



**GOODRICH**

**Marshall Larsen  
Chairman, President and CEO**

**CSFB/Aviation Week**

**Aerospace & Defense  
Finance Conference**

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*Certain statements made in this presentation are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding the Company's future plans, objectives and expected performance. The Company cautions readers that any such forward-looking statements are based on assumptions that the Company believes are reasonable, but are subject to a wide range of risks, and actual results may differ materially.*

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**GR Portfolio Attributes**

- Proprietary products
- Non-discretionary repair/ replacement cycles
- Large installed base drives aftermarket sales
- Participation on every large commercial and regional jet platform
- Significant defense & space presence

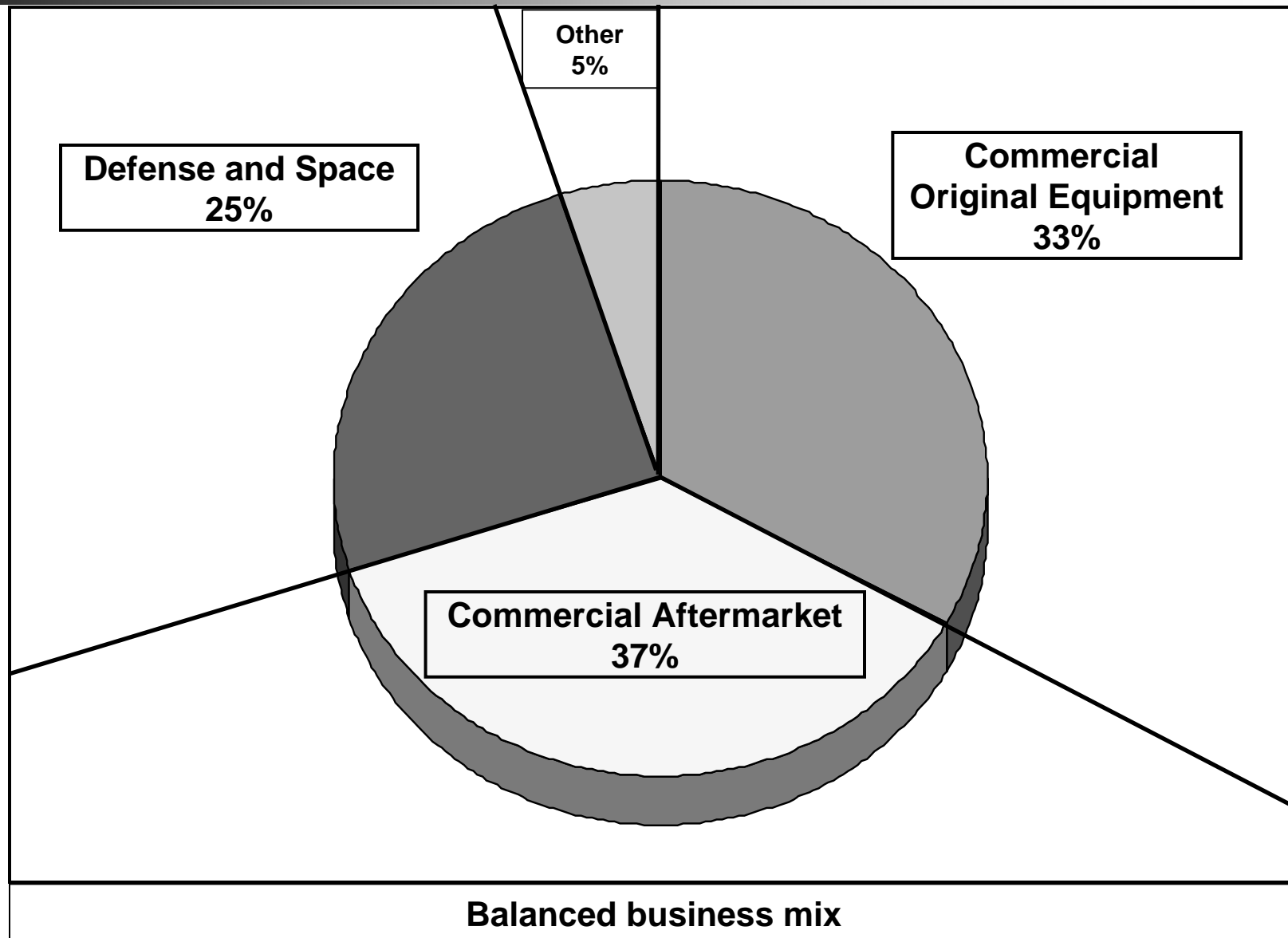


**Results**

- More predictable revenue and income growth
- Significant margin potential
- Sustainable leadership positions
- Diverse product portfolio and balanced customer base

