

World Conference for the Aerospace Industries



Sam Marnick
Sr. Vice President/Chief Administration Officer
2 July 2015



► Agenda

- Spirit AeroSystems Company Overview
 - Spirit AeroSystems Video
- Global Aerospace Industry: Spirit AeroSystems View
- Spirit AeroSystems and International Association of Machinists Partnership



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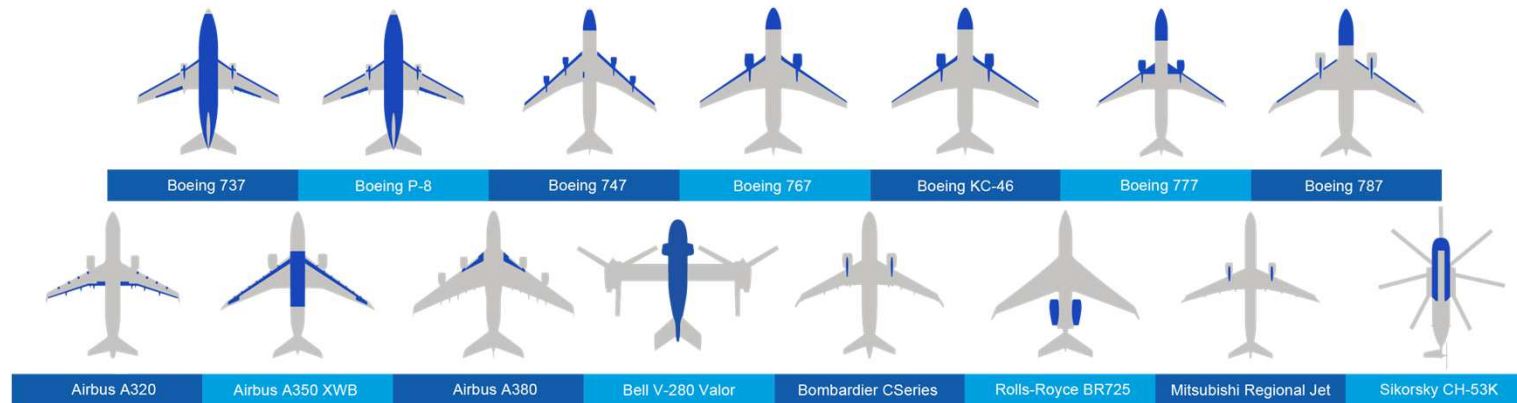
► Spirit AeroSystems – Company Overview

- Large aerostructures and components of the world's premier aircraft
- Our core products include fuselages, pylons/nacelles & wing components
 - Boeing and Airbus are our largest customers
 - Other major customers : Bombardier, Rolls-Royce, Mitsubishi, Sikorsky and Bell Helicopter
- Based in Kansas, we operate sites in the U.S., U.K., France and Malaysia

