

Spirit AeroSystems Holdings, Inc.
Form 10-K/A
March 06, 2015
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

Form 10-K/A

Amendment No. 1

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2014

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File Number 001-33160

Spirit AeroSystems Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State of Incorporation)

3801 South Oliver

Wichita, Kansas 67210

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code:

(316) 526-9000

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Class A Common Stock, \$0.01 par value

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>
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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

The aggregate market value of the voting stock held by non-affiliates of the registrant, based on the closing price of the class A common stock on July 3, 2014, as reported on the New York Stock Exchange was approximately \$4,527,055,947.

As of February 4, 2015, the registrant had outstanding 141,089,005 shares of class A common stock, \$0.01 par value per share, and 121 shares of class B common stock, \$0.01 par value per share.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for the 2015 Annual Meeting of Stockholders to be filed not later than 120 day after the end of the fiscal year covered by this Report are incorporated herein by reference in Part III of this Annual Report on Form 10-K.

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Spirit AeroSystems Holdings, Inc.

Explanatory Note

This Amendment No. 1 on Form 10-K/A (this “Form 10-K/A”) to the Annual Report on Form 10-K of Spirit AeroSystems Holdings, Inc. (the “Company”) for the fiscal year ended December 31, 2014, initially filed with the U.S. Securities and Exchange Commission (the “SEC”) on February 13, 2015 (the “Original Filing”), is being filed solely to correct typographical errors contained in our predecessor independent auditor’s (i) Report of Independent Registered Public Accounting Firm appearing on page 67 of the Original Filing and (ii) consent appearing on Exhibit 23.1 Consent of PricewaterhouseCoopers LLP in the Original Filing. The dates of each of the aforementioned Report of Independent Registered Public Accounting Firm and consent were incorrect in the Original Filing.

Except for the foregoing amended information, this Form 10-K/A does not amend or update any other information contained in the Original Filing or reflect any events that have occurred since the date of the Original Filing.

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Part II

Item 8. Financial Statements and Supplementary Data
SPIRIT AEROSYSTEMS HOLDINGS, INC.
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Report of Independent Registered Public Accounting Firm
The Board of Directors and Shareholders of Spirit AeroSystems Holdings, Inc.

We have audited the accompanying consolidated balance sheet of Spirit AeroSystems Holdings, Inc. as of December 31, 2014, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity and cash flows for the year ended December 31, 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Spirit AeroSystems Holdings, Inc. at December 31, 2014 and the consolidated results of its operations and its cash flows for the year ended December 31, 2014, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Spirit AeroSystems Holdings, Inc.'s internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 13, 2015 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Wichita, Kansas
February 13, 2015

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Report of Independent Registered Public Accounting Firm
The Board of Directors and Shareholders of Spirit AeroSystems Holdings, Inc.

In our opinion, the consolidated balance sheet as of December 31, 2013 and the related consolidated statements of operations, of comprehensive income, of shareholders' equity and of cash flows for each of the two years in the period ended December 31, 2013 present fairly, in all material respects, the financial position of Spirit AeroSystems Holdings, Inc. and its subsidiaries at December 31, 2013, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Kansas City, Missouri
February 19, 2014

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Consolidated Statements of Operations

	For the Twelve Months Ended		
	December 31, 2014	December 31, 2013	December 31, 2012
	(\$ in millions, except per share data)		
Net Revenues	\$6,799.2	\$5,961.0	\$5,397.7
Operating costs and expenses			
Cost of sales	5,711.0	6,059.5	5,245.3
Selling, general and administrative	233.8	200.8	172.2
Impact from severe weather event	—	30.3	(146.2)
Research and development	29.3	34.7	34.1
Loss on divestiture of programs (see Note 28)	471.1	—	—
Total operating costs and expenses	6,445.2	6,325.3	5,305.4
Operating income (loss)	354.0	(364.3)	) 92.3
Interest expense and financing fee amortization	(88.1)	) (70.1)	) (82.9)
Interest income	0.6	0.3	0.2
Other (expense) income, net	(4.1)	) 3.3	1.8
Income (loss) before income taxes and equity in net income (loss) of affiliates	262.4	(430.8)	) 11.4
Income tax benefit (provision)	95.9	(191.1)	) 24.1
Income (loss) before equity in net income (loss) of affiliates	358.3	(621.9)	) 35.5
Equity in net income (loss) of affiliates	0.5	0.5	(0.7)
Net income (loss)	\$358.8	\$(621.4)	) \$34.8
Earnings (loss) per share			
Basic	\$2.55	\$(4.40)	) \$0.24
Diluted	\$2.53	\$(4.40)	) \$0.24

See notes to consolidated financial statements

Table of ContentsSpirit AeroSystems Holdings, Inc.
Consolidated Statements of Comprehensive Income (Loss)

	For the Twelve Months Ended		
	December 31, 2014	December 31, 2013	December 31, 2012
	(\$ in millions)		
Net income (loss)	\$358.8	\$(621.4	) \$34.8
Other comprehensive (loss) income, net of tax:			
Unrealized (loss) on interest rate swaps, net of tax effect of zero for all respective periods	(1.1) —	—
Less: reclassification adjustment for loss realized in net income, net of tax effect of zero, zero, \$1.7, respectively	—	—	2.9
Net (loss) gain on interest rate swaps	(1.1	) —	2.9
Less: reclassification adjustment for loss realized in net income, net of tax effect of zero for all respective periods	—	—	0.1
Net gain on foreign currency hedge contracts	—	—	0.1
Pension, SERP, and Retiree medical adjustments, net of tax effect of \$1.3, (\$51.5), \$19.5, respectively	(78.0	) 84.8	(30.5
Unrealized foreign exchange (loss) gain on intercompany loan, net of tax effect of \$1.0, \$0.4, \$0.8, respectively	(3.5	) 1.2	2.2
Foreign currency translation adjustments	(16.6	) 4.6	6.3
Total other comprehensive (loss) income	(99.2	) 90.6	(19.0
Total comprehensive income (loss)	\$259.6	\$(530.8) \$15.8

See notes to consolidated financial statements

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Consolidated Balance Sheets

	December 31, 2014	December 31, 2013
	(\$ in millions)	
Current assets		
Cash and cash equivalents	\$377.9	\$420.7
Accounts receivable, net	605.6	550.8
Inventory, net	1,753.0	1,842.6
Deferred tax asset-current	53.2	26.9
Other current assets	262.4	103.2
Total current assets	3,052.1	2,944.2
Property, plant and equipment, net	1,783.6	1,803.3
Pension assets	203.4	252.6
Other assets	123.6	107.1
Total assets	\$5,162.7	\$5,107.2
Current liabilities		
Accounts payable	\$611.2	\$753.7
Accrued expenses	329.1	220.6
Profit sharing	111.8	38.4
Current portion of long-term debt	9.4	16.8
Advance payments, short-term	118.6	133.5
Deferred revenue, short-term	23.4	19.8
Deferred grant income liability — current	10.2	8.6
Other current liabilities	45.1	144.2
Total current liabilities	1,258.8	1,335.6
Long-term debt	1,144.1	1,150.5
Advance payments, long-term	680.4	728.9
Pension/OPEB obligation	73.0	69.8
Deferred grant income liability — non-current	96.1	108.2
Deferred revenue and other deferred credits	27.5	30.9
Other liabilities	260.8	202.3
Equity		
Preferred stock, par value \$0.01, 10,000,000 shares authorized, no shares issued	—	—
Common stock, Class A par value \$0.01, 200,000,000 shares authorized, 141,084,378 and 120,946,429 shares issued, respectively	1.4	1.2
Common stock, Class B par value \$0.01, 150,000,000 shares authorized, 4,745 and 23,851,694 shares issued, respectively	—	0.2
Additional paid-in capital	1,035.6	1,025.0
Accumulated other comprehensive loss	(153.8	) (54.6
Retained earnings	867.5	508.7
Treasury stock, at cost (4,000,000 and zero shares, respectively)	(129.2) —
Total shareholders' equity	1,621.5	1,480.5
Noncontrolling interest	0.5	0.5
Total equity	1,622.0	1,481.0
Total liabilities and equity	\$5,162.7	\$5,107.2

See notes to consolidated financial statements

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Consolidated Statements of Changes in Shareholders' Equity

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings/ Accumulated Deficit	Total
	Shares	Amount				
	(\$ in millions, except share data)					
Balance — December 31, 2011	142,865,643	\$1.4	\$995.9	\$(126.2)	\$1,093.1	\$1,964.2
Net income	—	—	—	—	34.8	34.8
Employee equity awards	905,438	—	15.3	—	—	15.3
Stock forfeitures	(123,439)) —	—	—	—	—
Excess tax benefits from share-based payment arrangements	—	—	1.1	—	—	1.1
SERP shares issued	49,536	—	—	—	—	—
Other comprehensive loss	—	—	—	(19.0)	—	(19.0)
Balance — December 31, 2012	143,697,178	1.4	1,012.3	(145.2)	1,127.9	1,996.4
Net loss	—	—	—	—	(621.4)	(621.4)
Equity in joint venture	—	—	—	—	2.2	2.2
Employee equity awards	1,979,066	—	12.6	—	—	12.6
Stock forfeitures	(668,263)) —	—	—	—	—
Net shares settled	(240,359)) —	—	—	—	—
Excess tax benefits from share-based payment arrangements	—	—	0.1	—	—	0.1
SERP shares issued	30,501	—	—	—	—	—
Other comprehensive income	—	—	—	90.6	—	90.6
Balance — December 31, 2013	144,798,123	1.4	1,025.0	(54.6)	508.7	1,480.5
Net income	—	—	—	—	358.8	358.8
Employee equity awards	719,214	—	8.2	—	—	8.2
Stock forfeitures	(249,444)) —	—	—	—	—
Net shares settled	(256,332)) —	—	—	—	—
Excess tax benefits from share-based payment arrangements	77,562	—	2.4	—	—	2.4
Treasury shares	(4,000,000)	) —	—	—	—	(129.2)
Other comprehensive loss	—	—	—	(99.2)	—	(99.2)
Balance — December 31, 2014	141,089,123	\$1.4	\$1,035.6	\$(153.8)	\$867.5	\$1,621.5

See notes to consolidated financial statements

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Consolidated Statements of Cash Flows

	For the Twelve Months Ended		
	December 31, 2014	December 31, 2013	December 31, 2012
	(\$ in millions)		
Operating activities			
Net income (loss)	\$358.8	\$(621.4	) \$34.8
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Depreciation expense	170.2	158.2	151.1
Amortization expense	5.8	3.1	5.1
Amortization of deferred financing fees	23.3	6.7	14.6
Accretion of customer supply agreement	1.1	0.6	0.2
Employee stock compensation expense	16.4	19.6	15.3
Excess tax benefit of share-based payment arrangements	(2.6	) (0.6	) (1.2
Loss from interest rate swaps	0.5	—	5.2
Gain from hedge contracts	(1.4	) (2.6	) (1.5
Loss (gain) from foreign currency transactions	10.5	(2.6	) (5.6
Loss on divestiture of programs	471.1	—	—
Loss on disposition of assets	13.7	0.1	14.1
Deferred taxes	(8.4	) 202.8	(120.1
Long-term tax (benefit) provision	(1.2	) (2.5	) 3.6
Pension and other post retirement benefits, net	(24.0	) (32.0	) (8.9
Grant income	(8.6	) (7.3	) (5.8
Equity in net (income) loss of affiliates	(0.5	) (0.5	) 0.7
Changes in assets and liabilities			
Accounts receivable	(64.7	) (128.5	) (151.1
Inventory, net	(332.2	) 666.0	228.3
Accounts payable and accrued liabilities	(22.1	) 94.2	109.8
Profit sharing/deferred compensation	73.8	10.0	4.7
Advance payments	(52.9	) (41.9	) 239.6
Income taxes receivable/payable	(177.9	) (82.2	) (4.3
Deferred revenue and other deferred credits	2.2	(0.2	) (12.4
Cash transferred on divestiture of programs	(160.0) —	—
Other	70.7	21.6	28.2
Net cash provided by operating activities	361.6	260.6	544.4
Investing activities			
Purchase of property, plant and equipment	(220.2	) (234.2	) (236.1
Purchase of property, plant and equipment — severe weather event (see Note 4)	—	(38.4	) (12.9
Proceeds from sale of assets	0.5	0.7	1.6
Change in Restricted Cash	(19.9) —	—
Other	—	3.7	(1.4
Net cash used in investing activities	(239.6	) (268.2	) (248.8
Financing activities			
Proceeds from revolving credit facility	—	—	170.0
Payments on revolving credit facility	—	—	(170.0

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Proceeds from issuance of debt	—	—	547.6	
Principal payments of debt	(16.8) (10.4) (571.0)
Proceeds from issuance of bonds	300.0	—	—	
Payments on bonds	(300.0) —	—	
Excess tax benefit of share-based payment arrangements	2.6	0.6	1.2	
Debt issuance and financing costs	(20.8	) (4.1	) (12.4)
Purchase of treasury stock	(129.2) —	—	
Net cash used in financing activities	(164.2	) (13.9	) (34.6)
Effect of exchange rate changes on cash and cash equivalents	(0.6	) 1.5	1.9	
Net (decrease) increase in cash and cash equivalents for the period	(42.8	) (20.0	) 262.9	
Cash and cash equivalents, beginning of period	420.7	440.7	177.8	
Cash and cash equivalents, end of period	\$377.9	\$420.7	\$440.7	
See notes to consolidated financial statements				

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Spirit AeroSystems Holdings, Inc.
 Consolidated Statements of Cash Flows - continued

	For the Twelve Months Ended		
	December 31, 2014	December 31, 2013	December 31, 2012
	(\$ in millions)		
Supplemental information			
Interest paid	\$69.2	\$68.0	\$69.7
Income taxes paid	\$91.1	\$69.4	\$96.7
Non-cash investing and financing activities			
Property acquired through capital leases	\$—	\$0.4	\$2.6

See notes to consolidated financial statements

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements

(\$, €, and RM in millions other than per share amounts)

1. Nature of Business

Spirit Holdings was incorporated in the state of Delaware on February 7, 2005, and commenced operations on June 17, 2005 through the acquisition of Boeing's operations in Wichita, Kansas; Tulsa, Oklahoma and McAlester, Oklahoma (the "Boeing Acquisition") by an investor group led by Onex Partners LP and Onex Corporation (together with its affiliates, "Onex"). Holdings provides manufacturing and design expertise in a wide range of fuselage, propulsion and wing products and services for aircraft original equipment manufacturers and operators through its subsidiary, Spirit AeroSystems, Inc. ("Spirit"). The Company has its headquarters in Wichita, Kansas, with manufacturing facilities in Tulsa and McAlester, Oklahoma; Prestwick, Scotland; Wichita, Kansas; Kinston, North Carolina and Subang, Malaysia. The Company has assembly facilities in Saint-Nazaire, France, and Chanute, Kansas. The Company is the majority participant in the Kansas Industrial Energy Supply Company ("KIESC"), a tenancy-in-common with other Wichita companies established to purchase natural gas.

The Company participates in a joint venture, Taikoo Spirit AeroSystems Composite Co. Ltd. ("TSACCL"), of which Spirit's ownership interest is 31.5%. TSACCL was formed to develop and implement a state-of-the-art composite and metal bond component repair station in the Asia-Pacific region.

In March, June and August 2014, certain selling stockholders sold 22,915,300 shares of our class A common stock at prices to the public ranging from \$28.62 to \$35.90 per share in secondary offerings of our class A common stock.

Following the August offering, Onex no longer held any investment in the Company.

On December 8, 2014, Spirit entered into an Asset Purchase Agreement with Triumph Aerostructures - Tulsa, LLC, a wholly-owned subsidiary of Triumph Group Inc. ("Triumph"), to sell Spirit's G280 and G650 programs ("Gulfstream programs"), consisting of the design, manufacture and support of structural components for the Gulfstream G280 and G650 aircraft in Spirit's facilities in Tulsa, Oklahoma to Triumph (the "Gulfstream Transaction"). The transaction closed on December 30, 2014.

The accompanying consolidated financial statements include the Company's financial statements and the financial statements of its majority owned or controlled subsidiaries and have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and Regulation S-X. All intercompany balances and transactions have been eliminated in consolidation. Certain reclassifications have been made to the prior year financial statements and notes to conform to the 2014 presentation.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements include the Company's financial statements and the financial statements of its majority-owned subsidiaries and have been prepared in accordance with GAAP. Investments in business entities in which the Company does not have control, but has the ability to exercise influence over operating and financial policies, including TSACCL, are accounted for under the equity method. KIESC is fully consolidated as the Company owns 77.8% of the entity's equity. All intercompany balances and transactions have been eliminated in consolidation. The Company's U.K. subsidiary uses local currency, the British pound, as its functional currency; the Malaysian subsidiary uses the British pound and the Singapore subsidiary uses the Singapore dollar. All other foreign subsidiaries and branches use the U.S. dollar as their functional currency.

As part of the monthly consolidation process, the functional currencies of the Company's international subsidiaries are translated to U.S. dollars using the end-of-month translation rate for balance sheet accounts and average period currency translation rates for revenue and income accounts.

Use of Estimates

The preparation of the Company's financial statements in conformity with GAAP requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities including the impacts of contingent

assets and liabilities, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and assumptions. See Note 3, "Changes in Estimates," for details on current changes in estimates.

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

Revenues and Profit Recognition

A significant portion of the Company's revenues are recognized under long-term, volume-based pricing contracts, requiring delivery of products over several years. The Company recognizes revenue under the contract method of accounting and records sales and profits on each contract in accordance with the percentage-of-completion method of accounting, primarily using the units-of-delivery method. Under the units-of-delivery method revenue is recognized based upon the number of units delivered during a period and the contract price and expenditures are recognized as the cost allocable to the delivered units. Costs allocable to undelivered units are reported in the balance sheet as inventory. The method is used in circumstances in which an entity produces units of a basic product under production-type contracts in a continuous or sequential production process to buyers' specifications. Recurring long-term production contracts are usually divided into contract blocks for this purpose, with each block treated as a separate contract for "units-of-delivery" production-type contract accounting purposes.

The total quantity of production units to be delivered under a contract may be set as a single contract accounting block, or it can be split into multiple blocks. Unless the life of the contract is so long that it prevents reliable estimates, the entire contract will typically be set as the contract accounting block quantity. "Life-of-program" or "requirements-based" contracts often lead to continuing sales of more than twenty years. Since this is much longer than can be reliably estimated, Spirit uses parameters based on the contract facts and circumstances to determine the length of the contract block. This analysis includes: considering the customer's firm orders, internal assessment of the market, reliability of cost estimates, potential segmentation of non-recurring elements of the contract, and other factors. Contract block sizes may also be determined based on certain contractual terms such as pricing renegotiation dates, such that certain contract blocks may use an approximate date instead of a defined unit quantity in order to increase the ability to estimate accurately given that the renegotiated pricing is unknown for the planning block. Shorter contract blocks for mature, ongoing programs are common due to the presence of recent cost history and probable forecast accuracy. Mature program contract blocks tend to be approximately two years in length. Initial contract blocks often require a longer time period and a greater number of units in order to take into account the higher cost of early units due to a steeper experience curve and pre-production design costs. Initial contract blocks on new programs can extend up to ten years or longer. As these programs mature, costs stabilize and efficiencies are realized, subsequent contract block length shortens to take into account the steady state of the continuing production. Revenues from non-recurring design work are recognized based on substantive milestones or use of the cost-to-cost method, that are indicative of the Company's progress toward completion depending on facts and circumstances. The Company follows the requirements of Financial Accounting Standards Board ("FASB") authoritative guidance on accounting for the performance of construction-type and certain production-type contracts (the contract method of accounting), and use the cumulative catch-up method in accounting for revisions in estimates. Under the cumulative catch-up method, the impacts of revisions in estimates are recognized immediately when changes in estimated contract profitability become known.

A profit rate is estimated based on the difference between total revenues and total costs over a contract block. Total revenues at any given time include actual historical revenues up to that time plus future estimated revenues. Total costs at any given time include actual historical costs up to that time plus future estimated costs. Estimated revenues include negotiated or expected values for units delivered, estimates of probable recoveries asserted against the customer for changes in specifications, price adjustments for contract and volume changes, escalation and assumed but currently unnegotiated price increases for derivative models. Costs include the estimated cost of certain pre-production efforts (including non-recurring engineering and planning subsequent to completion of final design) plus the estimated cost of manufacturing a specified number of production units. Estimates take into account assumptions related to future labor performance and rates, and projections related to material and overhead costs including expected "learning curve" cost reductions over the term of the contract. Estimated revenues and costs also take into account the expected impact of specific contingencies that the Company believes are probable.

Estimated revenue for the A350 XWB program includes an estimate for probable recoveries asserted against the Company's customer for changes in specifications. Although the Company continues to project margins on the A350 XWB fuselage and wing contracts to be near or at break-even, there is still a substantial amount of risk similar to what the Company has experienced on other development programs. Specifically, the Company's ability to successfully negotiate favorable pricing and other terms with Airbus and the Company's suppliers, to manage supplier performance, execute cost reduction strategies, hire and retain skilled production and management personnel, execute quality and manufacturing processes, manage program schedule delays and adjust to higher rate schedules, among other risks, will determine the ultimate performance of this program and these contracts. There continues to be risk of additional forward loss associated with the fuselage recurring contract as the Company works through production, supply chain and customer issues.

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

Estimates of revenues and costs for the Company's contract blocks span a period of multiple years and are based on a substantial number of underlying assumptions. The Company believes that the underlying assumptions are sufficiently reliable to provide a reasonable estimate of the profit to be generated. However, due to the significant length of time over which revenue streams will be generated, the variability of the revenue and cost streams can be significant if the assumptions change. Estimates of profit margins for contract accounting blocks are typically reviewed on a quarterly basis. Assuming the initial estimates of sales and costs under the contract block are accurate, the percentage-of-completion method results in the profit margin being recorded evenly as revenue is recognized under the contract block. Changes in these underlying estimates due to revisions in sales and cost estimates may result in profit margins being recognized unevenly over a contract block as such changes are accounted for on a cumulative basis in the period estimates are revised, which the Company refers to as cumulative catch-up adjustments. The Company's Estimate at Completion estimating process is not solely an accounting process, but is instead an integrated part of the management of the Company's business, involving numerous personnel in the Company's planning, production control, contracts, cost management, supply chain and program and business management functions. For revenues not recognized under the contract method of accounting, the Company recognizes revenues from the sale of products at the point of passage of title, which is generally at the time of shipment. Shipping and handling costs are included in cost of sales. Revenues earned from providing maintenance services, including any contracted research and development, are recognized when the service is complete or other contractual milestones are attained. Revenues from non-recurring design work are recognized based on substantive milestones that are indicative of the Company's progress toward completion. Non-recurring revenues, which are derived primarily from engineering and design efforts, were \$305.5, \$255.6 and \$239.4 for each of the periods ended December 31, 2014, 2013 and 2012, respectively.

As required by FASB authoritative guidance related to accounting for consideration given by a vendor to a customer, under an agreement with Airbus, certain payments are amortized as a reduction to revenues on units delivered.

Additionally, in 2012 the Company began making certain payments related to the Gulfstream G280 and G650 programs. The Company recognized \$111.8, \$28.6, and \$51.1 as a reduction to net revenues for each of the periods ended December 31, 2014, 2013 and 2012, respectively.

Developments on New and Maturing Programs

A significant portion of the Company's future revenues is expected to be derived from new and maturing programs, most notably the B787, A350 XWB and BR725 on which the Company may be contracted to provide design and engineering services, recurring production, or both. There are several risks inherent to such new and maturing programs. In the design and engineering phase, the Company may incur costs in excess of the Company's forecasts due to several factors, including cost overruns, customer-directed change orders and delays in the overall program. The Company may also incur higher than expected recurring production costs, which may be caused by a variety of factors, including the future impact of engineering changes (or other change orders) or the Company's inability to secure contracts with its suppliers at projected cost levels. The Company's ability to recover these excess costs from the customer will depend on several factors, including the Company's rights under its contracts for the new and maturing programs. In determining the Company's profits and losses in accordance with the percentage-of-completion method of contract accounting, the Company is required to make significant assumptions regarding its future costs and revenues, as well as the estimated number of units to be manufactured under the contract and other variables. The Company continually review and update the Company's assumptions based on market trends and its most recent experience. If the Company makes material changes to its assumptions, such as a reduction in the estimated number of units to be produced under the contract (which could be caused by emerging market trends or other factors), an increase in future production costs or a change in the recoverability of increased design or production costs, the Company may experience negative cumulative catch-up adjustments related to revenues previously recognized. In some cases, the Company may recognize forward loss amounts.

