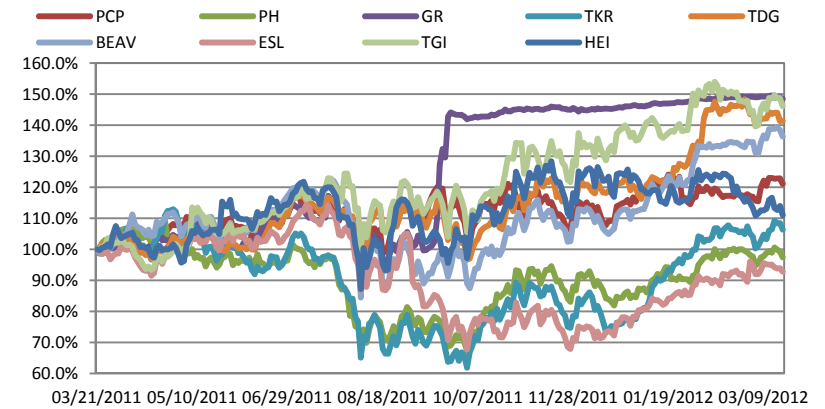


A&D CAPITAL MARKETS PERFORMANCE

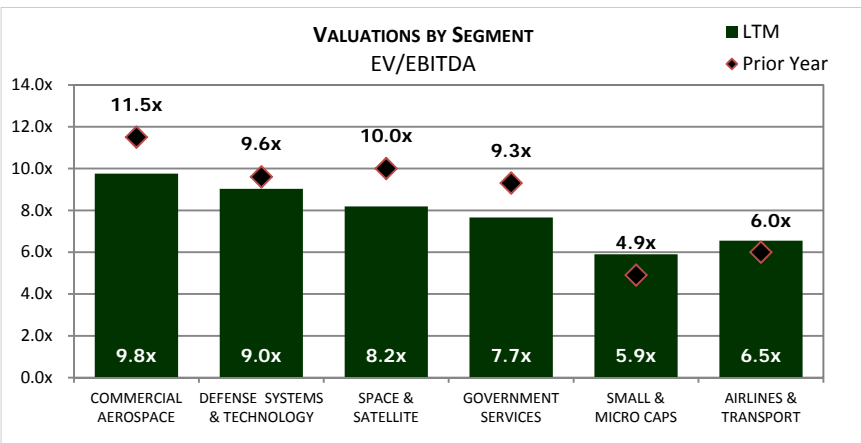
PMA COMPOSITE INDEX PERFORMANCE



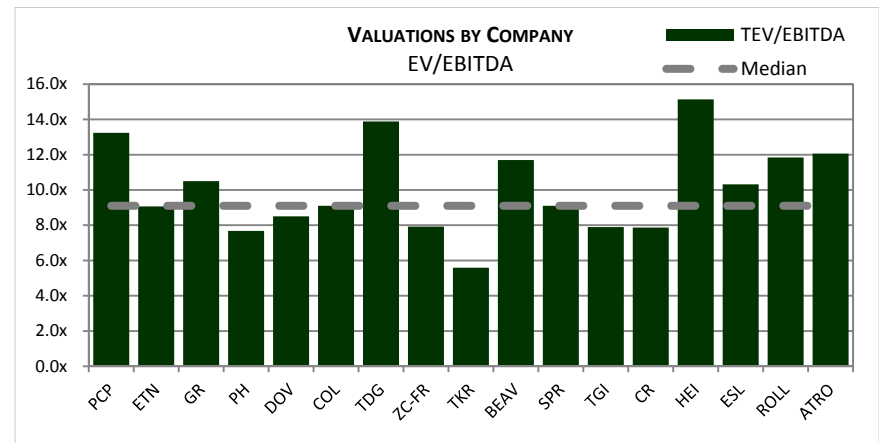
SELECTED PMA MANUFACTURERS



VALUATION MULTIPLES: BY SEGMENT



VALUATION MULTIPLES: PMA COMPANIES



Source: FactSet Research & Public Company Filings



A&D PUBLIC COMPANY VALUATIONS

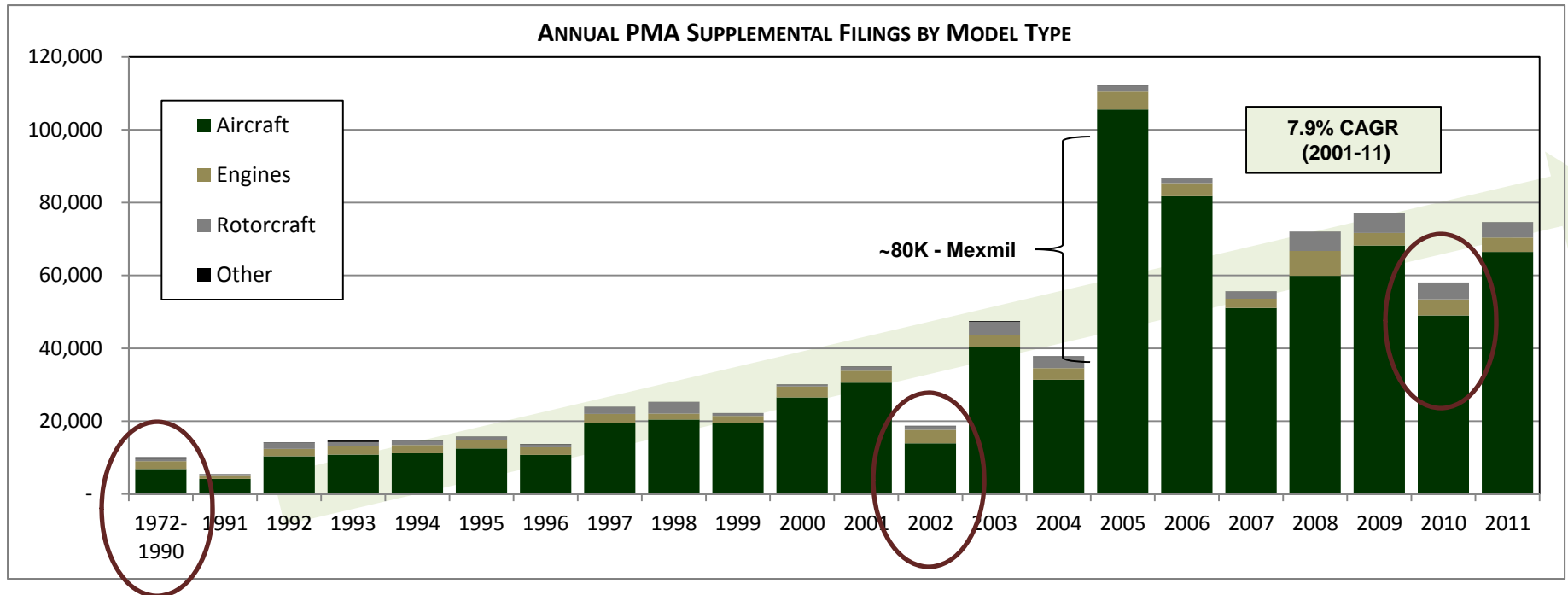
PUBLIC COMPANY TRADING VALUATIONS REFLECT AVERAGE P/E RATIOS OF **~18x** AND ENTERPRISE VALUATIONS OF **~10x** EBITDA FOR LEADING COMPONENT PARTS PROVIDERS.