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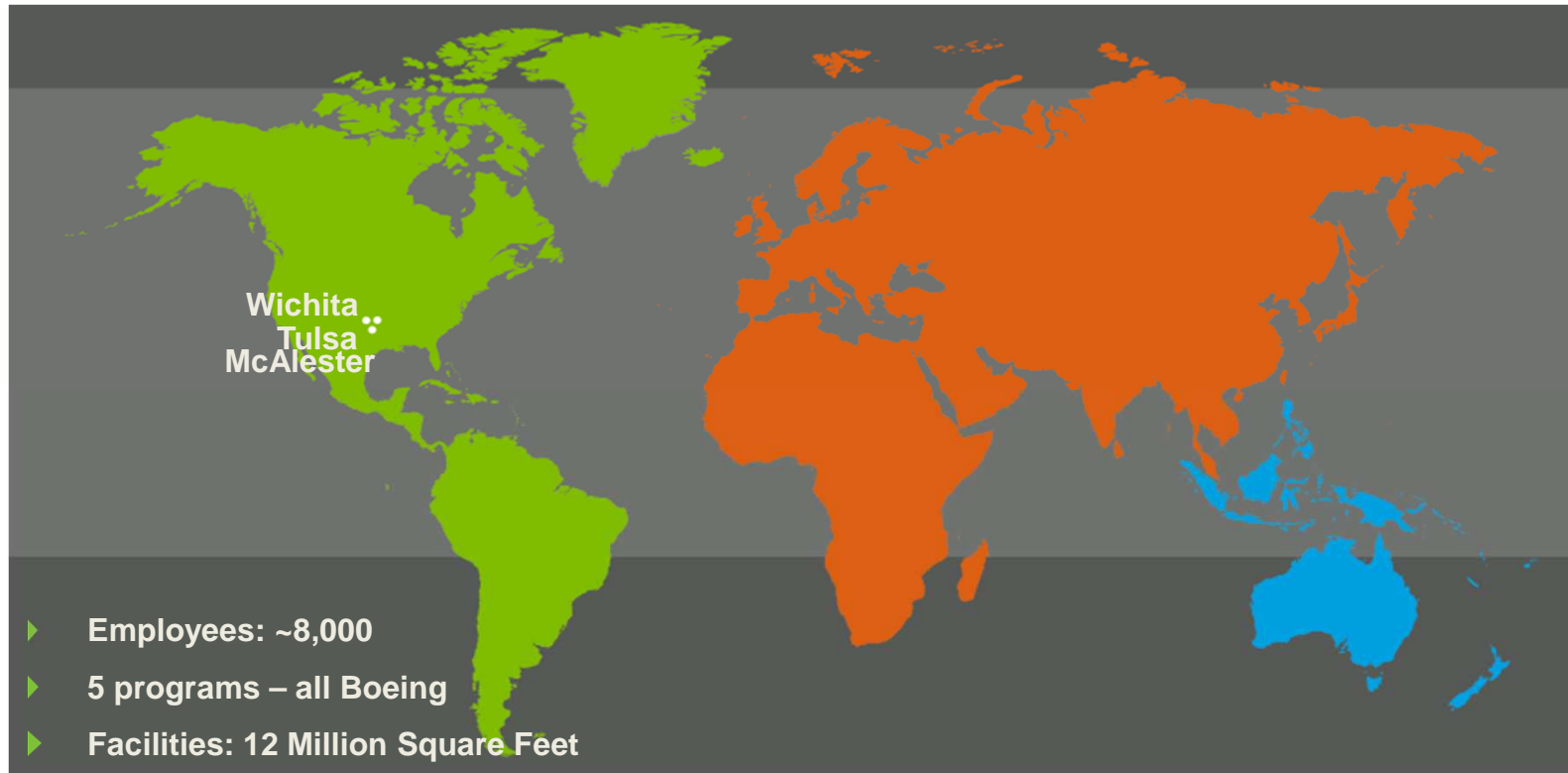
► Broad Presence On Best Programs