Research and Development

Research and development includes costs incurred for experimentation, design and testing and are expensed as incurred as required under FASB authoritative guidance pertaining to accounting for research and development costs.

Joint Venture

The value of the Company's 31.5% ownership interest in Taikoo Spirit AeroSystems Composite Co. Ltd. totaled \$0.5 at December 31, 2014 and is accounted for under the equity method of accounting.

Cash and Cash Equivalents

Cash and cash equivalents represent all highly liquid investments with original maturities of three months or less.

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Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. Consistent with industry practice, the Company classifies unbilled receivables related to contracts accounted for under the long-term contract method of accounting, as current. The Company determines an allowance for doubtful accounts based on a review of outstanding receivables. Account balances are charged off against the allowance after the potential for recovery is considered remote. The Company's allowance for doubtful accounts was approximately \$0.5 and \$0.2 at December 31, 2014 and December 31, 2013, respectively. Also included in accounts receivable are amounts held in retainage which, as of December 31, 2014 and December 31, 2013, are all related to Gulfstream and represent amounts due on G650 deliveries from 2010 through the third quarter of 2013. The Company settled this matter with Gulfstream on February 13, 2015. See Note 21, "Commitments, Contingencies and Guarantees," for further discussion regarding the settlement.

Accounts receivable, net includes unbilled receivables on long-term aerospace contracts, comprised principally of revenue recognized on contracts for which amounts were earned but not contractually billable as of the balance sheet date, or amounts earned in which the recovery will occur over the term of the contract, which could exceed one year.

Inventory

Raw materials are stated at lower of cost (principally on an actual or average cost basis) or market. Inventoried costs attributed to units delivered under long-term contracts are based on the estimated average cost of all units expected to be produced and are determined under the learning curve concept which anticipates a predictable decrease in unit costs. Lower unit costs are achieved as tasks and production techniques become more efficient through repetition, supply chain costs are reduced as contracts are negotiated and design changes result in lower cost. This cost averaging usually results in an increase in inventory (referred to as "excess-over-average" or "deferred production costs") during the early years of a contract. These costs are deferred only to the extent the amount of actual or expected excess-over-average is reasonably expected to be fully offset by lower-than-average costs in future periods of a contract. If in-process inventory plus estimated costs to complete a specific contract exceed the actual plus anticipated remaining sales value of such contract, such excess is charged to cost of sales in the period the loss becomes known, thus reducing inventory to estimated realizable value. Costs in inventory include amounts relating to contracts with long production cycles, some of which are not expected to be realized within one year.

The Company reviews its general stock materials and spare parts inventory each quarter to identify impaired inventory, including excess or obsolete inventory, based on historical sales trends and expected production usage. Impaired inventories are written off to work-in-process in the period identified.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is applied using a straight-line method over the useful lives of the respective assets as described in the following table:

	Estimated Useful Life
Land improvements	20 years
Buildings	45 years
Machinery and equipment	3-20 years
Tooling — Airplane program — B787, Rolls-Royce	5-20 years
Tooling — Airplane program — all others	2-10 years
Capitalized software	3-7 years

The Company capitalizes certain costs, such as software coding, installation and testing, that are incurred to purchase or to create and implement internal-use computer software in accordance with FASB authoritative guidance pertaining to capitalization of cost for internal-use software. The Company's capitalization policy includes specifications that the software must have a service life greater than one year, is legally and substantially owned by Spirit, and has an acquisition cost of greater than \$0.1.

Intangible Assets

Intangible assets are initially recorded at estimated fair value and are comprised of patents, favorable leasehold interests, and customer relationships that are amortized on a straight-line basis over their estimated useful lives, ranging from 6 to 16 years

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Spirit AeroSystems Holdings, Inc.

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for patents, 14 to 24 years for favorable leasehold interests, and 8 years for customer relationships. As of December 31, 2014, the customer relationships intangible asset was fully amortized.

Impairment or Disposal of Long-Lived Assets and Goodwill

Spirit reviews capital and amortizing intangible assets (long-lived assets) for impairment on an annual basis or whenever events or changes in circumstances indicate that the recorded amount may not be recoverable in accordance with FASB authoritative guidance on accounting for the impairment or disposal of long-lived assets. Under the standard, assets must be classified as either held-for-use or available-for-sale. An impairment loss is recognized when the recorded amount of an asset that is held for use exceeds the projected undiscounted future net cash flows expected from its use and disposal, and is measured as the amount by which the recorded amount of the asset exceeds its fair value, which is measured by discounted cash flows when quoted market prices are not available. For assets available-for-sale, an impairment loss is recognized when the recorded amount exceeds the fair value less cost to sell. The Company performs an annual impairment test for goodwill in the fourth quarter of each year, or more frequently, if an event occurs or circumstances change that would more likely than not reduce fair value below current value.

Deferred Financing Costs

Costs relating to long-term debt are deferred and included in other long-term assets. These costs are amortized over the term of the related debt or debt facilities and are included as a component of interest expense.

Derivative Instruments and Hedging Activity

The Company uses derivative financial instruments to manage the economic impact of fluctuations in currency exchange rates and interest rates. Derivative financial instruments are recognized on the consolidated balance sheets as either assets or liabilities and are measured at fair value. Changes in fair value of derivatives are recorded each period in earnings or accumulated other comprehensive income, depending on whether a derivative is effective as part of a hedge transaction, and if it is, the type of hedge transaction. Gains and losses on derivative instruments reported in other comprehensive income are subsequently included in earnings in the periods in which earnings are affected by the hedged item or when the hedge is no longer effective. Cash flows associated with the Company's derivatives are presented as a component of the operating section of the statement of cash flows. The use of derivatives has generally been limited to interest rate swaps and foreign currency forward contracts. The Company enters into foreign currency forward contracts to reduce the risks associated with the changes in foreign exchange rates on sales and cost of sales denominated in currencies other than the entities' functional currency.

Fair Value of Financial Instruments

Financial instruments are measured in accordance with FASB authoritative guidance related to fair value measurements. This guidance clarifies the definition of fair value, prescribes methods for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value, and expands disclosures about fair value measurements. See Note 12, "Fair Value Measurements."

Income Taxes

Income taxes are accounted for in accordance with FASB authoritative guidance on accounting for income taxes. Deferred income tax assets and liabilities are recognized for the future income tax consequences attributable to differences between the financial statement carrying amounts for existing assets and liabilities and their respective tax bases. Tax rate changes impacting these assets and liabilities are recognized in the period during which the rate change occurs.

At December 31, 2014 the valuation allowance for the Company's U.S. entities' net deferred tax asset was \$256.8. All available evidence, both positive and negative, has been considered to determine whether, based on the weight of that evidence, a valuation allowance for those net assets is needed.

The primary sources of negative evidence the Company considered were: 1) cumulative U.S. pre-tax losses during the last three years; 2) a history of recording material forward loss charges in the U.S. on the Company's new and maturing programs within the same period; and 3) the ongoing operational and financial risks posed by certain of its newer to maturing programs.

The primary sources of positive evidence the Company considered were: 1) significant order backlog (\$46.6 billion at December 31, 2014); 2) transfer of the Gulfstream loss programs to a third party at December 30, 2014; and 3) forecasts of future taxable income (exclusive of reversals of temporary differences and carryforwards).

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The weight given to the positive and negative evidence is commensurate with the extent the evidence may be objectively verified. As such, the Company assigned the lowest weighting to the positive evidence regarding future taxable income (exclusive of reversing taxable temporary differences), increased weighting to the Gulfstream transfer and significant order backlog, and the highest weighting to the negative evidence of cumulative recent pre-tax losses and forward loss charges, combined with the risks inherent in certain new and maturing programs mentioned above. Continued profitable operations are required before the Company would change its judgment regarding the need for a full valuation allowance against its net deferred tax assets. Accordingly, although the Company was profitable in 2014, inclusive of the impact of the loss on sale related to the Gulfstream G280 and Gulfstream G650 programs, the Company continues to record a full valuation allowance against the net deferred tax assets in the U.S.

The Company will continue to evaluate all available positive and negative evidence for all future reporting periods and continued improvement in its operating results could lead to reversal of nearly all remaining valuation allowance. In the quarter in which the valuation allowance is released, the Company would record an abnormally large tax benefit reflecting the release, which would result in higher earnings per share from net income attributable to the Company. During 2014, the Company released \$167.2 of deferred tax valuation allowance into earnings. This release consists of two primary components: net utilization of underlying deferred tax assets consumed within the normal operations of the company (\$49.1), and the realization of remaining deferred tax assets related to the Gulfstream G650 and G280 programs (\$118.1). The utilization of these underlying deferred tax assets represent reductions to the Company's 2014 taxable income and will offset current taxes and will be carried back to prior years to offset taxable income in the available carry back period.

Additionally, the Company maintains a \$16.2 valuation allowance against separate company state income tax credits and other U.S. issues and \$0.6 for other foreign issues which is an increase of \$1.3 from the prior year.

The Company records an income tax expense or benefit based on the net income earned or net loss incurred in each tax jurisdiction and the tax rate applicable to that income or loss. In the ordinary course of business, there are transactions for which the ultimate tax outcome is uncertain. These uncertainties are accounted for in accordance with FASB authoritative guidance on accounting for the uncertainty in income taxes. The final tax outcome for these matters may be different than management's original estimates made in determining the income tax provision. A change to these estimates could impact the effective tax rate and net income or loss in subsequent periods. The Company uses the flow-through accounting method for tax credits. Under this method, tax credits reduce income tax expense.

Stock-Based Compensation and Other Share-Based Payments

Many of the Company's employees are participants in various stock compensation plans. The expense attributable to the Company's employees is recognized over the period the amounts are earned and vested, as described in Note 17 "Stock Compensation."

Service and Product Warranties and Extraordinary Rework

Provisions for estimated expenses related to service and product warranties and certain extraordinary rework are made at the time products are sold. These costs are accrued at the time of the sale and are recorded to unallocated cost of goods sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims, including the experience of industry peers. In the case of new development products or new customers, Spirit considers other factors including the experience of other entities in the same business and management judgment, among others. See Note 21, "Commitments, Contingencies and Guarantees," for the rollforward of the warranty and extraordinary rework provision as of December 31, 2014, 2013 and 2012.

New Accounting Pronouncements

In June 2014, the FASB issued Accounting Standards Update No. 2014-12, Compensation - Stock Compensation: Accounting for Share-Based Payments When the Terms of an Award Provide that a Performance Target Could be Achieved after the Requisite Service Period (FASB ASU 2014-12). This update requires that a performance target that affects vesting, and that could be achieved after the requisite service period, be treated as a performance condition. As

such, the performance target should not be reflected in estimating the grant date fair value of the award. This update further clarifies that compensation cost should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the period(s) for which the requisite service has already been rendered. The provisions of FASB ASU 2014-12 are

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effective in annual periods beginning on or after December 15, 2014 and interim periods within those annual periods. The adoption of FASB ASU 2014-12 is not expected to have a material impact on the Company's consolidated financial statements.

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers, which supersedes the revenue recognition requirements in ASC 605, Revenue Recognition (FASB ASU 2014-09). This update is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FASB ASU 2014-09 is effective in annual periods beginning after December 15, 2016 and for interim and annual reporting periods thereafter. Early application is not permitted for public entities. The Company is currently evaluating the new guidance to determine the impact it may have to its consolidated financial statements.

In April 2014, the FASB issued Accounting Standards Update No. 2014-08, Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity (FASB ASU 2014-08). This update changes the criteria for determining which disposals can be presented as discontinued operations and modifies related disclosure requirements. The provisions of FASB ASU 2014-08 are effective in annual periods beginning on or after December 15, 2014 and interim periods within those annual periods. The Company has elected, as permitted by the standard, to early adopt ASU 2014-08 effective for components disposed of or held for sale on or after October 3, 2014, including the divestiture of Gulfstream programs.

3. Changes in Estimates

The Company has a Company-wide quarterly Estimate at Completion (EAC) process in which management assesses the progress and performance of its contracts. This process requires management to review each program's progress towards completion by evaluating the program schedule, changes to identified risks and opportunities, changes to estimated contract revenues and estimated contract costs over the current contract block, and any outstanding contract matters. Risks and opportunities include management's judgment about the cost associated with a program's ability to achieve the schedule, technical requirements (e.g., a newly-developed product versus a mature product), and any other contract requirements. The majority of its fixed priced contracts are life of aircraft program contracts. Due to the span of years it may take to complete a contract block and the scope and nature of the work required to be performed on those contracts, the estimation of total revenue and costs at completion is complicated and subject to many variables and, accordingly, is subject to change. When adjustments in estimated total contract block revenue or estimated total costs are required, any changes from prior estimates for delivered units are recognized in the current period for the inception-to-date effect of such changes. When estimates of total costs to be incurred on a contract block exceed estimates of total revenue to be earned, a provision for the entire loss on the contract block is recorded in the period in which the loss is determined. Changes in estimates are summarized below:

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	December 31, 2014	December 31, 2013	December 31, 2012	
Changes in Estimates				
Favorable (Unfavorable) Cumulative Catch-up Adjustment by Segment				
Fuselage	14.8	60.1	(2.4)
Propulsion	18.8	30.0	7.3	
Wing	26.8	5.4	9.8	
Total Favorable Cumulative Catch-up Adjustment	60.4	95.5	14.7	
Reversal of Forward Loss (Forward loss) by Segment and Program				
Fuselage				
B747	6.7	(41.1	)	(6.4)
B787	—	(333.1)	—
B767	4.1	(4.1)	—
Airbus A350 XWB non-recurring	—	(32.7)	—
Airbus A350 XWB recurring	—	(78.6)	—
Bell V280 helicopter	(0.9)	—	
Total Fuselage Reversal of Forward Loss (Forward Loss)	9.9	(489.6	)	(6.4)
Propulsion				
B787	—	(30.6)	—
B767	1.1	(12.3	)	(8.0)
Rolls-Royce BR725	15.4	(13.3	)	(151.0)
Total Propulsion Reversal of Forward Loss (Forward Loss)	16.5	(56.2	)	(159.0)
Wing				
B747	—	—	(5.1)
B787	—	(58.3	)	(184.0)
Airbus A350 XWB non-recurring	—	—	(8.9)
G280	(0.3	)	(240.9)
G650	—	(288.3	)	(162.5)
Total Wing Forward Loss	(0.3	)	(587.5)
Total Reversal of Forward Loss (Forward Loss)	26.1	(1,133.3	)	(644.7)
Total Change in Estimates	86.5	(1,037.8	)	(630.0)
EPS Impact (diluted per share based on statutory rates)	0.38	(4.61	)	(2.77)

The Company is currently working on several new and maturing programs which are in various stages of development, including the B787, A350 XWB and BR725 programs. These programs carry risks associated with design responsibility, development of production tooling, production inefficiencies during the initial phases of production, hiring and training of qualified personnel, increased capital and funding commitments, supplier performance, delivery schedules and unique customer requirements. The Company has previously recorded forward loss charges on these programs. If the risks related to these programs are not mitigated, then the Company could record additional forward loss charges.

2014 Changes in Estimates

Favorable cumulative catch-up adjustments for the periods prior to 2014 and reversals of forward loss were primarily driven by productivity and efficiency improvements, favorable cost performance, mitigation of risk, benefits from

increased production rates related to the absorption of fixed costs, increased statement of work on mature programs and favorable pricing negotiations on a maturing program.

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2013 Changes in Estimates

The \$422.0 forward loss recorded on the B787 program was primarily due to revised cost estimates to reflect the Company's evaluation of near-term achievable cost reductions and continued deterioration in labor performance at the Tulsa facility related to the transition to the B787-9 derivative. The \$240.9 forward loss recorded on the G280 wing program was primarily due to continued deterioration in labor performance at the Tulsa facility and underperformance with respect to supply chain cost reduction. The \$288.3 forward loss recorded on the G650 program was primarily due to continued deterioration in labor performance at the Tulsa facility, underperformance with respect to supply chain cost reduction, and settlement of contractual items. The \$78.6 forward loss recorded on the A350 XWB fuselage recurring program was due to production inefficiencies mostly driven by early development discovery and engineering change to the aircraft design, as well as higher than expected test and transportation costs. The \$32.7 forward loss recorded on the A350 XWB nonrecurring contract was due to the execution of an agreement with Airbus in 2013 regarding the work scope for the design and tooling related to the -1000 derivative. The Company recorded \$95.5 of favorable cumulative catch-up adjustments related to periods prior to 2013 primarily driven by productivity and efficiency improvements and favorable cost performance on mature programs.

2012 Changes in Estimates

The \$184.0 forward loss recorded on the B787 wing program was primarily due to the estimated impact of a customer-mandated recovery plan, including the cost of hiring added workforce, additional costs related to activities to improve quality measures and the delay of the ramp up to full rate production of the fixed leading edge, as well as higher material costs. The \$118.8 forward loss recorded on the G280 wing program was primarily due to deterioration in labor performance related to the ramp up in production, reduction in opportunity to redesign for cost, underperformance with respect to supply chain cost reduction, and settlement of contractual items. The \$162.5 forward loss recorded on the G650 wing program was primarily due to deterioration in labor performance related to the ramp up in production, reduction in opportunity to redesign for cost and underperformance with respect to supply chain cost reduction and changes in estimates related to abandonment of a plan to move production to a lower cost jurisdiction outside the United States. The \$151.0 forward loss recorded on the BR725 engine nacelle program was primarily due to deterioration in labor performance related to the ramp up in production, reduction in opportunity to redesign for cost and delay in work location transfers. In addition, the Company recorded forward losses of \$8.9 on the Airbus A350 XWB non-recurring wing, \$11.5 on the Boeing 747-8 program and \$8.0 on the B767 program. The Company recorded \$14.7 of favorable cumulative catch-up adjustments related to periods prior to 2012 primarily driven by productivity and efficiency improvements and favorable cost performance on mature programs.

4. Impact from Severe Weather Event

On April 14, 2012, during a severe weather event, the Company's Wichita, Kansas facility, which includes its headquarters and manufacturing facilities for all Boeing models as well as operations for maintenance, repair and overhaul support and services (MRO), was hit by a tornado which caused significant damage to many buildings, disrupted utilities and resulted in a short suspension of production. Over the last two years, the Company used proceeds from a global insurance settlement to restore, clean-up and repair damages to its Wichita facility. Expenditures associated with Impact from Severe Weather Event concluded in 2013.

During the twelve months ended December 31, 2013, the Company recorded expenses of \$30.3 due to the severe weather event, which represents continued incremental freight, warehousing and other costs which are recorded as incurred.

During the twelve months ended December 31, 2012, the Company recorded a net gain of \$146.2 under severe weather event, which represents the settlement amount of \$234.9 less cumulative charges of \$88.7, which primarily

relate to repair, clean-up, asset impairment and incremental freight, labor and warehousing costs to restore normal operations. The Company also recorded a \$0.2 impairment charge in this period for certain assets that were destroyed during the severe weather event.

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5. Accounts Receivable, net

Accounts receivable, net consists of the following:

	December 31, 2014	December 31, 2013
Trade receivables ⁽¹⁾⁽²⁾⁽³⁾	\$598.4	\$544.2
Other	7.7	6.8
Less: allowance for doubtful accounts	(0.5	) (0.2
Accounts receivable, net	\$605.6	\$550.8

(1)Includes unbilled receivables of \$26.0 and \$33.5 at December 31, 2014 and December 31, 2013, respectively.

(2)Includes \$135.1 held in retainage at December 31, 2014 and December 31, 2013, respectively.

(3)Includes zero and \$24.6 of withheld payments by a customer pending completion of retrofit work at December 31, 2014 and December 31, 2013, respectively.

Accounts receivable, net includes unbilled receivables on long-term aerospace contracts, comprised principally of revenue recognized on contracts for which amounts were earned but not contractually billable as of the balance sheet date, or amounts earned in which the recovery will occur over the term of the contract, which could exceed one year. Also included in accounts receivable are amounts held in retainage which, as of December 31, 2014, are all related to Gulfstream and represent amounts due on G650 deliveries from 2010 through the third quarter of 2013. The Company settled this matter with Gulfstream on February 13, 2015. See Note 21, "Commitments, Contingencies and Guarantees," for further discussion regarding the settlement.

6. Inventory

Inventories are summarized as follows:

	December 31, 2014	December 31, 2013
Raw materials	\$254.5	\$240.2
Work-in-process	885.7	1,057.8
Finished goods	46.7	43.7
Product inventory	1,186.9	1,341.7
Capitalized pre-production ⁽¹⁾	223.4	486.2
Deferred production ⁽²⁾	1,244.3	1,661.2
Forward loss provision	(901.6	) (1,646.5
Total inventory, net	\$1,753.0	\$1,842.6

(1)For December 31, 2013, \$17.9 of work-in-process was reclassified to capitalized pre-production.

(2) For December 31, 2014, \$11.8 of deferred production was reclassified to work-in-process.

Capitalized pre-production costs include certain contract costs, including applicable overhead, incurred before a product is manufactured on a recurring basis. Significant statement of work changes considered not reimbursable by the customer can also cause pre-production costs to be incurred. These costs are typically recovered over a certain number of shipset deliveries.

Deferred production includes costs for the excess of production costs over the estimated average cost per shipset, and credit balances for favorable variances on contracts between actual costs incurred and the estimated average cost per shipset for units delivered under the current production blocks. Recovery of excess-over-average deferred production

costs is dependent on the number of shipsets ultimately sold and the ultimate selling prices and lower production costs associated with future production

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under these contract blocks. The Company believes these amounts will be fully recovered. Sales significantly under estimates or costs significantly over estimates could result in losses on these contracts in future periods.

Provisions for anticipated losses on contract blocks are recorded in the period in which they become evident (“forward losses”) and included in inventory with any remaining amount reflected in accrued contract liabilities.

Non-recurring production costs include design and engineering costs and test articles.

On December 8, 2014, Spirit entered into an Asset Purchase Agreement with Triumph, to sell Spirit’s Gulfstream programs. The transaction closed on December 30, 2014. The impact of the Gulfstream divestiture resulted in a \$287.0 reduction in inventory for the period ended December 31, 2014.

Inventories are summarized by platform and costs below:

December 31, 2014

Product Inventory

	Inventory	Non-Recurring	Capitalized Pre-Production	Deferred Production	Forward Loss Provision ⁽¹⁾⁽²⁾	Total Inventory, net December 31, 2014
B787	227.9	—	102.7	551.6	(606.0)	276.2
Boeing — All other platforms ⁽³⁾⁽⁴⁾	497.4	7.7	7.4	(8.9)	(38.8)	464.8
A350 XWB ⁽⁵⁾	148.7	35.6	76.4	607.6	(120.1)	748.2
Airbus — All other platforms	82.1	—	—	5.6	—	87.7
Rolls-Royce ⁽⁷⁾	17.5	—	35.4	83.8	(136.7)	—
Sikorsky	—	8.8	—	—	—	8.8
Bombardier C-Series	3.8	—	—	4.6	—	8.4
Aftermarket	45.2	0.2	—	—	—	45.4
Other platforms	109.7	2.3	1.5	—	—	113.5
Total	\$1,132.3	\$54.6	\$223.4	\$1,244.3	\$(901.6)	\$1,753.0

December 31, 2013

Product Inventory

	Inventory	Non-Recurring	Capitalized Pre-Production	Deferred Production	Forward Loss Provision ⁽¹⁾⁽²⁾	Total Inventory, net December 31, 2013
B787	263.9	14.7	158.2	597.3	(606.0)	428.1
Boeing — All other platforms ⁽³⁾⁽⁴⁾	517.8	11.6	11.4	(20.7)	(55.8)	464.3
A350 XWB ⁽⁵⁾	166.7	42.5	76.5	388.8	(120.8)	553.7
Airbus — All other platforms	83.2	—	—	18.8	—	102.0
G280 ⁽⁶⁾	46.9	—	4.9	233.7	(285.5)	—
G650	59.2	—	192.7	373.3	(450.8)	174.4
Rolls-Royce ⁽⁷⁾	15.8	—	42.5	69.3	(127.6)	—
Sikorsky	—	5.4	—	—	—	5.4
Bombardier C-Series	9.1	—	—	0.7	—	9.8
Aftermarket	37.0	—	—	—	—	37.0
Other platforms	67.1	0.8	—	—	—	67.9
Total	\$1,266.7	\$75.0	\$486.2	\$1,661.2	\$(1,646.5)	\$1,842.6

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

(1) Forward loss charges, net of forward loss charge reversals, taken since January 1, 2012 on blocks that have not closed.