<i>SMMs, except per share data</i>		PMA Data		Market Data			Financial Data				Valuation		
Company Name	Rank	#PMA Parts	Share Price	52 Week High	Market Value	Current P/E	Sales	Gross Margin	EBITDA	EBITDA Margin	Enterprise Value	EV / Sales	EV / EBITDA
Precision Castparts Corp.	6	14,456	\$173.04	\$179.47	\$25,118.9	21.7x	\$6,956.6	30.8%	\$1,893.0	27.2%	\$25,065.3	3.6x	13.2x
Eaton Corp.	15	3,836	\$50.19	\$56.42	\$16,798.6	12.7x	\$16,049.0	29.8%	\$2,189.0	13.6%	\$19,834.9	1.2x	9.1x
Goodrich Corp.	4	27,347	\$125.28	\$126.44	\$15,760.4	19.8x	\$8,074.9	31.9%	\$1,645.9	20.4%	\$17,284.2	2.1x	10.5x
Parker Hannifin Corp.	9	5,260	\$87.61	\$99.40	\$13,220.6	12.6x	\$12,990.6	24.2%	\$1,947.3	15.0%	\$14,947.2	1.2x	7.7x
Dover Corp.	13	4,574	\$62.66	\$70.15	\$11,507.9	13.2x	\$7,950.1	38.4%	\$1,519.7	19.1%	\$12,923.8	1.6x	8.5x
Rockwell Collins Inc.	12	4,641	\$57.77	\$65.45	\$8,452.0	14.6x	\$4,790.0	50.9%	\$1,017.0	21.2%	\$9,256.4	1.9x	9.1x
TransDigm Group Inc.	2	96,057	\$114.15	\$121.48	\$5,782.5	27.8x	\$1,318.4	53.8%	\$639.2	48.5%	\$8,876.7	6.7x	13.9x
Zodiac Aerospace	5	24,007	\$104.53	\$81.80	\$5,350.3	17.8x	\$3,792.8	14.9%	\$609.6	16.1%	\$4,829.9	1.3x	7.9x
Timken Co.	10	5,247	\$52.60	\$57.83	\$5,141.1	11.5x	\$5,170.2	26.6%	\$942.7	18.2%	\$5,269.5	1.0x	5.6x
BE Aerospace Inc.	11	4,803	\$47.13	\$48.29	\$4,897.5	21.0x	\$2,499.8	37.5%	\$490.1	19.6%	\$5,733.3	2.3x	11.7x
Spirit AeroSystems Holdings Inc	3	27,547	\$24.88	\$26.12	\$3,554.5	18.4x	\$4,864.1	11.6%	\$501.4	10.3%	\$4,564.0	0.9x	9.1x
Triumph Group Inc.	1	108,135	\$63.06	\$66.77	\$3,097.5	14.1x	\$3,380.6	20.5%	\$566.0	16.7%	\$4,466.3	1.3x	7.9x
Crane Co.	17	2,967	\$47.60	\$52.38	\$2,749.9	9.5x	\$2,545.9	33.9%	\$377.2	14.8%	\$2,966.7	1.2x	7.9x