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► Spirit AeroSystems 2005



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► Spirit AeroSystems 2015



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► Company Video



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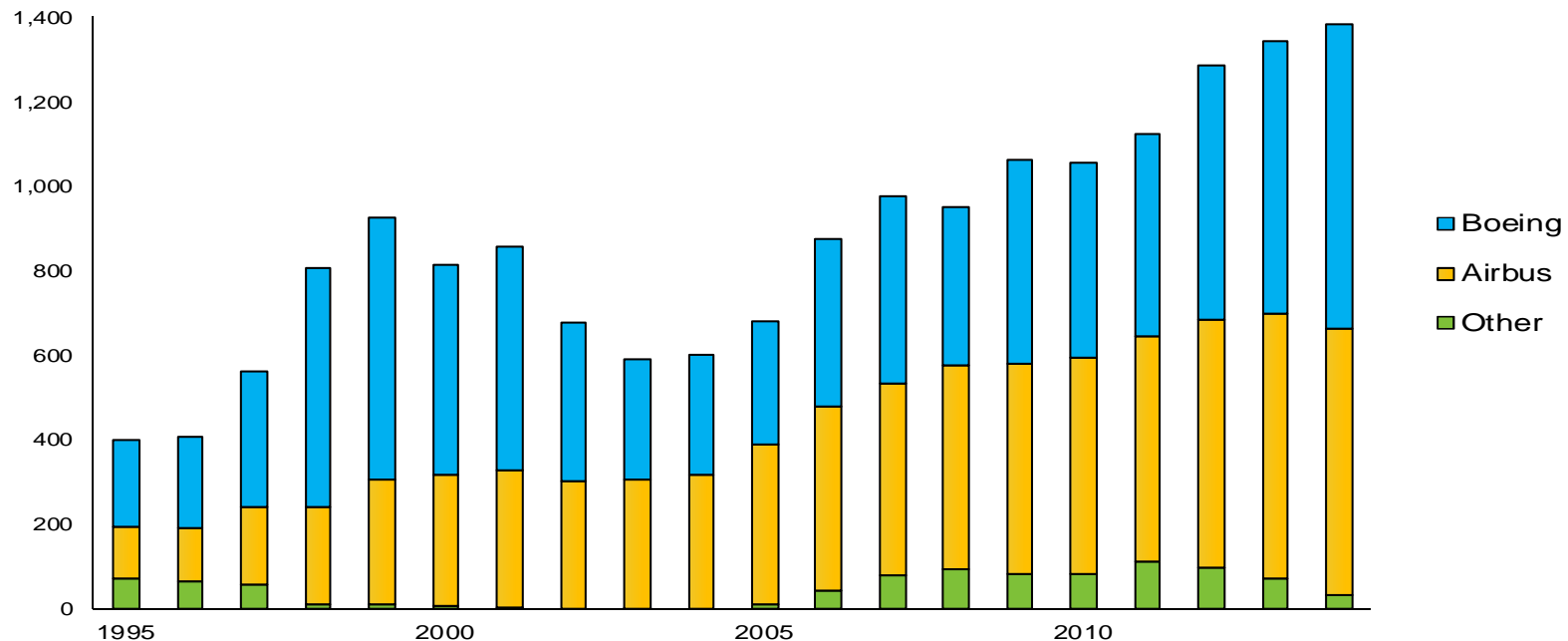
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Commercial Aerospace Trends: Prolonged Up-cycle, Emergence of Duopoly

