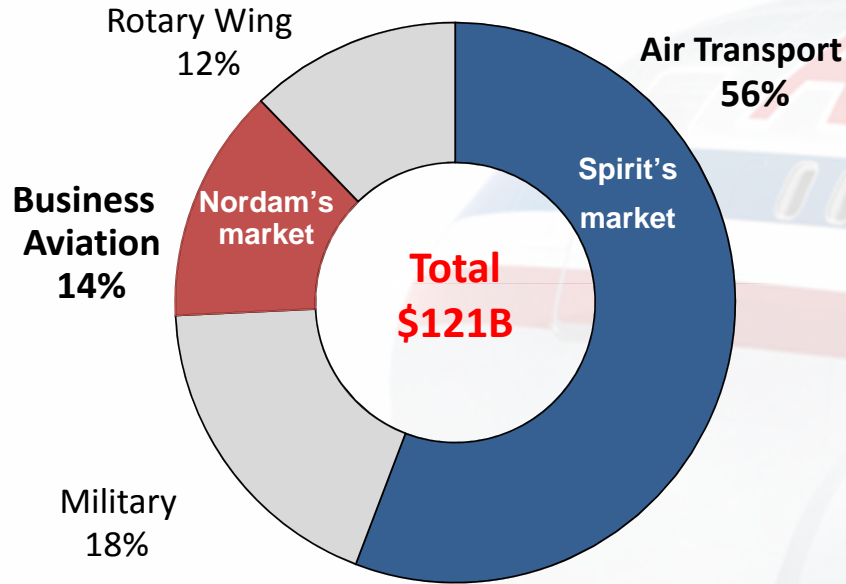
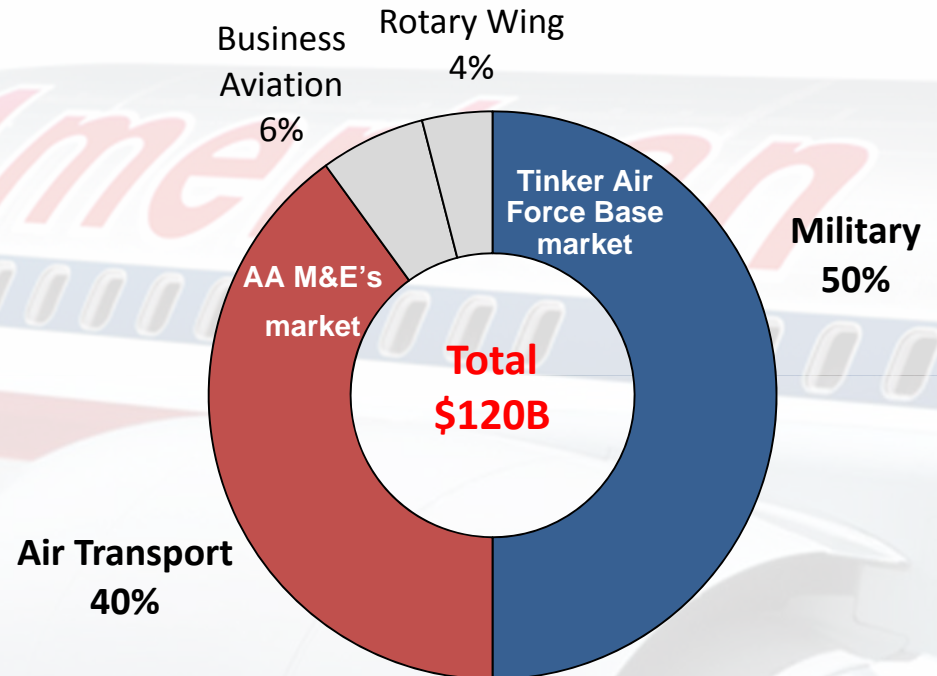


Oklahoma's Aerospace Industry Participates In A Market Of Over \$240B Of Global Aircraft Products And Services

2009 New Aircraft Production



2009 Aircraft Maintenance Market



Oklahoma companies such as **Nordam**, **Spirit**, **American Airlines M&E**, and **Tinker Air Force Base** are directly linked to the global aircraft production and support/maintenance market

