



**Goodrich Corporation
Fourth Quarter and Full Year
2006 Results**

February 1, 2007



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.

Important factors that could cause actual results to differ include, but are not limited to: demand for and market acceptance of new and existing products, such as the Airbus A350 XWB and A380, the Boeing 787 Dreamliner, the Embraer 190, the Dassault Falcon 7X, and the Lockheed Martin F-35 Lightning II and F-22 Raptor; the health of the commercial aerospace industry, including the impact of bankruptcies and/or mergers in the airline industry; global demand for aircraft spare parts and aftermarket services; and other factors discussed in the Company's filings with the Securities and Exchange Commission and in the Company's February 1, 2007 Fourth Quarter 2006 Results press release.

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Financial and Operational Highlights

- **Fourth quarter 2006 results, compared to fourth quarter 2005**
 - Sales grew 10 percent, with growth in all segments and major market channels
 - Segment operating margin increased from 11.2 percent to 12.5 percent
 - Net income per diluted share was \$0.78, reflecting 39 percent growth
 - Includes expected renewal of R&D tax credit and other tax adjustments totaling \$24 million, or \$0.19 per diluted share
 - \$6 million, or \$0.05 per diluted share, had been anticipated in the prior outlook
 - Includes pre-tax expenses of \$10 million, or \$0.05 per diluted share, associated with stock-based compensation which was recorded earlier than previously expected
- **Business Highlights**
 - Announced agreement with Airbus to provide nacelle and thrust reverser systems for all variants of the A350 XWB
 - New organizational alignment, effective January 1, 2007
 - Continuing negotiations with Boeing on a new landing gear contract
 - Delivering landing gear to Boeing under an interim agreement

Year-over-Year Financial Results



Fourth Quarter 2006 – Financial Summary Year-over-Year Performance

(Dollars in Millions, excluding EPS)	4th Qtr 2006	4th Qtr 2005	Change
Sales	\$1,535	\$1,398	10%
Segment operating income	\$191	\$156	22%
- % of Sales	12.5%	11.2%	+1.3%
Income			
- Continuing Operations	\$99	\$64	55%
- Net Income	\$99	\$70	42%
Diluted EPS			
- Continuing Operations	\$0.78	\$0.51	53%
- Net Income	\$0.78	\$0.56	39%



Full Year 2006 – Financial Summary Year-over-Year Performance

(Dollars in Millions, excluding EPS)	Full Year 2006	Full Year 2005	Change
Sales	\$5,878	\$5,397	9%
Segment operating income	\$761	\$622	22%
- % of Sales	13.0%	11.5%	+1.5%
Income			
- Continuing Operations	\$481	\$244	97%
- Net Income	\$482	\$264	83%
Diluted EPS			
- Continuing Operations	\$3.80	\$1.97	93%
- Net Income	\$3.81	\$2.13	79%



Fourth Quarter 2006 Year-over-Year Financial Change Analysis

Item	(Dollars in Millions)		Diluted EPS
	Sales	After-tax Income	
Fourth Quarter 2005 – Income from Continuing Operations	\$1,398	\$64	\$0.51
• Increased overall volume, efficiency, mix, other	\$123	\$6	\$0.04
• Other income (expense)		(\$3)	(\$0.03)
• Change in effective tax rate (R&D tax credit, other tax items)		\$24	\$0.19
• Foreign exchange translation costs	\$14	(\$7)	(\$0.05)
• Decreased pension expense		\$3	\$0.03
• Aerostructures cumulative catch-up adjustment and termination of Boeing 737NG spoiler contract (2005)		\$12	\$0.09
• Restructuring and consolidation charges		\$6	\$0.05
• Stock-based compensation		(\$6)	(\$0.05)
Fourth Quarter 2006 – Income from Continuing Operations	\$1,535	\$99	\$0.78



Fourth Quarter 2006 Year-over-Year Segment Results Engine Systems Segment

Dollars in Millions	4th Quarter 2006	4th Quarter 2005	Change	
			\$	%
Sales	\$628	\$576	\$51	8.9%
Segment OI	\$107	\$96	\$11	11.2%
% Sales	17.1%	16.7%	N/A	+0.4%
Included above:				
• Restructuring and Consolidation Charges	--	(\$5)	\$5	N/A

Sales:

Engine Systems segment sales of \$627.7 million in the quarter ended December 31, 2006 increased \$51.3 million, or 8.9 percent, from \$576.4 million in the quarter ended December 31, 2005. The increase was primarily due to the following:

- Higher large commercial airplane aftermarket, including maintenance, repair and overhaul, volume of approximately \$38 million, primarily in our aerostructures business, and
- Higher large commercial airplane original equipment volume of approximately \$23 million, primarily in our aerostructures business.