Forward loss charges taken through December 31, 2011 were reflected within capitalized pre-production, non-recurring and inventory for the respective programs and are therefore not reflected as part of the Forward Loss

(2) Provision presented. The cumulative forward loss charges, net of contract liabilities, reflected within capitalized pre-production, non-recurring and inventory were \$3.0, \$177.6 and \$29.0 for the A350 XWB, G280 and Sikorsky programs, respectively.

(3) Forward loss charges recorded in prior periods on the fuselage portion of the B747 program exceeded the total inventory balance for the fuselage portion of the program. The excess of charge over program inventory is classified as a contract liability and reported in other current liabilities. The total contract liability was zero and \$3.9 as of December 31, 2014 and December 31, 2013, respectively.

(4) Forward loss charges recorded in prior periods on the propulsion portion of the B767 program exceeded the inventory balance for the propulsion portion of the program. The excess of charge over program inventory is classified as a contract liability and reported in other current liabilities. The total contract liability was \$2.1 and \$5.8 as of December 31, 2014 and December 31, 2013, respectively.

(5) In the fourth quarter of 2014, deferred production in the amount of \$11.8 was reclassified to non-recurring inventory. In 2013, non-recurring inventory in the amount of \$17.9 was reclassified to capitalized pre-production.

(6) Forward loss charges recorded in prior periods on the G280 program exceeded the total inventory balance. The excess of charge over program inventory is classified as a contract liability and reported in other current liabilities. The total contract liability was \$74.2 as of December 31, 2013.

(7) Forward loss charges recorded in prior periods on the Rolls-Royce BR725 program exceeded the total inventory balance. The excess of the charge over program inventory is classified as a contract liability and reported in other current liabilities. The total contract liability was \$12.2 and \$36.7 as of December 31, 2014 and December 31, 2013, respectively.

The following is a roll forward of the capitalized pre-production costs included in the inventory balance at December 31, 2014 and December 31, 2013:

	2014 ⁽¹⁾	2013
Balance, January 1	\$486.2	\$524.6
Charges to costs and expenses	(265.3	) (64.8
Capitalized costs	2.5	26.4
Balance, December 31	\$223.4	\$486.2

(1) Decrease in capitalized pre-production primarily due to the divestiture of Gulfstream programs.

The following is a roll forward of the deferred production included in the inventory balance at December 31, 2014 and December 31, 2013:

	2014 ⁽¹⁾	2013
Balance, January 1	\$1,661.2	\$1,173.8
Charges to costs and expenses	(1,179.2	) (591.2
Capitalized costs	773.8	1,072.8
Exchange rate	(11.5	) 5.8
Balance, December 31	\$1,244.3	\$1,661.2

(1) Decrease in deferred production primarily due to the divestiture of Gulfstream programs.

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

Significant amortization of capitalized pre-production and deferred production inventory will occur over the following contract blocks:

	Contract Block Quantity	Orders ⁽¹⁾
B787	500	843
A350 XWB	400	780
Rolls-Royce	350	196

Orders are from the published firm-order backlogs of Airbus and Boeing. For all other programs, orders represent (1) purchase orders received from OEMs and are not reflective of OEM sales backlog. Orders reported are total block orders, including delivered units.

Current block deliveries are as follows:

Model	Current Block Deliveries
B787	282
A350 XWB	27
Rolls-Royce	134

Contract block quantity is projected to fully absorb the balance of deferred production inventory. Capitalized pre-production and deferred production inventories are at risk to the extent that we do not achieve the orders in the forecasted blocks or if future actual costs exceed current projected estimates, as those categories of inventory are recoverable over future deliveries. In the case of capitalized pre-production this may be over multiple blocks. Should orders not materialize in future periods to fulfill the block, potential forward loss charges may be necessary to the extent the final delivered quantity does not absorb deferred inventory costs.

7. Property, Plant and Equipment, net

Property, plant and equipment, net consists of the following:

	December 31, 2014	December 31, 2013
Land	\$17.1	\$17.9
Buildings (including improvements)	572.9	566.0
Machinery and equipment	1,125.5	1,084.0
Tooling	841.2	801.6
Capitalized software	208.3	172.2
Construction-in-progress	138.3	130.2
Total	2,903.3	2,771.9
Less: accumulated depreciation	(1,119.7)	(968.6)
Property, plant and equipment, net	\$1,783.6	\$1,803.3

Interest costs associated with construction-in-progress are capitalized until the assets are completed and ready for use. Capitalized interest was \$4.0 and \$5.8 for the twelve months ended December 31, 2014 and 2013, respectively. Repair and maintenance costs are expensed as incurred. The Company recognized repair and maintenance costs, excluding the impact of the April 2012 severe weather event, of \$113.4, \$112.5 and \$124.2 for the twelve months ended December 31, 2014, 2013 and 2012, respectively.

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

The Company capitalizes certain costs, such as software coding, installation and testing, that are incurred to purchase or to create and implement internal use computer software. Depreciation expense related to capitalized software was \$18.3, \$19.6 and \$18.6 for the twelve months ended December 31, 2014, 2013 and 2012, respectively.

Spirit reviews capital and amortizing intangible assets (long-lived assets) for impairment on an annual basis or whenever events or changes in circumstances indicate that the recorded amount may not be recoverable. The Company evaluated the long-lived assets at its locations and determined that a \$13.1 impairment primarily related to abandoned construction-in-progress projects was necessary for the period ended December 31, 2014.

8. Other Assets

Other assets are summarized as follows:

	December 31, 2014	December 31, 2013	
Intangible assets			
Patents	\$1.9	\$1.9	
Favorable leasehold interests	6.3	6.3	
Customer relationships	26.9	28.7	
Total intangible assets	35.1	36.9	
Less: Accumulated amortization-patents	(1.5	) (1.3)
Accumulated amortization-favorable leasehold interest	(3.5	) (3.1)
Accumulated amortization-customer relationships	(26.9	) (27.8)
Intangible assets, net	3.2	4.7	
Deferred financing			
Deferred financing costs	101.2	80.5	
Less: Accumulated amortization-deferred financing costs ⁽¹⁾	(79.5	) (56.3)
Deferred financing costs, net	21.7	24.2	
Other			
Goodwill — Europe	2.9	3.0	
Equity in net assets of affiliates	1.9	1.4	
Customer supply agreement ⁽²⁾	34.3	37.6	
Restricted Cash (see Note 21)	19.9	—	
Other	39.7	36.2	
Total	\$123.6	\$107.1	

(1) Includes charges related to debt extinguishment of \$15.1 for the period ended December 31, 2014.

(2) Under an agreement with the Company's customer Airbus, certain payments accounted for as consideration given by the Company to Airbus are being amortized as a reduction to net revenues.

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

9. Research and Development Milestones

Milestone payments. Milestone payments are recognized as revenue when milestones are deemed to be substantive and are achieved. A substantive milestone is one that is based on successful performance by the Company and not solely contingent upon the passage of time or performance by another party. Milestone payments collected in advance that have significant future performance obligations are presented as advance payments or deferred revenue, and are recognized when the milestone is achieved.

As part of the Company's ongoing participation in the B787-9 program, the Company received research and development milestone payments of \$11.4 and \$18.3 for each of the twelve months ended December 31, 2014 and 2013, respectively. Revenue and cost associated with the performance of this research and development are included in program revenue and costs.

10. Advance Payments and Deferred Revenue/Credits

Advance payments. Advance payments are those payments made to Spirit by customers in contemplation of the future performance of services, receipt of goods, incurrence of expenditures, or for other assets to be provided by Spirit under a contract and are repayable if such obligation is not satisfied. The amount of advance payments to be recovered against production units expected to be delivered within a year is classified as a short-term liability on the Company's consolidated balance sheet, with the balance of the unliquidated advance payments classified as a long-term liability.

On April 8, 2014, the Company signed a memorandum of agreement with Boeing which suspends advance repayments related to the B787 program for a period of twelve months beginning April 1, 2014. Repayment will commence on April 1, 2015 and any repayments which otherwise would have become due during such twelve-month period will offset the purchase price for shipset 1,001 and beyond.

Deferred revenue/credits. Deferred revenue/credits generally consist of nonrefundable amounts received in advance of revenue being earned for specific contractual deliverables or amounts that could be required to be refunded if certain performance obligations or conditions are not met. These payments are classified as deferred revenue/credits on the Company's condensed consolidated balance sheet when received and recognized as revenue as the production units are delivered or performance obligations or conditions are met.

Advance payments and deferred revenue/credits are summarized by platform as follows:

	December 31, 2014	December 31, 2013
B737	\$16.2	\$18.7
B787	581.1	600.2
A350 XWB	224.3	243.9
Airbus — All other platforms	4.1	7.3
Gulfstream	4.4	22.0
Other	19.8	21.0
Total advance payments and deferred revenue/credits	\$849.9	\$913.1

11. Government Grants

The Company received grants in the form of government funding for a portion of the site construction and other specific capital asset costs at the Company's Kinston, North Carolina and Subang, Malaysia sites. Deferred grant income is being amortized as a reduction to production cost. Amortization is based on specific terms associated with the different grants. In North Carolina, the deferred grant income related to the capital investment criteria, which represents half of the grant, is being amortized over the production lives of the assets purchased to satisfy the capital investment performance criteria. The other half of the deferred grant income is being amortized over a ten-year period, which began in 2010, in a manner consistent with the job performance criteria. In Malaysia, the deferred grant income is being amortized based on the lives of the eligible assets constructed with the grant funds as there are no performance criteria. The assets related to deferred grant income are consolidated within property, plant, and

equipment.

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

Deferred grant income liability, net consists of the following:

	2014	2013
Balance, January 1	\$116.8	\$123.5
Grant liability amortized	(1.3) —
Grant income recognized	(7.3	) (7.3
Exchange rate	(1.9	) 0.6
Total deferred grant income liability, December 31	\$106.3	\$116.8

The asset value related to the deferred grant income consists of the following:

	2014	2013
Beginning Balance, January 1	\$120.3	\$124.9
Amortization	(5.1	) (5.1
Exchange rate	(2.0	) 0.5
Total asset value related to deferred grant income, December 31	\$113.2	\$120.3

12. Fair Value Measurements

FASB's authoritative guidance on fair value measurements defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The guidance discloses three levels of inputs that may be used to measure fair value:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities and derivative contracts that are traded in an active exchange market.
- Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. Observable inputs, such as current and forward interest rates and foreign exchange rates, are used in determining the fair value of our interest rate swaps and foreign currency hedge contracts.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of assets and liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Description	Fair Value Measurements December 31, 2014		At December 31, 2014 using		
	Total Carrying Assets Amount in Balance Sheet	Liabilities Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)

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Money Market Fund	\$88.3	\$88.3	\$—	\$88.3	\$—	\$—
Interest Rate Swaps	\$(1.1) \$—	\$(1.1) \$—	\$(1.1) \$—

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

Description	Fair Value Measurements December 31, 2013			At December 31, 2013 using		
	Total Carrying Amount in Balance Sheet	Assets Measured at Fair Value	Liabilities Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Fund	\$293.3	\$293.3	\$—	\$293.3	\$—	\$—
Interest Rate Swaps	\$(1.4)	\$—	\$(1.4)	\$—	\$(1.4)	\$—

The fair value of the interest rate swaps are determined by using mark-to-market reports generated for each derivative and evaluated for counterparty risk. In the case of the interest rate swaps, the Company evaluated its counterparty risk using credit default swaps, historical default rates and credit spreads.

The Company's long-term debt consists of a senior secured term loan, senior unsecured notes, and the Malaysian term loan. The estimated fair value of our debt obligations is based on the quoted market prices for such obligations or the historical default rate for debt with similar credit ratings. The following table presents the carrying amount and estimated fair value of long-term debt in accordance with FASB authoritative guidance on fair value measurements related to disclosures of financial instruments:

	December 31, 2014			December 31, 2013		
	Carrying Amount	Fair Value		Carrying Amount	Fair Value	
Senior secured term loan (including current portion)	\$534.4	\$527.1	(1)	\$538.2	\$541.9	(1)
Senior unsecured notes due 2017	—	—	(1)	296.4	309.0	(1)
Senior unsecured notes due 2020	300.0	320.3	(1)	300.0	323.4	(1)
Senior unsecured notes due 2022	299.5	304.7	(1)	—	—	(1)
Malaysian loan	6.7	5.8	(2)	10.0	8.5	(2)
Total	\$1,140.6	\$1,157.9		\$1,144.6	\$1,182.8	

(1)Level 1 Fair Value hierarchy

(2)Level 2 Fair Value hierarchy

13. Derivative and Hedging Activities

The Company enters into interest rate swap agreements to reduce its exposure to the variable rate portion of its long-term debt. The Company could enter into foreign currency hedge contracts to reduce the risks associated with the changes in foreign exchange rates on sales and cost of sales denominated in currencies other than the entities' functional currency. The Company does not use contracts for speculative or trading purposes. On the inception date, the Company designates a derivative contract as either a fair value or cash flow hedge. The Company formally documents the hedging relationship between the hedging instrument and the hedged item, as well as its risk-management objective and strategy for undertaking the hedge, the nature of the risk being hedged, how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed and a description of the method of measuring ineffectiveness. The Company assesses, both at the hedges' inception and on a quarterly basis, whether the derivative item is effective in offsetting changes in fair value or cash flows. Any gains or losses on hedges are included in earnings when the underlying transaction that was hedged occurs.

The Company also considers counterparty credit risk and its own credit risk in its determination of all estimated fair values. The Company has applied these valuation techniques as of December 31, 2014 and believes it has obtained the most accurate information available for the types of derivative contracts it holds. The Company attempts to manage exposure to counterparty credit risk by only entering into agreements with major financial institutions, which are expected to be able to fully perform under the terms of the agreement.

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

Changes in the fair value of derivative instruments considered to be effective hedges are reported in other comprehensive income, net of tax. In the case of interest rate swaps, amounts are subsequently reclassified into interest expense as a yield adjustment of the hedged interest payments in the same period in which the related interest affects earnings. If the actual interest rate on the fixed rate portion of debt is less than LIBOR, the monies received are recorded as an offset to interest expense. Conversely, if the actual interest rate on the fixed rate portion of debt is greater than LIBOR, then the Company pays the difference, which is recorded to interest expense. Reclassifications of any amounts related to foreign currency hedge contracts would be recorded to earnings in the same period in which the underlying transaction occurs. Any change in the fair value resulting from ineffectiveness is immediately recognized in earnings.

The Company discontinues hedge accounting prospectively when it is determined that the derivative is no longer effective in offsetting changes in the cash flows of the hedged item; the derivative expires or is sold, terminated or exercised; the derivative is no longer designated as a hedging instrument because it is unlikely that a forecasted transaction will occur; or management determines that the designation of the derivative as a hedging instrument is no longer appropriate. When hedge accounting is discontinued, the Company would carry the derivative instrument on the balance sheet at its fair value with subsequent changes in fair value included in earnings, and gains and losses that were accumulated in other comprehensive income are recognized immediately in earnings to the extent the forecasted transaction is not expected to occur, or when the underlying transaction settles.

The Company enters into master netting arrangements for its derivatives to mitigate the credit risk of financial instruments. The Company has certain derivative instruments covered by master netting arrangements whereby, in the event of a default as defined by the senior secured credit facility or termination event, the non-defaulting party has the right to offset any amounts payable against any obligation of the defaulting party under the same counterparty agreement. The master netting arrangements do not impact the consolidated balance sheet for December 31, 2014 or December 31, 2013.

Interest Rate Swaps

The Company enters into floating-to-fixed interest rate swap agreements periodically. During the third quarter of 2014, the Company entered into a new interest rate swap agreement to replace the interest rate swap agreement which matured in July 2014. Because the critical terms of the interest rate swap and hedged item coincide, the hedge is expected to exactly offset changes in expected cash flows as a result of fluctuations in 1-month LIBOR over the term of the hedge. The effectiveness of the hedge relationship will be assessed on a quarterly basis during the life of the hedge to confirm that the critical terms of the swap coincide with the term loan. Should the critical terms no longer match exactly, the hedge effectiveness will be measured by evaluating the cumulative dollar offset ratio for the actual derivative and the hedged item.

As of December 31, 2014, the Company had one outstanding interest rate swap agreement which had a notional amount of \$250.0.

Notional Amount ⁽¹⁾	Expires	Variable Rate	Fixed Rate ⁽²⁾	Effective Fixed Rate ⁽³⁾	Fair Value, December 31, 2014
\$250.0	September 2018	1 Month LIBOR	1.636%	4.136%	\$(1.1)

(1) The notional amount will reduce to \$150.0 in September 2017.

(2) The fixed rate represents the rate at which interest is paid by the Company pursuant to the terms of its interest rate swap agreement.

(3) The effective Term B fixed interest rate represents the fixed rate of the derivative instrument plus the 250 basis point margin above the greater of 1-month LIBOR or 75 basis points.

The purpose of entering into the swaps was to reduce the Company's exposure to variable interest rates. The interest rate swap settles on a monthly basis when interest payments are made. These settlements will occur through the maturity date. The interest rate swaps are being accounted for as cash flow hedges in accordance with FASB authoritative guidance. The fair value of the interest rate swaps was a liability (unrealized loss) of \$1.1 and \$1.4 at December 31, 2014 and December 31, 2013, respectively.

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

The following table summarizes the Company's fair value of outstanding derivatives at December 31, 2014 and December 31, 2013:

	Other Liability Derivatives	
	December 31, 2014	December 31, 2013
Derivatives designated as hedging instruments		
Interest rate swaps		
Current	\$1.1	\$1.4
Total derivatives designated as hedging instruments	1.1	1.4
Total derivatives	\$1.1	\$1.4

The impact on other comprehensive income ("OCI") and earnings from cash flow hedges for the twelve months ended December 31, 2014 and December 31, 2013 was as follows:

Derivatives in Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in OCI, net of tax, on Derivative (Effective Portion)		Location of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	
	For the Twelve Months Ended			For the Twelve Months Ended	
	December 31, 2014	December 31, 2013		December 31, 2014	December 31, 2013
Interest rate swaps	\$(1.1)	) \$—	Interest expense	\$(0.5)) \$—
Total	\$(1.1)	) \$—		\$(0.5)) \$—

Gains and losses accumulated in OCI for interest rate swaps are reclassified into earnings as each interest rate period is reset. During the next twelve months, the Company estimates that a loss of \$1.1 will be reclassified from OCI, net of tax, as a charge to earnings from interest rate swaps. Interest rate swaps are placed for a period of time not to exceed the maturity of the Company's senior secured term loan. None of the gains or losses reclassified to earnings were attributable to the discontinuance of cash flow hedges.

The impact on earnings from interest rate swaps that matured and were no longer effective was a loss of \$0.1 and a loss of \$0.8 for the twelve months ended December 31, 2014 and December 31, 2013, respectively, which is reflected in Other Income on the Condensed Consolidated Statement of Operations.

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

14. Debt

Total debt shown on the balance sheet is comprised of the following:

	December 31, 2014		December 31, 2013	
	Current	Noncurrent	Current	Noncurrent
Senior secured term loan	\$ 5.5	\$ 528.9	\$ 5.5	\$ 532.7
Senior notes due 2017	—	—	—	296.4
Senior notes due 2020	—	300.0	—	300.0
Senior notes due 2022	—	299.5	—	—
Malaysian term loan	3.0	3.7	3.0	7.0
Present value of capital lease obligations	0.9	12.0	1.1	14.2
Other	—	—	7.2	0.2
Total	\$ 9.4	\$ 1,144.1	\$ 16.8	\$ 1,150.5

Senior Secured Credit Facilities

On April 18, 2012, Spirit AeroSystems, Inc., as borrower, Spirit AeroSystems Holdings Inc., as parent guarantor, and certain of its subsidiaries entered into a \$1,200.0 senior secured Credit Agreement (the "Credit Agreement") consisting of a \$650.0 revolving credit facility and a \$550.0 term loan B facility. The revolving credit facility matures April 18, 2017 and bears interest, at Spirit's option, at either LIBOR, or a defined "base rate" plus an applicable margin based on Spirit's debt-to-EBITDA ratio (see table below). On March 18, 2014, the Company entered into Amendment No. 3 to the Credit Agreement. The amendment provided for a new \$540.4 senior secured term loan B with a maturity date of September 15, 2020, which replaced the \$540.4 term loan B that was scheduled to mature on April 18, 2019. The new term loan bears interest, at Spirit's option, at LIBOR plus 2.50% with a LIBOR floor of 0.75% or base rate plus 1.50%. The amendment also provided that (i) any failure to comply with the financial covenants will not constitute an event of default with respect to the new term loan, however the financial covenants continue to apply to the revolving credit facility under the Credit Agreement and the administrative agent or the requisite number of lenders (the "Requisite Revolving Lenders") may accelerate the obligations under the revolving credit facility and (ii) the financial covenants may be amended or waived by the Requisite Revolving Lenders. Substantially all of Spirit's assets, including inventory and property, plant and equipment, were pledged as collateral for both the term loan and the revolving credit facility. As of December 31, 2014, the outstanding balance of the term loan was \$534.9 and the carrying amount of the term loan was \$534.4. As of December 31, 2013, the outstanding balance of the term loan was \$540.4 and the carrying amount was \$538.2. As a result of extinguishment of the old term loan, the Company recognized a loss on extinguishment of debt of \$4.6 and incurred third party fees of \$0.5. Of this total charge of \$5.1 related to extinguishment of the old term loan, \$3.5 is reflected within amortization of deferred financing fees and \$1.6 is reflected within amortization expense on the Condensed Consolidated Statement of Cash Flows for the twelve months ended December 31, 2014. The amount outstanding under the revolving credit facility was zero as of December 31, 2014 and December 31, 2013.

In addition to paying interest on outstanding principal under the Credit Agreement, Spirit is required to pay an unused line fee on the unused portion of the commitments under the revolving credit facility based on Spirit's debt-to-EBITDA ratio (see table below). Spirit is required to pay letter of credit fees equal to the applicable margin for LIBOR rate revolving credit borrowings with respect to letters of credit issued under the revolving credit facility (see table below). Spirit is also required to pay to the issuing banks that issue any letters of credit, fronting fees in respect of letters of credit and customary administrative fees to the administrative agent. At December 31, 2014, the Company was subject to pricing tier 1. The applicable pricing tier is evaluated and adjusted, if necessary, on a quarterly basis as the debt-to-EBITDA ratio fluctuates.

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

Pricing Tier	Debt-to-EBITDA Ratio	Commitment Fee	Letter of Credit Fee	Eurodollar Rate Loans	Base Rate Loans	
1	≥3.0:1	0.450	% 2.50	% 2.50	% 1.50	%
2	<3.0:1 but ≥2.25:1	0.375	% 2.25	% 2.25	% 1.25	%
3	<2.25:1 but ≥1.75:1	0.300	% 2.00	% 2.00	% 1.00	%
4	<1.75:1	0.250	% 1.75	% 1.75	% 0.75	%

The Credit Agreement contains customary affirmative and negative covenants, including restrictions on indebtedness, liens, type of business, acquisitions, investments, sales or transfers of assets, payments of dividends, transactions with affiliates, change in control and other matters customarily restricted in such agreements. Additionally, provided no event of default has occurred and Spirit AeroSystems, Inc. and its subsidiaries are in compliance with financial covenants, Spirit AeroSystems, Inc. is permitted to pay dividends to Spirit AeroSystems Holdings Inc. limited in amount by restrictions described in the Credit Agreement. Substantially all the net assets of Spirit AeroSystems Inc. and its subsidiaries were restricted as of December 31, 2014.

The Credit Agreement also contains the following financial covenants (as defined in the Credit Agreement), which were suspended through December 31, 2014 as described in Amendment No. 2 to the Credit Agreement effective August 2, 2013.

