

Q4 2016 Supplemental Financial Information

November 10, 2016

This presentation may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "potential," "predict," "should" or "will," or the negative of such terms, or other comparable terminology. These forward-looking statements are only predictions based on the current intent and expectations of the management of Esterline, are not guarantees of future performance or actions, and involve risks and uncertainties that are difficult to predict and may cause Esterline's or its industry's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Esterline's actual results and the timing and outcome of events may differ materially from those expressed in or implied by the forward-looking statements due to risks detailed in Esterline's public filings with the Securities and Exchange Commission including its most recent Transition Report on Form 10-K.

This presentation also contains references to non-GAAP financial information subject to Regulation G. The reconciliations of each non-GAAP financial measure to its comparable GAAP measure as well as further information on management's use of non-GAAP financial measures are included in Esterline's press release dated November 10, 2016, included as Exhibit 99.1 to Form 8-K filed with the SEC on the same date, as well as in this presentation, including the Appendix.

Q4 2016 Financial Results

- Sales of \$544 million, down 0.3%*
 - Organic sales up \$16 million
 - Defense Technologies incident (\$13) million
 - Negative FX impact (\$4) million
- Book to Bill = 0.9
- GAAP EPS of \$1.75
 - Adjusted EPS of \$1.96** (excludes certain discrete items)

* Comparison is to the recast three-month period ended October 2, 2015.

** See Page 1 regarding non-GAAP financial measures.

FY 2016 Financial Results

- Sales of \$1,993 million, down 0.5%*
 - Positive impact from full-year of DAT business \$52 million
 - Negative impacts from organic volumes (\$19) million, FX (\$25) million and Defense Technologies incident (\$18) million
- Book to Bill = 1.03
- GAAP EPS of \$3.93
 - Adjusted EPS of \$4.86** (excludes certain discrete items)
- Free cash flow of \$99 million**

* Comparison is to the recast twelve-month period ended October 2, 2015.

** See Page 1 regarding non-GAAP financial measures.

2016 Year-over-Year (YOY) Summary*

<i>Dollars in millions, except EPS</i>	Q4 2016	Q4 2015	Change		FY 2016	FY 2015	Change
Sales	\$ 544	\$ 545	(\$1)		\$ 1,993	\$ 2,003	(\$10)
Gross margin	\$ 194	\$ 186	\$8		\$ 661	\$ 679	(\$18)
As a % of sales	35.6%	34.1%	1.5%		33.2%	33.9%	(0.7%)
Earnings from continuing operations	\$ 52	\$ 40	\$12		\$ 117	\$ 128	(\$11)
Earnings per diluted share from continuing ops	\$ 1.75	\$ 1.34	\$0.41		\$ 3.93	\$ 4.10	(\$0.17)

* Comparison is to the recast three-month and twelve-month periods ended October 2, 2015.

2016 Earnings Adjustment

<i>Dollars in millions, except EPS EPS adjustments are net of tax</i>	Q4 Earnings from Continuing Ops	EPS		FY Earnings from Continuing Ops	EPS
GAAP	\$ 52	\$ 1.75		\$ 117	\$3.93
• Accelerated integration costs	3	0.11		7	0.24
• Compliance costs	2	0.06		9	0.30
• DAT integration costs	1	0.04		10	0.34
• Long-term contract adjustments	-	-		2	0.05
Adjusted*	\$ 58	\$ 1.96		\$ 145	\$4.86

* See Page 1 regarding non-GAAP financial measures

2016 Sales Change (YOY)*

<i>Dollars in millions</i>	Items	Q4 Sales	FY Sales
2015*		\$ 545	\$ 2,003
	• Foreign currency translation	(7)	(31)
	• FX forward contract gain	3	6
	• DAT incremental (acquired sales)	-	52
	• Defense Technologies energetic incident	(13)	(18)
	• Sales volume	<u>16</u>	<u>(19)</u>
2016		\$ 544	\$ 1,993

* Comparison is to the recast three-month and twelve-month periods ended October 2, 2015.

2016 Segment Sales Change (YOY)*

	Q4 Total Change	Q4 Organic ¹	Q4 FX	Q4 Other ²		FY Total Change	FY Organic ¹	FY FX	FY Other ²
Avionics & Controls	9%	9%	<1%	-		4%	(1%)	<(1%)	6%
Sensors & Systems	(2%)	(2%)	<1%	-		(3%)	(2%)	(1%)	-
Advanced Materials	(15%)	<(1%)	(4%)	(10%)		(6%)	<1%	(2%)	(4%)
Total	<(1%)	3%	<(1%)	(2%)		<(1%)	<(1%)	(1%)	2%

¹ Organic sales growth represents the total reported increase within the company's continuing operations less the impact of all foreign currency translation and hedging activities.

² Other represents acquired sales (Avionics & Controls) and energetic incident (Advanced Materials).

* Comparison is to the recast three-month and twelve-month periods ended October 2, 2015.

