



News Release

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Hawker Beechcraft Acquisition Company, LLC Reports 2010 Third Quarter Results

WICHITA, Kan. (Nov. 9, 2010) – Hawker Beechcraft Acquisition Company, LLC (HBAC) reported net sales for the three months ended Sept. 30, 2010, of \$594.7 million, a decrease of \$163.0 million compared to the third quarter of 2009. The decrease was largely attributable to lower aircraft deliveries in the Company's Business and General Aviation (B&GA) segment as a result of depressed demand across the general aviation market. During the third quarter of 2010, the Company delivered 49 business and general aviation aircraft compared to 64 during the same period in 2009. Included in the third quarter 2009 results were seven King Air aircraft delivered under the U.S. Government's Project Liberty program. Project Liberty deliveries are reported as part of the B&GA segment. Partially offsetting the decline in the B&GA segment was increased volume in the Customer Support segment.

During the three months ended Sept. 30, 2010, the Company recorded an operating loss of \$81.4 million, compared to an operating loss of \$721.1 million during the comparable period in 2009. The improved operating loss versus the prior period was primarily due to charges of \$581.5 million related to asset impairments recorded during the three months ended Sept. 27, 2009. A majority of the charges that occurred during the third quarter of 2009 were recorded in the B&GA operating segment.

The Company consumed \$26.8 million of cash in operations during the three months ended Sept. 30, 2010, as compared to the \$58.5 million generated by operations in the same period of 2009. On Sept. 30, 2010, the Company's cash and cash equivalents balance was \$252.6 million.

Backlog was \$1.9 billion on Sept. 30, 2010, compared to \$2.4 billion on June 27, 2010. The backlog at Sept. 30, 2010, includes 34.6 percent of orders that are expected to be delivered at least twelve months from now. The backlog also includes significant orders from the U.S. Government.

Form 10-Q and Earnings Conference Call:

Additional financial information is included in the Company's third quarter 2010 Form 10-Q filed with the Securities and Exchange Commission earlier today and in the attached tables. HBAC's earnings results conference call for the three months ended Sept. 30, 2010, will be held at 9 a.m. CST on Friday, Nov. 12, 2010. To attend, register at <https://cossprereg.btc.com/prereg/key.process?key=PT99NL6JP>.

Once you register, you will be provided with dial-in numbers and pass codes needed to join the conference call. A recording of the earnings call will be posted to the Company's Web site after the call and will be available for 45 days.

Hawker Beechcraft Corporation is a world-leading manufacturer of business, special-mission and trainer aircraft – designing, marketing and supporting aviation products and services for businesses, governments and individuals worldwide. The company's headquarters and major facilities are located in Wichita, Kan., with operations in Salina, Kan.; Little Rock, Ark.; Chester, England, U.K.; and Chihuahua, Mexico. The company leads the industry with the largest number of factory-owned service centers and a global network of more than 100 factory-owned and authorized service centers. For more information, visit www.hawkerbeechcraft.com.

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This release may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, including statements that address activities, events or developments that we or our management intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements. Forward-looking statements are based on management's assumptions and assessments in light of past experience and trends, current conditions, expected future developments and other relevant factors. They are not guarantees of future performance, and actual results may differ significantly from those envisaged by our forward-looking statements. Among the factors that could cause actual results to differ materially from those described or implied in the forward-looking statements are general business and economic conditions, production delays resulting from lack of regulatory certifications and other factors, competition in our existing and future markets, lack of market acceptance of our products and services, the substantial leverage and debt service resulting from our indebtedness, loss or retirement of key executives and other risks disclosed in our filings with the Securities and Exchange Commission.

Appendix

**Hawker Beechcraft Acquisition Company, LLC
Aircraft Delivery Units**

	Three Months Ended		Nine Months Ended	
	September 30, 2010	September 27, 2009	September 30, 2010	September 27, 2009
Business and General Aviation:				
Hawker 4000	1	4	9	8
Hawker 900XP	5	11	16	27
Hawker 800XP/850XP	-	-	1	1
Hawker 750	1	1	2	8
Hawker 400XP	1	4	4	8
Premier	2	5	5	12
King Air	26	30	65	100
Pistons	13	9	35	35
Total Business & General Aviation	49	64	137	199
T-6	20	27	58	65 (a)
Total deliveries	69	91	195	264

(a) T-6 deliveries in the nine months of 2009 included 33 units completed in 2008 that were not delivered until the first half of 2009 due to a delivery suspension related to quality issues with a supplier's component. Deliveries resumed on January 20, 2009.

Hawker Beechcraft Acquisition Company, LLC
Adjusted Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)
Trailing Four Quarters For The Period Ended September 30, 2010
(In millions)

	Trailing 12 Months	Quarter Ended			
		September 30, 2010	June 27, 2010	March 28, 2010	December 31, 2009
Net (loss) income attributable to parent company	\$ (231.7) (a)	\$ (118.7)	\$ (56.8)	\$ (63.5)	\$ 7.3
Net income attributable to non-controlling interest	0.4	0.1	0.2	0.1	-
Provision for income taxes	(26.5)	0.9	0.2	2.4	(30.0)
Interest expense, net	149.5	37.3	36.7	36.2	39.3
Operating income adjustments:					
Depreciation and amortization	<u>135.1</u>	<u>32.7</u>	<u>32.3</u>	<u>34.9</u>	<u>35.2</u>
EBITDA	<u>26.8</u>	<u>(47.7)</u>	<u>12.6</u>	<u>10.1</u>	<u>51.8</u>
Adjustments to EBITDA:					
Exclude loss (gain) recognized on derivative instruments related to ineffective hedge activity and balance translation remeasurement	4.7	(2.5)	0.8	6.0	0.4
Exclude restructuring and pension curtailment costs recorded during the period	15.6	1.8	3.7	1.9	8.2
Exclude consulting services and internal costs related to cost reduction initiatives	41.1	20.6	12.6	7.9	-
Exclude other non-cash impairment charges	3.3	1.0	0.4	-	1.9
Exclude non-cash stock-based and deferred compensation	4.2	1.1	1.3	0.9	0.9
Adjusted EBITDA	<u>\$ 95.7 (a)</u>	<u>\$ (25.7)</u>	<u>\$ 31.4</u>	<u>\$ 26.8</u>	<u>\$ 63.2</u>

Adjusted EBITDA is a non-GAAP financial measure that is useful in evaluating the ability of issuers of "high-yield" securities to meet their debt service obligations. It is not intended as a substitute for an evaluation of our results as reported under GAAP and is presented for informational purposes only.

(a) Trailing twelve months loss before income tax includes \$73.4 million related to loss-making aircraft and vendor settlement charges. These charges have not been included as adjustments to the Adjusted EBITDA presented.