Senior Secured Leverage Ratio	Shall not exceed 2.75:1.0
Interest Coverage Ratio	Shall not be less than 4.0:1.0
Total Leverage Ratio	Shall not exceed 4.0:1.0

During the period in which the existing financial covenant ratios were suspended, the amendment required Spirit to meet certain minimum liquidity and borrowing base requirements. The Total Secured Outstandings (as defined in the Credit Agreement) was not to exceed the Aggregate Borrowing Base Amount (as defined in the Credit Agreement) that Spirit was required to maintain. Additionally, Minimum Liquidity (as defined in the Credit Agreement) was not to be less than \$500.0.

On June 3, 2014, the Company entered into Amendment No. 4 to its senior secured Credit Agreement. The amendment permitted the Company to incur certain debt and make certain restricted payments during the suspension period imposed upon the Company, including the payment for the repurchase of 4 million shares of the Company's class A common stock made in June 2014.

As of December 31, 2014, we were and expect to remain in full compliance with all covenants contained within the Credit Agreement through December 31, 2015.

Senior Notes

On November 18, 2010, the Company issued \$300.0 aggregate of 6.75% Senior Notes due December 15, 2020 (the "2020 Notes"), with interest payable, in cash in arrears, on June 15 and December 15 of each year, beginning June 15, 2011. The 2020 Notes are unconditionally guaranteed, jointly and severally, on a senior unsecured basis, by the Company and Spirit's existing and future domestic subsidiaries that guarantee Spirit's obligations under its amended senior secured credit facility. The carrying value of the 2020 Notes was \$300.0 as of December 31, 2014.

On September 30, 2009, we issued \$300.0 of 7.50% Senior Notes due October 1, 2017 (the "2017 Notes"), with interest payable on April 1 and October 1 of each year, beginning April 1, 2010. On March 4, 2014, the Company commenced a cash tender offer to purchase any and all of the \$300.0 outstanding principal amount of its 2017 Notes and a consent solicitation to amend the indenture governing the 2017 Notes (the "2017 Notes Indenture") and eliminate substantially all of the restrictive covenants and certain default provisions applicable to the 2017 Notes (the "Tender Offer").

Holder of 2017 Notes who validly tendered their 2017 Notes prior to March 17, 2014 received, in whole dollars, total consideration of \$1,041.25 per \$1,000 principal amount, which included a consent payment of \$30.00 per \$1,000 principal amount, in whole dollars. Tender and consent fees related to the early extinguishment of debt was \$9.4,

which is included within debt issuance cost on the Condensed Consolidated Statement of Cash Flows for the twelve months ended December 31, 2014.

As a result of the extinguishment of the 2017 Notes, the Company recognized a loss on extinguishment of bonds of \$13.4 and incurred third party fees of \$1.1. Of this total charge of \$14.5 related to extinguishment of the notes, \$11.6 is reflected within

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amortization of deferred financing fees and \$2.9 is reflected within amortization expense on the Condensed Consolidated Statement of Cash Flows for the twelve months ended December 31, 2014.

On March 17, 2014, Spirit entered into a supplemental indenture to effect the proposed amendment to the 2017 Notes Indenture, which became operative on March 18, 2014 when Spirit accepted for purchase \$227.2 aggregate of the 2017 Notes that were tendered prior to March 17, 2014 for an aggregate purchase price of \$244.4 inclusive of accrued and unpaid interest on the purchased 2017 Notes as of March 18, 2014. The supplemental indenture was binding on the 2017 Notes not purchased in the Tender Offer. The Tender Offer expired on March 31, 2014.

On March 18, 2014, the Company issued the \$300.0 aggregate principal amount of 5.25% Senior Notes due March 15, 2022 (the "2022 Notes") with interest payable, in cash in arrears, on March 15 and September 15 of each year, beginning September 15, 2014. The 2022 Notes are unconditionally guaranteed, jointly and severally, on a senior unsecured basis, by the Company and its existing and future domestic subsidiaries that guarantee Spirit's obligations under its amended senior secured credit facility. The carrying value of the 2022 Notes was \$299.5 as of December 31, 2014.

The indenture governing the 2022 Notes (the "2022 Notes Indenture") contains covenants that limit Spirit's, the Company's and certain of Spirit's subsidiaries' ability to (i) incur additional debt, (ii) pay dividends, redeem stock or make other distributions, (iii) make other restricted payments and investments, (iv) create liens without granting equal and ratable liens to the holders of the 2022 Notes, (v) enter into sale and leaseback transactions, (vi) merge, consolidate or transfer or dispose of substantially all of their assets, and (vii) enter into certain types of transactions with affiliates. These covenants are subject to a number of qualifications and limitations. In addition, the 2022 Notes Indenture limits Spirit's, the Company's and the guarantor subsidiaries' ability to engage in businesses other than businesses in which such companies are engaged on the date of issuance of the 2022 Notes and related businesses.

In addition, the 2022 Notes Indenture provides for customary events of default which include (subject in certain cases to customary grace and cure periods), among other things: failure to make payments on the 2022 Notes when due, failure to comply with covenants under the 2022 Notes Indenture, failure to pay certain other indebtedness or acceleration of maturity of certain other indebtedness, failure to satisfy or discharge certain final judgments and occurrence of certain bankruptcy events. If an event of default occurs, the trustee or holders of at least 25% of the aggregate principal amount of the then outstanding 2022 Notes may, among other things, declare the entire outstanding balance of principal of and interest on all outstanding Notes to be immediately due and payable. If an event of default involving certain bankruptcy events occurs, payment of principal of and interest on the 2022 Notes will be accelerated without the necessity of notice or any other action on the part of any person.

On May 1, 2014, Spirit called for redemption of the \$72.8 aggregate of 2017 Notes outstanding following the expiration of the Tender Offer. The 2017 Notes were redeemed at a redemption price equal to 103.75% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the redemption date. Following the redemption, none of the 2017 Notes remained outstanding.

As of December 31, 2014, we were and expect to remain in full compliance with all covenants contained in the indentures governing the 2022 Notes and the 2020 Notes through December 31, 2015.

Malaysian Facility Agreement

On June 2, 2008, the Company's wholly-owned subsidiary, Spirit AeroSystems Malaysia SDN BHD entered into a Facility Agreement for a term loan facility for Ringgit Malaysia ("RM") 69.2 (approximately USD \$20.0 equivalent) (the "Malaysia Facility"), with the Malaysian Export-Import Bank. The Malaysia Facility requires quarterly principal repayments of RM3.3 (approximately USD \$1.0) from September 2011 through May 2017 and quarterly interest

payments payable at a fixed interest rate of 3.50% per annum. As of December 31, 2014 and December 31, 2013, the Malaysia Facility loan balance was \$6.7 and \$10.0, respectively.

French Factory Capital Lease Agreement

On July 17, 2009, the Company's indirect wholly-owned subsidiary, Spirit AeroSystems France SARL entered into a capital lease agreement for €9.0 (approximately USD \$13.1 equivalent) with a subsidiary of BNP Paribas Bank to be used towards the construction of our aerospace-related component assembly plant in Saint-Nazaire, France. Lease payments are variable, subject to the three-month Euribor rate plus 2.20%. Lease payments are due quarterly through April 2025. As of December 31, 2014 and December 31, 2013, the Saint-Nazaire capital lease balance was \$8.8 and \$10.7, respectively.

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Nashville Design Center Capital Lease Agreement

On September 21, 2012, the Company entered into a capital lease agreement for \$2.6 for a portion of an office building in Nashville, Tennessee to be used for design of aerospace components. Lease payments are due monthly, and are subject to yearly rate increases until the end of the lease term of 124 months. As of December 31, 2014 and December 31, 2013, the Nashville Design Center capital lease balance was \$2.3 and \$2.5, respectively.

15. Pension and Other Post-Retirement Benefits

Multi-employer Pension Plan

In connection with the collective bargaining agreement signed with the International Association of Machinists and Aerospace Workers (IAM), the Company contributes to a multi-employer defined benefit pension plan (IAM National Pension Fund). The level of contribution, as specified in the bargaining agreement was, in whole dollars, \$1.70 per hour of employee service as of July 1, 2014. The IAM bargaining agreement provides for a \$0.05 per hour increase, in whole dollars, effective July 1 of each year through 2019.

The collective bargaining agreement with the UAW requires the Company to contribute a specified amount per hour of service to a multi-employer defined benefit pension plan (IAM National Pension Fund). The specified amount was \$1.50 in 2013. Per the negotiated UAW collective bargaining agreement, the pension contributions, in whole dollars, will be as follows:

Effective 1/1/2012 — \$1.50

Effective 1/1/2014 — \$1.55

Effective 1/1/2016 — \$1.60

Effective 1/1/2018 — \$1.65

Effective 1/1/2019 — \$1.70

Effective 1/1/2020 — \$1.75

The risk of this multi-employer plan is different from single-employer plans in the following aspects:

1. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
2. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
3. If the Company chooses to stop participating in the multi-employer plan, the Company may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The following table summarizes the multi-employer plan to which the Company contributes:

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status	Contributions of the Company			Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement
		2013	2014		Pending/Implemented	2012	2013			2014
IAM National Pension Fund	51-60321295	Green	Green	No	\$25.9	\$27.9	\$33.1	No	IAM June 27, 2020 UAW November 30, 2020
Pension Fund	Year Company Contributions to Plan Exceeded More Than 5 Percent of Total Contributions (as of December 31 of the Plan's Year-End)								
IAM National Pension Fund	2012, 2013, 2014								

Defined Contribution Plans

The Company contributes to a defined contribution plan available to all U.S. employees, excluding IAM and UAW represented employees. Under the plan, the Company makes a matching contribution of 75% of the employee contribution to a maximum 8% of eligible individual employee compensation. In addition, non-matching contributions

based on an employee's age and years of service are paid at the end of each calendar year for certain employee groups.

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The Company recorded \$36.0, \$39.1 and \$39.5 in contributions to these plans for the twelve months ended December 31, 2014, 2013 and 2012, respectively.

On April 1, 2006, as part of the acquisition of BAE Aerostructures, the Company established a defined contribution pension plan for those employees who are hired after the date of acquisition. Under the plan, the Company contributes 8% of base salary while participating employees are required to contribute 4% of base salary. The Company recorded \$7.0 in contributions to this plan for the period ended December 31, 2014, \$1.8 in contributions for the period ended December 31, 2013 and \$0.8 in contributions for the period ended December 31, 2012.

Defined Benefit Pension Plans

Effective June 17, 2005, pension assets and liabilities were spun-off from three Boeing qualified plans into four qualified Spirit AeroSystems plans for each Spirit employee who did not retire from Boeing by August 1, 2005.

Effective December 31, 2005, all four qualified plans were merged together. In addition, Spirit has one nonqualified plan providing supplemental benefits to executives (SERP) who transferred from a Boeing nonqualified plan to a Spirit AeroSystems plan and elected to keep their benefits in this plan. Both plans are frozen as of the date of the Boeing Acquisition (i.e., no future service benefits are being earned in these plans). The Company intends to fund its qualified pension plan through a trust. Pension assets are placed in trust solely for the benefit of the pension plans' participants and are structured to maintain liquidity that is sufficient to pay benefit obligations.

On April 1, 2006, as part of the acquisition of BAE Aerostructures, the Company established a defined benefit pension plan for those employees that had pension benefits remaining in BAE Systems' pension plan. In accordance with U.K. legislation, the plan and its assets are managed by an independent trustee company. The investment strategy adopted by this trustee is documented in a Statement of Investment Principles in line with U.K. legislation. The principles for the investment strategy are to maximize the long-term rate of return on plan assets within an acceptable level of risk while maintaining adequate funding levels. The trustee has invested the plan assets in pooled arrangements with authorized investment companies which were selected to be consistent with the plan's overall investment principles and strategy.

Effective December 31, 2013, the U.K. pension plan was closed and benefits were frozen and thereafter subject only to statutory pension revaluation, resulting in a net curtailment gain of \$13.1. This gain was due to the loss of salary linkage for employed members of the plan, less the cost of other benefit changes made as part of the plan closure.

Other Post-Retirement Benefit Plans

We also have post-retirement health care coverage for eligible U.S. retirees and qualifying dependents prior to age 65. Eligibility for employer-provided benefits is limited to those employees who were employed at the date of the Boeing Acquisition and retire on or after attainment of age 62 and 10 years of service. Employees who do not satisfy these eligibility requirements can retire with post-retirement medical benefits at age 55 and 10 years of service, but they must pay the full cost of medical benefits provided.

Obligations and Funded Status

The following tables reconcile the funded status of both pension and post-retirement medical benefits to the balance on the consolidated balance sheets for the fiscal years 2014 and 2013. Benefit obligation balances presented in the tables reflect the projected benefit obligation (PBO) and accumulated benefit obligation (ABO) for the Company's pension plans, and accumulated post-retirement benefit obligations (APBO) for the Company's post-retirement medical plan. The Company uses an end of fiscal year measurement date of December 31 for the Company's U.S. pension and post-retirement medical plans.

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	Pension Benefits		Other Post-Retirement Benefits			
	Periods Ended December 31,		Periods Ended December 31,			
U.S. Plans	2014	2013	2014	2013		
Change in projected benefit obligation:						
Beginning balance	\$949.4	\$1,080.3	\$71.6	\$75.7		
Service cost	—	—	2.3	2.8		
Employee contributions	—	—	0.2	—		
Interest cost	45.9	42.9	2.7	2.1		
Actuarial (gains) and losses	173.2	(148.5)	0.8	(8.6)))
Special Termination Benefits	1.6	(4.1)	1.7	—))
Benefits paid	(45.7)	(21.2)	(1.8)	(0.4)))
Projected benefit obligation at the end of the period	\$1,124.4	\$949.4	\$77.5	\$71.6		
Assumptions used to determine benefit obligation:						
Discount rate	3.99	% 4.89	% 3.14	% 3.89		%
Rate of compensation increase	N/A	N/A	N/A	N/A		
Medical assumptions:						
Trend assumed for the year	N/A	N/A	7.62	% 8.05		%
Ultimate trend rate	N/A	N/A	4.50	% 4.50		%
Year that ultimate trend rate is reached	N/A	N/A	2030	2030		
Change in fair value of plan assets:						
Beginning balance	\$1,179.3	\$1,149.0	\$—	\$—		
Actual return on assets	177.3	51.5	—	—		
Employer contributions to plan	—	—	1.5	0.4		
Employee contributions to plan	—	—	0.3	—		
Benefits paid	(45.7)	(21.2)	(1.8)	(0.4)))
Expenses paid	—	—	—	—		
Ending balance	\$1,310.9	\$1,179.3	\$—	\$—		
Reconciliation of funded status to net amounts recognized:						
Funded status (deficit)	\$186.5	\$230.0	\$(77.5)	\$(71.6)))
Net amounts recognized	\$186.5	\$230.0	\$(77.5)	\$(71.6)))
Amounts recognized in the balance sheet:						
Noncurrent assets	\$187.8	\$231.1	\$—	\$—		
Current liabilities	(0.1)	—	(5.8)	(2.9)))
Noncurrent liabilities	(1.2)	(1.1)	(71.7)	(68.7)))
Net amounts recognized	\$186.5	\$230.0	\$(77.5)	\$(71.6)))
Amounts not yet reflected in net periodic benefit cost and included in AOCI:						
Accumulated gain (loss)	(161.8)	(89.7)	3.4	4.2		
Accumulated other comprehensive income (AOCI)	\$(161.8)	\$(89.7)	\$3.4	\$4.2		

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Cumulative employer contributions in excess of net periodic benefit cost	348.3	319.7	(80.9)	(75.8)
Net amount recognized in the balance sheet	\$186.5	\$230.0	\$(77.5	)	\$(71.6)
Information for pension plans with benefit obligations in excess of plan assets:						
Projected benefit obligation/APBO	\$1.3	\$1.1	\$77.5		\$71.6	
Accumulated benefit obligation	1.3	1.1	—		—	

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	Pension Benefits			
	Periods Ended			
	December 31,			
	2014	2013		
U.K. Plans				
Change in projected benefit obligation:				
Beginning balance	\$78.3	\$70.3		
Service cost	0.7	7.2		
Interest cost	3.7	3.2		
Employee contributions	—	0.1		
Actuarial (gains) and losses	13.6	9.6		
Benefits paid	(1.0)	(0.6)))
Expense paid	(0.7)	—))
Plan Curtailments	—	(13.1)))
Exchange rate changes	(5.5)	1.6))
Projected benefit obligation at the end of the period	\$89.1	\$78.3		
Assumptions used to determine benefit obligation:				
Discount rate	3.80	% 4.75		%
Rate of compensation increase	3.15	% 3.25		%
Change in fair value of plan assets:				
Beginning balance	\$99.7	\$78.8		
Actual return on assets	12.5	9.9		
Company contributions	0.7	9.0		
Employee contributions	—	0.1		
Expenses paid	(0.7)	—))
Benefits paid	(1.0)	(0.6)))
Exchange rate changes	(6.5)	2.5))
Ending balance	\$104.7	\$99.7		
Reconciliation of funded status to net amounts recognized:				
Funded status (deficit)	15.6	21.5		
Net amounts recognized	\$15.6	\$21.5		
Amounts recognized in the balance sheet:				
Noncurrent assets	\$15.6	\$21.5		
Net amounts recognized	\$15.6	\$21.5		
Amounts not yet reflected in net periodic benefit cost and included in AOCI:				
Accumulated gain (loss)	(2.3)	4.4))
Accumulated other comprehensive income (AOCI)	(2.3)	4.4))
Prepaid (unfunded accrued) pension cost	17.9	17.1		
Net amount recognized in the balance sheet	\$15.6	\$21.5		
Information for pension plans with benefit obligations in excess of plan assets:				
Projected benefit obligation/APBO	\$—	\$—		
Accumulated benefit obligation	—	—		
Fair value of assets	\$—	\$—		

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Annual Expense

The components of pension and other post-retirement benefit plans expense for the U.S. plans and the assumptions used to determine benefit obligations for each of the periods ended December 31, 2014, 2013 and 2012 are as follows:

	Pension Benefits			Other Post-Retirement Benefits		
	Periods Ended December 31,			Periods Ended December 31,		
U.S. Plans	2014	2013	2012	2014	2013	2012
Components of net periodic benefit cost (income):						
Service cost	\$—	\$—	\$—	\$2.3	\$2.7	\$3.3
Interest cost	45.9	42.9	42.5	2.7	2.1	3.5
Expected return on plan assets	(76.1)	(80.0)	(71.6)	—	—	—
Amortization of net (gain) loss	—	11.8	5.7	—	—	1.2
Special Termination Benefits	1.7	(4.1)	—	1.7	—	—
Net periodic benefit (cost) income	(28.5)	(29.4)	(23.4)	6.7	4.8	8.0
Other changes recognized in OCI:						
Total recognized in OCI (income) loss	\$72.0	\$(131.8)	\$72.0	\$0.8	\$(8.6)	\$(15.9)
Total recognized in net periodic benefit cost and OCI	\$43.5	\$(161.2)	\$48.6	\$7.5	\$(3.8)	\$(7.9)
Assumptions used to determine net periodic benefit costs:						
Discount rate	4.89	% 4.01	% 4.69	% 3.89	% 2.94	% 4.23
Expected return on plan assets	6.50	% 7.00	% 7.00	% N/A	N/A	N/A
Salary increases	N/A	N/A	N/A	N/A	N/A	N/A
Medical Assumptions:						
Trend assumed for the year	N/A	N/A	N/A	8.05	% 8.50	% 8.97
Ultimate trend rate	N/A	N/A	N/A	4.50	% 4.50	% 4.50
Year that ultimate trend rate is reached	N/A	N/A	N/A	2030	2030	2030

The estimated net (gain) loss that will be amortized from other comprehensive income into net periodic benefit cost over the next fiscal year is \$3.9 for Pension Benefits and zero for Other Post-Retirement Benefits plans.

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The components of the pension benefit plan expense for the U.K. plans and the assumptions used to determine benefit obligations for each of the periods ended December 31, 2014, 2013 and 2012 are as follows:

U.K. Plans	Pension Benefits		
	Periods Ended		
	December 31,		
	2014	2013	2012
Components of net periodic benefit cost (income):			
Service cost	\$0.7	\$7.2	\$7.4
Interest cost	3.6	3.2	2.8
Expected return on plan assets	(5.7)	(4.6)	(3.7)
Amortization of net (gain)	—	(0.1)	—
Curtailment (gain) loss recognized	—	(13.1)	—
Net periodic benefit (cost) income	\$(1.4)	\$(7.4)	\$6.5
Other changes recognized in OCI:			
Total income recognized in OCI	\$6.8	\$4.5	\$(4.9)
Total recognized in net periodic benefit cost and OCI	\$5.4	\$(2.9)	\$1.6
Assumptions used to determine net periodic benefit costs:			
Discount rate	4.75	% 4.70	% 4.80
Expected return on plan assets	5.80	% 5.80	% 5.80
Salary increases	3.25	% 3.10	% 3.20

The estimated net (gain) loss that will be amortized from other comprehensive income into net periodic benefit cost over the next fiscal year for the U.K. plan is zero.

Assumptions

The Company sets the discount rate assumption annually for each of its retirement-related benefit plans as of the measurement date, based on a review of projected cash flow and a long-term high-quality corporate bond yield curve. The discount rate determined on each measurement date is used to calculate the benefit obligation as of that date, and is also used to calculate the net periodic benefit (income)/cost for the upcoming plan year. During 2014, the Society of Actuaries released updated mortality tables (RP-2014) and an updated mortality improvement scale (MP-2014) which are reflected in the assumptions used to measure pension and other post-retirement benefit obligations. Actuarial gains and losses are amortized using the corridor method over the average working lifetimes of active participants/membership.

The pension expected return on assets assumption is derived from the long-term expected returns based on the investment allocation by class specified in the Company's investment policy. The expected return on plan assets determined on each measurement date is used to calculate the net periodic benefit (income)/cost of the upcoming plan year.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. To determine the health care cost trend rates the Company considers national health trends and adjusts for its specific plan design and locations.

A one-percentage point increase in the initial through ultimate assumed health care trend rates would have increased the accumulated post-retirement benefit obligation by \$5.6 at December 31, 2014 and the aggregate service and interest cost components of non-pension post-retirement benefit expense for 2014 by \$0.4. A one-percentage point decrease would have decreased the obligation by \$5.1 and the aggregate service and interest cost components of non-pension post-retirement benefit expense for 2014 by \$0.4.

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U.S. Plans

The Company's investment objective is to achieve long-term growth of capital, with exposure to risk set at an appropriate level. This objective shall be accomplished through the utilization of a diversified asset mix consisting of equities (domestic and international) and taxable fixed income securities. The allowable asset allocation range is:

Equities	20 - 50%
Fixed income	50 - 80%
Real estate	0 - 7%

Investment guidelines include that no security, except issues of the U.S. Government, shall comprise more than 5% of total Plan assets and further, no individual portfolio shall hold more than 7% of its assets in the securities of any single entity, except issues of the U.S. Government. The following derivative transactions are prohibited — leverage, unrelated speculation and "exotic" collateralized mortgage obligations or CMOs. Investments in hedge funds, private placements, oil and gas and venture capital must be specifically approved by the Company in advance of their purchase.

The Company's plans have asset allocations for the U.S., as of December 31, 2014 and December 31, 2013, as follows:

	2014		2013	
Asset Category — U.S.				
Equity securities — U.S.	29	%	29	%
Equity securities — International	4	%	4	%
Debt securities	65	%	65	%
Real estate	2	%	2	%
Total	100	%	100	%

U.K. Plans

The Trustee's investment objective is to ensure that they can meet their obligation to the beneficiaries of the Plan. An additional objective is to achieve a return on the total Plan, which is compatible with the level of risk considered appropriate. The overall benchmark allocation of the Plan's assets is:

Equity securities	45	%
Debt securities	50	%
Property	5	%

The Company's plans have asset allocations for the U.K., as of December 31, 2014 and December 31, 2013, as follows:

	2014		2013	
Asset Category — U.K.				
Equity securities	35	%	54	%
Debt securities	60	%	37	%
Other	5	%	9	%
Total	100	%	100	%

Projected contributions and benefit payments

Required pension contributions under Employee Retirement Income Security Act (ERISA) regulations are expected to be zero in 2015 and discretionary contributions are not expected in 2015. SERP and post-retirement medical plan contributions in 2015 are not expected to exceed \$5.8. Expected contributions to the U.K. plan for 2015 are zero.