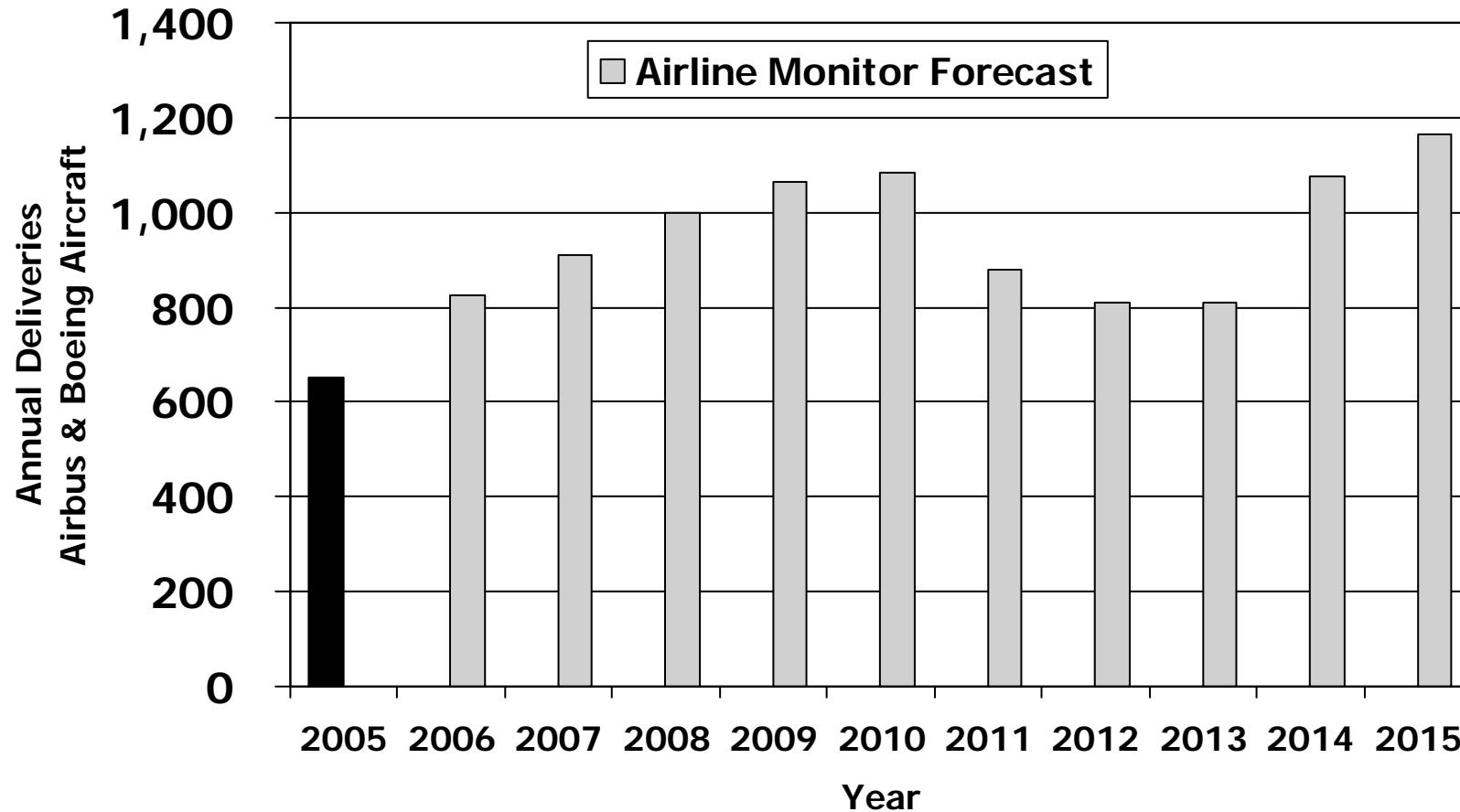


- **Commercial Aircraft Original Equipment Production**
  - New orders for commercial aircraft, including regional aircraft, remain very strong
  - Manufacturers continue to raise production rates
  - Deliveries expected to increase 7 – 8 percent in 2006
  - Continued strong demand for larger regional jets
- **Commercial Aircraft Aftermarket Products and Services**
  - Worldwide growth in available seat miles supports demand for replacement parts and repair and overhaul services
  - Aging aircraft fleet drives additional growth for many popular models of aircraft
- **Defense and Space Products and Services**
  - Strong aftermarket demand for existing platforms
  - New opportunities for mission equipment and intelligence, surveillance and reconnaissance products