Heico Corp.	7	9,789	\$52.78	\$61.97	\$2,222.6	30.2x	\$803.3	39.3%	\$169.9	21.1%	\$2,572.3	3.2x	15.1x
Esterline Technologies Corp.	8	5,973	\$66.24	\$82.28	\$2,030.4	16.4x	\$1,810.0	33.6%	\$279.4	15.4%	\$2,883.7	1.6x	10.3x
RBC Bearings Inc.	16	3,462	\$45.27	\$48.05	\$999.6	22.9x	\$375.1	33.9%	\$81.5	21.7%	\$965.1	2.6x	11.8x
Astronics Corp.	14	4,288	\$34.53	\$38.02	\$421.7	20.7x	\$228.2	26.5%	\$38.3	16.8%	\$461.6	2.0x	12.1x
Max		108,135	\$173.0	\$179.5	\$25,118.9	30.2x	\$16,049.0	53.8%	\$2,189.0	48.5%	\$25,065.3	6.7x	15.1x
Mean		20,729	\$71.1	\$75.4	\$7,476.8	17.9x	\$4,917.6	31.7%	\$876.9	19.8%	\$8,405.9	2.1x	10.1x
Median		5,260	\$57.8	\$65.5	\$5,141.1	17.8x	\$3,792.8	31.9%	\$609.6	18.2%	\$5,269.5	1.6x	9.1x
Min		2,967	\$24.9	\$26.1	\$421.7	9.5x	\$228.2	11.6%	\$38.3	10.3%	\$461.6	0.9x	5.6x

Source: FactSet Research, Company Filings & CKCC Proprietary FAA-PMA Database Analysis



PMA DATABASE ANALYSIS: 1972-PRESENT



873,204 PMA Supplements on record since 1972 / 82% of these (713,391) have been filed since 2000

As interest in PMA Manufacturing Approval has expanded, so has the reliability of FAA Record-keeping:

In 1972, the FAA amended CFR Part 21 creating a separate process for PMA approvals, and eliminating the incorporate by reference of TC requirements. Despite rapid growth in PMA manufacturing in the 1980's, barely 10,000 Supplements are included in the FAA Database from 1972-1990.

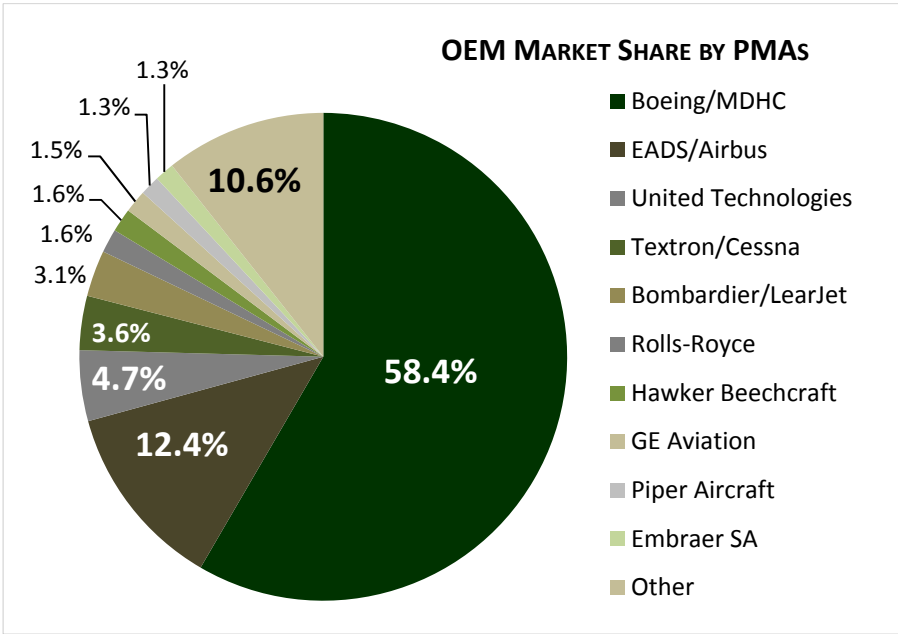
In 1995, the FAA announced its "Enhanced Enforcement" policy regarding PMA approval and the regularity and detail of Supplement record-keeping improved noticeably. Since about 2000, Supplements incorporate greater detail and reflect improved accuracy including PMA Holder ID#'s and more complete descriptions regarding Approval Basis.