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The Company monitors its defined benefit pension plan asset investments on a quarterly basis and we believe that we are not exposed to any significant credit risk in these investments.

The total benefits expected to be paid over the next ten years from the plans' assets or the assets of the Company, by country, are as follows:

	Pension Plans	Other Post-Retirement Benefit Plans
U.S.		
2015	\$20.0	\$ 5.8
2016	\$24.5	\$ 6.5
2017	\$29.2	\$ 6.9
2018	\$34.3	\$ 7.5
2019	\$39.6	\$ 8.2
2020-2024	\$273.5	\$ 41.0
U.K.		Pension Plans
2015		\$0.9
2016		\$1.0
2017		\$1.0
2018		\$1.0
2019		\$1.0
2020-2024		\$5.7

Fair Value Measurements

The pension plan assets are valued at fair value. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for the investments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Temporary Cash Investments — These investments consist of U.S. dollars and foreign currencies held in master trust accounts. Foreign currencies held are reported in terms of U.S. dollars based on currency exchange rates readily available in active markets. These temporary cash investments are classified as level 1 investments.

Collective Investment Trusts — These investments are public investment vehicles valued using market prices and performance of the fund. The trust allocates notional units to the policy holder based on the underlying notional unit buy (offer) price using the middle market price plus transaction costs. These investments are classified within level 2 of the valuation hierarchy. In addition, the collective investment trust includes a real estate fund which is classified within level 3 of the valuation hierarchy.

Commingled Equity and Bond Funds — These investments are valued at the closing price reported by the Plan Trustee. These investments are not being traded in an active market, but are backed by various investment securities managed by the Bank of New York. Fair value is being calculated using unobservable inputs that rely on the Bank of New York's own assumptions and are therefore classified within level 2 of the valuation hierarchy, although these assumptions are based on underlying investments which are traded on an active market.

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As of December 31, 2014 and December 31, 2013, the pension plan assets measured at fair value on a recurring basis were as follows:

Description	December 31, 2014 Total	At December 31, 2014 Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Temporary Cash Investments	\$0.3	\$0.3	\$—	\$—
Collective Investment Trusts	104.4	—	99.1	5.3
Commingled Equity and Bond Funds	1,310.9	—	1,310.9	—
	\$1,415.6	\$0.3	\$1,410.0	\$5.3

Description	December 31, 2013 Total	At December 31, 2013 Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Temporary Cash Investments	\$1.0	\$1.0	\$—	\$—
Collective Investment Trusts	98.7	—	94.0	4.7
Commingled Equity and Bond Funds	1,179.3	—	1,179.3	—
	\$1,279.0	\$1.0	\$1,273.3	\$4.7

The table below sets forth a summary of changes in the fair value of the Plan's level 3 investment assets and liabilities for the years ended December 31, 2014 and December 31, 2013:

Description	December 31, 2014			Sales, Maturities, Settlements, Net	Exchange rate	Ending Fair Value
	Beginning Fair Value	Purchases	Gain (Loss)			
Collective Investment Trusts	\$4.7	\$0.1	\$0.8	\$—	\$(0.3)	\$5.3
	\$4.7	\$0.1	\$0.8	\$—	\$(0.3)	\$5.3
Description	December 31, 2013			Sales, Maturities, Settlements, Net	Exchange rate	Ending Fair Value
	Beginning Fair Value	Purchases	Gain (Loss)			
Collective Investment Trusts	\$3.9	\$0.4	\$0.4	\$—	\$—	\$4.7
	\$3.9	\$0.4	\$0.4	\$—	\$—	\$4.7

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

16. Capital Stock

Holdings has authorized 360,000,000 shares of stock. Of that, 200,000,000 shares are class A common stock, par value \$0.01 per share, one vote per share, 150,000,000 shares are class B common stock, par value \$0.01 per share, one vote per share and 10,000,000 shares are preferred stock, par value \$0.01 per share.

In March, June and August 2014, certain selling stockholders sold 22,915,300 shares of the Company's class A common stock at prices to the public ranging from \$28.62 to \$35.90 per share in secondary offerings of the Company's class A common stock. Following the August offering, Onex no longer held any investment in the Company.

In association with the Boeing Acquisition, Spirit executives with balances in Boeing's Supplemental Executive Retirement Plan (SERP) were authorized to purchase a fixed number of units of Holdings "phantom stock" at \$3.33 per unit based on the present value of their SERP balances. Under this arrangement, 860,244 phantom units were purchased. Any payment on account of units may be made in cash or shares of common stock at the sole discretion of Holdings. The balance of SERP units was 227,820 and 305,382 as of December 31, 2014 and December 31, 2013, respectively.

17. Stock Compensation

Holdings has established various stock compensation plans which include restricted share grants and stock purchase plans. Compensation values are based on the value of Holdings' common stock at the grant date. The common stock value is added to equity and charged to period expense or included in inventory and cost of sales.

On April 30, 2014, the Company's Board of Directors approved an Omnibus Incentive Plan (the "Omnibus Plan"), which replaces the Executive Incentive Plan, Short-Term Incentive Plan, Long-Term Incentive Plan and Director Stock Plan (collectively referred to as "Prior Plans"). No new awards will be granted under the Prior Plans.

Outstanding awards under the Prior Plans will continue to be governed by the terms of such plans until exercised, expired, or otherwise terminated or canceled. The adoption of the Omnibus Plan was non-dilutive to the Company's stockholders.

For the fiscal period ended December 31, 2014, Holdings has recognized a net total of \$16.4 of stock compensation expense. The entire \$16.4 of net stock compensation expense recorded in 2014 was charged directly to selling, general and administrative expense. Holdings recognized a total of \$19.6 and \$15.3 of stock compensation expense for the periods ended December 31, 2013 and December 31, 2012, respectively.

Executive Incentive Plan

The Company's Executive Incentive Plan, or EIP, was designed to provide participants with the opportunity to acquire an equity interest in the Company through direct purchase of the Company's class B common stock shares at prices established by the Board of Directors or through grants of class B restricted common stock shares with performance based vesting.

Prior to 2014, the Company had issued restricted shares as part of the Company's EIP. The restricted shares were granted in groups of four shares. Participants do not have the unrestricted rights of stockholders until those shares vest. The shares may vest upon a liquidity event, with the number of shares vested based upon a participant's number of years of service to the Company, the portion of the investment by Onex and its affiliates liquidated through the date of the liquidity event and the return on invested capital by Onex and its affiliates through the date of the liquidity event. If a specific type of liquidity event has not occurred by the 10th year, shares may vest based on a valuation of the Company.

The Company's initial public offering in November 2006 (the "IPO") and secondary offerings in May 2007, April 2011 and March, June and August 2014 were considered liquidity events under the EIP. In the August 2014 secondary offering, Onex sold 100% of its remaining investment in the Company and as a result all remaining EIP shares vested upon the liquidity event. Subsequent to the liquidating event, the Company no longer awards shares under this plan.

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(\$, €, and RM in millions other than per share amounts)

The following table summarizes the activity of restricted shares under the EIP for the periods ended December 31, 2014, 2013 and 2012:

	Shares (Thousands)	Value ⁽¹⁾
Executive Incentive Plan		
Nonvested at December 31, 2011	880	9.8
Vested during period	—	—
Forfeited during period	—	—
Nonvested at December 31, 2012	880	9.8
Vested during period	—	—
Forfeited during period	(11) —
Nonvested at December 31, 2013	869	9.8
Vested during period	(869	) (9.8
Forfeited during period	—	—
Nonvested at December 31, 2014	—	\$—

(1) Value represents grant date fair value.

Board of Directors Stock Awards

The Company's Director Stock Plan provided non-employee directors the opportunity to receive grants of restricted shares of class A common stock, or Restricted Stock Units (RSUs) or a combination of both common stock and RSUs. The class A common stock grants and RSU grants vest one year from the grant date. The RSU grants are payable upon the director's separation from service. The Board of Directors or its authorized committee were authorized to make discretionary grants of shares or RSUs from time to time. In April 2008, the Director Stock Plan was amended such that all issuances of stock pursuant to the plan after that date would be grants of class A common stock or RSUs. All shares granted prior to April 2008 were class B common stock. Since the adoption of the Omnibus Plan in April 2014, grants of equity to directors are made under the Omnibus Plan instead of the Director Stock Plan.

For each non-employee director of the Company, at least one-half of their annual director compensation is required to be paid in the form of a grant of class A common stock and/or RSUs, as elected by each director. In addition, each director may elect to have all or any portion of the remainder of their annual director compensation paid in cash or in the form of a grant of class A stock and/or RSUs. If participants cease to serve as directors within a year of the grant, the restricted shares and/or RSUs are forfeited. In 2014, the Board of Directors authorized a grant of 32,348 shares of restricted class A common stock, valued at \$1.1 based on the share price of the Company's common stock at the grant dates. The Company expensed a net amount of \$0.9 for the Board of Directors shares for the period ended December 31, 2014. The Company expensed \$0.7 for each of the periods ended December 31, 2013 and December 31, 2012. The Company's unamortized stock compensation related to these restricted shares is \$0.4 which will be recognized over a weighted average remaining period of 4 months. The intrinsic value of the unvested shares based on the value of the Company's stock at December 31, 2014 was \$1.3, based on the value of the Company's stock and the number of unvested shares.

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(\$, €, and RM in millions other than per share amounts)

The following table summarizes stock and RSU grants to members of the Company's Board of Directors for the periods ended December 31, 2014, 2013 and 2012:

	Shares		Value ⁽¹⁾	
	Class A (Thousands)	Class B	Class A	Class B
Board of Directors Stock Grants				
Nonvested at December 31, 2011	27	—	\$0.6	\$—
Granted during period	29	—	0.7	—
Vested during period	(27	) —	(0.6) —
Forfeited during period	—	—	—	—
Nonvested at December 31, 2012	29	—	0.7	—
Granted during period	39	—	0.9	—
Vested during period	(29	) —	(0.7) —
Forfeited during period	—	—	—	—
Nonvested at December 31, 2013	39	—	0.9	—
Granted during period	32	—	1.1	—
Vested during period	(37	) —	(0.8) —
Forfeited during period	(4	) —	(0.1) —
Nonvested at December 31, 2014	30	—	\$1.1	\$—

(1) Value represents grant date fair value.

Short-Term Incentive Plan

The Short-Term Incentive Program under the Omnibus Plan enables eligible employees to receive incentive benefits in the form of restricted stock in the Company, cash, or both, as determined by the Board of Directors or its authorized committee. Effective in the first quarter of 2014, the Company made the determination to pay its short term incentive awards, which are based on Company performance, 100% in cash.

The Company expensed \$0.1 for shares granted under the Short-Term Incentive Plan ("STIP"), under which short term awards were made prior to the adoption of the Omnibus Plan for the period ended December 31, 2014. The Company expensed \$1.3 and \$2.9 for the shares for the periods ended December 31, 2013 and December 31, 2012, respectively.

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

The following table summarizes the activity of the restricted shares under the STIP for the twelve months ended December 31, 2014, 2013 and 2012:

	Shares (Thousands)	Value ⁽¹⁾
Short-Term Incentive Plan		
Nonvested at December 31, 2011	171	4.3
Granted during period	104	2.5
Vested during period	(170)	(4.3)
Forfeited during period	(9)	(0.2)
Nonvested at December 31, 2012	96	2.3
Granted during period	86	1.4
Vested during period	(113)	(2.6)
Forfeited during period	(7)	(0.1)
Nonvested at December 31, 2013	62	1.0
Granted during period	—	—
Vested during period	(62)	(1.0)
Forfeited during period	—	—
Nonvested at December 31, 2014	—	\$—

(1) Value represents grant date fair value.

Long-Term Incentive Plan

The Fourth Amended and Restated Long-Term Incentive Plan ("LTIP") is designed to encourage retention of key employees, and awards were made under the LTIP for this purpose prior to the adoption of the Omnibus Plan.

The Omnibus Plan approved on April 30, 2014 includes a Long-Term Incentive Award (LTIA) for the 2014 plan year and forward. The awards are based on the new LTIA design that provide both time and performance based incentives.

- 75% of the LTIA is service-based restricted stock that will vest in equal installments over a three-year period.

- 25% of the LTIA is market-based restricted stock that will vest in the third year contingent upon total shareholder return (TSR) compared to a group of the Company's peers.

In May 2014, 506,116 shares of class A common stock with an aggregate grant date fair value of \$16.8 were granted under the service-based portion of the Company's LTIA under the Omnibus Plan and such shares will vest annually in three equal installments beginning on the one-year anniversary of the grant date. In addition, 124,320 shares of class A common stock with an aggregate grant date fair value of \$5.6 were granted under the market-based portion of the Company's LTIA under the Omnibus Plan and such shares are eligible to vest on the three-year anniversary of the grant date depending on total shareholder return compared to a group of the Company's peers. Additionally, 528,230 shares of class A common stock with an aggregate grant date fair value of \$11.9 awarded under the Company's Long-Term Incentive Plan vested during 2014.

In July 2014, 51,079 shares of class A common stock with an aggregate grant date fair value of \$1.9 were granted under the service-based portion of the Company's LTIA. In addition, 292 shares of class A common stock with an aggregate grant date fair value of less than \$0.1 were granted under the market-based portion of the Company's LTIA. Additionally, 19,752 shares of class A common stock with an aggregate grant date fair value of \$0.6 were awarded under the Company's Long-Term Incentive Plan vested during 2014.

In October 2014, 7,314 shares of class A common stock with an aggregate grant date fair value of \$0.3 were granted under the service-based portion of the Company's LTIA. In addition, 600 shares of class A common stock with an aggregate grant date fair value of less than \$0.1 were granted under the market-based portion of the Company's LTIA.

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

In February and April 2013, as part of the Company's 2012 Long-Term Incentive Plan, 9,460 and 33,784 shares of class A common stock with an aggregate grant date fair value of \$0.8 were granted by the Board of Directors, and such shares will vest annually in three equal installments beginning on the two-year anniversary of the grant date.

In May 2013, 1,326,299 class A shares valued at \$27.6 were granted pursuant to the Company's 2012 Long-Term Incentive Plan and will vest annually in three equal installments beginning on the two-year anniversary of the grant date. Additionally, 288,047 class A shares valued at \$6.0 were granted and will vest annually in three equal installments beginning on the one-year anniversary date of April 2013.

In June 2013, 34,425 shares of class A common stock valued at \$0.7 were granted pursuant to the Company's 2012 Long-Term Incentive Plan to employees at the UK location pursuant to a union contract ratification. These shares vested approximately one week after issuance.

In August and November 2013, an additional 37,754 and 103,337 class A shares totaling \$4.0 were granted pursuant to the LTIP and will vest annually in three equal installments beginning on the two-year anniversary of the May 2013 grant date. Additionally, 33,859 class A shares valued at \$1.0 were granted in November 2013 and will vest annually in three equal installments beginning September 2014.

In May 2012, 618,804 class A shares valued at \$15.3 were granted and will vest annually in three equal installments beginning on the two-year anniversary of the grant date. In August and November 2012, an additional 21,590 and 35,578 class A shares valued at \$1.1 were granted under the Company's 2012 Long-Term Incentive Plan and will vest annually in three equal installments beginning on the two-year anniversary of the May 2012 grant date. An additional 6,153 shares valued at \$0.1 were granted under the Company's 2012 Long-Term Incentive Plan during 2012. These shares will vest annually in three equal installments beginning on the two-year anniversary of the May 2011 grant date. In May 2011, 548,334 class A shares valued at \$12.9 were granted (and an additional 1,826 class A shares valued at less than \$0.1 were granted during February 2011 for 2010 compensation). These shares begin to vest annually in three equal installments beginning on the two-year anniversary of the May 2010 grant date.

During 2012, 92,250 shares of class A common stock valued at \$2.2 were granted under the Company's 2012 Long-Term Incentive Plan to members of the UAW union pursuant to performance improvements set forth in the 2010 ten-year labor contract. These shares vested immediately upon issuance.

The Company expensed a total of \$15.4 for the unvested class A LTIP shares in the twelve months ended December 31, 2014. The Company expensed a net total of \$17.6 and \$11.9 for class A LTIP shares for the periods ended December 31, 2013 and December 31, 2012, respectively.

The Company's unamortized stock compensation related to these unvested class A shares is \$36.6 which will be recognized over a weighted average remaining period of 2.1 years. The intrinsic value of the unvested class A LTIP shares at December 31, 2013 was \$96.9, based on the value of the Company's common stock and the number of unvested shares.

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Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

The following table summarizes the activity of the restricted shares under the LTIP for the periods ended December 31, 2014, 2013 and 2012:

	Shares		Value ⁽¹⁾	
	Class A (Thousands)	Class B	Class A	Class B
Long-Term Incentive Plan				
Nonvested at December 31, 2011	1,558	—	\$32.0	\$—
Granted during period	774	—	18.8	—
Vested during period	(513	) —	(10.0) —
Forfeited during period	(115	) —	(2.5) —
Nonvested at December 31, 2012	1,704	—	38.3	—
Granted during period	1,867	—	40.1	—
Vested during period	(552	) —	(11.0) —
Forfeited during period	(661	) —	(15.1) —
Nonvested at December 31, 2013	2,358	—	52.3	—
Granted during period	690	—	24.6	—
Vested during period	(548	) —	(12.5) —
Forfeited during period	(245	) —	(6.1) —
Nonvested at December 31, 2014	2,255	—	\$58.3	\$—

(1) Value represents grant date fair value.

18. Income Taxes

The following summarizes pretax income:

	2014	2013	2012
U.S.	\$194.2	\$(499.8	) \$(33.6
International	68.2	69.0	45.0
Total	\$262.4	\$(430.8	) \$11.4

The tax provision contains the following components:

	2014	2013	2012
Current			
Federal	\$(91.0	) \$(17.1	) \$89.8
State	(0.9	) (2.1	) 1.9
Foreign	4.0	4.2	4.3
Total current	\$(87.9	) \$(15.0	) \$96.0
Deferred			
Federal	\$—	\$139.0	\$(104.0
State	(2.0	) 57.8	(19.0
Foreign	(6.0) 9.3	2.9
Total deferred	(8.0) 206.1	(120.1
Total tax (benefit) expense	\$(95.9) \$191.1	\$(24.1

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

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The income tax provision from operations differs from the tax provision computed at the U.S. federal statutory income tax rate due to the following:

	2014		2013		2012	
Tax at U.S. Federal statutory rate	\$91.8	35.0	% \$(150.8)	35.0	% \$4.0	35.0
State income taxes, net of Federal benefit	4.1	1.6	(12.2)	2.8	(1.8)	(15.8)
State income tax credits, net of Federal benefit	(9.0)	(3.4)	(7.7)	1.8	(9.8)	(86.0)
Foreign rate differences	(12.3)	(4.7)	(6.8)	1.6	(4.6)	(40.4)
Research and Experimentation	(3.0)	(1.1)	(10.9)	2.5	(3.2)	(28.1)
Domestic Production Activities Deduction	—	—	—	—	(8.8)	(77.2)
Interest on assessments	(3.7)	(1.4)	(0.6)	0.1	0.3	2.6
Valuation Allowance - U.S. Deferred Tax Asset	(167.2)	(63.7)	381.0	(88.4)	—	—
Other	3.4	1.2	(0.9)	0.2	(0.2)	(1.5)
Total (benefit) provision for income taxes	\$(95.9)	(36.5)	% \$191.1	(44.4)	% \$(24.1)	(211.4)

Significant tax effected temporary differences comprising the net deferred tax liability are as follows:

	2014	2013
Long-term contracts	\$207.8	\$409.9
Post-retirement benefits other than pensions	29.2	26.6
Pension and other employee benefit plans	(48.8)	(68.0)
Employee compensation accruals	69.3	45.8
Depreciation and amortization	(120.4)	(123.7)
Inventory	2.9	3.4
Interest swap contracts	(1.0)	0.9
State income tax credits	70.5	61.1
Accruals and reserves	62.4	36.6
Deferred production	(3.3)	4.1
Deferred gain — severe weather event	(21.2)	(21.5)
Net operating loss carryforward	6.5	1.3
Other	(1.6)	4.2
Net deferred tax asset	252.3	380.7
Valuation allowance	(257.3)	(396.5)
Net deferred tax liability	\$(5.0)	\$(15.8)

Deferred tax detail above is included in the consolidated balance sheet and supplemental information as follows:

	2014	2013
Current deferred tax assets	\$53.2	\$26.9
Current deferred tax liabilities	(0.3)	(0.5)
Net current deferred tax asset	\$52.9	\$26.4
Non-current deferred tax assets	—	—
Non-current deferred tax liabilities	(57.9)	(42.2)
Net non-current deferred tax liability	\$(57.9)	\$(42.2)
Total deferred tax liability	\$(5.0)	\$(15.8)

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The following is a roll forward of the deferred tax valuation allowance at December 31, 2014, 2013 and 2012:

Deferred Tax Asset Valuation Allowance	2014	2013	2012
Balance, January 1	\$396.5	\$10.4	\$8.2
US deferred tax asset	40.4	381.0	—
Income tax credits	9.1	3.7	1.9
Depreciation and amortization	16.3	0.2	0.3
Long-term contracts	(205.0) —	—
Other	—	1.2	—
Balance, December 31	\$257.3	\$396.5	\$10.4

At December 31, 2014 the valuation allowance for the Company's U.S. entities' net deferred tax asset was \$256.8. All available evidence, both positive and negative, has been considered to determine whether, based on the weight of that evidence, a valuation allowance for those net assets is needed.

The primary sources of negative evidence the Company considered were: 1) cumulative U.S. pre-tax losses during the last three years; 2) a history of recording material forward loss charges in the U.S. on the Company's new and maturing programs within the same period; and 3) the ongoing operational and financial risks posed by certain of the Company's newer to maturing programs.

The primary sources of positive evidence the Company considered were: 1) significant order backlog (\$46.6 billion at December 31, 2014); 2) transfer of the Gulfstream loss programs to a third party at December 30, 2014; and 3) forecasts of future taxable income (exclusive of reversals of temporary differences and carryforwards).

The weight given to the positive and negative evidence is commensurate with the extent the evidence may be objectively verified. As such, the Company assigned the lowest weighting to the positive evidence regarding future taxable income (exclusive of reversing taxable temporary differences), increased weighting to the Gulfstream transfer and significant order backlog and the highest weighting to the negative evidence of cumulative recent pre-tax losses and forward loss charges, combined with the risks inherent in certain new and maturing programs mentioned above. Continued profitable operations are required before the Company would change its judgment regarding the need for a full valuation allowance against its net deferred tax assets. Accordingly, although the Company was profitable in 2014, inclusive of the impact of the loss on sale related to the Gulfstream G280 and Gulfstream G650 programs, the Company continues to record a full valuation allowance against the net deferred tax assets in the U.S.

The Company will continue to evaluate all available positive and negative evidence for all future reporting periods and continued improvement in its operating results could lead to reversal of nearly all remaining valuation allowance. In the quarter in which the valuation allowance is released, the Company would record an abnormally large tax benefit reflecting the release, which would result in higher earnings per share from net income attributable to the Company. During 2014, the Company released \$167.2 of deferred tax valuation allowance into earnings. This release consists of two primary components: net utilization of underlying deferred tax assets consumed within the normal operations of the company (\$49.1), and the realization of remaining deferred tax assets related to the Gulfstream G650 and G280 programs (\$118.1). The utilization of these underlying deferred tax assets represent reductions to the Company's 2014 taxable income and will offset current taxes and will be carried back to prior years to offset taxable income in the available carry back period.

Additionally, the Company maintains a \$16.2 valuation allowances against separate company state income tax credits and other U.S. issues and \$0.6 for other foreign issues which is an increase of \$1.3 from the prior year.

The Company has recognized cumulative book income for its international operations. Prior to this year the Company had incurred cumulative taxable losses in the United Kingdom, primarily due to the manner in which the United Kingdom treats long-term contract income accounting and capital allowances. As of the 2013 tax year filing, the net operating loss carryforward has been fully utilized.