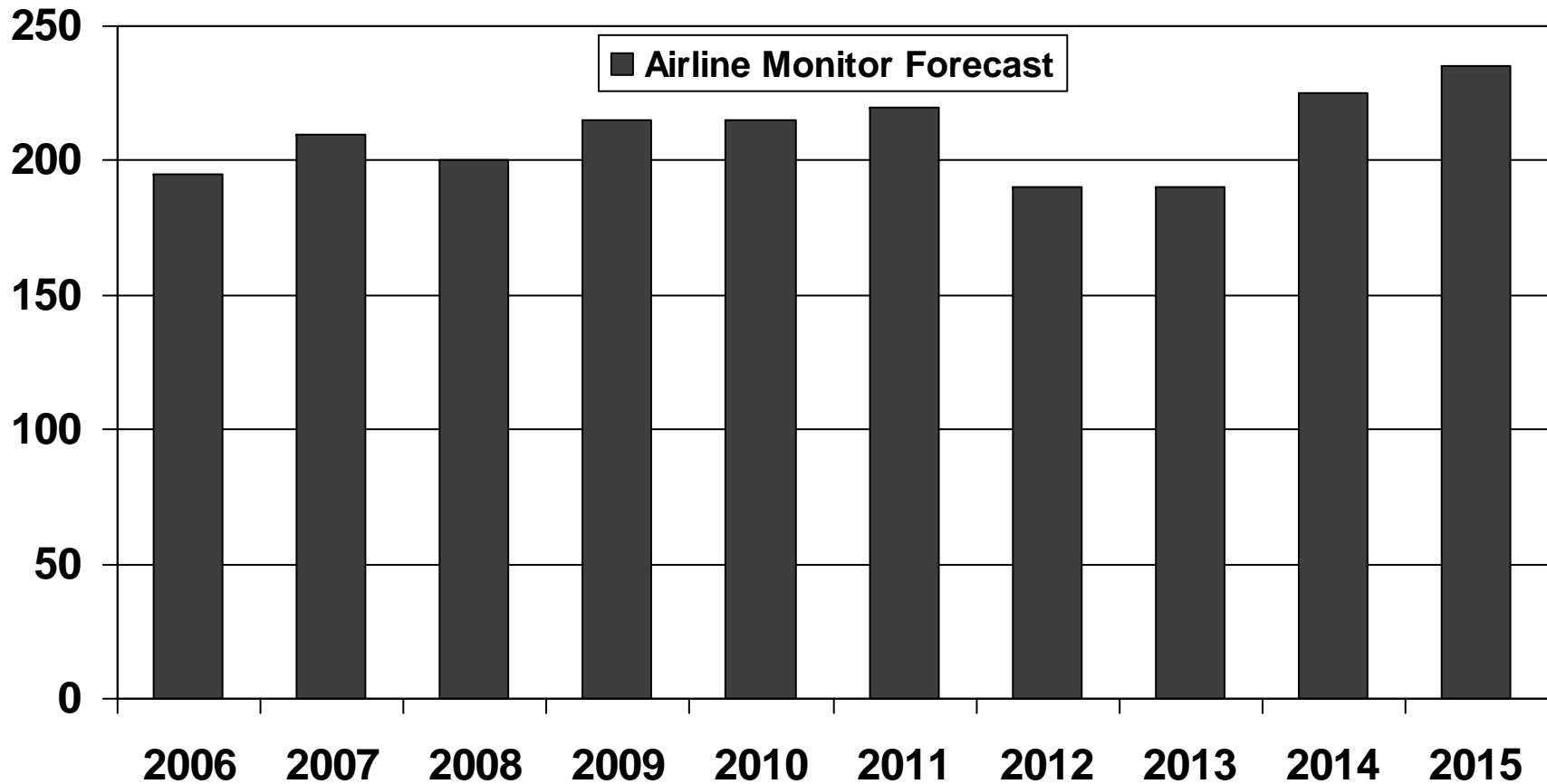


- **2006 orders for commercial aircraft significantly exceed expected deliveries**
- **World GDP drives revenue passenger miles (RPMs)**
- **Asia Pacific Airlines remain profitable**
  - Record 2005 orders driven by Asia-Pacific Airlines
  - Increasing world-wide passenger traffic makes airplane production rates less sensitive to US Airline health
- **European Airlines have returned to profitability**
- **US Airlines load factors and yields increasing**
  - Third quarter results generally positive
- **European and US Airlines have aging fleets**
  - Older aircraft are more expensive to operate
  - Current orders are insufficient to upgrade fleets with more efficient airplane