Source: CKCC Proprietary FAA-PMA Database



OEM MARKET SHARES BY PMA FILINGS

GLOBAL TOP 10 OEMS - 89.4% OF PMAS



TIER II: 6.7% COMBINED PMA MARKET SHARE

OEM	PMAs	%
Israel Aerospace (IAI)	10,700	1.2%
Lockheed Martin	10,335	1.2%
Gulfstream	8,979	1.0%
SAFRAN	8,590	1.0%
Honeywell	5,597	0.6%
Teledyne Continental	4,708	0.5%
Dassault	3,793	0.4%
Fokker Aircraft	2,530	0.3%
BAE Systems	2,236	0.3%
Finnmeccanica	1,204	0.1%
TOTAL	58,672	6.7%

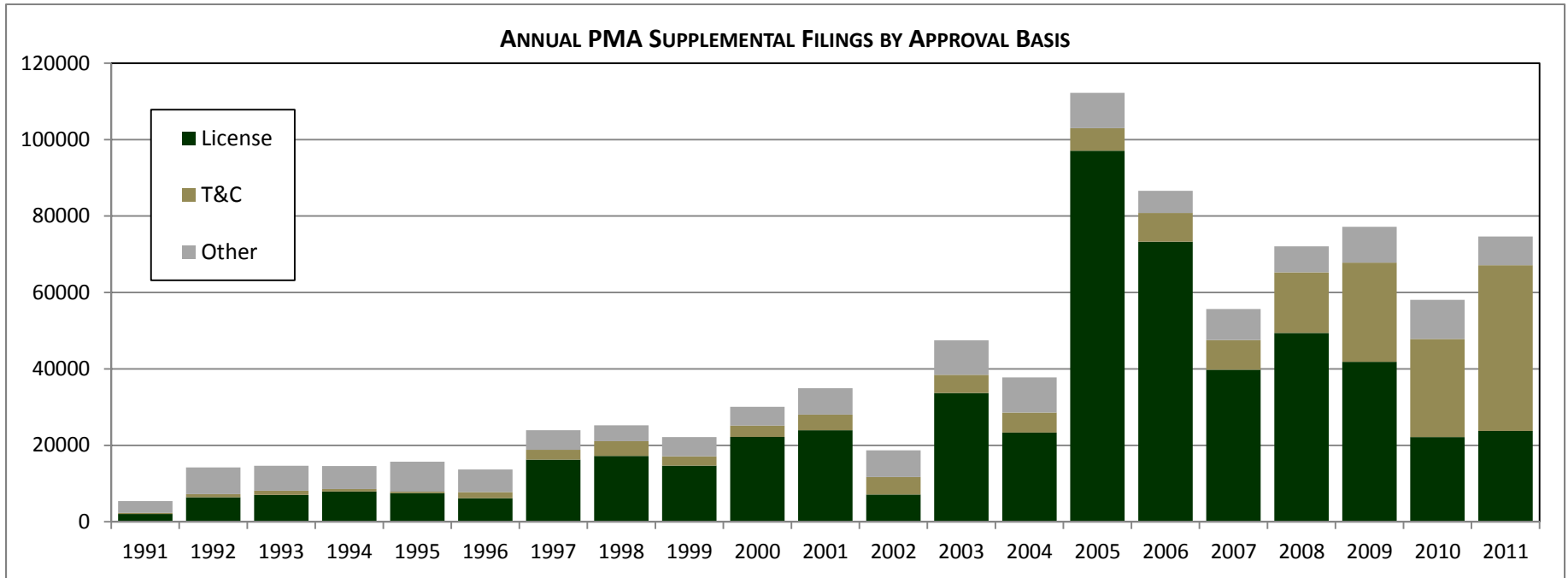
The Top 10 OEMs account for more than 780,000 PMA Supplements:

- All but 2 of the Top 10 are Global Public Companies -- Figures exclude PMAs on Joint-Ventures (ATR/CFM/IAE/EA).
- 2nd Tier OEMs represent an incremental 6.7%, with the Top 35 OEMs account for 98% of all PMA Approvals.
- The remaining ~85 OEMs which are predominantly GA, Specialty & Recreational aircraft models represent less than 11% of the total.