The increase in sales was partially offset by small declines in our industrial gas turbine products and regional and business airplane aftermarket sales.

Operating Income:

Engine Systems segment operating income of \$107.2 million in the quarter ended December 31, 2006 increased \$10.8 million, or 11.2 percent, from \$96.4 million in the quarter ended December 31, 2005. Segment operating income was higher due primarily to:

- Higher sales volume and improved mix of products as described above, and
- The absence of fourth quarter 2005 charges totaling \$19 million associated with the termination of a Boeing 737NG aircraft spoiler contract and lower cumulative catch-up charges on long-term contracts.

The increase in the Engine Systems segment operating income was partially offset by:

- Higher research and development expense associated with new aircraft platforms of approximately \$6 million,
- Unfavorable foreign currency translation, primarily in the engine controls business, of approximately \$3 million,
- Expense of \$3 million associated with the 2007 stock-based compensation costs, and
- Higher costs associated with the implementation of a new ERP system.



Fourth Quarter 2006 Year-over-Year Segment Results Airframe Systems Segment

Dollars in Millions	4th Quarter 2006	4th Quarter 2005	Change	
			\$	%
Sales	\$510	\$472	\$38	8.1%
Segment OI	\$24	\$21	\$3	14.6%
% Sales	4.8%	4.5%	N/A	+0.3%
Included above:				
• Restructuring and Consolidation Charges	--	--	--	N/A

Sales:

Airframe Systems segment sales of \$510.6 million for the quarter ended December 31, 2006 increased \$38.3 million, or 8.1 percent, from \$472.3 million for the quarter ended December 31, 2005. The increase was primarily due to the following:

- Higher Boeing large commercial airplane OE sales of approximately \$15 million, and
- Higher large commercial airplane aftermarket sales of approximately \$17 million, primarily in our landing gear, actuation and aircraft wheels and brakes businesses.

Operating Income:

Airframe Systems segment operating income of \$24.4 million for the quarter ended December 31, 2006 increased \$3.1 million, or 14.6 percent, from \$21.3 million for the quarter ended December 31, 2005. This increase in operating income was a result of the following:

- Higher sales volume and improved mix of products as described above, and
- Lower operating costs of approximately \$14 million, primarily due to lower research and development costs, supply chain savings, and productivity improvements, primarily in our actuation systems and landing gear businesses.

Partially offsetting these increases were:

- Unfavorable foreign currency translation in the actuation systems and landing gear businesses of approximately \$7 million,
- Higher raw material prices, primarily in the landing gear business, of approximately \$9 million,
- Expense of \$2 million associated with the 2007 stock-based compensation costs,
- The unfavorable impact of a strike at Alcoa that delayed some wheel and brake deliveries and an unfavorable LIFO inventory adjustment, and
- Higher costs associated with the implementation of a new ERP system.



**Fourth Quarter 2006
Year-over-Year Segment Results
Electronic Systems Segment**

Dollars in Millions	4th Quarter 2006	4th Quarter 2005	Change	
			\$	%
Sales	\$397	\$349	\$48	13.7%
Segment OI	\$60	\$39	\$21	54.3%
% Sales	15.0%	11.1%	N/A	+3.9%
Included above:				
• Restructuring and Consolidation Charges	--	(\$5)	\$5	N/A

Sales

Electronic Systems segment sales of \$397.0 million in the quarter ended December 31, 2006 increased \$47.9 million, or 13.7 percent, from \$349.1 million in the quarter ended December 31, 2005. The increase was primarily due to:

- Higher sales volume of approximately \$20 million for defense and space products and services, primarily in our fuel and utility systems, sensor systems and power systems business units, partially offset by a decline in sales volume in our propulsion systems business,
- Higher sales volume of approximately \$6 million for regional and general aviation airplane original equipment products in our aircraft interior products, sensor systems and power systems businesses, and
- Higher sales volume of \$19 million for large commercial original equipment and aftermarket products in nearly all of our businesses.