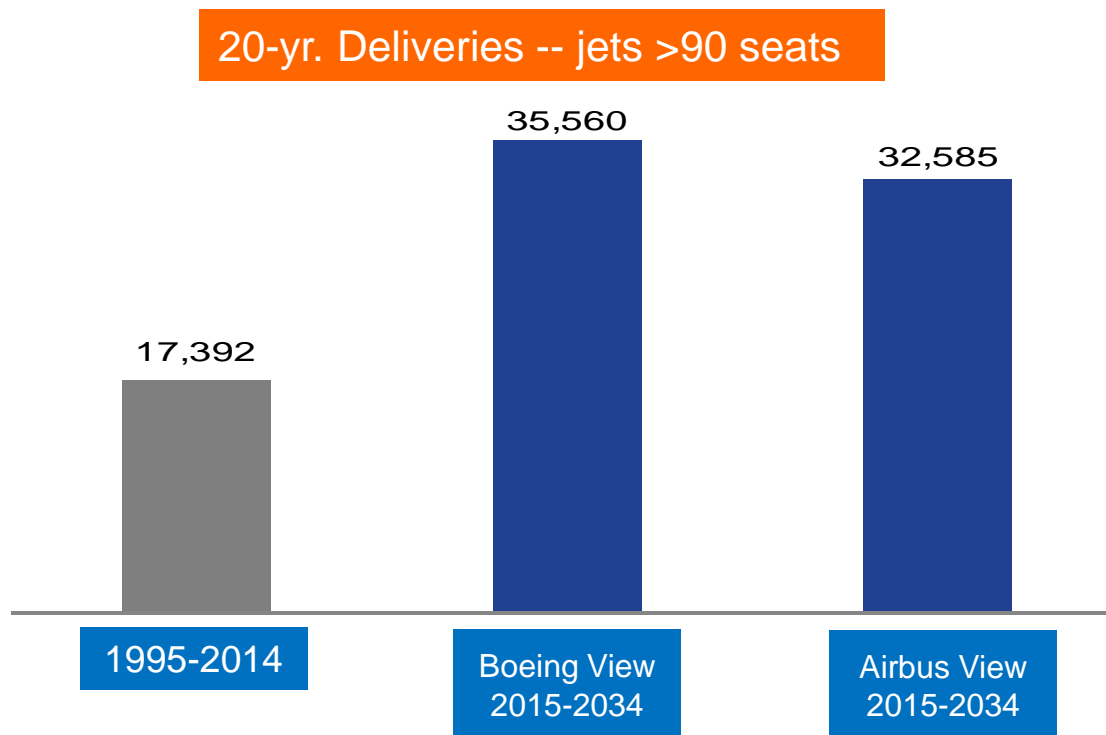


Over 17,000 deliveries in the last 20 years, $\approx 870/\text{yr}$.

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► The Next 20 Years: Double the Deliveries . . .

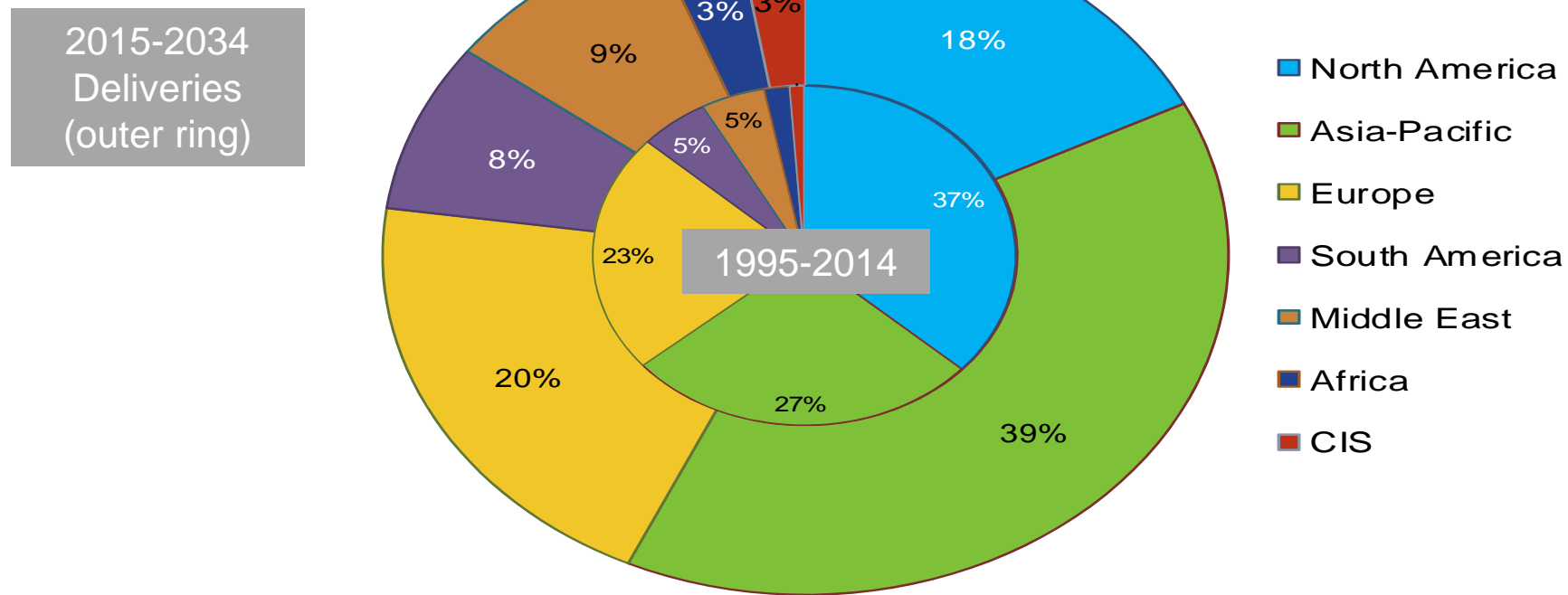


Source	Average per year
1995-2014	870
2015-2034 Boeing CMO	1,778
2015-2034 Airbus GMF	1,629

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► The Next 20 Years: . . . and Alter Mix of Destination Markets