Source: CKCC Proprietary FAA-PMA Database



THE GREAT DEBATE: LICENSING VS. T&C



PMA APPROVALS BY TEST & COMPUTATION HAVE GAINED GROUND SINCE 2005

Approval Basis	2005	2006	2007	2008	2009	2010	2011
License	86.5%	84.6%	71.5%	68.6%	54.2%	38.2%	31.9%
T&C	5.3%	8.7%	14.0%	22.0%	33.6%	44.2%	58.1%
Other	8.2%	6.7%	14.6%	9.4%	12.1%	17.6%	10.0%
Grand Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

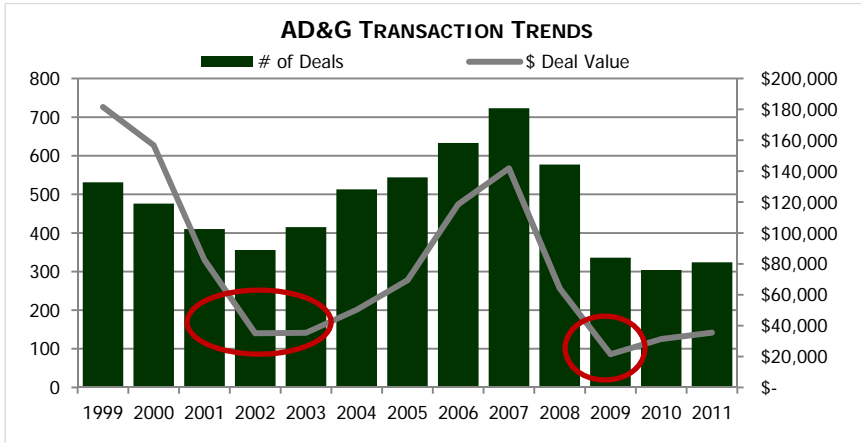
In addition, the “Other” category includes Approval Basis descriptions including STC and Design Approval references, with no mention of licensing agreements in any of the “Other” filings. CKCC also threw 529 supplements which were supported by License **AND** T&C over to the “opposition team” (though it’s hardly rounding error given the dataset).

Source: CKCC Proprietary FAA-PMA Database

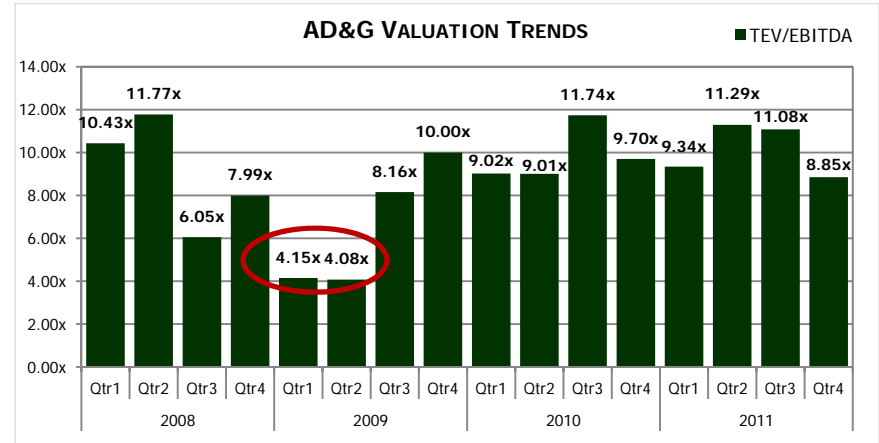


M&A MARKET TRENDS

AD&G SECTOR VALUE & VOLUME



AD&G SECTOR VALUATIONS



STRONG APPETITE FOR PMA COMPANIES

- EV/SALES MULTIPLES REMAINED CONSISTENT NEAR 2.0X
- EV/EBITDA MULTIPLES CONTRACTED SLIGHTLY IN 2011 MIMICKING PUBLIC MARKET VALUATION TRENDS.

	EV/Sales		EV/EBITDA	
	2008-11	2011	2008-11	2011
Max	5.10x	3.44x	19.41x	13.14x
Mean	2.09x	2.08x	12.26x	11.02x
Median	1.98x	2.17x	13.14x	11.02x
Min	0.37x	1.02x	7.64x	8.90x