2016 Gross Margin Change (YOY)*

<i>Dollars in millions</i>	Items	Q4 Gross Margin	FY Gross Margin
2015*		\$ 186	\$ 679
	• FX Impact	-	(3)
	• DAT purchase accounting and integration expenses	2	3
	• DAT incremental (acquired sales)	-	21
	• Sales volume / mix	13	(11)
	• Defense Technologies energetic incident	(5)	(7)
	• Higher mfg. costs / Inventory reserves / EAC / Other adjustments	<u>(2)</u>	<u>(21)</u>
2016		<u>\$ 194</u>	<u>\$ 661</u>

* Comparison is to the recast three-month and twelve-month periods ended October 2, 2015.

FY 2016 Free Cash Flow Reconciliation*

<i>Dollars in millions; GAAP results</i>	FY 2016	FY 2015*
Net Earnings	\$ 103	\$ 88
• Depreciation and amortization (Depreciation of \$49M and \$51M)	100	103
• Change in working capital (A/R, Inventory, A/P)	(43)	(2)
• Other	<u>7</u>	<u>5</u>
Cash flow from operations	\$ 167	\$ 194
• Capital expenditures	<u>(68)¹</u>	<u>(55)</u>
Free cash flow**	<u>\$ 99</u>	<u>\$ 139</u>

¹ 2016 Cap Ex includes ~ \$15 million used to purchase and improve the primary facility of the DAT business.

* Comparison is to the recast twelve-month period ended October 2, 2015.

** See Page 1 regarding non-GAAP financial measures.

FY 2016 EBITDA*

<i>Dollars in millions; GAAP results</i>	FY 2016	FY 2015*
Operating Earnings from Continuing Operations	\$ 170	\$ 199
• Depreciation and amortization	<u>99</u>	<u>100</u>
EBITDA from Continuing Operations **	<u>\$ 269</u>	<u>\$ 299</u>

* Comparison is to the recast twelve-month period ended October 2, 2015.

** See Page 1 regarding non-GAAP financial measures.

Share Repurchase Update

	# Shares <i>In thousands</i>	\$ Value <i>In millions</i>	\$ Authorization Remaining <i>In millions</i>
• FY 2014	269	\$ 30.3	
• FY 2015	2,562	259.5	
• Q1 2016	0	0	
• Q2 2016	203	12.0	
• Q3 2016	102	6.7	
• Q4 2016	0	0	
Total since inception*	3,136	\$ 308.5	\$ 91.5

* \$400 million total authorization for share repurchase.

2017 Guidance

	Guidance
Sales	\$2.0B - \$2.05B
GAAP EPS (diluted, continuing ops)	\$4.30 - \$4.70
Adjusted EPS* (diluted, continuing ops)	\$4.50 - \$4.90
EBITDA*	\$295M - \$315M
Free Cash Flow*	\$165M - \$185M

Guidance	2017 Adjusted EPS
GAAP EPS (diluted, continuing ops)	\$4.30 - \$4.70
Compliance Costs	\$0.18
DAT Integration Costs	\$0.02
Adjusted EPS* (diluted, continuing ops)	\$4.50 - \$4.90

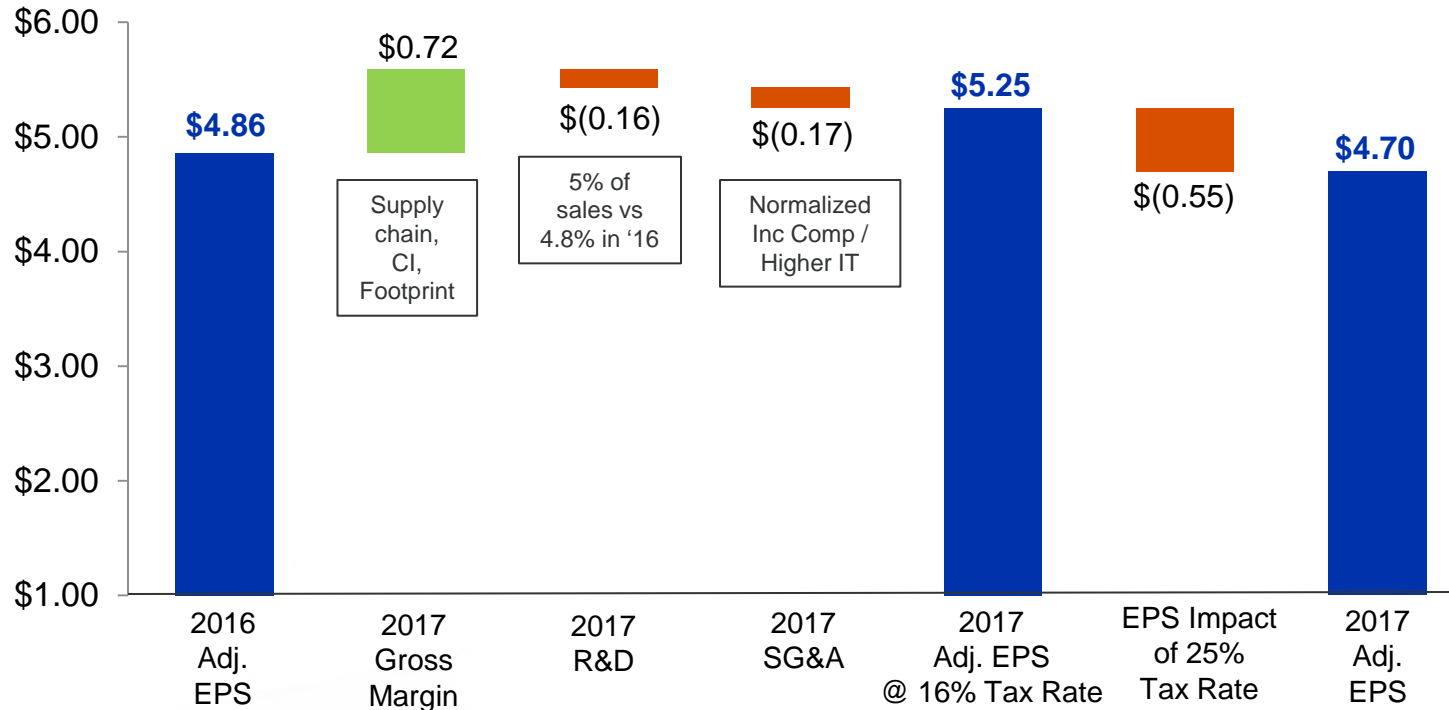
* See Page 1 regarding non-GAAP financial measures.