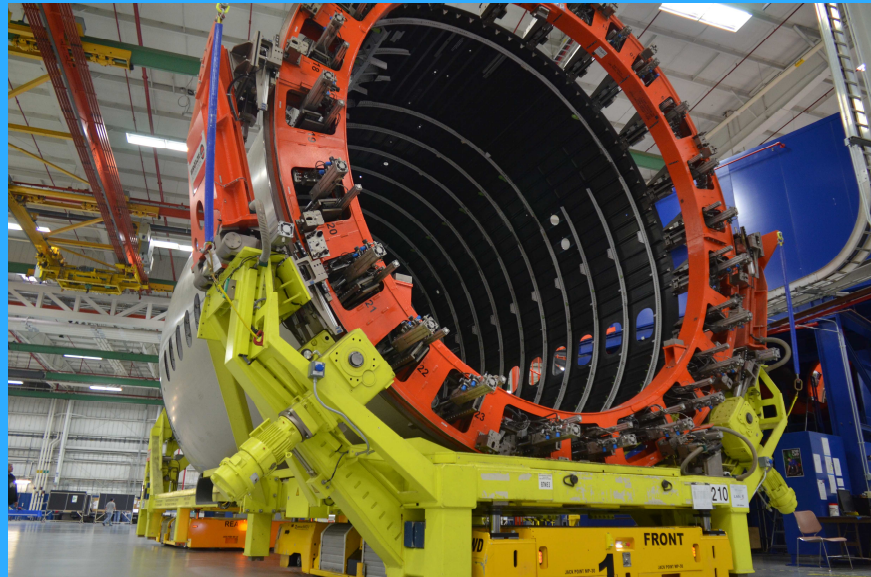
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Sources: ACAS, Boeing *Current Market Outlook*



► Companies Facing These Decisions

- Core Competencies
 - Cost/skill/capacity
 - Investment (e.g. Capital)
 - Supply Chain
- Where to do work
 - Customer requirements
 - Cost/skill/capacity
 - Logistics
- Availability of workforce



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► Workforce Outlook – Talent Shortages

Globally What Jobs Are Employers Having Difficulty Filling?

- Three of the top four are critical to the Aerospace Industry
 - Skilled Trade Workers, Engineers, Technicians
- To meet market demand for aircraft we need to find ways to address shortages



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► IAM/Spirit Partnership History – Wichita

2005-2010 Groundbreaking Initial Agreement

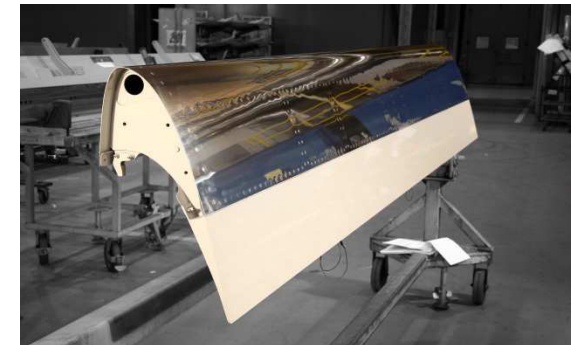
- Divested from Boeing
 - Align with a buyer that wanted to grow and invest in the business
 - Negotiated bargaining agreement that provided the business additional flexibility, provided cost downs but shared the success of the business with the employees.



787 Fuselage



CS300 First Flight



737 Leading Edge Slat

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▶ IAM/Spirit Partnership History – Wichita

2010-2020 Groundbreaking Long-Term Agreement

- Long-term agreement provides predictability for employees and the business
- Strengthened the shared destiny



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▶ IAM/Spirit Partnership History – North Carolina

2012-2024 Initial Groundbreaking Long-Term Agreement at a New Location

- Established a long-term living agreement
 - An agreement based on partnership and shared commitment
 - Flexible agreement that is adaptable to keep the facility competitive
- Working jointly on the issues



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► Worldwide Union Partnerships



Spirit Bargaining Units

■ US

- IAM - International Association of Machinist and Aerospace Workers
- UAW - United Automobile, Aerospace & Agricultural Workers of America
- SPEEA - Society of Professional Engineering Employees in Aerospace
- IBEW - International Brotherhood of Electrical Workers

■ UK

- Unite the UNION

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► People: Our Greatest Asset



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► Thank You