Operating Income:

Electronic Systems segment operating income of \$59.7 million in the quarter ended December 31, 2006 increased \$21.0 million, or 54.3 percent, from \$38.7 million in the quarter ended December 31, 2005. Segment operating income was higher due primarily to:

- Higher sales volume and improved mix of products as described above, and
- Lower engineering costs for new programs in our aircraft interior products and fuel and utility systems businesses and lower restructuring expense in our lighting systems business totaling approximately \$8 million.

The increase in segment operating income was partially offset by increased costs associated with increased SG&A costs in our optical and space systems business from the fourth quarter 2005 acquisition of SUI, stock-based compensation costs, unfavorable foreign exchange translation and costs associated with the implementation of a new ERP system.



Summary Cash Flow Information

Item (Dollars in Millions)	4th Quarter 2006	4th Quarter 2005
Net income	\$99	\$70
Depreciation and Amortization	\$63	\$56
Working Capital* – (increase)/decrease – defined as the sum of A/R, Inventory and A/P	\$34	\$74
Deferred income taxes and taxes payable	\$27	\$17
Accrued expenses, other (including pension contributions)	\$42	(\$67)
Cash Flow from Operations	\$265	\$150
Pension Contributions - worldwide	\$15	\$105
Capital Expenditures	\$103	\$112

* 4th quarter 2006 Includes (\$22) million increase in Preproduction and Excess over Average Inventory, compared to an increase of (\$5) million in the 4th quarter 2005