Sales Growth and Outlook

2016 Sales Mix	End Market	2017 Sales Growth*	Comments
~50%	Commercial Aerospace	Low single digit	<u>Increased OE production rates:</u> 737Max, A320Neo, 787, A350, C-Series
~30%	Defense	Flat	<u>New products / contracts:</u> Avionics, Defense Technologies, Power Systems <u>Lower production rates (legacy products) / New LTAs (lower pricing):</u> Avionics, Defense Technologies, Engineered Materials
~20%	Adjacent Markets	Flat	Growth in high-end medical offsets decreases in gaming
	Total	Flat to 2% (excl ~\$15M increase from Defense Tech incident recovery)	

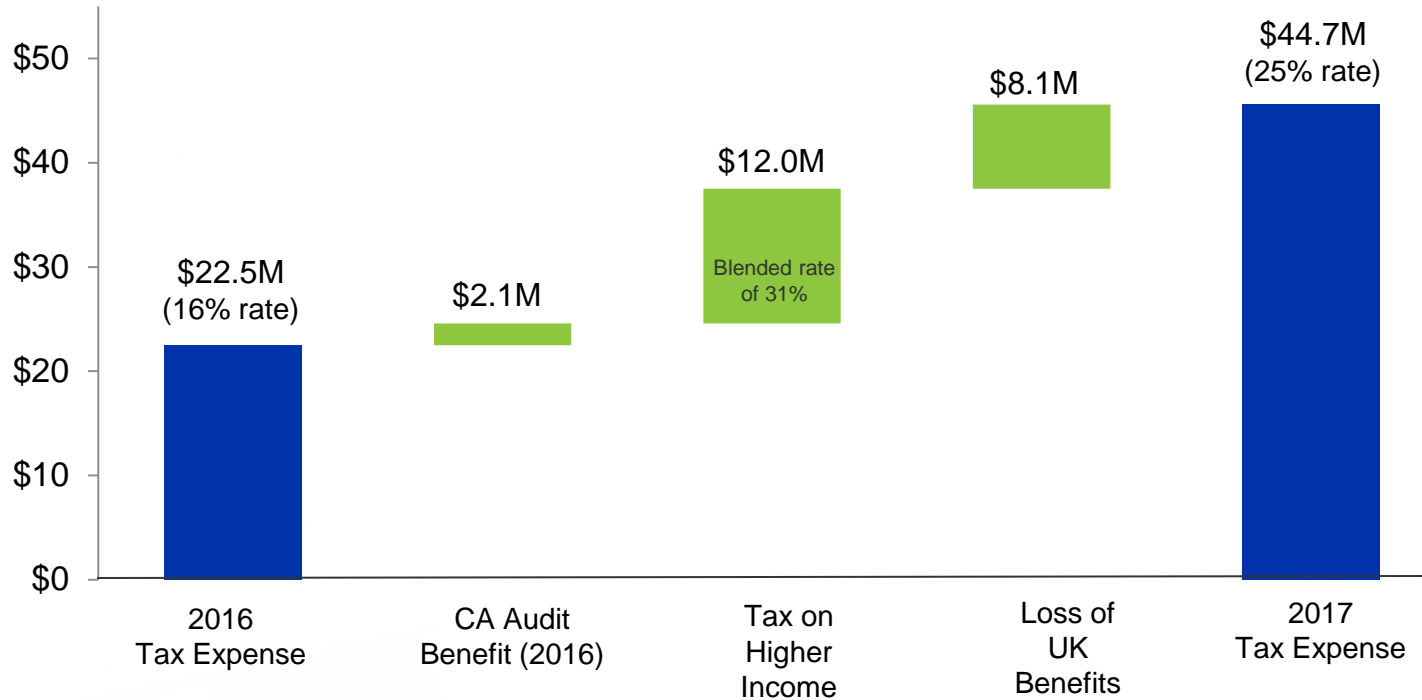
* Organic sales growth, excluding impacts from FX and Defense Technologies recovery from May 2016 energetic incident (~ \$15m).

2017 Adjusted EPS* Bridge



* See Page 1 regarding non-GAAP financial measures.