**Production rates expected to remain at historically high volumes**



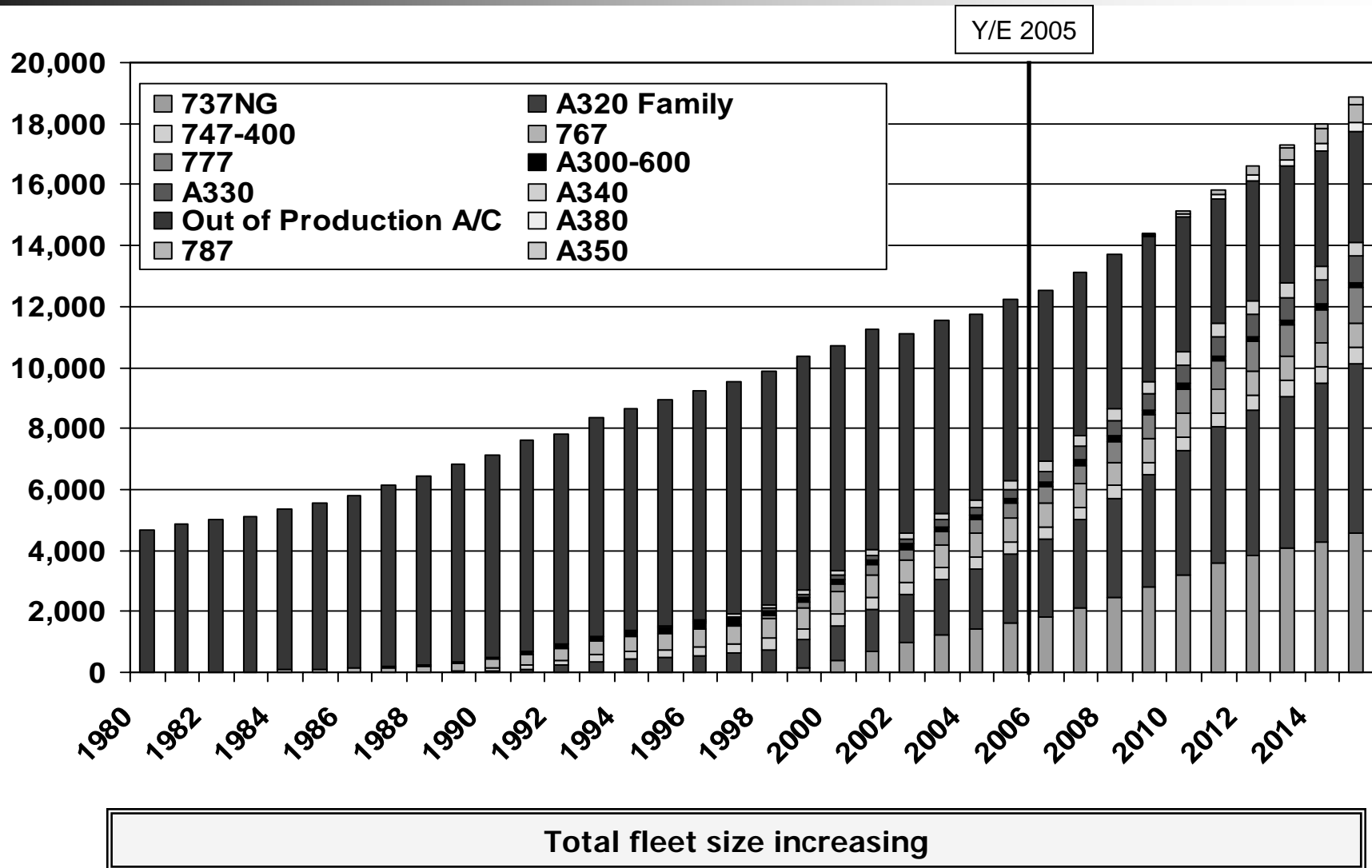
**Increased production expected through 2010.  
2011-2014 rates approximate 2006 rate**