Source: FactSet Research, DACIS, Public Company Filings & CKCC Research

PMA ACQUISITIONS: 2011-PRESENT

Date	Buyer	Acquired	Price/EV \$MMs
Pending	United Technologies, Inc.	Goodrich Corp.	\$ 18,400.0
2/15/2012	TransDigm Group, Inc.	AmSafe Global Holdings, Inc.	750.0
12/9/2011	TransDigm Group, Inc.	Harco Laboratories, Inc.	82.8
12/5/2011	AAR Corp	Telair International	280.0
11/23/2011	HEICO Corp.	Switchcraft, Inc.	142.0
10/11/2011	Curtiss-Wright Corp.	South Bend, Ind.	10.9
8/5/2011	TransDigm Group, Inc.	Schneller LLC	288.6
7/28/2011	Curtiss-Wright Corp.	ACRA Control Ltd	61.1
7/11/2011	Precision Castparts Corp.	Primus International LLC	900.0
5/12/2011	Goodrich	Microtecnica	478.0
4/4/2011	Ducommun, Inc.	LaBarge, Inc.	340.0
1/31/2011	Alcoa, Inc.	Valley Todeco / Linread	240.0
1/11/2011	Curtiss-Wright Corp.	Predator Systems, Inc.	13.5



PMA CONSOLIDATION: THE PAST IS PROLOGUE

PMA-PMA MERGERS SHIFTING THE BALANCE

Acquirer / Target

2011 Merger & Acquisition Transactions	PMA #
TransDigm, Inc.	7,162
<i>AmSafe Global (Berkshire/Greenbriar)</i>	10,315
<i>Schneller LLC (Graham Partners)</i>	78,580
TOTAL	96,057
United Technologies, Inc.	20,627
<i>Goodrich Corp. [Pending]</i>	27,347
TOTAL	47,974
Precision Castparts Corp.	9,509
<i>Primus International (Oak Hill)</i>	4,947
TOTAL	14,456
Wencor Group LLC	6,795
<i>AAR Corp. (PMAs)</i>	1,444
TOTAL	8,239
KAPCO, Inc. (Kirkhill Aircraft Products Co.)	4,884
<i>AAXICO Sales, Inc.</i>	863
TOTAL	5,747
Grand Total	172,473
% Total Market Share	24.2%

- In 2011, UTX announced an agreement to acquire GR for \$18.4 Billion. While still pending completion later in 2012, the deal will double UTX's presence in the PMA business.
- TransDigm's acquisition of Schneller drives them into a close 2nd place behind Triumph Group with the 2 companies controlling nearly 25% of the total body of PMA approvals.
- PCP spend \$900 Million on its acquisition of Primus, more than doubling its stake in the PMA market.
- Despite a late entry for 2011, KAPCO's acquisition of AAXICO in February of this year brings this employee-owned company ahead of all but a half-dozen private firms. Could KAPCO be edging closer to an IPO?

Source: CKCC Proprietary FAA-PMA Database

2012 LEAGUE TABLES

Top 30 PMA Holders	Type	# PMA Approvals	% Share
Triumph Group, Inc.	Public	108,135	12.4%
TransDigm Group, Inc.	Public	96,057	11.0%
GM Nameplate, Inc.	Private	48,690	5.6%
United Technologies, Inc.	Public	47,974	5.5%
Spirit AeroSystems, Inc.	Public	27,547	3.2%
Zodiac Group SA	Public	24,007	2.7%
Avmat Aviation Materials	Private	22,097	2.5%
Panasonic Avionics	Public	16,393	1.9%
General Dynamics	Public	15,704	1.8%
Precision Castparts Corp.	Public	14,456	1.7%
AvioSupport	Private	10,076	1.2%
HEICO Corp.	Public	9,789	1.1%
BAE Systems	Public	9,721	1.1%
Aero Decals, Inc.	Private	9,562	1.1%
Wencor Group LLC	PEG	8,239	0.9%
Aerotech Holdings, Inc.	Private	8,033	0.9%
Great Lakes Aero Products	Private	7,953	0.9%
Esterline Technologies	Public	5,973	0.7%
KAPCO, Inc.	ESOP	5,747	0.7%
Parker Hannifin	Public	5,260	0.6%
Timken Company	Public	5,247	0.6%
B/E Aerospace	Public	4,803	0.6%
Rockwell Collins	Public	4,641	0.5%
Dover Corp.	Public	4,574	0.5%
Astronics, Inc.	Public	4,288	0.5%
Honeywell, Inc.	Public	4,171	0.5%
Loos & Company	Private	3,911	0.4%
Eaton Corp.	Public	3,836	0.4%
Meggitt plc	Public	3,655	0.4%
RBC Bearings	Public	3,462	0.4%
Top 30 Total		544,001	76.3%

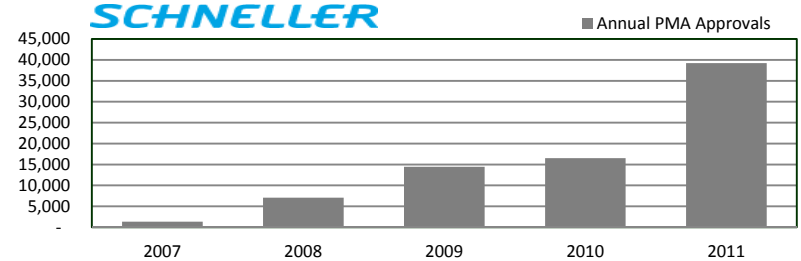
*Figures based on PMA Filings between 2000 - 2011