2017 Tax Changes

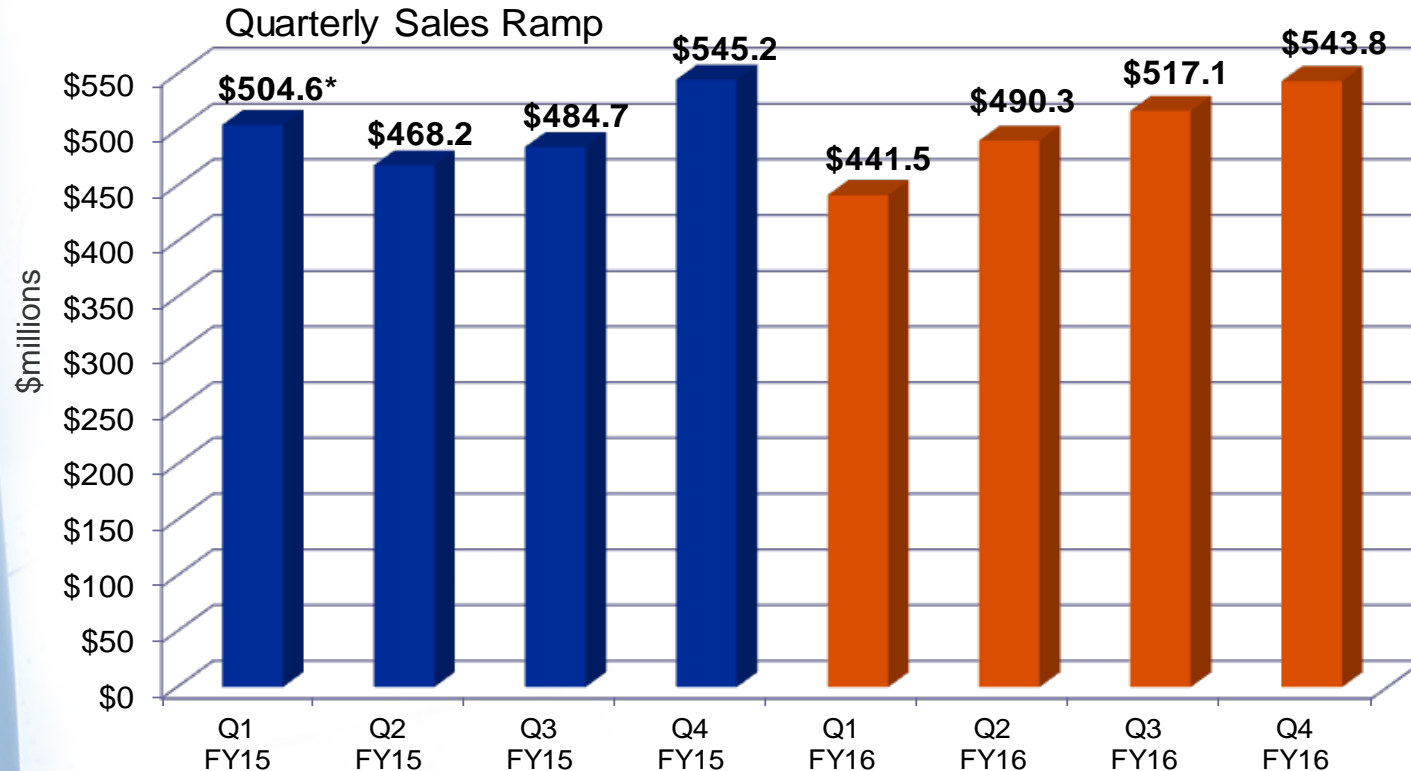


2017 Guidance Assumptions

- Interest expense ~\$28 million
- Tax rate 25%
- Average diluted shares outstanding 29.690 million
- Depreciation / Amortization expense ~\$100 million
- Cap Ex \$55 - \$60 million