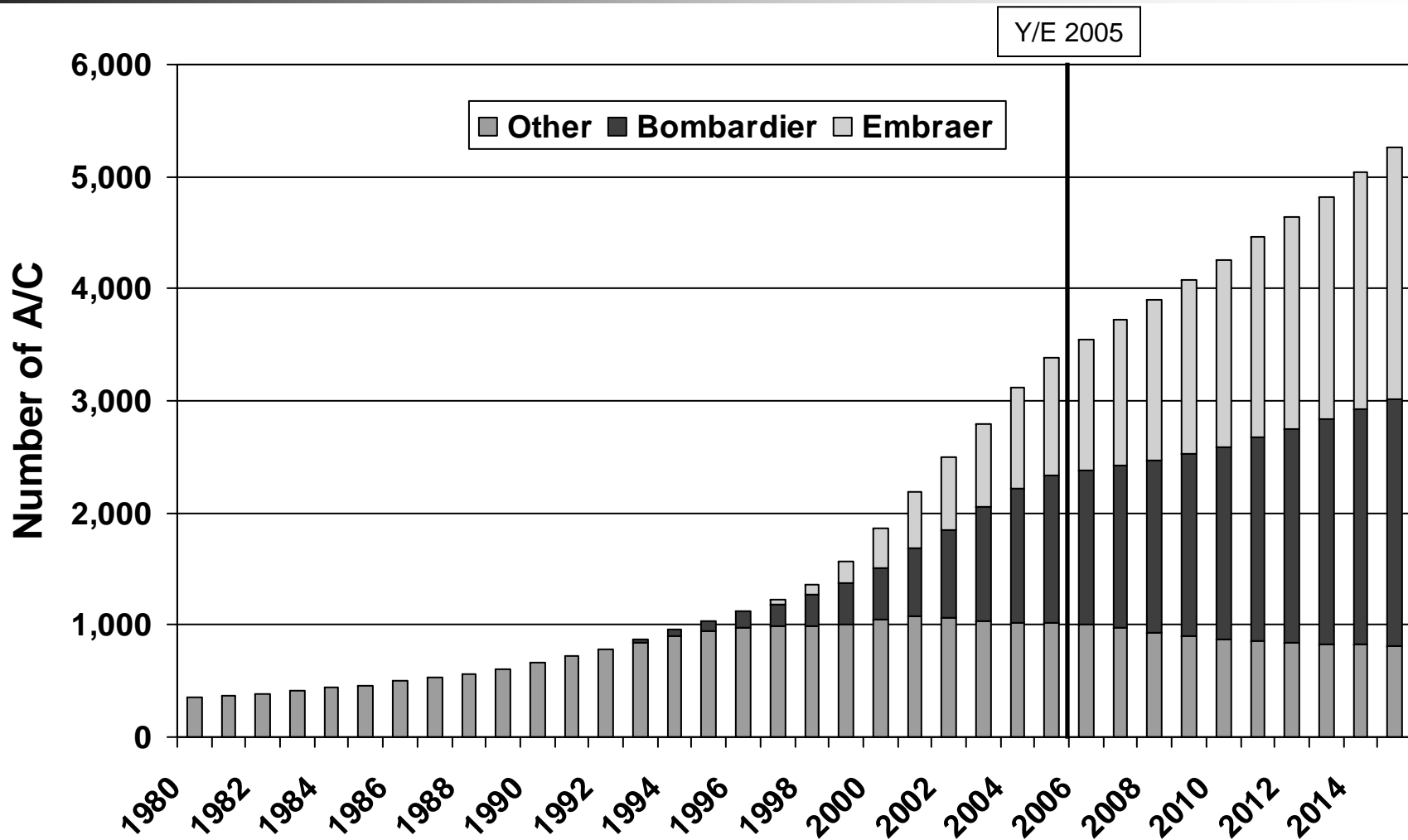


**Goodrich content on regional jets drives  
expected revenue growth**

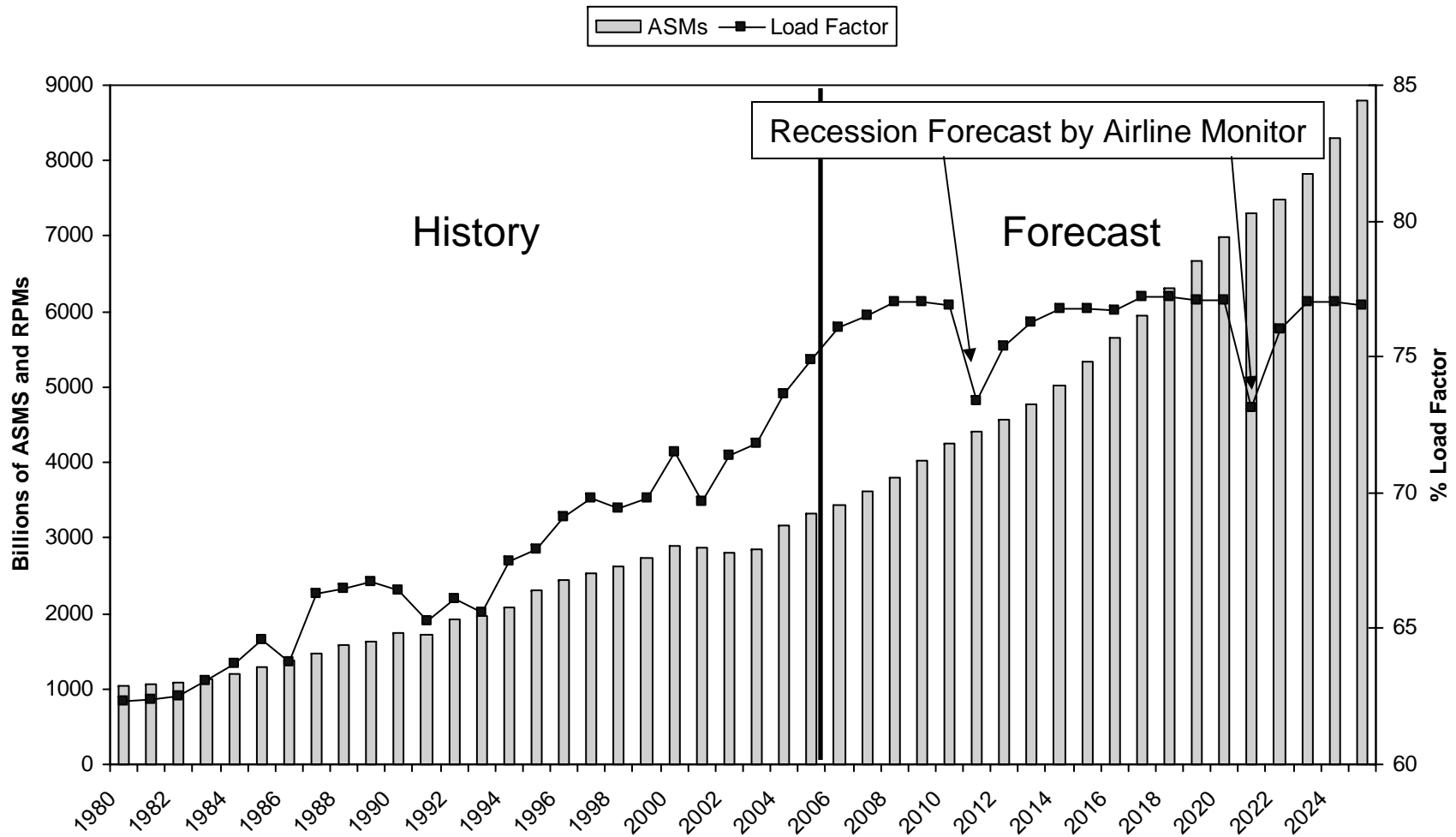
- **Aftermarket revenue driven by:**
  - **Fleet size**
  - **Aircraft utilization (available seat miles)**
  - **Aircraft age**
- **RPM and ASM growth expected to be about the same for 2006 - 2010**
- **World fleet expected to continue to grow**
- **Strong aftermarket trends expected to assist Goodrich margin expansion**
- **Out-of-production spares prices and margins tend to be higher than for in-production aircraft**