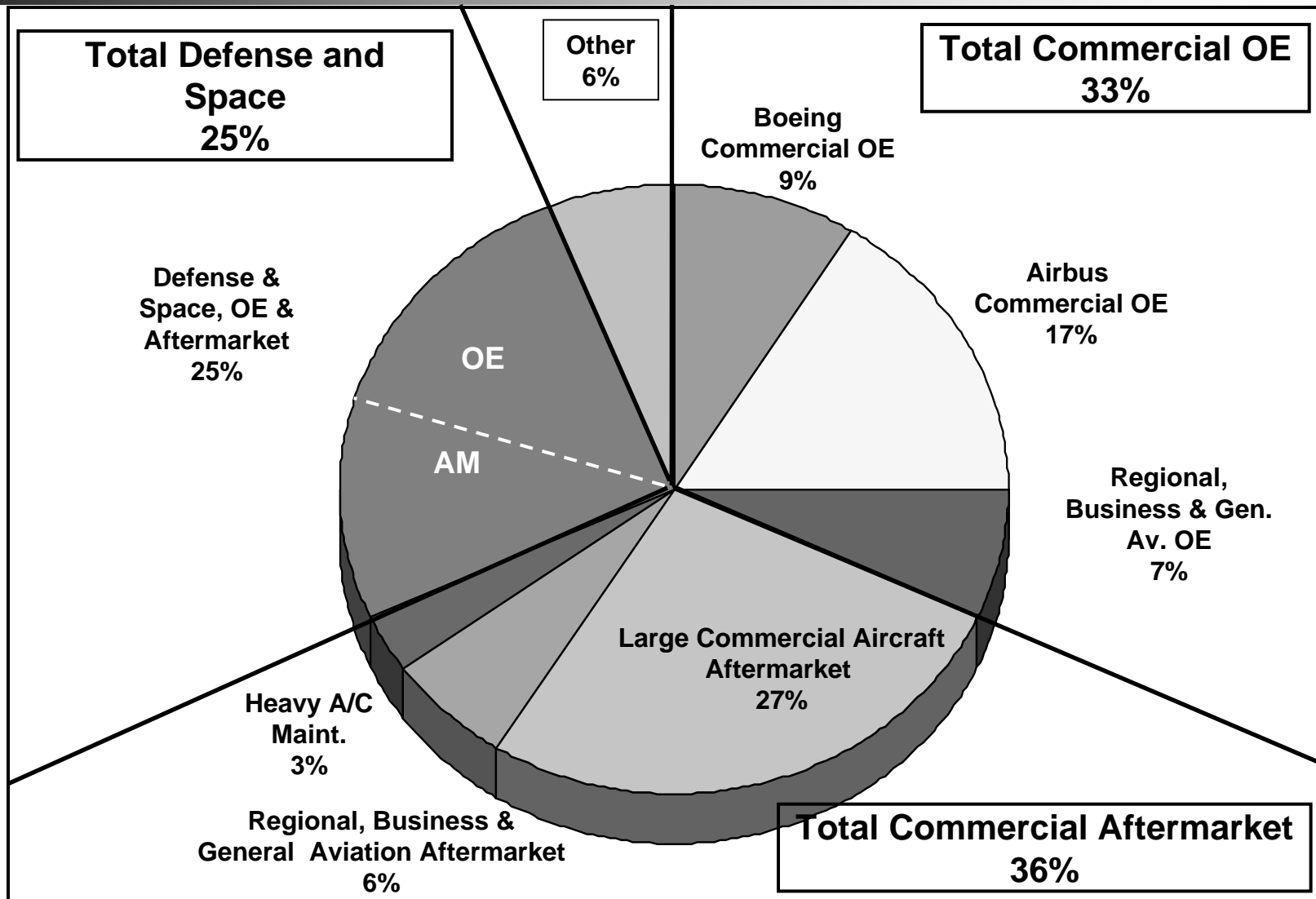
Sequential Quarter Financial Results



Fourth Quarter 2006
Sequential Period Segment Results

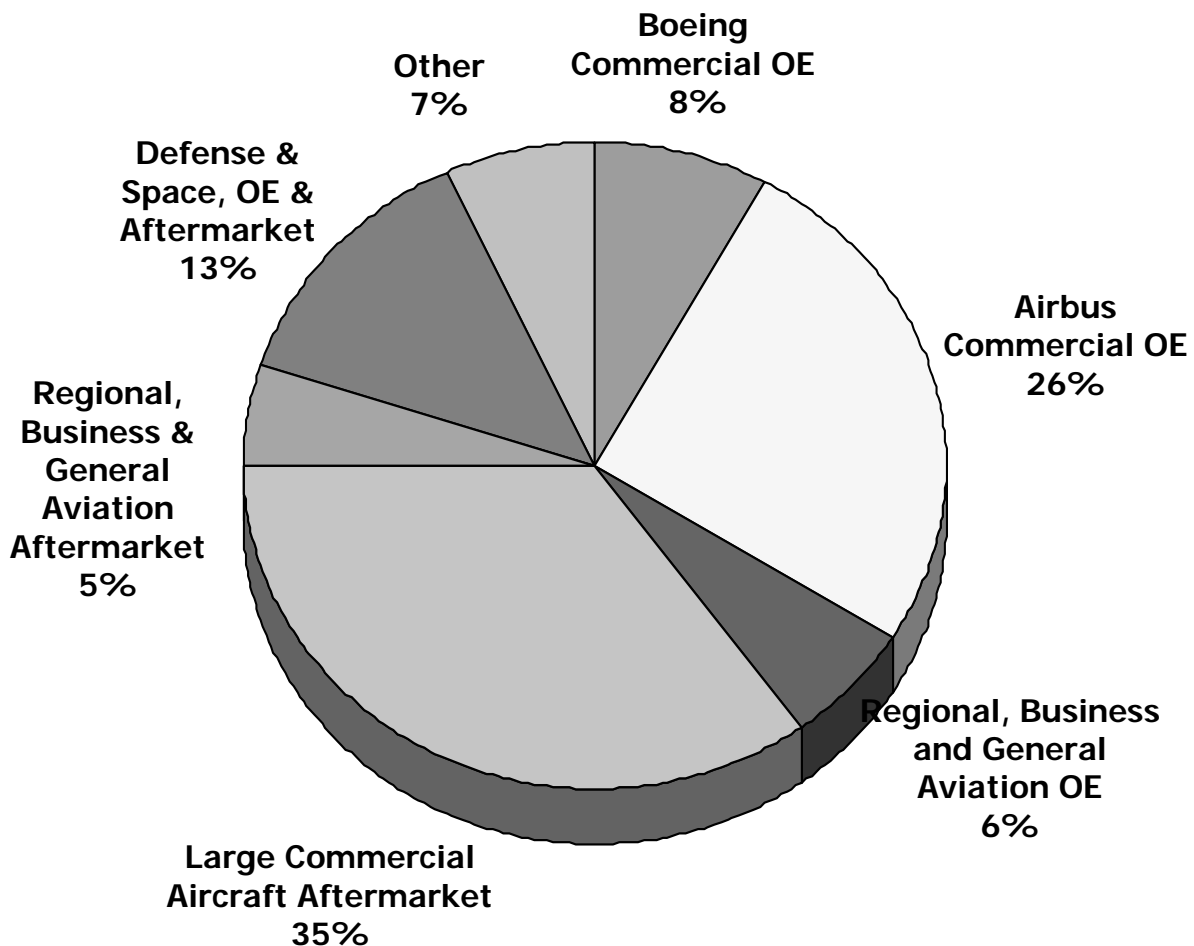
Dollars in Millions	4th Quarter 2006	3rd Quarter 2006	Change	
			\$	%
Sales				
Engine Systems	\$628	\$583	\$45	8%
Airframe Systems	\$510	\$481	\$29	6%
Electronic Systems	<u>\$397</u>	<u>\$372</u>	<u>\$25</u>	<u>7%</u>
Total Sales	\$1,535	\$1,436	\$99	7%
Segment OI				
Engine Systems	\$107	\$116	(\$9)	(8%)
Airframe Systems	\$24	\$31	(\$7)	(22%)
Electronic Systems	<u>\$60</u>	<u>\$50</u>	<u>\$10</u>	<u>20%</u>
Total Segment OI	\$191	\$197	(\$6)	(3%)
Segment Margin				
Engine Systems	17.1%	19.9%	N/A	-2.8%
Airframe Systems	4.8%	6.4%	N/A	-1.6%
Electronic Systems	15.0%	13.5%	N/A	1.5%
Overall Segment Margin	12.5%	13.7%	N/A	-1.2%