\$1.2 BILLION M&A RAMPAGE

- JUNE 2011 - TRANSDIGM GROUP PAID \$288.5MM TO ACQUIRE SCHNELLER LLC FROM GRAHAM PARTNERS. FROM 2007-2011, SCHNELLER HAD RECEIVED OVER 78,000 PMA APPROVALS WITH 99.7% BASED ON TEST & COMPUTATION.
- DEC. 2011 - TDG PURCHASED HARCO LABORATORIES FOR \$82.8MM TO GAIN ACCESS TO A "PALTRY" 300 PMA APPROVALS ON CRITICAL FLIGHT CONTROL, CABIN MANAGEMENT AND THERMOCOUPLE CABLE & HARNESS ASSEMBLIES.
- FEB. 2012 - TDG ANNOUNCED IT'S PLAN TO PURCHASE AMSAFE GLOBAL HOLDINGS AND ITS MORE THAN 10,000 PMA PART APPROVALS FROM BERKSHIRE EQUITY & GREENBRIAR EQUITY PARTNERS FOR \$750MM, OR 2.9X AMSAFE'S REPORTED \$260MM IN ANNUAL SALES. TDG HAS BEEN GRANTED EARLY TERMINATION OF ITS HSR WAITING PERIOD.

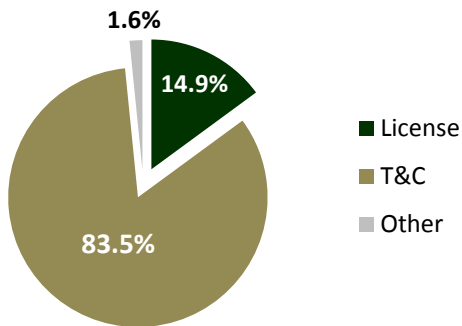
SCHNELLER: HYPOTHETICAL ROI



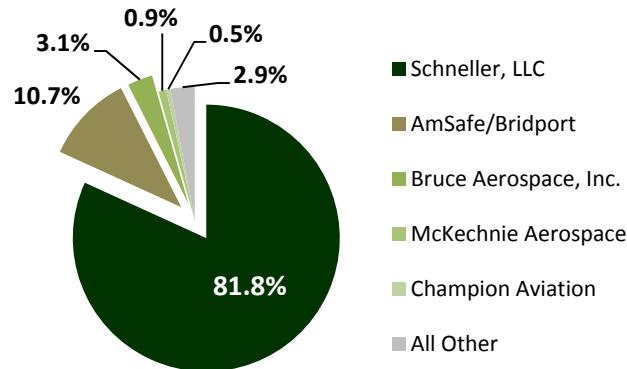
ASSUMING AN ACQUISITION COST OF \$120MM AND A 2:1 DEBT-TO-EQUITY RATIO, GRAHAM PARTNERS COULD HAVE EARNED \$200MM ON A \$40MM EQUITY INVESTMENT (ROI MULTIPLE: 5x) IN 4 YEARS PRIOR TO ANY DEBT AMORTIZATION.

PRO-FORMA PMA POWERHOUSE – 96,000 PMAs / 11.0% MARKET SHARE

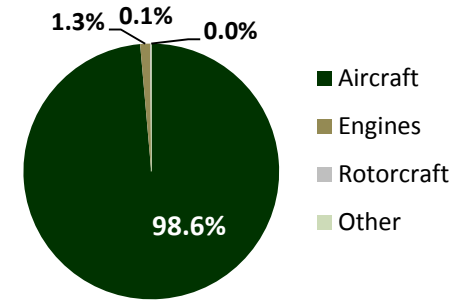
TRANSDIGM: PMAs BY APPROVAL BASIS



TRANSDIGM: PMAs BY DIVISION



TRANSDIGM: PMAs BY MODEL TYPE



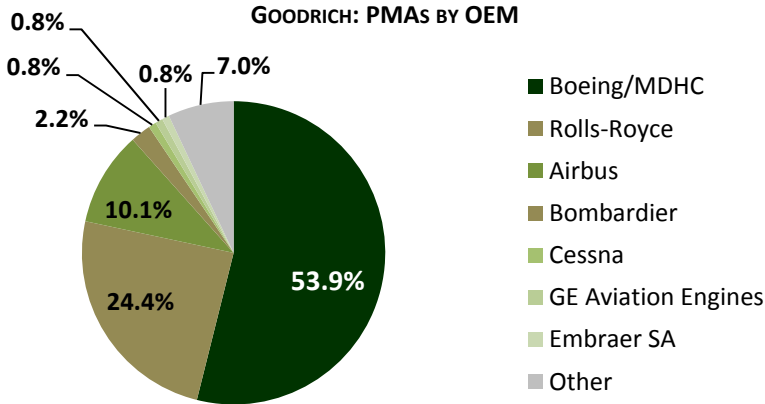
Source: CKCC Proprietary FAA-PMA Database



CASE STUDY: UTX ACQUIRING GOODRICH



PMA PROFILE: GOODRICH CORP.