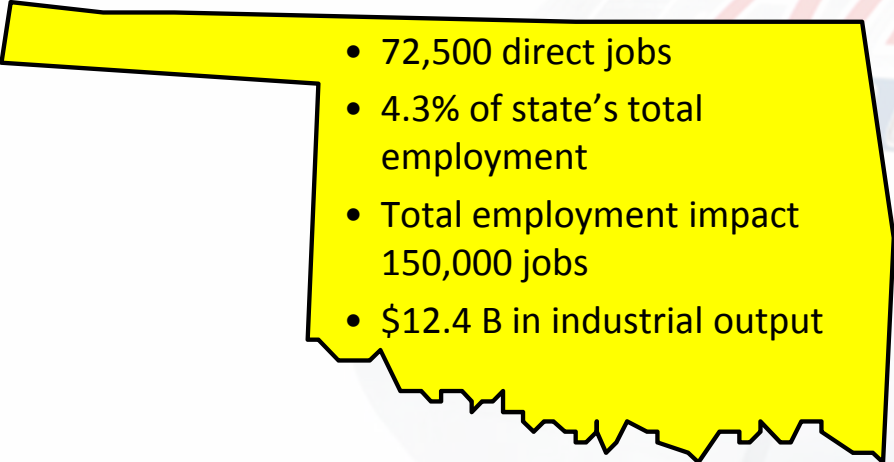
2011 Owasso Economic Summit

Aerospace/Aviation



Aerospace Is Critical To Oklahoma...

OKLAHOMA AEROSPACE SECTOR

- 
- 72,500 direct jobs
 - 4.3% of state's total employment
 - Total employment impact 150,000 jobs
 - \$12.4 B in industrial output

- Average Oklahoma aerospace salary ~ \$55,000 vs. average OK salary of \$29,000
- One of nine centers in the world for the maintenance, repair and overhaul of aircraft
- **Tinker Air Force Base** in Oklahoma City is the largest military aircraft repair facility in the world and is also the state's largest single-site employer with approximately 27,000 jobs and an annual economic impact of more than \$3B
- The **FAA's Mike Monroney Aeronautical Center** in Oklahoma City serves as the central nerve center for the nation's air transportation system, employing nearly 5,000 Oklahomans

... And Has A Particularly Strong Impact On The Tulsa-Area Economy As Well

LOCAL ECONOMIC IMPACT



- Tulsa aerospace employs 19,000 whose average wage is \$58,400... 40% higher than the average wage of Tulsa County and 18% higher than the average manufacturing wage in Tulsa County
- Tulsa aerospace wages are 14% above the national average
- Tulsa aerospace supports the production of \$6.1B in Tulsa area goods and services in a \$47B economy (or 13% of total)
- The **AA Maintenance and Engineering Center** in Tulsa is the world's largest commercial aircraft repair facility, employing over 6200 people

Several Factors Will Influence The Outlook For Aerospace In Oklahoma

Market Feature	Segment Affected	Comments
OEM Production Rates	<i>Manufacturing</i>	<ul style="list-style-type: none"> • Aircraft production drops from \$120B in 2009 to \$107B in 2011 before recovering to \$126B by 2014 • B787 first delivery delayed to mid-Q1 2011 or later, yet B737 rates are expected to increase • Favorable impact for Spirit
Business Aviation Recovery	<i>Business Aviation MRO & Production</i>	<ul style="list-style-type: none"> • Business jet production drops from \$20B in 2008 to \$13B in 2010... recovery not anticipated until 2012 • Favorable impact for NORDAM
US Airline Recovery	<i>Air Transport MRO & Production</i>	<ul style="list-style-type: none"> • ATA reported that US airline revenue rose 18 percent in October 2010 versus 2009 • Tenth consecutive month of revenue growth • Increased flying will increase MRO workload • Favorable impact for AA M&E Base
Defense Spending	<i>Defense</i>	<ul style="list-style-type: none"> • US Defense budget flat at \$660B after a decade of expansion • Sec Gates is targeting \$102B savings in 2012 budget • Mix of production cuts versus O&M cuts will have implications for OC-ALC • Less favorable impact for Tinker Air Force Base