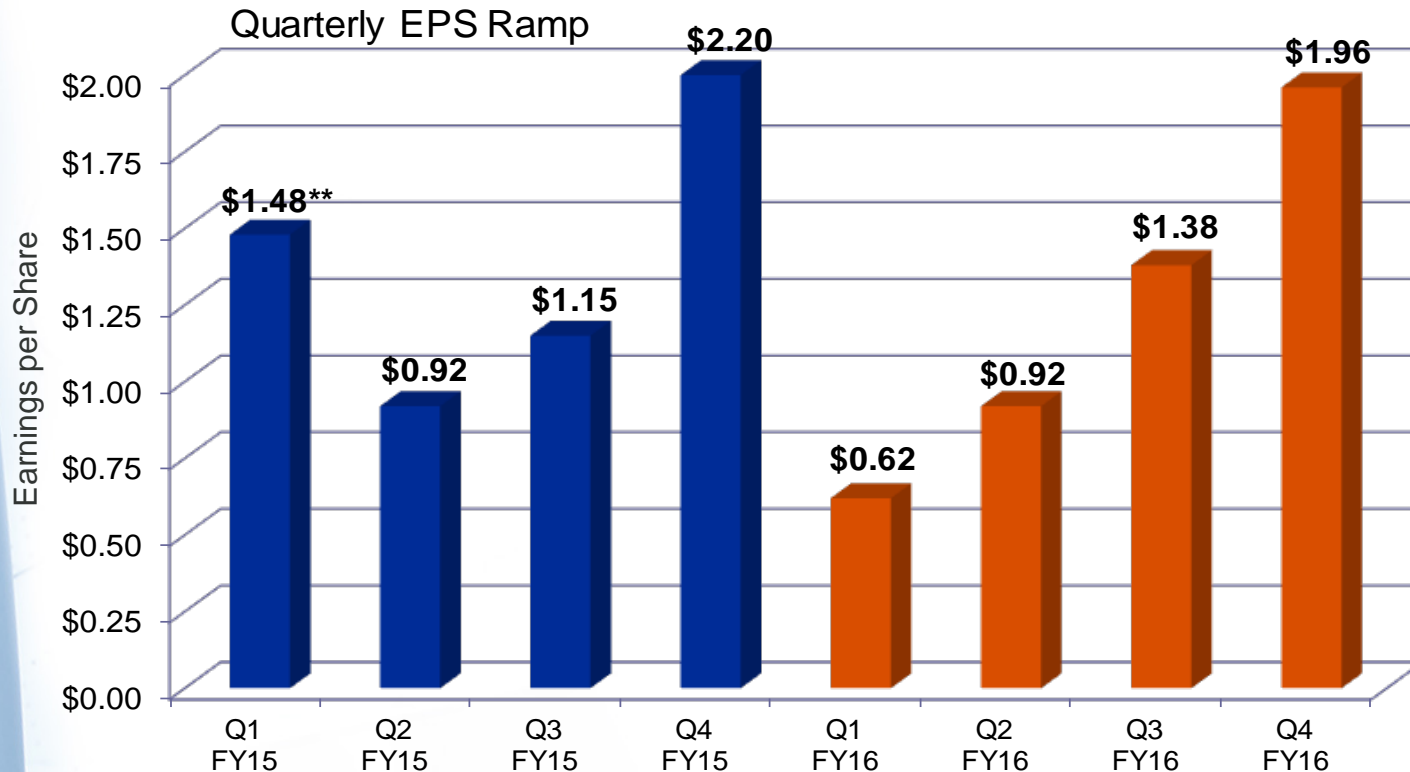
Appendix

Year-Over-Year Sales Comparisons



* The recast Q1 2015 period includes a record year-end October 2014

Year-Over-Year Adj. EPS* Comparisons



* See Page 1 regarding non-GAAP financial measures.

** The recast Q1 2015 period includes a record year-end October 2014

2016 Income Statement*

In thousands, except per share amounts

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY 2016</u>
Net Sales	\$ 441,477	\$ 490,310	\$ 517,092	\$ 543,752	\$ 1,992,631
Cost of Sales	303,758	334,137	343,508	349,983	1,331,386
	<u>137,719</u>	<u>156,173</u>	<u>173,584</u>	<u>193,769</u>	<u>661,245</u>
Expenses					
Selling, general & administrative	94,091	102,423	96,769	101,991	395,274
Research, development and engineering	25,575	24,974	22,211	23,179	95,939
Restructuring charges	931	940	559	2,443	4,873
Insurance recovery	-	-	-	(5,000)	(5,000)
Total Expenses	<u>120,597</u>	<u>128,337</u>	<u>119,539</u>	<u>122,613</u>	<u>491,086</u>
Operating Earnings from Continuing Operations	17,122	27,836	54,045	71,156	170,159
Interest Expense, Net	7,129	7,200	7,629	7,766	29,724
Earnings from Continuing Operations Before Income Taxes	9,993	20,636	46,416	63,390	140,435
Income Tax Expense	(33)	3,416	7,975	11,177	22,535
Earnings from Continuing Operations Including Noncontrolling Interests	10,026	17,220	38,441	52,213	117,900
Loss (Earnings) Attributable to Noncontrolling Interests	(162)	(224)	(395)	(168)	(949)
Earnings from Continuing Operations Attributable to Esterline, Net of Tax	9,864	16,996	38,046	52,045	116,951
Loss from Discontinued Operations Attributable to Esterline, Net of Tax	(4,780)	(2,023)	(8,690)	227	(15,266)
Net Earnings Attributable to Esterline	<u>\$ 5,084</u>	<u>\$ 14,973</u>	<u>\$ 29,356</u>	<u>\$ 52,272</u>	<u>\$ 101,685</u>
Adjustments to Continuing Operations, Net of Tax	8,575	10,283	2,835	6,123	27,816
Adjusted Earnings from Continuing Operations Attributable to Esterline, Net of Tax	<u>\$ 18,439</u>	<u>\$ 27,279</u>	<u>\$ 40,881</u>	<u>\$ 58,168</u>	<u>\$ 144,767</u>
Diluted Shares Outstanding	<u>29,939</u>	<u>29,825</u>	<u>29,601</u>	<u>29,691</u>	<u>29,764</u>
EPS from Continuing Operations - Diluted	<u>\$ 0.33</u>	<u>\$ 0.57</u>	<u>\$ 1.28</u>	<u>\$ 1.75</u>	<u>\$ 3.93</u>
Adjusted EPS from Continuing Operations - Diluted	<u>\$ 0.62</u>	<u>\$ 0.92</u>	<u>\$ 1.38</u>	<u>\$ 1.96</u>	<u>\$ 4.86</u>

* See Page 1 regarding non-GAAP financial measures.