# Large Commercial A/C Single and Twin Aisle Fleet Growth



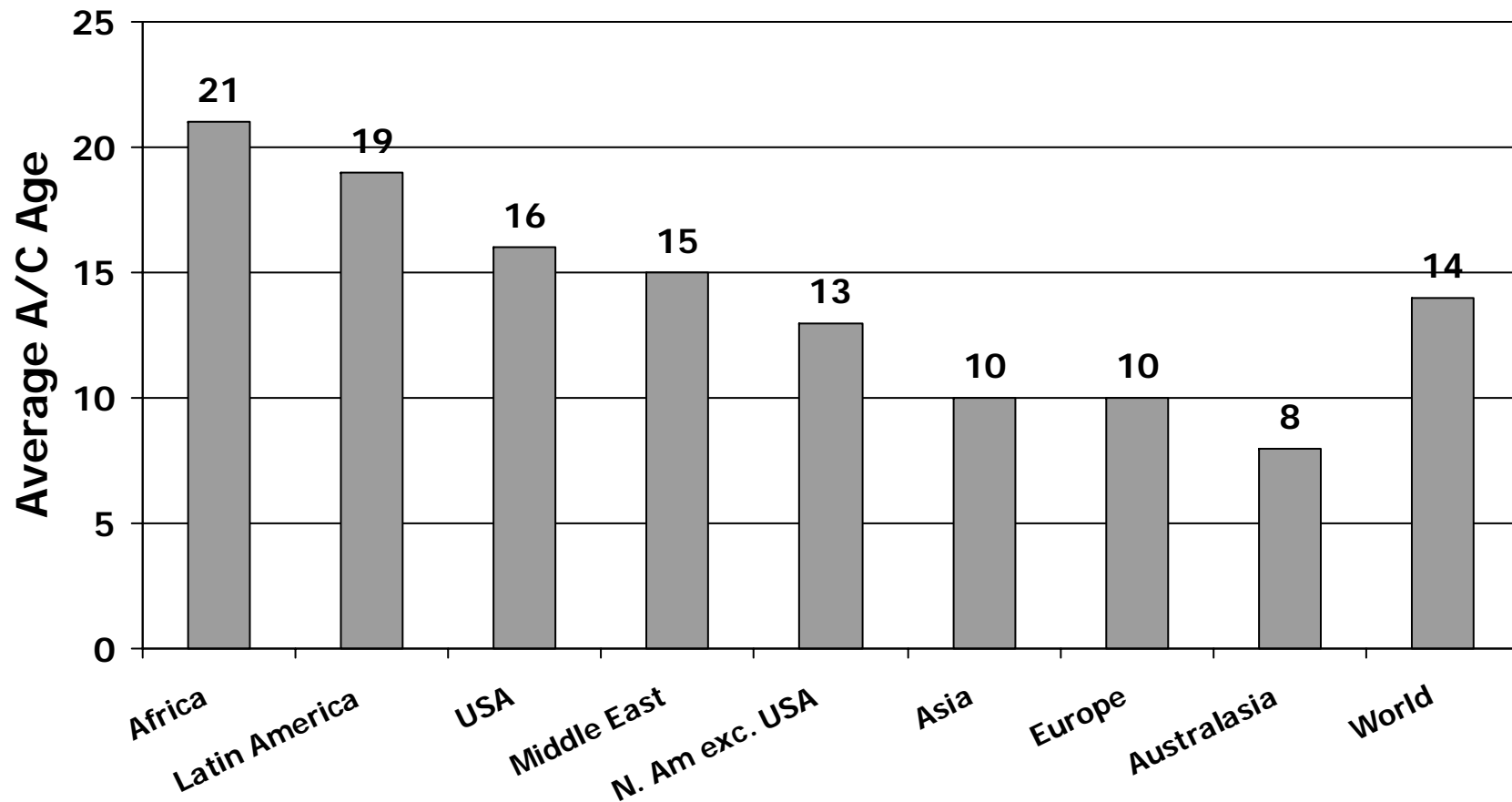


**Strong growth in larger RJs should fuel aftermarket growth in out-years**



**High load factors drive increased aircraft utilization**

Source: The Airline Monitor



- US Airlines must upgrade to compete internationally
- Order flow may support longer production cycle

## **Commercial Aftermarket – Goodrich Attributes**

- Significantly larger fleet should fuel aftermarket strength**
- Excellent balance between Boeing and Airbus**
- Airbus and regional jet fleet is getting older, more mature – increased aftermarket support (especially A320)**
  - Less than 30% of the A320 fleet has gone through its first nacelle and thrust reverser overhaul cycle**
- Greater content on newer, more efficient aircraft will provide long term aftermarket growth**
- More long-term agreements ensuring share retention**
- More opportunity for airline outsourcing**
- MRO growth**
  - Enhanced global reach**
  - Expanding market share**
  - Greater infrastructure/capacity**
- Aging of key OE platforms with significant GR content**

- **U.S. Defense Spending expected to continue at \$400B+ levels over next 5 years**
  - DOD top line spending is projected to grow at slightly better than inflation
  - Security spending by DOD, DHS and DOE continues to grow
- **Opportunities for new platforms are limited but DOD is investing in mission capabilities**
  - Address evolving threats and accelerate the solution timeline
  - Leverage new technologies for more cost effective solutions
- **Mission and Payload renewal cycles are more frequent than Military Aircraft development programs**
- **Homeland Security related spending continues to increase**
  - Solutions have applicability across agencies (DOD, DHS, DOE)
  - Infrastructure protection and Chem - Bio detection are promising areas
  - Funding may change based on perceived or actual terrorist actions

**Platform Content**

~ 70% GR military sales

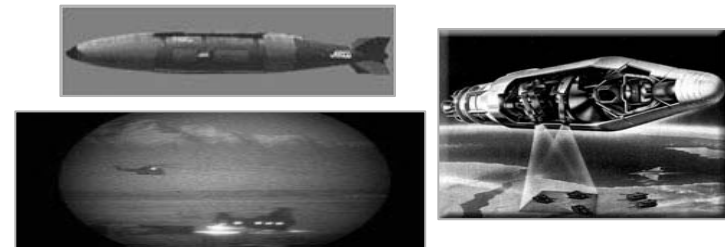


**The Aircraft, Ship or Ground Vehicle**

- Nacelles
- Landing gear
- Aircraft and ship structures
- Wheels and Brakes
- Fuel systems
- Air Data Sensors
- Actuators
- Ejection Seats
- Lighting products

**Mission Equipment Content**

~ 30% GR military sales



**The systems which allow the platform to perform a mission**

- Reconnaissance cameras
- Precision optics
- Sensors
- Missile actuators
- Precision weapon actuators
- Laser warning systems
- Perimeter warning systems
- Infrared imaging devices
- Classified Programs

**Expect mission equipment to drive growth**

- **Defense remains an attractive long term Goodrich market**
  - Forecasting above inflation growth in government spending
  - Strong alignment with Goodrich competencies
  - Provides additional portfolio diversification opportunities
- **Goodrich is well positioned in aircraft platform content**
  - Robust aftermarket for the foreseeable future
  - Retrofit/upgrade opportunities
- **Mission Capability / Payloads offer the best opportunity for growth**
  - Evolving DOD requirements create more frequent opportunities
  - DoD investment emphasis is on mission capability, not new platforms
  - Goodrich capabilities provide a solid growth foundation

**Goal is to achieve top quartile aerospace results through:**

- **Balanced Growth**
  - Use portfolio mass and breadth to grow all market channels
  - Win important new program positions
  - Pursue opportunities in defense and space markets
  - Grow aftermarket faster than market metrics
- **Leverage the enterprise**
  - Emphasize and leverage multi-business unit participation
  - Balanced application of resources and capital allocation
- **Operational excellence**
  - Continuous improvement
  - Supply chain management
  - Global capacity planning