Sales by Market Channel



Balanced business mix

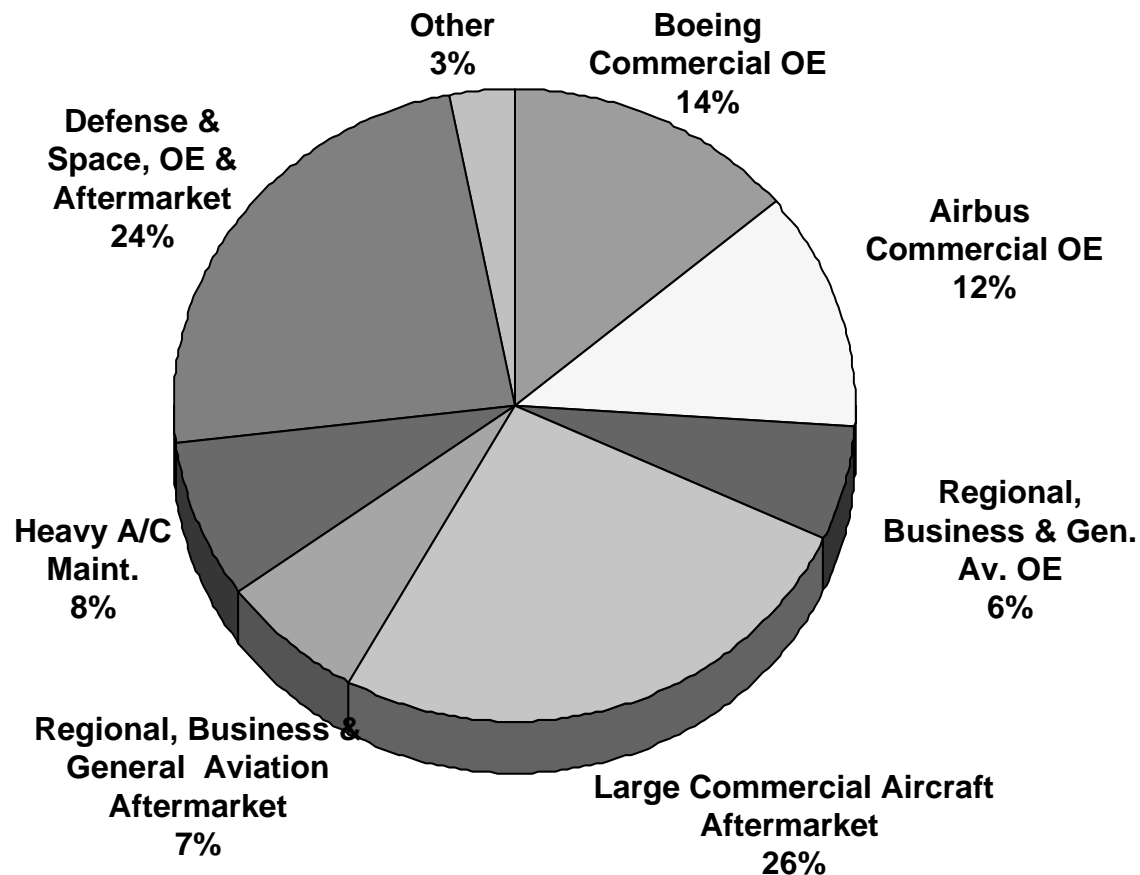
Sales by Market Channel Full Year 2006 Actual