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As of December 31, 2014, the Company has not provided U.S. tax on its cumulative undistributed earnings of foreign subsidiaries of approximately \$259.0 because it is the Company's intention to reinvest these earnings indefinitely. The Company considers the earnings of all non-US subsidiaries to be indefinitely invested outside the United States on the basis of estimates that future domestic cash generation will be sufficient to meet future domestic cash needs and specific plans for the reinvestment of those earnings. If earnings were distributed, the Company would be subject to estimated U.S. taxes and withholding taxes payable to foreign governments of approximately \$85.5. Based on the facts and circumstances at that time, the Company would determine whether a credit for foreign taxes paid would be available to reduce or offset the U.S. tax liability. Should the Company decide to repatriate the foreign earnings, it would need to adjust its income tax provision in the period it determined that the earnings will no longer be indefinitely invested outside the United States.

The beginning and ending unrecognized tax benefits reconciliation is as follows:

	2014	2013	2012
Beginning balance	\$18.4	\$16.9	\$15.5
Gross increases related to current period tax positions	—	3.8	4.2
Gross increases related to prior period tax positions	0.9	0.4	1.8
Gross decreases related to prior period tax positions	(13.4	) (2.7	) (3.8
Statute of limitations' expiration	—	—	(0.8
Settlements	—	—	—
Ending balance	\$5.9	\$18.4	\$16.9

Included in the December 31, 2014 balance was \$3.8 in tax affected unrecognized tax benefits which, if ultimately recognized, will reduce the Company's effective tax rate. The Internal Revenue Service's examination of the Company's 2013 U.S. Federal income tax return is complete. The Company will continue to participate in the Compliance Assurance Process ("CAP") program for its 2014 tax year. Additionally, the Company has been selected for the Compliance Maintenance phase of the CAP program for the 2015 tax year. The CAP program's objective is to resolve issues in a timely, contemporaneous manner and eliminate the need for a lengthy post-filing examination. HM Revenue & Customs completed its examination of the Company's 2009-2012 U.K income tax returns. The Directorate General of Public Finance is currently examining the Company's 2011 and 2012 French income tax returns. While a change could result from the ongoing examinations, the Company expects no material change in its recorded unrecognized tax benefit liability in the next 12 months.

As indicated above, the Company participates in the Internal Revenue Service's CAP program and all years through 2013 have been examined. However, the statute of limitations in various states and foreign jurisdictions remain open for the 2009-2014 tax years and it may be subject to examination for those periods.

The Company reports interest and penalties, if any, related to unrecognized tax benefits in the income tax provision. As of December 31, 2014 and December 31, 2013, accrued interest on its unrecognized tax benefit liability included in the consolidated balance sheets was zero and \$0.1, respectively. The impact of interest on the Company's unrecognized tax benefit liability during 2014 and 2013 was zero and (\$0.6), respectively.

The Company continues to operate under a tax holiday in Malaysia effective through September 2024. During the current year, the Company received formal approval of the tax holiday from the Malaysian tax authorities, with conditional renewals once every five years beginning in September 2014. As a result of this formal approval, the Company released \$12.2 of tax reserves and \$0.7 of deferred tax liabilities into earnings in the year. In the fourth quarter, the Company received formal approval from the Malaysian tax authorities to extend the tax holiday through September 2019.

At December 31, 2014, the Company had total state net operating loss carryforwards of \$47.1. Of that amount \$20.9 is related to North Carolina net operating loss carryforwards that expire in 2026 and \$25.3 related to Kansas net operating loss carryforwards that expire in 2024.

At December 31, 2014, the Company had \$1.1 of U.S. Foreign Tax Credit carryforwards, a portion of which will expire beginning in 2018.

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Spirit AeroSystems Holdings, Inc.

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(\$, €, and RM in millions other than per share amounts)

On December 19, 2014, the President signed legislation retroactively extending the U.S. Research Tax Credit for one year so that it applies through December 31, 2014. The Company's income tax expense for 2014 reflects the benefit of the Research Tax Credit attributable to 2014 of \$3.0.

Included in the deferred tax assets at December 31, 2014 are \$45.3 in Kansas High Performance Incentive Program ("HPIP") Credit, \$7.3 in Kansas Research & Development ("R&D") Credit, and \$2.7 in Kansas Business and Jobs Development Credit, totaling \$55.3 in gross Kansas state income tax credit carryforwards, net of federal benefit. The HPIP Credit provides a 10% investment tax credit for qualified business facilities located in Kansas for which \$5.9 expires in 2024, \$0.7 expires in 2025, \$3.5 expires in 2026, \$5.0 expires in 2027, \$9.7 expires in 2028, \$11.7 expires in 2029, and the remainder expires in 2030. The R&D Credit provides a credit for qualified research and development expenditures conducted within Kansas. This credit can be carried forward indefinitely. The Business and Jobs Development Credit provides a tax credit for increased employment in Kansas. This credit can be carried forward indefinitely. As previously discussed, management determined that it was necessary to maintain a valuation allowance against nearly all of its net U.S. deferred tax assets at December 31, 2014. As a result, a full valuation allowance against all Kansas credits included as deferred tax assets is reflected within the total valuation allowance amount.

Included in the deferred tax assets at December 31, 2014 are \$8.1 in North Carolina Investing in Business Property Credit, \$3.9 in North Carolina Investment in Real Property Credit, and \$3.2 in North Carolina Creating Jobs Credit, totaling \$15.2 in gross North Carolina state income tax credit carryforwards, net of federal benefit. The Investing in Business Property Credit provides a 7% investment tax credit for property located in a North Carolina development area and the Investment in Real Property Credit provides a 30% investment tax credit for real property located in a North Carolina development area. The Creating Jobs Credit provides a tax credit for increased employment in North Carolina. These North Carolina state income tax credits can be carried forward 20 years. It is management's opinion that \$1.8 of these North Carolina state income tax credits will be utilized before they expire and a \$13.4 valuation allowance was recorded, net of federal benefit.

The Company had \$248.9 and \$75.4 of income tax receivable as of December 31, 2014 and December 31, 2013, respectively, which is reflected within other current assets on the Consolidated Balance Sheet.

19. Equity

Earnings per Share Calculation

Basic net income per share is computed using the weighted-average number of outstanding shares of common stock during the measurement period. Diluted net income per share is computed using the weighted-average number of outstanding shares of common stock and, when dilutive, potential outstanding shares of common stock during the measurement period.

Subject to preferences that may apply to shares of preferred stock outstanding at the time, holders of the Company's outstanding common stock are entitled to any dividend declared by the Board of Directors out of funds legally available for this purpose. No dividend may be declared on the class A or class B common stock unless at the same time an equal dividend is paid on every share of class A and class B common stock. Dividends paid in shares of the Company's common stock must be paid, with respect to a particular class of common stock, in shares of that class. The Company does not intend to pay cash dividends on its common stock. In addition, the terms of the Company's current financing agreements contain restrictions on the Company's ability to pay cash dividends on its common stock. The Company accounts for treasury stock under the cost method and includes treasury stock as a component of stockholders' equity. As of December 31, 2014, no treasury shares have been reissued or retired.

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Notes to the Consolidated Financial Statements — (Continued)

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The following table sets forth the computation of basic and diluted earnings per share:

	For the Twelve Months Ended								
	December 31, 2014			December 31, 2013			December 31, 2012		
	Income	Shares	Per Share Amount	Loss	Shares	Per Share Amount	Income	Shares	Per Share Amount
Basic EPS									
Income (loss) available to common shareholders	\$357.2	140.0	\$2.55	\$(621.4)	141.3	\$(4.40)	\$34.4	140.7	\$0.24
Income allocated to participating securities	1.6	0.6	—	—	—	—	0.4	1.5	—
Net income (loss)	\$358.8			\$(621.4)			\$34.8		
Diluted potential common shares		1.0			—			0.5	
Diluted EPS									
Net income (loss)	\$358.8	141.6	\$2.53	\$(621.4)	141.3	\$(4.40)	\$34.8	142.7	\$0.24

The balance of outstanding common shares presented in the consolidated statement of shareholders' equity was 141.1 million, 144.8 million and 143.7 million at December 31, 2014, 2013 and 2012, respectively. Included in the outstanding common shares were 2.3 million, 3.4 million and 2.7 million of issued but unvested shares at December 31, 2014, 2013 and 2012, respectively, which are excluded from the basic EPS calculation.

Accumulated Other Comprehensive Loss

Accumulated Other Comprehensive Loss, net of tax, is summarized by component as follows:

	December 31, 2014	December 31, 2013
Pension	\$(130.0)	\$(52.7)
Interest rate swaps	(1.1)	—
SERP/ Retiree medical	2.1	3.1
Foreign currency impact on long term intercompany loan	(5.7)	(2.2)
Currency translation adjustment	(19.1)	(2.8)
Total accumulated other comprehensive loss	\$(153.8)	\$(54.6)

Noncontrolling Interest

Noncontrolling interest at December 31, 2014 remained unchanged from the prior year at \$0.5.

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20. Related Party Transactions

On August 7, 2014, the Company, Onex and certain current and former members of Spirit management entered into an underwriting agreement for the sale by such stockholders of 8,577,155 shares of the Company's class A common stock in a secondary public offering. Following the completion of the offering, which closed on August 13, 2014, Onex no longer owned any shares of the Company. During the time period in which Onex was a related party, the Company paid \$0.3, \$0.4 and \$0.3 to a subsidiary of Onex for services rendered for each of the twelve month periods ended December 31, 2014, 2013 and 2012, respectively. Management believes the amounts charged were reasonable in relation to the services provided.

A former director (and former executive) of the Company is a member of the Board of Directors of Rockwell Collins, Inc., a supplier of manufacturing parts to the Company. Under the commercial terms of the arrangement with the supplier, Spirit paid \$0.2, \$0.1 and less than \$0.1 for the twelve month periods ended December 31, 2014, 2013 and 2012, respectively. The amounts owed to Rockwell Collins and recorded as accrued liabilities were less than \$0.1 as of December 31, 2014, 2013 and 2012.

A former director (and former executive) of the Company is a member of the Board of Directors of a Wichita, Kansas bank that provides banking services to Spirit. In connection with the banking services provided to Spirit, the Company pays fees consistent with commercial terms that would be available to unrelated third parties. Such fees are not material to the Company.

In December 2014, Onex acquired approximately a 40% interest in Advanced Integration Technologies ("AIT"), a provider of automation and tooling, maintenance services and aircraft components to the aerospace industry and a supplier to the Company. For the twelve months ended December 31, 2014, sales from AIT to the Company and its subsidiaries collectively totaled approximately \$11.0. Tawfiq Popatia, a director of Spirit Holdings, is a Managing Director of Onex Corporation.

21. Commitments, Contingencies and Guarantees

Litigation

From time to time the Company is subject to, and is presently involved in, litigation or other legal proceedings arising in the ordinary course of business. While the final outcome of these matters cannot be predicted with certainty, considering, among other things, the meritorious legal defenses available, it is the opinion of the Company that none of these items, when finally resolved, will have a material adverse effect on the Company's long-term financial position or liquidity. The Company had obligations of \$96.3 and \$45.4 for the periods ended December 31, 2014 and December 31, 2013, respectively. However, an unexpected adverse resolution of one or more of these items could have a material adverse effect on the results of operations and cash flows in a particular quarter or fiscal year.

From time to time, in the ordinary course of business and similar to others in the industry, we receive requests for information from government agencies in connection with their regulatory or investigational authority. Such requests can include subpoenas or demand letters for documents to assist the government in audits or investigations. We review such requests and notices and take appropriate action. We have been subject to certain requests for information and investigations in the past and could be subject to such requests for information and investigations in the future. Additionally, we are subject to federal and state requirements for protection of the environment, including those for disposal of hazardous waste and remediation of contaminated sites. As a result, we are required to participate in certain government investigations regarding environmental remediation actions.

On February 16, 2007, an action entitled Harkness et al. v. The Boeing Company ("Boeing") et al. was filed in the U.S. District Court for the District of Kansas (the "Harkness Class Action"). The defendants were served in early July 2007. The defendants included Spirit AeroSystems Holdings, Inc., Spirit AeroSystems, Inc., the Spirit AeroSystems

Holdings Inc. Retirement Plan for the International Brotherhood of Electrical Workers (IBEW), Wichita Engineering Unit (SPEEA WEU) and Wichita Technical and Professional Unit (SPEEA WTPU) Employees, and the Spirit AeroSystems Retirement Plan for International Association of Machinists and Aerospace Workers (IAM) Employees, along with Boeing and Boeing retirement and health plan entities. The named plaintiffs are twelve former Boeing employees, eight of whom were or are employees of Spirit. The plaintiffs assert several claims under the Employee Retirement Income Security Act and general contract law and brought the case as a class action on behalf of similarly situated individuals. The putative class consists of approximately 2,500 current or former employees of Spirit. The parties agreed to class certification. The sub-class members who asserted claims against the Spirit entities are those individuals who, as of June 2005, were employed by Boeing in Wichita, Kansas, were participants in the Boeing pension plan, had at least 10 years of vesting service in the Boeing plan, were in jobs represented by a union, were between the ages of 49 and 55, and who went to work for Spirit on or about June 17, 2005. Although there were many claims in the suit, the plaintiffs' claims against the Spirit entities, asserted under various theories, were (1) that the Spirit plans wrongfully failed to determine that certain plaintiffs

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(\$, €, and RM in millions other than per share amounts)

are entitled to early retirement “bridging rights” to pension and retiree medical benefits that were allegedly triggered by their separation from employment by Boeing and (2) that the plaintiffs’ pension benefits were unlawfully transferred from Boeing to Spirit in that their claimed early retirement “bridging rights” are not being afforded these individuals as a result of their separation from Boeing, thereby decreasing their benefits. The plaintiffs initially sought a declaration that they were entitled to the early retirement pension benefits and retiree medical benefits, an injunction ordering that the defendants provide the benefits, damages pursuant to breach of contract claims and attorney fees. On June 20, 2013, the district court entered an order dismissing all claims against the Spirit entities with prejudice. Plaintiffs’ claims against Boeing entities remain pending in the litigation. Boeing has announced that the plaintiffs and Boeing agreed on June 12, 2014 to a settlement of this matter, subject to a fairness hearing. Boeing has notified Spirit that it believes it is entitled to indemnification from Spirit for any “indemnifiable damages” it may incur in the Harkness litigation, under the terms of the asset purchase agreement from the Boeing Acquisition between Boeing and Spirit (the “APA”) and has filed suit against Spirit seeking a ruling that it is so entitled. Spirit disputes Boeing’s position on indemnity. Management believes the resolution of this matter will not materially affect the Company’s financial position, results of operations or liquidity.

On July 21, 2005, the International Union, Automobile, Aerospace and Agricultural Implement Workers of America (“UAW”) filed a grievance against Boeing on behalf of certain former Boeing employees in Tulsa and McAlester, Oklahoma, regarding issues that parallel those asserted in the Harkness Class Action (the “UAW Arbitration”). Boeing denied the grievance, and the UAW subsequently filed suit to compel arbitration, which the parties eventually agreed to pursue. The arbitration was conducted in January 2008. In July 2008, the arbitrator issued an opinion and award in favor of the UAW. The arbitrator directed Boeing to reinstate the seniority of the employees and “afford them the benefits appurtenant thereto.” On March 5, 2009, the arbitrator entered an Opinion and Supplemental Award that directed Boeing to award certain benefits to UAW members upon whose behalf the grievance was brought, notwithstanding the prior denial of such benefits by the Boeing Plan Administrator. On April 10, 2009, Boeing filed a Complaint in the United States District Court for the Northern District of Illinois, seeking a ruling that the arbitrator exceeded his authority in granting the Supplemental Award. On September 16, 2009, the District Court entered an order affirming the arbitrator’s Supplemental Award. Boeing appealed the District Court’s decision to the U.S. Seventh Circuit Court of Appeals, which affirmed the District Court’s decision. Boeing previously notified Spirit of its intent to seek indemnification from Spirit for any “indemnifiable damages” it may incur in the UAW matter, pursuant to the terms of the asset purchase agreement from the Boeing Acquisition and has filed suit against Spirit seeking a ruling that it is so entitled. Spirit disputes Boeing’s position on indemnity. Management believes the resolution of this matter will not materially affect the Company’s financial position, results of operations or liquidity.

On December 5, 2014, Boeing filed a complaint in Delaware Superior Court, Complex Commercial Litigation Division, entitled *The Boeing Co. v. Spirit AeroSystems, Inc.* Boeing seeks indemnification from Spirit for damages assessed against Boeing in the UAW Arbitration and claims that Boeing allegedly settled in the Harkness Class Action. Boeing’s complaint asserts that the damages assessed against Boeing in the UAW Arbitration and the claims settled by Boeing in the Harkness Class Action are liabilities that Spirit assumed under the APA. Boeing asserts claims for breach of contract and declaratory judgment regarding its indemnification rights under the APA. Boeing alleges that, under the UAW Arbitration decision, Boeing has paid more than \$13.0 of a liability Boeing estimates to have a net present value of \$39.0. The amount of Boeing’s settlement of the Harkness Class Action has not yet been publicly disclosed and will require court approval. In addition, Boeing seeks indemnification for more than \$10.0 in attorneys’ fees it allegedly expended to defend the UAW Arbitration and Harkness Class Action. On December 24, 2014, the parties filed a joint stipulation extending Spirit’s deadline to move, answer or otherwise respond to the complaint until February 12, 2015. The Company intends to defend vigorously against the allegations in this lawsuit. Management believes the resolution of this matter will not materially affect the Company’s financial position, results

of operations or liquidity.

On June 3, 2013, a putative class action lawsuit was commenced against the Company, Jeffrey L. Turner, and Philip D. Anderson in the U.S. District Court for the District of Kansas. The court-appointed lead plaintiffs - two pension funds that claim to represent a class of investors in the Company's stock - filed an amended complaint on April 7, 2014, naming as additional defendants Spirit's Vice President of the B787 Program Terry J. George and former Senior Vice President of Oklahoma Operations Alexander K. Kummant. The amended complaint alleges that defendants engaged in a scheme to artificially inflate the market price of the Company's stock by making false statements and omissions about certain programs' performance and costs. It contends that the alleged scheme was revealed by the Company's accrual of \$590.0 in forward loss charges on October 25, 2012. The lead plaintiffs seek certification of a class of all persons other than defendants who purchased Holdings securities between May 5, 2011 and October 24, 2012, and seek an unspecified amount of damages on behalf of the putative class. In June 2014, the defendants filed a motion to dismiss the claims set forth in the Amended Complaint. The parties have fully briefed the defendants' motion, presented oral arguments before the court on February 6, 2015 and are currently awaiting a decision by the district judge. The

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Company intends to vigorously defend against these allegations, and management believes the resolution of this matter will not materially affect the Company's financial position, results of operations or liquidity.

In August 2013, the Company instituted a demand for arbitration against Gulfstream Aerospace Corporation. Spirit seeks damages from Gulfstream for its incomplete payments to Spirit for the wings Spirit manufactures for the G650 airplane, as well as other damages and relief. Gulfstream counterclaimed against Spirit in the arbitration, seeking liquidated damages for delayed deliveries of wings, as well as other damages and relief. The parties selected arbitrators, and the arbitration hearing was completed on February 11, 2015. On February 13, 2015, before an arbitration panel decision was rendered, the parties settled the arbitration. The terms of the settlement did not materially affect the Company's 2014 financial position.

SEC Matters

In October 2012, Spirit was advised by the Staff of the Securities and Exchange Commission, Division of Enforcement, that they were conducting an inquiry that the Company believes to be focused on the timing of forward losses recognized in the third quarter of 2012. The Company fully cooperated with the inquiry. In October 2014, the Enforcement Division Staff informed the Company that it had determined to close its inquiry without recommending any enforcement action against Spirit.

Commitments

The Company leases equipment and facilities under various non-cancelable capital and operating leases. The capital leasing arrangements extend through 2025. Minimum future lease payments under these leases at December 31, 2014 are as follows:

	Operating	Capital Present Value	Interest	Total
2015	\$16.1	\$1.7	\$0.5	\$18.3
2016	\$10.5	\$1.2	\$0.4	\$12.1
2017	\$4.3	\$1.0	\$0.4	\$5.7
2018	\$3.2	\$1.0	\$0.4	\$4.6
2019	\$2.3	\$1.0	\$0.3	\$3.6
2020 and thereafter	\$14.4	\$10.0	\$9.1	\$33.5

Operating lease payments were as follows:

	2014	2013	2012
Minimum rentals	\$20.5	\$22.6	\$19.6
Contingent rentals	—	—	—
Less: Sub-lease	—	—	—
Total	\$20.5	\$22.6	\$19.6

Spirit's aggregate capital commitments totaled \$185.3 and \$226.0 at December 31, 2014 and December 31, 2013, respectively.

The Company paid \$0.3 and \$0.9 in interest expense related to the capital leases for periods ended December 31, 2014 and December 31, 2013, respectively.

Guarantees

Contingent liabilities in the form of letters of credit, letters of guarantee and performance bond have been provided by the Company. As of December 31, 2013, outstanding letters of credit were \$19.9. Outstanding guarantees were \$21.6 and \$24.8 at December 31, 2014 and December 31, 2013, respectively.

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Restricted Cash

The Company is required to maintain \$19.9 of restricted cash as of December 31, 2014 related to certain collateral requirements, for obligations under its workers' compensation programs. These collateral requirements were previously supported by letters of credit that were replaced in October 2014. Restricted cash is included in "Other assets" in the Company's Condensed Consolidated Balance Sheet as of December 31, 2014.

Indemnification

The Company has entered into customary indemnification agreements with each of its Directors, and some of its executive employment agreements include indemnification provisions. Under those agreements, the Company agrees to indemnify each of these individuals against claims arising out of events or occurrences related to that individual's service as the Company's agent or the agent of any of its subsidiaries to the fullest extent legally permitted.

Service and Product Warranties and Extraordinary Rework

Provisions for estimated expenses related to service and product warranties and certain extraordinary rework are made at the time products are sold. These costs are accrued at the time of the sale and are recorded to unallocated cost of goods sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims, including the experience of industry peers. In the case of new development products or new customers, Spirit considers other factors including the experience of other entities in the same business and management judgment, among others.

The following is a roll forward of the service warranty and extraordinary rework balance at December 31, 2014, 2013 and 2012:

	2014	2013	2012
Balance, January 1	\$68.7	\$30.9	\$19.6
Charges to costs and expenses	53.7	38.3	12.0
Payouts	(1.8) —	—
Write-offs, net of recoveries	—	(0.6	) (0.9
Exchange rate	(0.7	) 0.1	0.2
Balance, December 31	\$119.9	\$68.7	\$30.9

Bonds

Spirit utilized City of Wichita issued Industrial Revenue Bonds ("IRBs") to finance self-constructed and purchased real property at its Wichita site. Tax benefits associated with IRBs include provisions for a ten-year complete property tax abatement and a Kansas Department of Revenue sales tax exemption on all IRB funded purchases. Spirit and its predecessor purchased these IRBs so they are bondholders and debtor / lessee for the property purchased with the IRB proceeds.

Spirit recorded the property net of a capital lease obligation to repay the IRB proceeds on its consolidated balance sheet. Gross assets and liabilities associated with these IRBs were \$404.7 and \$394.7 at December 31, 2014 and December 31, 2013, respectively.

Spirit utilized \$80.0 in Kansas Development Finance Authority ("KDFA") issued bonds to receive a rebate of payroll taxes from the Kansas Department of Revenue to KDFA bondholders. Concurrently, a Spirit subsidiary issued an intercompany note with identical principal, terms, and conditions to the KDFA bonds. In accordance with FASB authoritative guidance, the principal and interest payments on these bonds offset in the consolidated financial statements.

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22. Other (Expense) Income, Net

Other (expense) income, net is summarized as follows:

	For the Twelve Months Ended		
	December 31, 2014	December 31, 2013	December 31, 2012
KDFA bond	\$3.3	\$3.4	\$4.5
Rental and miscellaneous income (expense)	0.8	(1.1	) (8.4
Foreign currency (losses) gains	(8.2	) 1.0	5.7
Total	\$(4.1	) \$3.3	\$1.8

Foreign currency (losses) gains are due to the impact of movement in foreign currency exchange rates on an intercompany revolver and long-term contractual rights/obligations, as well as trade and intercompany receivables/payables which are denominated in a currency other than the entity's functional currency.