## Driving To Benchmark Performance Levels

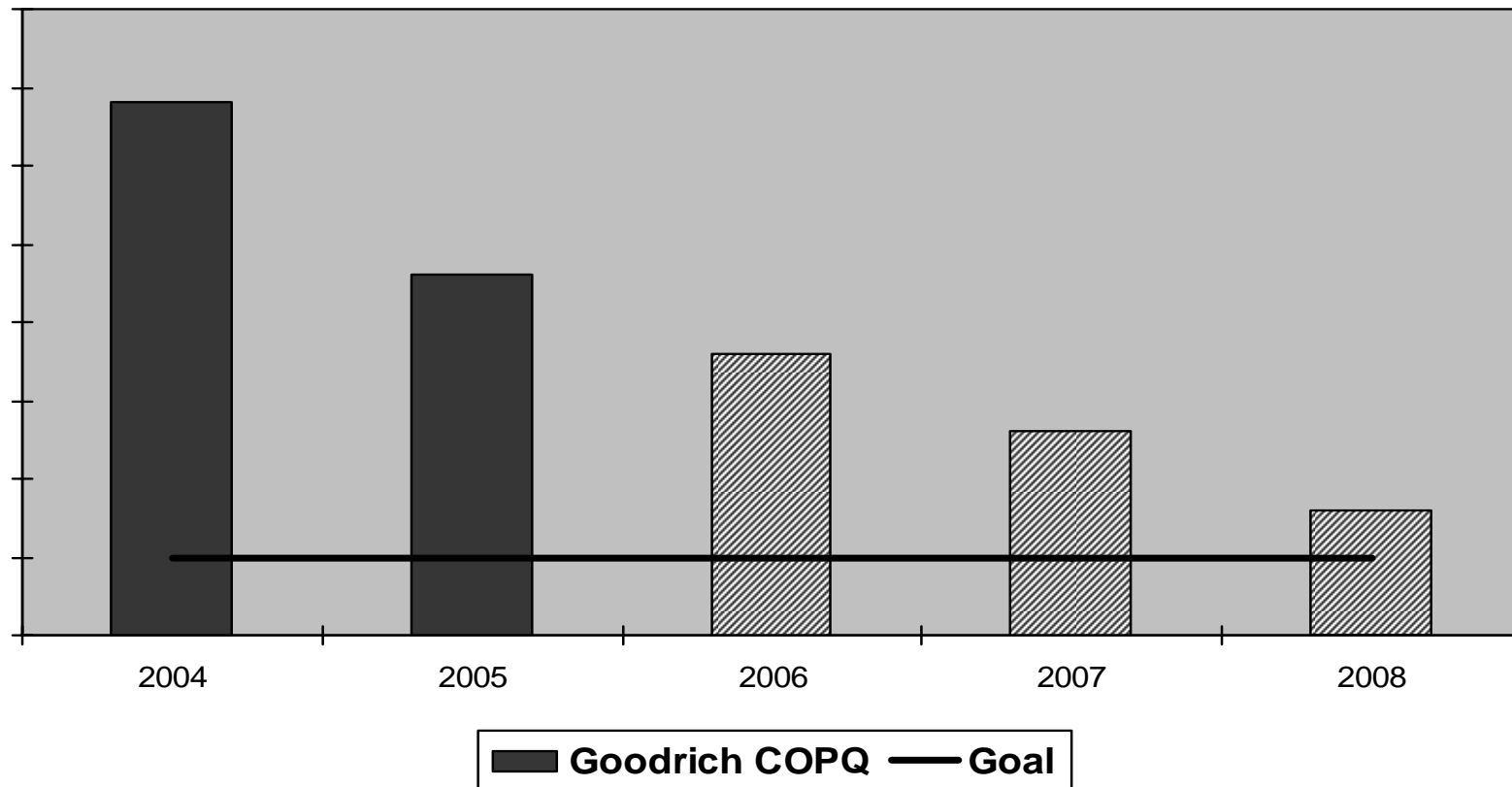
- **Continuous Improvement**
  - Numerous events to aggressively reduce Cost of Poor Quality from industry average to world class
  - Focused efforts to achieve 100% on-time delivery and delivered quality
- **Supply Chain Management**
  - Doubling low-cost country spend annually
  - Working supply chain to reduce materials and component costs and improve delivery and quality
- **Global Capacity Planning**
  - Dubai MRO capability established
  - Expansion of Singapore and Scotland MRO facilities in progress
  - Dramatically increasing engineering/manufacturing in low-cost countries

## On Time Delivery



**Lean enterprise practices reduce cycle time and enable better delivery performance even in a growth cycle**

**COPQ % of Sales**



**Reducing waste helps to offset cost increases in other areas**

- **Great market positions**
- **Good top line growth**
  - **Expect commercial aftermarket growth greater than market growth (ASM's)**
- **Delivering on substantial margin improvement opportunity**
  - **Improved segment operating income margin from 11.5% in 2005 to 13.1% for the first nine months of 2006**
  - **Expect to achieve at least 15% segment operating income margin by 2009**
- **Cash flow invested in businesses or returned to shareholders**
- **Sustainable income growth beyond the OE cycle**

**Entire organization focused on margin expansion – with a sense of urgency**