2016 Income Statement*

In thousands	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY2016</u>
Avionics & Controls	\$ 186,245	\$ 198,665	\$ 222,583	\$ 253,001	\$ 860,494
Sensors & Systems	152,430	176,069	186,337	181,196	696,032
Advanced Materials	102,802	115,576	108,172	109,555	436,105
Net Sales	<u>\$ 441,477</u>	<u>\$ 490,310</u>	<u>\$ 517,092</u>	<u>\$ 543,752</u>	<u>\$1,992,631</u>
Avionics & Controls	\$ 9,413	\$ 2,649	\$ 28,517	\$ 37,777	\$ 78,356
Sensors & Systems	12,784	20,944	27,942	26,098	87,768
Advanced Materials	12,990	23,208	15,512	22,805	74,515
Segment Earnings	<u>35,187</u>	<u>46,801</u>	<u>71,971</u>	<u>86,680</u>	<u>240,639</u>
Corporate Expense	18,065	18,965	17,926	15,524	70,480
Interest Income	(87)	(94)	(30)	(156)	(367)
Interest Expense	7,216	7,294	7,659	7,922	30,091
Earnings from Continuing Operations Before Income Taxes	<u>\$ 9,993</u>	<u>\$ 20,636</u>	<u>\$ 46,416</u>	<u>\$ 63,390</u>	<u>\$ 140,435</u>

* See Page 1 regarding non-GAAP financial measures.

2016 EPS – Adjustments*

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY 2016</u>
EPS from Continuing Operations - Diluted	\$ 0.33	\$ 0.57	\$ 1.28	\$ 1.75	\$ 3.93
Accelerated Integration Costs	0.05	0.05	0.04	0.11	0.24
Compliance Costs	0.12	0.05	0.08	0.06	0.30
Integration Costs	0.12	0.11	0.07	0.04	0.34
Long-Term Contract Adjustments	-	0.14	(0.09)	-	0.05
Adjusted EPS from Continuing Operations - Diluted	<u>\$ 0.62</u>	<u>\$ 0.92</u>	<u>\$ 1.38</u>	<u>\$ 1.96</u>	<u>\$ 4.86</u>

* See Page 1 regarding non-GAAP financial measures.

Q4 2016 Adjusted Gross Margin and EBIT*

In thousands

	<u>Avionics</u>	<u>Sensors</u>	<u>AM</u>	<u>ESL</u>	
GAAP Sales	\$ 253,001	\$ 181,196	\$ 109,555	\$ 543,752	
GAAP Gross Margin	\$ 91,578	\$ 66,523	\$ 35,668	\$ 193,769	
Accelerated Integration Costs	-	566	849	1,415	
DAT Integration Costs	921	-	-	921	
Long-Term Contract Adjustments	-	-	-	-	
Adjusted Gross Margin	\$ 92,499	\$ 67,089	\$ 36,517	\$ 196,105	
	<u>Avionics</u>	<u>Sensors</u>	<u>AM</u>	<u>Corporate</u>	<u>ESL</u>
GAAP EBIT	\$ 37,777	\$ 26,098	\$ 22,805	\$ (15,524)	\$ 71,156
Accelerated Integration Costs	-	1,798	2,018	42	3,858
Compliance Costs	-	-	-	2,237	2,237
DAT Integration Costs	1,539	-	-	-	1,539
Long-Term Contract Adjustments	-	-	-	-	-
Adjusted EBIT	\$ 39,316	\$ 27,896	\$ 24,823	\$ (13,245)	\$ 78,790
Adjusted Gross Margin as a % of Sales	36.6%	37.0%	33.3%	-	36.1%
Adjusted EBIT as a % of Sales	15.5%	15.4%	22.7%	-	14.5%

* See Page 1 regarding non-GAAP financial measures.

2016 Adjusted Gross Margin and EBIT*

In thousands

	<u>Avionics</u>	<u>Sensors</u>	<u>AM</u>	<u>ESL</u>	
GAAP Sales	\$ 860,494	\$ 696,032	\$ 436,105	\$ 1,992,631	
GAAP Gross Margin	\$ 282,300	\$ 245,966	\$ 132,979	\$ 661,245	
Accelerated Integration	57	1,899	1,894	3,850	
Long-Term Contract Adjustments	1,851	-	-	1,851	
DAT Integration	4,341	-	-	4,341	
Adjusted Gross Margin	\$ 288,549	\$ 247,865	\$ 134,873	\$ 671,287	
	<u>Avionics</u>	<u>Sensors</u>	<u>AM</u>	<u>Corporate</u>	<u>ESL</u>
GAAP EBIT	\$ 78,356	\$ 87,768	\$ 74,515	\$ (70,480)	\$ 170,159
Accelerated Integration	391	3,596	3,730	1,006	8,723
Incremental Compliance	-	-	-	10,437	10,437
Long-Term Contract Adjustments	1,851	-	-	-	1,851
DAT Integration	12,014	-	-	-	12,014
Adjusted EBIT	\$ 92,612	\$ 91,364	\$ 78,245	\$ (59,037)	\$ 203,184
Adjusted Gross Margin as a % of Sales	33.5%	35.6%	30.9%	-	33.7%
Adjusted EBIT as a % of Sales	10.8%	13.1%	17.9%	-	10.2%

* See Page 1 regarding non-GAAP financial measures.