23. Significant Concentrations of Risk

Economic Dependence

The Company's largest customer (Boeing) accounted for approximately 83%, 84% and 84% of the revenues for the periods ended December 31, 2014, 2013 and 2012, respectively. Approximately 32% and 27% of the Company's accounts receivable balance at December 31, 2014 and December 31, 2013, respectively, was attributable to Boeing. The Company's second largest customer (Airbus) accounted for approximately 10%, 10% and 9% of the revenues for the periods ended December 31, 2014, 2013 and 2012, respectively. Approximately 26% and 28% of the Company's accounts receivable balance at December 31, 2014 and December 31, 2013, respectively, was attributable to Airbus. Approximately 28% and 29% of the Company's accounts receivable balance at December 31, 2014 and December 31, 2013, respectively, was attributable to Gulfstream.

Employees

As of December 31, 2014, we had 13,496 employees and 174 contract labor personnel, located in the Company's six U.S. facilities. Approximately 87% of the Company's U.S. employees are represented by five unions.

As of December 31, 2014, we had 902 employees and 81 contract labor personnel located in the Company's two U.K. facilities. Approximately 93%, of the Company's U.K. employees are represented by one union.

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24. Supplemental Balance Sheet Information

Accrued expenses and other liabilities consist of the following:

	December 31, 2014	December 31, 2013
Accrued expenses		
Accrued wages and bonuses	\$27.5	\$26.8
Accrued fringe benefits	122.5	123.1
Accrued interest	6.6	8.6
Workers' compensation	9.1	9.1
Property and sales tax	22.5	26.3
Warranty/extraordinary rework reserve — current	—	0.8
Other ⁽¹⁾	140.9	25.9
Total	\$329.1	\$220.6
Other liabilities		
Federal income taxes — non-current	\$—	\$13.3
Deferred tax liability — non-current	57.9	42.2
Warranty/extraordinary rework reserve — non-current	119.9	67.9
Customer cost recovery ⁽²⁾	62.0	62.0
Other	21.0	16.9
Total	\$260.8	\$202.3

(1) Included in Other accrued expenses are liabilities related to Gulfstream programs and the divestiture of Gulfstream programs in the amount of \$65.1 as of December 31, 2014.

(2) As part of the B787 Amendment, Spirit agreed to pay Boeing for work to complete initial production units.

25. Segment Information

The Company operates in three principal segments: Fuselage Systems, Propulsion Systems and Wing Systems. Substantially all revenues in the three principal segments are from Boeing, with the exception of Wing Systems, which includes revenues from Airbus and other customers. Approximately 93% of the Company's net revenues for the twelve months ended December 31, 2014 came from the Company's two largest customers, Boeing and Airbus. All other activities fall within the All Other segment, principally made up of sundry sales of miscellaneous services, tooling contracts and sales of natural gas through a tenancy-in-common with other companies that have operations in Wichita, Kansas. The Company's primary profitability measure to review a segment's operating performance is segment operating income before corporate selling, general and administrative expenses, research and development and unallocated cost of sales.

Corporate selling, general and administrative expenses include centralized functions such as accounting, treasury and human resources that are not specifically related to the Company's operating segments and are not allocated in measuring the operating segments' profitability and performance and net profit margins. Corporate selling, general and administrative expenses also includes the remaining incremental costs associated with property repairs, clean up and recovery costs related to the April 2012 severe weather event at the Company's Wichita facility. Research and development includes research and development efforts that benefit the Company as a whole and are not unique to a specific segment. Unallocated cost of sales includes general costs not directly attributable to segment operations, such as warranty, early retirement, and other incentives. All of these items are not specifically related to the Company's operating segments and are not utilized in measuring the operating segments' profitability and performance.

The Company's segments are consistent with the organization and responsibilities of management reporting to the chief operating decision-maker for the purpose of assessing performance. The Company's definition of segment operating income differs from net profit margin as presented in its primary financial statements and a reconciliation of the segment and consolidated results is provided in the table set forth below.

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While some working capital accounts are maintained on a segment basis, much of the Company's assets are not managed or maintained on a segment basis. Property, plant and equipment, including tooling, is used in the design and production of products for each of the segments and, therefore, is not allocated to any individual segment. In addition, cash, prepaid expenses, other assets and deferred taxes are managed and maintained on a consolidated basis and generally do not pertain to any particular segment. Raw materials and certain component parts are used in the production of aerostructures across all segments. Work-in-process inventory is identifiable by segment, but is managed and evaluated at the program level. As there is no segmentation of the Company's productive assets, depreciation expense (included in fixed manufacturing costs and selling, general and administrative expenses) and capital expenditures, no allocation of these amounts has been made solely for purposes of segment disclosure requirements.

The following table shows segment revenues and operating income for the twelve months ended December 31, 2014, 2013 and 2012:

	Twelve Months Ended December 31, 2014	Twelve Months Ended December 31, 2013	Twelve Months Ended December 31, 2012
Segment Revenues			
Fuselage Systems	\$3,354.9	\$2,861.1	\$2,590.6
Propulsion Systems	1,737.2	1,581.3	1,420.9
Wing Systems	1,695.9	1,502.5	1,375.1
All Other	11.2	16.1	11.1
	\$6,799.2	\$5,961.0	\$5,397.7
Segment Operating Income (Loss) ⁽¹⁾			
Fuselage Systems	\$557.3	\$89.6	\$412.3
Propulsion Systems	354.9	249.5	79.7
Wing Systems	244.6	(402.1	) (321.6
All Other	3.4	4.4	1.0
	1,160.2	(58.6	) 171.4
Unallocated corporate SG&A ⁽²⁾	(233.8	) (200.8	) (172.2
Unallocated impact of severe weather event ⁽³⁾	—	(30.3	) 146.2
Unallocated research and development ⁽⁴⁾	(29.3	) (34.7	) (34.1
Unallocated cost of sales ⁽⁵⁾	(72.0	) (39.9	) (19.0
Loss on divestiture of programs (see Note 28)	(471.1) —	—
Total operating income (loss)	\$354.0	\$(364.3	) \$92.3

Inclusive of forward losses, reversal of forward losses and cumulative catch-up adjustments. These changes in (1) estimate for the periods ended December 31, 2014, 2013 and 2012 are further detailed in "Note 3. Changes in Estimates."

For 2013, corporate SG&A of \$6.8, \$5.6 and \$6.9 was reclassified from segment operating income for the (2) Fuselage, Propulsion, and Wing Systems, respectively, to conform to current year presentation. For 2012, corporate SG&A of \$7.1, \$2.7 and \$7.1 was reclassified from segment operating income for the Fuselage, Propulsion, and Wing Systems, respectively, to conform to current year presentation.

For 2012, gain includes a \$234.9 insurance settlement amount, offset by \$88.7 of costs incurred related to the (3) April 14, 2012 severe weather event. Costs include assets impaired by the storm, clean-up costs, repair costs and incremental labor, freight and warehousing costs associated with the impacts of the storm.

(4)

For 2013, research and development of \$12.7, \$8.1 and \$5.0 was reclassified from segment operating income Fuselage, Propulsion, and Wing Systems, respectively, to conform to current year presentation. For 2012, research and development of \$13.3, \$9.5 and \$6.9 was reclassified from segment operating income Fuselage, Propulsion, and Wing Systems, respectively, to conform to current year presentation.

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Includes charges of \$52.7, \$6.0, and \$10.3 related to warranty reserve, reduction in workforce and unallocated inventory write-offs in 2014. Includes charges of \$38.1, \$17.8, and \$1.6 related to warranty reserve adjustments, (5)reduction in workforce and early retirement incentives in 2013. Also, includes gains related to pension activity of \$15.4 for the same period. Includes charges in 2012 of \$3.6 related to asset impairments, \$2.2 related to stock incentives for certain UAW-represented employees and \$2.1 in early retirement incentives to eligible employees. Most of the Company's revenue is obtained from sales inside the United States however the Company does generate international sales, primarily from sales to Airbus. The following chart illustrates the split between domestic and foreign revenues:

Revenue Source ⁽¹⁾	Year Ended December 31, 2014		Year Ended December 31, 2013		Year Ended December 31, 2012			
	Net Revenues	Percent of Total Net Revenues	Net Revenues	Percent of Total Net Revenues	Net Revenues	Percent of Total Net Revenues		
United States	\$5,968.3	88	% \$5,154.9	87	% \$4,612.0	85	%	
International								
United Kingdom	587.5	8	% 559.7	9	% 470.4	9	%	
Other	243.4	4	% 246.4	4	% 315.3	6	%	
Total International	830.9	12	% 806.1	13	% 785.7	15	%	
Total Revenues	\$6,799.2	100	% \$5,961.0	100	% \$5,397.7	100	%	

(1)Net Revenues are attributable to countries based on destination where goods are delivered.

Most of the Company's long-lived assets are located within the United States. Approximately 7% of the Company's long-lived assets based on book value are located in the United Kingdom as part of Spirit Europe with approximately another 3% of the Company's total long-lived assets located in countries outside the United States and the United Kingdom. The following chart illustrates the split between domestic and foreign assets:

Asset Location	Year Ended December 31, 2014		Year Ended December 31, 2013			
	Total Long-Lived Assets	Percent of Total Long-Lived Assets	Total Long-Lived Assets	Percent of Total Long-Lived Assets		
United States	\$1,598.2	90	% \$1,608.2	89	%	
International						
United Kingdom	124.2	7	% 99.3	6	%	
Other	61.2	3	% 95.8	5	%	
Total International	185.4	10	% 195.1	11	%	
Total Long-Lived Assets	\$1,783.6	100	% \$1,803.3	100	%	

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

26. Quarterly Financial Data (Unaudited)

2014	Quarter Ended			
	December 31, 2014 ⁽¹⁾	October 2, 2014 ⁽²⁾	July 3, 2014 ⁽³⁾	April 3, 2014 ⁽⁴⁾
Revenues	\$1,574.4	\$1,693.0	\$1,803.3	\$1,728.5
Gross profit	\$274.6	\$275.0	\$277.4	\$261.2
Operating (loss) income	\$(272.9)	\$216.3	\$216.2	\$194.4
Net (loss) income	\$(106.2)	\$168.0	\$143.4	\$153.6
(Loss) earnings per share, basic	\$(0.77)	\$1.21	\$1.01	\$1.08
(Loss) earnings per share, diluted	\$(0.77)	\$1.20	\$1.01	\$1.07

2013	Quarter Ended			
	December 31, 2013 ⁽⁵⁾	September 27, 2013 ⁽⁶⁾	June 28, 2013 ⁽⁷⁾	March 29, 2013 ⁽⁸⁾
Revenues	\$1,494.4	\$1,503.7	\$1,520.7	\$1,442.2
Gross profit	\$(249.4)	\$115.3	\$(169.5)	\$205.1
Operating (loss) income	\$(320.8)	\$50.5	\$(238.5)	\$144.5
Net (loss) income	\$(586.9)	\$93.7	\$(209.4)	\$81.2
(Loss) earnings per share, basic	\$(4.15)	\$0.66	\$(1.48)	\$0.57
(Loss) earnings per share, diluted	\$(4.15)	\$0.65	\$(1.48)	\$0.57

(1) Fourth quarter 2014 earnings include the impact of the loss on divestiture of Gulfstream programs of \$471.1, as well as net favorable cumulative catch-up adjustments of \$62.9.

(2) Third quarter 2014 earnings include the impact of net favorable cumulative catch-up adjustments of \$32.7.

(3) Second quarter 2014 earnings include the impact of net favorable cumulative catch-up adjustments of \$19.4.

(4) First quarter 2014 earnings include the impacts of forward loss charges totaling \$1.2, as well as a net favorable cumulative catch-up adjustment of \$16.6.

(5) Fourth quarter 2013 earnings include the impacts of forward loss charges totaling \$545.9 and a \$382.6 charge resulting from the establishment of a deferred tax asset valuation allowance.

(6) Third quarter 2013 earnings include the impacts of forward loss charges totaling \$123.8.

(7) Second quarter 2013 earnings included the impacts of forward loss charges, net of forward loss reductions, totaling \$448.3.

(8) First quarter of 2013 earnings includes the impact of a forward loss charge of \$15.3.

27. Condensed Consolidating Financial Information

The 2017 Notes, the 2020 Notes, and the 2022 Notes are fully and unconditionally guaranteed on a joint and several senior unsecured basis by the Company and its 100% owned domestic subsidiaries, other than Spirit (the “Subsidiary Guarantors”).

The following condensed consolidating financial information, which has been prepared in accordance with the requirements for presentation of Rule 3-10(d) of Regulation S-X promulgated under the Securities Act, presents the condensed consolidating financial information separately for:

(i) Holdings, as the parent company and parent guarantor to the Credit Agreement, as further detailed in Note 14, Debt;

(ii) Spirit, as the subsidiary issuer of the 2017 Notes, the 2020 Notes, and the 2022 Notes;

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

- (iii) The Subsidiary Guarantors, on a combined basis, as guarantors of the 2017 Notes, the 2020 Notes, and the 2022 Notes;
- (iv) The Company's subsidiaries, other than the Subsidiary Guarantors, which are not guarantors of the 2017 Notes, the 2020 Notes and the 2022 Notes (the "Subsidiary Non-Guarantors"), on a combined basis;
 - Consolidating entries and eliminations representing adjustments to (a) eliminate intercompany transactions
 - (v) between or among Holdings, the Subsidiary Guarantors and the Subsidiary Non-Guarantors, (b) eliminate the investments in the Company's subsidiaries and (c) record consolidating entries; and
- (vi) Holdings and its subsidiaries on a consolidated basis.

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

Condensed Consolidating Statements of Operations and Comprehensive Income

For the Twelve Months Ended December 31, 2014

	Holdings	Spirit	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Net Revenues	\$—	\$6,242.2	\$336.3	\$794.9	\$(574.2)	\$6,799.2
Operating costs and expenses						
Cost of sales	—	5,270.2	324.7	690.3	(574.2)	5,711.0
Selling, general and administrative	13.2	200.8	2.7	17.1	—	233.8
Impact from severe weather event	—	—	—	—	—	—
Research and development	—	27.9	—	1.4	—	29.3
Loss on sale of Gulfstream programs (see Note 28)	—	471.1	—	—	—	471.1
Total operating costs and expenses	13.2	5,970.0	327.4	708.8	(574.2)	6,445.2
Operating (loss) income	(13.2)	272.2	8.9	86.1	—	354.0
Interest expense and financing fee amortization	—	(87.4)	—	(9.8)	9.1	(88.1)
Interest income	—	9.6	—	0.1	(9.1)	0.6
Other income (expense), net	—	4.1	—	(8.2)	—	(4.1)
(Loss) income before income taxes and equity in net income of affiliates and subsidiaries	(13.2)	198.5	8.9	68.2	—	262.4
Income tax (provision) benefit	(0.8)	98.0	(3.3)	2.0	—	95.9
(Loss) income before equity in net income of affiliates and subsidiaries	(14.0)	296.5	5.6	70.2	—	358.3
Equity in net income of affiliates	0.5	—	—	0.5	(0.5)	0.5
Equity in net income of subsidiaries	372.3	75.7	—	—	(448.0)	—
Net income	358.8	372.2	5.6	70.7	(448.5)	358.8
Other comprehensive loss	(99.2)	(73.9)	—	(25.3)	99.2	(99.2)
Comprehensive income	\$259.6	\$298.3	\$5.6	\$45.4	\$(349.3)	\$259.6

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

Condensed Consolidating Statements of Operations and Comprehensive Loss

For the Twelve Months Ended December 31, 2013

	Holdings	Spirit	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Net Revenues	\$—	\$5,393.4	\$205.9	\$ 738.9	\$(377.2)	\$5,961.0
Operating costs and expenses						
Cost of sales	—	5,602.1	197.8	636.8	(377.2)	6,059.5
Selling, general and administrative	3.0	174.4	3.0	20.4	—	200.8
Impact from severe weather event	—	30.3	—	—	—	30.3
Research and development	—	32.2	0.1	2.4	—	34.7
Total operating costs and expenses	3.0	5,839.0	200.9	659.6	(377.2)	6,325.3
Operating (loss) income	(3.0)	(445.6)	5.0	79.3	—	(364.3)
Interest expense and financing fee amortization	—	(69.2)	—	(11.2)	10.3	(70.1)
Interest income	—	10.5	—	0.1	(10.3)	0.3
Other income, net	—	3.1	—	0.2	—	3.3
(Loss) income before income taxes and equity in net income (loss) of affiliates and subsidiaries	(3.0)	(501.2)	5.0	68.4	—	(430.8)
Income tax provision	(0.1)	(175.6)	(1.9)	(13.5)	—	(191.1)
(Loss) income before equity in net income (loss) of affiliates and subsidiaries	(3.1)	(676.8)	3.1	54.9	—	(621.9)
Equity in net income of affiliates	0.5	—	—	0.5	(0.5)	0.5
Equity in net (loss) income of subsidiaries	(618.8)	58.2	—	—	560.6	—
Net (loss) income	(621.4)	(618.6)	3.1	55.4	560.1	(621.4)
Other comprehensive income	90.6	5.8	—	84.8	(90.6)	90.6
Comprehensive (loss) income	\$(530.8)	\$(612.8)	\$3.1	\$ 140.2	\$469.5	\$(530.8)

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

Condensed Consolidating Statements of Operations and Comprehensive Income

For the Twelve Months Ended December 31, 2012

	Holdings	Spirit	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Net Revenues	\$—	\$4,910.1	\$151.5	\$594.2	\$(258.1)	\$5,397.7
Operating costs and expenses						
Cost of sales	—	4,842.1	141.4	519.9	(258.1)	5,245.3
Selling, general and administrative	3.0	145.8	2.8	20.6	—	172.2
Impact from severe weather event	—	(146.2)	—	—	—	(146.2)
Research and development	—	32.8	—	1.3	—	34.1
Total operating costs and expenses	3.0	4,874.5	144.2	541.8	(258.1)	5,305.4
Operating (loss) income	(3.0)	35.6	7.3	52.4	—	92.3
Interest expense and financing fee amortization	—	(81.9)	—	(10.3)	9.3	(82.9)
Interest income	—	9.4	—	0.1	(9.3)	0.2
Other expense (income), net	—	(0.9)	(0.1)	2.8	—	1.8
Income (loss) before income taxes and equity in net income (loss) of affiliates and subsidiaries	(3.0)	(37.8)	7.2	45.0	—	11.4
Income tax (provision) benefit	(0.2)	34.1	(2.7)	(7.1)	—	24.1
(Loss) income before equity in net (loss) income of affiliates and subsidiaries	(3.2)	(3.7)	4.5	37.9	—	35.5
Equity in net (loss) income of affiliates	(0.7)	(1.3)	—	0.6	0.7	(0.7)
Equity in net income of subsidiaries	38.7	42.4	—	—	(81.1)	—
Net income	34.8	37.4	4.5	38.5	(80.4)	34.8
Other comprehensive (loss) income	(19.0)	(32.2)	—	13.2	19.0	(19.0)
Comprehensive income	\$15.8	\$5.2	\$4.5	\$51.7	\$(61.4)	\$15.8

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

Condensed Consolidating Balance Sheet

December 31, 2014

	Holdings	Spirit	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Current assets						
Cash and cash equivalents	\$—	\$354.6	\$—	\$ 23.3	\$—	\$377.9
Accounts receivable, net	—	730.6	33.3	211.9	(370.2)	605.6
Inventory, net	—	1,238.1	168.1	346.8	—	1,753.0
Deferred tax asset — current	—	49.8	—	3.4	—	53.2
Other current assets	—	260.3	—	2.1	—	262.4
Total current assets	—	2,633.4	201.4	587.5	(370.2)	3,052.1
Property, plant and equipment, net	—	1,263.7	337.9	182.0	—	1,783.6
Pension assets	—	187.8	—	15.6	—	203.4
Investment in subsidiary	907.7	281.4	—	—	(1,189.1)	—
Equity in net assets of subsidiaries	714.3	210.4	—	—	(924.7)	—
Deferred tax asset — non-current, net	—	—	—	—	—	—
Other assets	—	352.7	80.0	22.9	(332.0)	123.6
Total assets	\$1,622.0	\$4,929.4	\$619.3	\$ 808.0	\$(2,816.0)	\$5,162.7
Current liabilities						
Accounts payable	\$—	\$573.3	\$235.5	\$ 172.5	\$(370.1)	\$611.2
Accrued expenses	—	302.3	0.8	26.0	—	329.1
Profit sharing	—	105.1	—	6.7	—	111.8
Current portion of long-term debt	—	5.7	—	3.7	—	9.4
Advance payments, short-term	—	118.6	—	—	—	118.6
Deferred revenue, short-term	—	21.7	—	1.7	—	23.4
Deferred grant income liability — current	—	—	9.0	1.2	—	10.2
Other current liabilities	—	40.5	—	4.6	—	45.1
Total current liabilities	—	1,167.2	245.3	216.4	(370.1)	1,258.8
Long-term debt	—	1,130.5	—	265.6	(252.0)	1,144.1
Advance payments, long-term	—	680.4	—	—	—	680.4
Pension/OPEB obligation	—	73.0	—	—	—	73.0
Deferred grant income liability — non-current	—	—	66.7	29.4	—	96.1
Deferred revenue and other deferred credits	—	21.2	—	6.3	—	27.5
Other liabilities	—	315.0	—	25.8	(80.0)	260.8
Total equity	1,622.0	1,542.1	307.3	264.5	(2,113.9)	1,622.0
Total liabilities and shareholders' equity	\$1,622.0	\$4,929.4	\$619.3	\$ 808.0	\$(2,816.0)	\$5,162.7

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

Condensed Consolidating Balance Sheet

December 31, 2013

	Holdings	Spirit	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Current assets						
Cash and cash equivalents	\$—	\$359.2	\$—	\$ 61.5	\$—	\$420.7
Accounts receivable, net	—	643.3	15.3	214.5	(322.3)	550.8
Inventory, net	—	1,340.2	208.7	293.7	—	1,842.6
Deferred tax asset — current	—	25.2	—	1.7	—	26.9
Other current assets	—	100.7	—	2.5	—	103.2
Total current assets	—	2,468.6	224.0	573.9	(322.3)	2,944.2
Property, plant and equipment, net	—	1,308.0	305.3	190.0	—	1,803.3
Pension assets, net	—	231.1	—	21.5	—	252.6
Investment in subsidiary	1,026.3	281.5	—	—	(1,307.8)	—
Equity in net assets of subsidiaries	454.7	119.4	—	—	(574.1)	—
Other assets	—	422.4	80.0	24.2	(419.5)	107.1
Total assets	\$1,481.0	\$4,831.0	\$609.3	\$ 809.6	\$(2,623.7)	\$5,107.2
Current liabilities						
Accounts payable	\$—	\$666.5	\$224.2	\$ 185.2	\$(322.2)	\$753.7
Accrued expenses	—	189.9	0.5	30.2	—	220.6
Profit sharing	—	35.7	—	2.7	—	38.4
Current portion of long-term debt	—	12.9	—	3.9	—	16.8
Advance payments, short-term	—	133.5	—	—	—	133.5
Deferred revenue, short-term	—	15.7	—	4.1	—	19.8
Deferred grant income liability — current	—	—	7.3	1.3	—	8.6
Other current liabilities	—	137.1	—	7.1	—	144.2
Total current liabilities	—	1,191.3	232.0	234.5	(322.2)	1,335.6
Long-term debt	—	1,131.4	80.0	278.6	(339.5)	1,150.5
Advance payments, long-term	—	728.9	—	—	—	728.9
Pension/OPEB obligation	—	69.8	—	—	—	69.8
Deferred grant income liability — non-current	—	—	75.6	32.6	—	108.2
Deferred revenue and other deferred credits	—	22.7	—	8.2	—	30.9
Other liabilities	—	245.6	—	36.7	(80.0)	202.3
Total equity	1,481.0	1,441.3	221.7	219.0	(1,882.0)	1,481.0
Total liabilities and shareholders' equity	\$1,481.0	\$4,831.0	\$609.3	\$ 809.6	\$(2,623.7)	\$5,107.2

