



Growing Opportunity

# TEXTRON

***Q3 2007  
Earnings Release  
Key Data***

**October 18, 2007**

The data in this package should be read in conjunction with the Textron earnings release and accompanying tables.

## Forward-Looking Information

Certain statements in this package and other oral and written statements made by Textron from time to time are forward-looking statements, including those that discuss strategies, goals, outlook or other non-historical matters; or project revenues, income, returns or other financial measures. These forward-looking statements speak only as of the date on which they are made, and we undertake no obligation to update or revise any forward-looking statements. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those contained in the statements, including the risks and uncertainties set forth under "Forward-Looking Information" in our third quarter 2007 earnings release. Additional information on risks and uncertainties that may impact forward-looking statements is discussed under "Risk Factors" in our most recent Annual Report on Form 10-K and, where applicable, subsequent Quarterly Reports on Form 10-Q.

## Q3'07 Textron Summary

- **Revenues: \$3.3B, up 15%**
- **Segment profit: \$423M, up 36%**
- **YTD Free cash flow of \$432M**
- **EPS of \$0.95, up 40%**
- **Completed 2:1 stock split, announced UIC acquisition**

## Year-Over-Year Causal Analysis

**Q3 - 2006 Actual EPS\*** **\$ 0.68**

Price	0.21
Volume / Mix	0.16
Cost Performance	0.12
Industrial Land Sale	0.06
Insurance Settlement	0.05
Inflation	(0.18)
ER&D, Pension & Depreciation	(0.08)
Taxes	(0.05)
Miscellaneous	(0.02)

**Q3 - 2007 Actual EPS\*** **\$ 0.95**

*\* EPS information is from continuing operations*

## Q3 2007 Sales Growth

	<i>Total Sales Growth</i>	<i>M&amp;A Impact</i>	<i>Core Sales Growth</i>	<i>F/X Impact Un(Fav)</i>	<i>Organic Growth Before FX</i>
Bell	14.1%	(2.9%)	11.2%	0.0%	11.2%
Cessna	20.8%	0.0%	20.8%	0.0%	20.8%
Industrial	11.8%	0.7%	12.5%	(4.6%)	7.9%
<b>Manufacturing</b>	<b>16.2%</b>	<b>(0.8%)</b>	<b>15.4%</b>	<b>(1.3%)</b>	<b>14.1%</b>
Finance	0.6%	0.0%	0.6%	0.0%	0.6%
<b>Total Segments</b>	<b>15.0%</b>	<b>(0.7%)</b>	<b>14.3%</b>	<b>(1.2%)</b>	<b>13.1%</b>

## 2007 Deliveries

<b>Cessna</b>	<b>Q3 Act</b>	<b>Q4 Fcst</b>	<b>FY Fcst</b>
<b>Citation Jets</b>	<b>103</b>	<b>~115</b>	<b>~380</b>

  

<b>Bell Segment</b>	<b>Q3 Act</b>	<b>Q4 Fcst</b>	<b>FY Fcst</b>
<b>Commercial Helicopters</b>	<b>40</b>	<b>~56</b>	<b>~175</b>
<b>ASVs</b>	<b>161</b>	<b>~95</b>	<b>~575</b>

## 2007 Backlog

### Backlog Status (in \$Billions)

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Cessna	\$ 11.9	
Bell Helicopter	\$ 3.6	
Bell 429 Orders	\$ 1.0	(not in official backlog)

## Outlook – Full Year 2007\*

**Earnings per share  
from continuing  
operations**

**\$3.40 - \$3.50**

**Free cash flow**

**\$600M - \$650M**

*\* Does not include any impact of the company's announced plan to acquire United Industrial Corporation*

## Segment Outlook – Q4 2007\*

	<b>Revenue</b>	<b>Profitability**</b>
<b>Bell</b>	~ \$980M	~ 8.0%
<b>Cessna</b>	~ \$1,500M	~ 16.75%
<b>Industrial</b>	~ \$850M	~ 5.0%
<b>Finance</b>	~ \$215M	~ \$47M

\* Does not include any impact of the company's announced plan to acquire United Industrial Corporation

\*\* % - Margins, \$ - NOP

## Outlook – Q4 2007\*

<b>Corporate Expenses</b>	<b>~ \$63M</b>
<b>Interest Expense</b>	<b>~ \$21M</b>
<b>Tax Rate</b>	<b>~ 34%</b>
<b>Share Count</b>	<b>~ 254.8M</b>

\* *Does not include any impact of the company's announced plan to acquire United Industrial Corporation*