2015* Recast Income Statement**

In thousands, except per share amounts

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY 2015</u>
Net Sales	\$ 504,611	\$ 468,210	\$ 484,723	\$ 545,249	\$ 2,002,793
Cost of Sales	<u>326,370</u>	<u>318,193</u>	<u>319,433</u>	<u>359,409</u>	<u>1,323,405</u>
	178,241	150,017	165,290	185,840	679,388
Expenses					
Selling, general & administrative	98,089	99,432	92,028	94,607	384,156
Research, development and engineering	23,531	25,143	26,401	25,351	100,426
Restructuring charges	<u>3,293</u>	<u>1,634</u>	<u>1,135</u>	<u>2,081</u>	<u>8,143</u>
Total Expenses	<u>124,913</u>	<u>126,209</u>	<u>119,564</u>	<u>122,039</u>	<u>492,725</u>
Operating Earnings from Continuing Operations	53,328	23,808	45,726	63,801	186,663
Other Expense (Income)	-	(12,744)	-	241	(12,503)
Interest Expense, Net	7,898	5,799	10,306	8,479	32,482
Loss on Extinguishment of Debt	-	-	329	11,122	11,451
Earnings from Continuing Operations Before Income Taxes	<u>45,430</u>	<u>30,753</u>	<u>35,091</u>	<u>43,959</u>	<u>155,233</u>
Income Tax Expense	<u>10,972</u>	<u>5,714</u>	<u>6,744</u>	<u>3,481</u>	<u>26,911</u>
Earnings from Continuing Operations Including Noncontrolling Interests	34,458	25,039	28,347	40,478	128,322
Loss (Earnings) Attributable to Noncontrolling Interests	<u>17</u>	<u>(108)</u>	<u>(125)</u>	<u>(211)</u>	<u>(427)</u>
Earnings from Continuing Operations Attributable to Esterline, Net of Tax	34,475	24,931	28,222	40,267	127,895
Loss from Discontinued Operations Attributable to Esterline, Net of Tax	<u>(5,876)</u>	<u>(14,600)</u>	<u>(558)</u>	<u>(19,285)</u>	<u>(40,319)</u>
Net Earnings Attributable to Esterline	<u>\$ 28,599</u>	<u>\$ 10,331</u>	<u>\$ 27,664</u>	<u>\$ 20,982</u>	<u>\$ 87,576</u>
Adjustments to Continuing Operations, Net of Tax	13,188	4,494	7,784	25,720	51,186
Adjusted Earnings from Continuing Operations Attributable to Esterline, Net of Tax	<u>\$ 47,663</u>	<u>\$ 29,425</u>	<u>\$ 36,006</u>	<u>\$ 65,987</u>	<u>\$ 179,081</u>
Diluted Shares Outstanding	<u>32,364</u>	<u>31,687</u>	<u>31,322</u>	<u>29,901</u>	<u>31,215</u>
EPS from Continuing Operations - Diluted	<u>\$ 1.06</u>	<u>\$ 0.79</u>	<u>\$ 0.90</u>	<u>\$ 1.34</u>	<u>\$ 4.10</u>
Adjusted EPS from Continuing Operations - Diluted	<u>\$ 1.48</u>	<u>\$ 0.92</u>	<u>\$ 1.15</u>	<u>\$ 2.20</u>	<u>\$ 5.74</u>

* Comparison is to the recast three-month and twelve-month periods ended October 2, 2015.

** See Page 1 regarding non-GAAP financial measures

2015* Recast Income Statement**

In Thousands

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY 2015</u>
Avionics & Controls	\$ 206,617	\$ 187,330	\$ 200,078	\$ 232,019	\$ 826,044
Sensors & Systems	182,894	171,538	175,544	184,989	714,965
Advanced Materials	115,100	109,342	109,101	128,241	461,784
Net Sales	<u>\$ 504,611</u>	<u>\$ 468,210</u>	<u>\$ 484,723</u>	<u>\$ 545,249</u>	<u>\$2,002,793</u>
Avionics & Controls	\$ 37,326	\$ 7,934	\$ 16,836	\$ 31,129	\$ 93,225
Sensors & Systems	17,458	16,256	22,968	27,553	84,235
Advanced Materials	21,555	19,469	24,514	25,796	91,334
Segment Earnings	<u>76,339</u>	<u>43,659</u>	<u>64,318</u>	<u>84,478</u>	<u>268,794</u>
Corporate Expense	23,011	19,851	18,592	20,677	82,131
Other (Income) Expense	-	(12,744)	-	241	(12,503)
Interest Income	(184)	(135)	(87)	(226)	(632)
Interest Expense	8,082	5,934	10,393	8,705	33,114
Loss on Extinguishment of Debt	-	-	329	11,122	11,451
Earnings from Continuing Operations Before Income Taxes	<u>\$ 45,430</u>	<u>\$ 30,753</u>	<u>\$ 35,091</u>	<u>\$ 43,959</u>	<u>\$ 155,233</u>

* Comparison is to the recast three-month and twelve-month periods ended October 2, 2015.