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

Condensed Consolidating Statements of Cash Flows

For the Twelve Months Ended December 31, 2014

	Holdings	Spirit	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Operating activities						
Net cash provided by (used in) operating activities	\$—	\$312.8	\$58.3	\$ (9.5)	\$—	\$361.6
Investing activities						
Purchase of property, plant and equipment	—	(147.4)	(58.3)	(14.5)	—	(220.2)
Proceeds from sale of assets	—	0.5	—	—	—	0.5
Change in restricted cash	—	(19.9)	—	—	—	(19.9)
Other	—	2.3	—	(2.3)	—	—
Net cash used in investing activities	—	(164.5)	(58.3)	(16.8)	—	(239.6)
Financing activities						
Proceeds from issuance of bonds	—	300.0	—	—	—	300.0
Principal payments of debt	—	(12.9)	—	(3.9)	—	(16.8)
Collection on (repayment of) intercompany debt	—	7.5	—	(7.5)	—	—
Payments on bonds	—	(300.0)	—	—	—	(300.0)
Debt issuance and financing costs	—	(20.8)	—	—	—	(20.8)
Excess tax benefits from share-based payment arrangements	—	2.5	—	0.1	—	2.6
Proceeds (payments) from subsidiary for purchase of treasury stock	129.2	(129.2)	—	—	—	—
Purchase of treasury stock	(129.2)	—	—	—	—	(129.2)
Net cash used in financing activities	—	(152.9)	—	(11.3)	—	(164.2)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	(0.6)	—	(0.6)
Net decrease in cash and cash equivalents for the period	—	(4.6)	—	(38.2)	—	(42.8)
Cash and cash equivalents, beginning of period	—	359.2	—	61.5	—	420.7
Cash and cash equivalents, end of period	\$—	\$354.6	\$—	\$ 23.3	\$—	\$377.9

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

Condensed Consolidating Statements of Cash Flows

For the Twelve Months Ended December 31, 2013

	Holdings	Spirit	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Operating activities						
Net cash (used in) provided by operating activities	\$(621.4)	\$219.0	\$34.2	\$7.4	\$621.4	\$260.6
Investing activities						
Purchase of property, plant and equipment	—	(190.9)	(34.2)	(9.1)	—	(234.2)
Purchase of property, plant and equipment — severe weather event	—	(38.4)	—	—	—	(38.4)
Proceeds from sale of assets	—	0.7	—	—	—	0.7
Equity in net assets of subsidiaries	621.4	3.0	—	0.7	(621.4)	3.7
Other	—	4.8	—	(4.8)	—	—
Net cash provided by (used in) investing activities	621.4	(220.8)	(34.2)	(13.2)	(621.4)	(268.2)
Financing activities						
Proceeds from revolving credit facility	—	—	—	—	—	—
Payments on revolving credit facility	—	—	—	—	—	—
Proceeds from issuance of debt	—	—	—	—	—	—
Principal payments of debt	—	(6.6)	—	(3.8)	—	(10.4)
Collection on (repayment of) intercompany debt	—	2.0	—	(2.0)	—	—
Debt issuance and financing costs	—	(4.1)	—	—	—	(4.1)
Excess tax benefits from share-based payment arrangements	—	0.6	—	—	—	0.6
Net cash used in financing activities	—	(8.1)	—	(5.8)	—	(13.9)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	1.5	—	1.5
Net (decrease) in cash and cash equivalents for the period	—	(9.9)	—	(10.1)	—	(20.0)
Cash and cash equivalents, beginning of period	—	369.1	—	71.6	—	440.7
Cash and cash equivalents, end of period	\$—	\$359.2	\$—	\$61.5	\$—	\$420.7

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

Condensed Consolidating Statements of Cash Flows

For the Twelve Months Ended December 31, 2012

	Holdings	Spirit	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Operating activities						
Net cash provided by (used in) operating activities	\$34.8	\$586.6	\$4.6	\$ (46.8)	\$(34.8)	\$544.4
Investing activities						
Purchase of property, plant and equipment	—	(204.7)	(4.6)	(26.8)	—	(236.1)
Purchase of property, plant and equipment — severe weather event	—	(12.9)	—	—	—	(12.9)
Proceeds from sale of assets	—	0.4	—	1.2	—	1.6
Equity in net assets of subsidiaries	(34.8)	(1.6)	—	0.2	34.8	(1.4)
Net cash (used in) provided by investing activities	(34.8)	(218.8)	(4.6)	(25.4)	34.8	(248.8)
Financing activities						
Proceeds from revolving credit facility	—	170.0	—	—	—	170.0
Payments on revolving credit facility	—	(170.0)	—	—	—	(170.0)
Proceeds from issuance of debt	—	547.2	—	0.4	—	547.6
Principal payments of debt	—	(567.4)	—	(3.6)	—	(571.0)
Collection on (repayment of) intercompany debt	—	(74.0)	—	74.0	—	—
Debt issuance and financing costs	—	(12.4)	—	—	—	(12.4)
Excess tax benefits from share-based payment arrangements	—	1.2	—	—	—	1.2
Net cash (used in) provided by financing activities	—	(105.4)	—	70.8	—	(34.6)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	1.9	—	1.9
Net increase in cash and cash equivalents for the period	—	262.4	—	0.5	—	262.9
Cash and cash equivalents, beginning of period	—	106.7	—	71.1	—	177.8
Cash and cash equivalents, end of period	\$—	\$369.1	\$—	\$ 71.6	\$—	\$440.7

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Spirit AeroSystems Holdings, Inc.

Notes to the Consolidated Financial Statements — (Continued)

(\$, €, and RM in millions other than per share amounts)

28. Loss on Divestiture of Programs

On December 9, 2014, the Company entered into an agreement to transfer the Gulfstream programs at the Company's Tulsa, Oklahoma site to Triumph. The transaction closed on December 30, 2014. Pursuant to the agreement, the Company paid Triumph \$160.0 in cash at closing. In accordance with FASB ASU 2014-08, the divestiture of Gulfstream programs were considered an individually significant component that did not qualify for discontinued operations reporting and therefore the loss on the divestiture of Gulfstream programs and the results of its operations are included in continuing operations and disclosure requirements related to pretax profit or loss are described below. The pre-tax loss from the divestiture totaled \$(471.1), resulting in a tax benefit of \$273.9, including a valuation allowance release related to the divestiture of \$118.1, and after tax loss of \$(197.2) for the period ended December 31, 2014. The pre-tax income (loss) of the Gulfstream programs was \$1.3, \$(530.2), and \$(282.2) for the twelve months ended December 31 2014, December 31, 2013, and December 31, 2012, respectively.

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Part IV

Item 15. Exhibits and Financial Statement Schedules

Article I. Exhibit Number	Section 1.01 Exhibit	Incorporated by Reference to the Following Documents
2.1	Asset Purchase Agreement, dated as of February 22, 2005, between Spirit AeroSystems, Inc. (f/k/a Mid-Western Aircraft Systems, Inc.) and The Boeing Company	Registration Statement on Form S-1 (File No. 333-135486), filed June 30, 2006, Exhibit 2.1
2.2	First Amendment to Asset Purchase Agreement, dated June 15, 2005, between Spirit AeroSystems, Inc. (f/k/a Mid-Western Aircraft Systems, Inc.) and The Boeing Company	Registration Statement on Form S-1 (File No. 333-135486), filed June 30, 2006, Exhibit 2.2
3.1	Amended and Restated Certificate of Incorporation of Spirit AeroSystems Holdings, Inc.	Annual Report on Form 10-K (File No. 001-33160), filed February 20, 2009, Exhibit 3.1
3.2	Third Amended and Restated By Laws of Spirit AeroSystems Holdings, Inc.	Current Report on Form 8-K (File No. 001-33160), filed May 3, 2010, Exhibit 3.1
4.1	Form of Class A Common Stock Certificate	Amendment No. 5 to Registration Statement on Form S-1/A (File No. 333-135486), filed November 17, 2006, Exhibit 4.1
4.2	Form of Class B Common Stock Certificate	Amendment No. 5 to Registration Statement on Form S-1/A (File No. 333-135486), filed November 17, 2006, Exhibit 4.2
4.3	Registration Agreement, dated June 16, 2005, among Spirit AeroSystems Holdings, Inc. (f/k/a Mid-Western Aircraft Systems, Inc.) and the persons listed on Schedule A thereto	Registration Statement on Form S-1 (File No. 333-135486), filed June 30, 2006, Exhibit 4.4
4.4	Indenture dated as of September 30, 2009, governing the 7 1/2% Senior Notes due 2017, by and among Spirit AeroSystems, Inc., the guarantors identified therein and The Bank of New York Mellon Trust Company, N.A.	Current Report on Form 8-K (File No. 001-33160), filed October 1, 2009, Exhibit 4.1
4.5	Form of 7 1/2% Senior Note due 2017	Current Report on Form 8-K (File No. 001-33160), filed October 1, 2009, included as Exhibit A to Exhibit 4.1
4.6	Registration Rights Agreement, dated as of September 30, 2009, among Spirit AeroSystems, Inc., the guarantors identified therein, Banc of America Securities LLC and the other initial purchasers of the Notes named therein	Current Report on Form 8-K (File No. 001-33160), filed October 1, 2009, Exhibit 4.3
4.7	Indenture dated as of November 18, 2010, governing the 6 3/4% Senior Notes due 2020, by and among Spirit AeroSystems, Inc., the guarantors identified therein and The Bank of New York Mellon Trust Company, N.A.	Current Report on Form 8-K (File No. 001-33160), filed November 18, 2010, Exhibit 4.1

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|-----|--|--|
| 4.8 | Form of 63/4% Senior Note due 2020 | Current Report on Form 8-K (File No. 001-33160), filed November 18, 2010, included as Exhibit A to Exhibit 4.2 |
| 4.9 | Registration Rights Agreement, dated as of November 18, 2010, among Spirit AeroSystems, Inc., the guarantors identified therein, Merrill Lynch, Pierce, Fenner & Smith Incorporated on behalf of itself and as representative of the several initial purchasers of the notes named therein | Current Report on Form 8-K (File No. 001-33160), filed November 18, 2010, Exhibit 4.3 |

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Article I. Exhibit Number	Section 1.01 Exhibit	Incorporated by Reference to the Following Documents
4.10	Supplemental Indenture, dated as of August 11, 2010	Quarterly Report on Form 10-Q (File No. 001-33160), filed November 5, 2010, Exhibit 4.1
4.11	Supplemental Indenture, dated as of March 17, 2014	Current Report on Form 8-K (File No. 001-331600, filed March 21, 2014, Exhibit 4.1
4.12	Indenture dated as of March 18, 2014, governing the 5¼ Senior Notes due 2022, by and among Spirit, the guarantors identified therein and the Bank of New York Mellon Trust Company, N.A.	Current Report on Form 8-K (File No. 001-33160), filed March 21, 2014, Exhibit 4.2
4.13	Form of 5 ¼% Senior Note due 2022	Current Report on Form 8-K (File No. 001-33160), filed March 21, 2014, Exhibit 4.3 (included as Exhibit A to Exhibit 4.2)
4.14	Registration Rights Agreement, dated as of March 18, 2014, among Spirit, the guarantors identified therein, Merrill Lynch, Pierce, Fenner & Smith Incorporated on behalf of itself and as representative of the several initial purchasers of the Notes named therein	Current Report on Form 8-K (File No. 001-33160), filed March 21, 2014, Exhibit 4.4
10.1†	Employment Agreement, dated September 13, 2005, between Spirit AeroSystems, Inc. and H. David Walker	Registration Statement on Form S-1 (File No. 333-135486), filed June 30, 2006, Exhibit 10.3
10.2†	Employment Agreement between Spirit AeroSystems, Inc. and Philip D. Anderson, dated February 12, 2010	Current Report on Form 8-K (File No. 001-33160), filed February 17, 2010, Exhibit 10.1
10.3†	Spirit AeroSystems Holdings, Inc. Amended and Restated Executive Incentive Plan	Quarterly Report on Form 10-Q (File No. 001-33160), filed October 31, 2008, Exhibit 10.7
10.4†	Spirit AeroSystems Holdings, Inc. (f/k/a Mid-Western Aircraft Systems, Inc.) Supplemental Executive Retirement Plan	Registration Statement on Form S-1 (File No. 333-135486), filed June 30, 2006, Exhibit 10.8
10.5†	Amendment to Spirit AeroSystems Holdings, Inc. Supplemental Executive Retirement Plan, dated July 30, 2007	Registration Statement on Form S-8 (File No. 333-146112), filed September 17, 2007, Exhibit 10.2
10.6†	Spirit AeroSystems Holdings, Inc. Second Amended and Restated Short-Term Incentive Plan.	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 5, 2011, Exhibit 10.3
10.7†	Spirit AeroSystems Holdings, Inc. Fourth Amended and Restated Long-Term Incentive Plan.	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 5, 2011, Exhibit 10.4
10.8†	Spirit AeroSystems Holdings, Inc. Cash Incentive Plan	Registration Statement on Form S-1 (File No. 333-135486), filed June 30, 2006, Exhibit 10.11
10.9†	Spirit AeroSystems Holdings, Inc. Union Equity Participation Program	Amendment No. 2 to Registration Statement on Form S-1/A (File No. 333-135486), filed

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Article I. Exhibit Number	Section 1.01 Exhibit	Incorporated by Reference to the Following Documents
10.10†	Spirit AeroSystems Holdings, Inc. Second Amended and Restated Director Stock Plan	Registration Statement on Form S-8 (File No. 333-150402), filed April 23, 2008, Exhibit 10.1
10.11	Form of Indemnification Agreement	Amendment No. 1 to Registration Statement on Form S-1/A (File No. 333-135486), filed August 29, 2006, Exhibit 10.14
10.12††	Special Business Provisions (Sustaining), as amended through February 6, 2013, between The Boeing Company and Spirit AeroSystems, Inc.	Annual Report on Form 10-K (File No. 001-33160), filed February 19, 2014, Exhibit 10.17
10.13††	Amendment No. 9 to Special Business Provisions, between The Boeing Company and Spirit AeroSystems Inc., dated as of September 4, 2014	Quarterly Report on Form 10-Q (File No. 001-33160), filed October 31, 2014, Exhibit 10.1
10.14††	Amendment No. 10 to Special Business Provisions, between The Boeing Company and Spirit AeroSystems Inc., dated as of September 26, 2014	Quarterly Report on Form 10-Q (File No. 001-33160), filed October 31, 2014, Exhibit 10.2
10.15††	General Terms Agreement (Sustaining and others), dated as of June 16, 2005, between The Boeing Company and Spirit AeroSystems, Inc. (f/k/a Mid-Western Aircraft Systems, Inc.)	Registration Statement on Form S-1 (File No. 333-135486), filed June 30, 2006, Exhibit 10.24
10.16††	Hardware Material Services General Terms Agreement, dated as of June 16, 2005, between The Boeing Company and Spirit AeroSystems, Inc. (f/k/a Mid-Western Aircraft Systems, Inc.)	Registration Statement on Form S-1 (File No. 333-135486), filed June 30, 2006, Exhibit 10.25
10.17††	Ancillary Know-How Supplemental License Agreement, dated as of June 16, 2005, between The Boeing Company and Spirit AeroSystems, Inc. (f/k/a Mid-Western Aircraft Systems, Inc.)	Registration Statement on Form S-1 (File No. 333-135486), filed June 30, 2006, Exhibit 10.26
10.18	Sublease Agreement, dated as of June 16, 2005, among The Boeing Company, Boeing IRB Asset Trust and Spirit AeroSystems, Inc. (f/k/a Mid-Western Aircraft Systems, Inc.)	Registration Statement on Form S-1 (File No. 333-135486), filed June 30, 2006, Exhibit 10.27
10.19	Inducement Agreement between Spirit AeroSystems, Inc. and The North Carolina Global TransPark Authority, dated May 14, 2008	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 1, 2008, Exhibit 10.2
10.20	Lease Agreement between Spirit AeroSystems, Inc. and The North Carolina Global TransPark Authority, dated May 14, 2008	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 1, 2008, Exhibit 10.3
10.21	Construction Agency Agreement between Spirit AeroSystems, Inc. and The North Carolina Global TransPark Authority, dated May 14, 2008	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 1, 2008, Exhibit 10.4
10.22†	Amendment to the Spirit AeroSystems Holdings, Inc. Amended and Restated Executive Incentive Plan.	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 6, 2010, Exhibit 10.1
10.23	Spirit AeroSystems Holdings, Inc. Amended and Restated Deferred Compensation Plan, As Amended	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 6, 2011,

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Article I. Exhibit Number	Section 1.01 Exhibit	Incorporated by Reference to the Following Documents
10.24†	Employment Agreement between Spirit AeroSystems, Inc. and David Coleal, effective as of July 14, 2011	Quarterly Report on Form 10-Q (File No. 001-33160), filed November 4, 2011, Exhibit 10.1
10.25	Credit Agreement, dated as of April 18, 2012, among Spirit AeroSystems, Inc., the other guarantors party thereto, Bank of America, N.A. and the other agents and lenders party thereto	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 7, 2012, Exhibit 10.1
10.26	Amendment No. 1, dated as of October 26, 2012, to Credit Agreement dated as of April 18, 2012 among Spirit Aerosystems, Inc., Spirit AeroSystems Holdings, Inc., the other guarantors party thereto, Bank of America, N.A. and the other agents and lenders party thereto	Current Report on Form 8-K (File No. 001-33160), filed October 30, 2012, Exhibit 10.1
10.27	Amendment No. 2, dated as of August 2, 2013, to Credit Agreement dated as of April 18, 2012 among Spirit Aerosystems, Inc., Spirit AeroSystems Holdings, Inc., the other guarantors party thereto, Bank of America, N.A. and the other agents and lenders party thereto	Annual Report on Form 10-K (File No. 001-33160), filed February 19, 2014, Exhibit 10.31
10.28†	Amended and Restated Employment Agreement, between Spirit AeroSystems, Inc. and Jon Lammers, effective as of July 24, 2012	Quarterly Report on Form 10-Q (File No. 001-33160), filed November 5, 2012, Exhibit 10.1
10.29	Amendment No. 2, dated March 4, 2011, to General Terms Agreement (Sustaining and Others) between The Boeing Company and Spirit AeroSystems, Inc.	Quarterly Report on Form 10-Q (File No. 001-33160), filed November 5, 2012, Exhibit 10.2
10.30††	Memorandum of Agreement, between The Boeing Company and Spirit AeroSystems, Inc., made as of March 9, 2012, amending Special Business Provisions (Sustaining)	Quarterly Report on Form 10-Q (File No. 001-33160), filed November 5, 2012, Exhibit 10.4
10.31†	Employment Agreement between Spirit AeroSystems, Inc. and Larry A. Lawson, effective as of March 18, 2013	Current Report on Form 8-K (File No. 001-33160), filed March 22, 2013, Exhibit 10.1
10.32†	Retirement and Consulting Agreement and General Release between Spirit AeroSystems, Inc., Spirit AeroSystems Holdings, Inc. and Jeffrey L. Turner, effective as of May 2, 2013	Current Report on Form 8-K (File No. 001-33160), filed May 6, 2013, Exhibit 10.1
10.33†	Retirement and Consulting Agreement and General Release between Spirit AeroSystems, Inc., Spirit AeroSystems Holdings, Inc. and Michael G. King, effective as of June 18, 2013	Current Report on Form 8-K (File No. 001-33160), filed June 24, 2013, Exhibit 10.1
10.34†	Employment Agreement between Spirit AeroSystems, Inc. and Sanjay Kapoor, effective as of August 23, 2013	Current Report on Form 8-K (File No. 001-33160), filed August 26, 2013, Exhibit 10.1
10.35†	Employment Agreement between Spirit AeroSystems, Inc. and Heidi Wood, effective as of	Annual Report on Form 10-K (File No. 001-33160), filed February 19, 2014, Exhibit

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10.36†	July 15, 2013 Amendment to Employment Agreement between Spirit Aerosystems, Inc. and Heidi Wood, effective as of July 15, 2013	10.40 Annual Report on Form 10-K (File No. 001-33160), filed February 19, 2014, Exhibit 10.41
10.37†	Form of Executive Compensation Letter	Annual Report on Form 10-K (File No. 001-33160), filed February 19, 2014, Exhibit 10.42

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Article I. Exhibit Number	Section 1.01 Exhibit	Incorporated by Reference to the Following Documents
10.38	Amendment No. 3, dated as of March 18, 2014, to Credit Agreement dated as of April 18, 2012 among Spirit AeroSystems, Inc., Spirit AeroSystems Holdings, Inc., the other guarantors party thereto, Bank of America, N.A. and the other agents and lenders party thereto	Current Report on Form 8-K (File No. 001-33160), filed March 21, 2014, Exhibit 10.1
10.39	Memorandum of Agreement (737 MAX Non-Recurring Agreement), between The Boeing Company and Spirit AeroSystems, Inc., made as of April 7, 2014, amending Spirit's long-term supply agreement with Boeing	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 1, 2014, Exhibit 10.2
10.40	Memorandum of Agreement (Pricing Agreement), between The Boeing Company and Spirit AeroSystems, Inc., made as of April 8, 2014, amending Spirit's long-term supply agreement with Boeing	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 1, 2014, Exhibit 10.3
10.41	Amendment No. 4 to Credit Agreement, dated as of June 3, 2014, among Spirit AeroSystems Holdings, Inc., the other guarantors party thereto, Bank of America, N.A. and the other agents and lenders party thereto	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 1, 2014, Exhibit 10.4
10.42†	Spirit AeroSystems Holdings, Inc. 2014 Omnibus Incentive Plan	Registration Statement on Form S-8 (File No. 333-195790), filed May 8, 2014, Exhibit 10.1.
10.43†	Employment Agreement between Spirit AeroSystems, Inc. and Samantha Marnick, effective as of February 22, 2006 and annual Executive Compensation Letter, dated May 3, 2013	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 2, 2014, Exhibit 10.1
10.44†	Employment Agreement between Spirit AeroSystems, Inc. and Duane Hawkins, effective as of June 17, 2013	**
10.45†	Amendment to Employment Agreement between Spirit Aerosystems, Inc. and Duane Hawkins, effective as of June 17, 2013	**
10.46†	Annual Executive Compensation Letter between Spirit AeroSystems, Inc. and John Pilla, dated February 7, 2014	**
10.47†	Employment Agreement between Spirit AeroSystems, Inc. and Kristie Kondrotis, effective as of December 10, 2014	**
10.48	Asset Purchase Agreement, between Spirit AeroSystems, Inc., Triumph Aerostructures - Tulsa, LLC and Triumph Group, Inc., dated as of December 8, 2014.	Current Report on Form 8-K (File No. 001-33160), filed January 6, 2015, Exhibit 2.1

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Article I. Exhibit Number	Section 1.01 Exhibit	Incorporated by Reference to the Following Documents
	(i) Spirit AeroSystems Holdings, Inc. Code of Ethics and Business Conduct, as amended	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 5, 2011, Exhibit 14.1
	(ii) Spirit AeroSystems Holdings, Inc. Code of Conduct for Finance Employees	Annual Report on Form 10-K (File No. 001-33160), filed March 5, 2007, Exhibit 14.1
21.1	Subsidiaries of Spirit AeroSystems Holdings, Inc.	**
23.1	Consent of PricewaterhouseCoopers LLP	*
23.2	Consent of Ernst & Young LLP	**
31.1	Certification of Chief Executive Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002.	*
31.2	Certification of Chief Financial Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002.	*
32.1	Certification of Chief Executive Officer pursuant to Section 906 of Sarbanes-Oxley Act of 2002.	*
32.2	Certification of Chief Financial Officer pursuant to Section 906 of Sarbanes-Oxley Act of 2002.	*
101.INS@	XBRL Instance Document.	**
101.SCH@	XBRL Taxonomy Extension Schema Document.	**
101.CAL@	XBRL Taxonomy Extension Calculation Linkbase Document.	**
101.DEF@	XBRL Taxonomy Extension Definition Linkbase Document.	**
101.LAB@	XBRL Taxonomy Extension Label Linkbase Document.	**
101.PRE@	XBRL Taxonomy Extension Presentation Linkbase Document.	**

Indicates management contract or compensation plan or arrangement

Indicates that portions of the exhibit have been omitted and separately filed with the Securities and Exchange Commission pursuant to a request for confidential treatment

* Filed herewith

** Previously included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2014, filed with the Securities and Exchange Commission on February 13, 2015.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Wichita, State of Kansas on March 6, 2015.

SPIRIT AEROSYSTEMS HOLDINGS, INC.

By: /s/ Sanjay Kapoor
Sanjay Kapoor Senior Vice President and Chief Financial
Officer