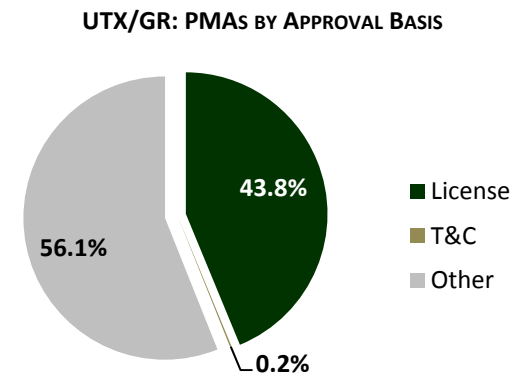
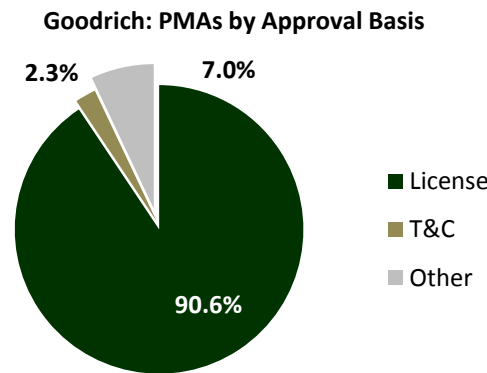
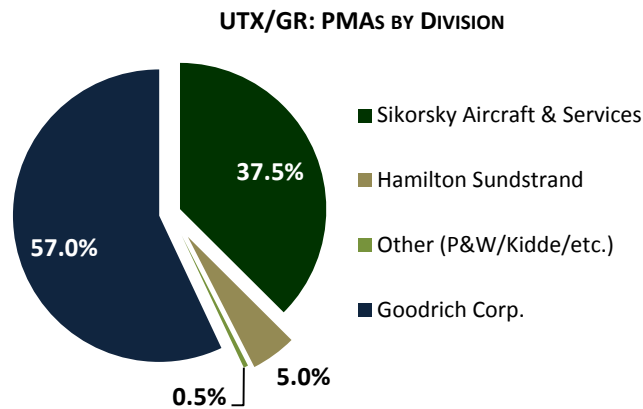


PMA PROFILE: POST-ACQUISITION

UPON COMPLETION OF ITS ACQUISITION OF GOODRICH CORP., UTX WILL CONTROL NEARLY 50,000 PMA PART APPROVALS WITH MORE THAN HALF DERIVED FROM GOODRICH. 70% VIA LICENSE AGREEMENTS WITH THE REMAINDER ASSOCIATED WITH STC & DESIGN APPROVALS.

Company / Division	License	T&C	Other	TOTAL	%
Sikorsky Aircraft & Services	6,574	4	11,396	17,974	37.5%
Hamilton Sundstrand	2,313	17	80	2,410	5.0%
Other (P&W/Kidde/etc.)	141	16	86	243	0.5%
United Technologies	9,028	37	11,562	20,627	43.0%
Goodrich Corp.	24,783	641	1,923	27,347	57.0%
Post-Acquisition	33,811	678	13,485	47,974	100.0%
% by Approval	70.5%	1.4%	28.1%	100.0%	

POST-ACQUISITION PMA BUSINESS SEGMENTATION



Source: CKCC Proprietary FAA-PMA Database



CONTACT INFORMATION



C. K. COOPER & COMPANY

Our Insight, Your Growth

18300 VON KARMAN AVE, SUITE 700
IRVINE, CA 92612
Phone: 949-477-9300
Website: www.ckcooper.com

Alexander G. Montano
Managing Director
949-477-9300 ext. 2048
Agmontano@ckcooper.com

Daniel E. Sirvent
Director, Corporate Finance
949-477-9300 ext. 2055
Dsirvent@ckcooper.com

Adam B. Connors
Director, Corporate Finance
949-477-9300 ext. 2051
Aconnors@ckcooper.com

Alec E. Alessi
Associate Director
949-477-9300 ext. 2061
Aalessi@ckcooper.com

Hue X. Lapham
Associate Director / Syndicate
949-477-9300 ext. 2046
Hlapham@ckcooper.com

Carl Goltermann
Associate
949-477-9300 ext. 2032
Cgoltermann@ckcooper.com

Tom J. Hsiao
Associate
949-477-9300 ext. 2085
Thsiao@ckcooper.com