** See Page 1 regarding non-GAAP financial measures

2015* Recast EPS – Adjustments**

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY2015</u>
EPS from Continuing Operations - Diluted	\$ 1.06	\$ 0.79	\$ 0.90	\$ 1.34	\$ 4.10
Accelerated Integration Costs	0.14	0.09	0.07	0.09	0.38
Compliance Costs	0.08	0.09	0.10	0.23	0.50
DAT Closing Expenses, Integration and Purchase Acctg. Adjustments	0.02	0.25	0.08	0.23	0.58
Long-Term Contract Adjustments	0.11	0.13	-	-	0.24
Pension Expense	0.07	-	-	-	0.07
Non-Income Tax Gain	-	(0.43)	-	-	(0.43)
Bond Redemption Costs	-	-	-	0.31	0.30
Adjusted EPS from Continuing Operations - Diluted	<u>\$ 1.48</u>	<u>\$ 0.92</u>	<u>\$ 1.15</u>	<u>\$ 2.20</u>	<u>\$ 5.74</u>

* Comparison is to the recast three-month and twelve-month periods ended October 2, 2015.

** See Page 1 regarding non-GAAP financial measures

Q4 2015* Adjusted Gross Margin and EBIT**

In thousands

	<u>Avionics</u>	<u>Sensors</u>	<u>AM</u>	<u>ESL</u>
GAAP Sales	\$ 232,019	\$ 184,989	\$ 128,241	\$ 545,249
GAAP Gross Margin	\$ 79,247	\$ 63,765	\$ 42,828	\$ 185,840
Accelerated Integration Costs	-	577	182	759
DAT Purchase Acctg Adj. and Integration Costs	2,484	-	-	2,484
Adjusted Gross Margin	\$ 81,731	\$ 64,342	\$ 43,010	\$ 189,083

	<u>Avionics</u>	<u>Sensors</u>	<u>AM</u>	<u>Corporate</u>	<u>Other Exp.</u>	<u>ESL</u>
GAAP EBIT	\$ 31,129	\$ 27,553	\$ 25,796	\$ (20,677)	\$ (241)	\$ 63,560
Accelerated Integration Costs	123	1,632	711	374	-	2,840
Compliance Costs	-	-	-	7,657	-	7,657
DAT Purchase Acctg Adj. and Integration Costs	8,195	-	-	-	-	8,195
Adjusted EBIT	\$ 39,447	\$ 29,185	\$ 26,507	\$ (12,646)	\$ (241)	\$ 82,252

Adjusted Gross Margin as a % of Sales

35.2%

34.8%

33.5%

-

-

34.7%

Adjusted EBIT as a % of Sales

17.0%

15.8%

20.7%

-

-

15.1%

* Q4 2015 is the recast three-month period ended October 2, 2015.

** See Page 1 regarding non-GAAP financial measures.

2015* Adjusted Gross Margin and EBIT**

In thousands

	<u>Avionics</u>	<u>Sensors</u>	<u>AM</u>	<u>ESL</u>
GAAP Sales	\$ 826,044	\$ 714,965	\$ 461,784	\$ 2,002,793
GAAP Gross Margin	\$ 279,148	\$ 251,060	\$ 149,180	\$ 679,388
Accelerated Integration Costs	124	4,964	1,350	6,438
Compliance Costs	(79)	(29)	(12)	(120)
DAT Purchase Acctg Adj. and Integration Costs	7,021	-	-	7,021
Long-Term Contract Adjustments	7,814	-	-	7,814
Adjusted Gross Margin	\$ 294,028	\$ 255,995	\$ 150,518	\$ 700,541

	<u>Avionics</u>	<u>Sensors</u>	<u>AM</u>	<u>Corporate</u>	<u>Other Inc.</u>	<u>ESL</u>
GAAP EBIT	\$ 93,225	\$ 84,235	\$ 91,334	\$ (82,131)	\$ 12,503	\$ 199,166
Accelerated Integration Costs	1,272	8,464	3,595	1,250	-	14,581
Compliance Costs	(326)	277	107	18,921	-	18,979
DAT Purchase Acctg Adj. and Integration Costs	16,048	-	-	-	-	16,048
DAT Closing Costs	-	-	-	3,100	2,900	6,000
Long-Term Contract Adjustments	9,934	-	-	-	-	9,934
Non-Income Tax Gain	-	-	-	-	(15,656)	(15,656)
Pension Expense	-	-	-	3,000	-	3,000
Adjusted EBIT	\$ 120,153	\$ 92,976	\$ 95,036	\$ (55,860)	\$ (253)	\$ 252,052

Adjusted Gross Margin as a % of Sales	35.6%	35.8%	32.6%	-	-	35.0%
Adjusted EBIT as a % of Sales	14.5%	13.0%	20.6%	-	-	12.6%

* 2015 is the recast twelve-month period ended October 2, 2015.

** See Page 1 regarding non-GAAP financial measures.