- High, sustainable margins
- Highest, fastest growth aftermarket proportion
- Growth in Regional OE
- Defense and space sales growth expected to resume in 2007

Sales by Market Channel

Full Year 2006 Actual



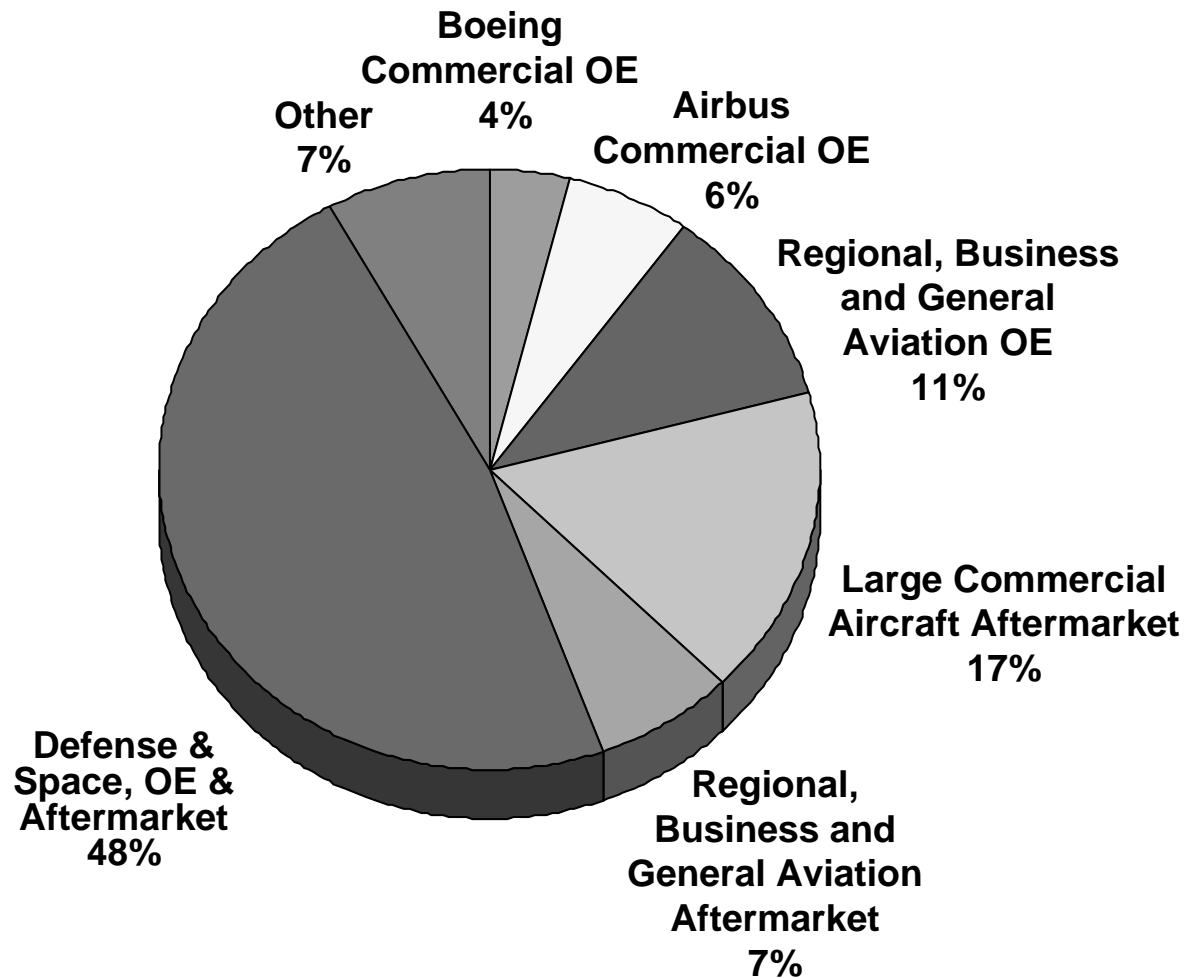
- **Good Balance**

- Airbus and Boeing
- Commercial & Military
- High aftermarket content

- **Significant margin expansion opportunity**

Sales by Market Channel

Full Year 2006 Actual



- **Almost 50% Defense & Space sales**
 - Significant Intelligence, Surveillance and Reconnaissance presence/growth



Sales by Market Channel Fourth Quarter 2006 Change Analysis

Market Channel	Primary Market Drivers	Actual Goodrich Change Comparisons		
		4Q 2006 vs. 4Q 2005	4Q 2006 vs. 3Q 2006	Full Year 2006 vs. Full Year 2005
Boeing and Airbus – OE Production	Aircraft Deliveries	13%	15%	15%
Regional, Business & General Aviation - OE	Aircraft Deliveries	8%	2%	18%
Aftermarket – Large Commercial, Regional, Business and GA	ASMs, Age, Cycles, Fleet size	13%	3%	15%
Defense and Space – OE and Aftermarket	US, UK Defense Budgets	6%	8%	(1%)
Heavy Airframe Maintenance	Aircraft aging, Parked Fleet	(9%)	(1%)	(18%)
Other	IGT, Other	8%	4%	6%
Goodrich Total Sales		10%	7%	9%

2007 Outlook

- **2007 Outlook –**
 - **Sales – outlook increased to a range of \$6.2 - \$6.4 billion**
 - 6 - 9 percent increase over 2006
 - Expected sales growth in all segments
 - Expected sales growth in all major market channels
 - **Net income per diluted share – outlook increased to \$2.95 - \$3.15, including:**
 - Margin improvement in Airframe Systems and Electronic Systems segments; sustained high margin performance in Engine Systems segment
 - Effective tax rate of 32 – 33 percent
 - Assumes successful completion of negotiations on new long-term agreement to supply landing gear to Boeing
 - Assumes flat pension plan expense in 2007, compared to 2006 (including curtailments)
 - Increased foreign exchange translation costs of about \$26 million compared to 2006, most in first half of 2007

- **2007 Outlook**
 - **Cash flow – net cash flow provided by operating activities, minus capital expenditures:**
 - Now expected to be 60 – 75% percent of net income
 - Capital expenditures of \$270 - \$290 million
 - Approximately 40% expected to be associated with:
 - » Investments in low cost country manufacturing,
 - » Previously announced MRO facility expansions and new facilities to support aftermarket sales growth
 - » Capital expenditures related to the company-wide implementation of a new ERP system
 - Preproduction and excess over average inventory
 - Expected to grow about \$100 million
 - Investments in new programs – primarily Boeing 787 and Airbus A350 XWB
 - Worldwide pension plan contributions of approximately \$100 million

Full Year 2006 Sales Mix	Market	2007 Market Growth	2007 Goodrich Growth	Market expectations - 2008 and beyond
9% <u>17%</u> 26%	Boeing OE Del. Airbus OE Del. Total (GR Weight)	12% <u>3%</u> 7%	About the same as OE delivery increases	Growth continues for 737, 777, A320; A380, 787 and A350 introductions support deliveries past normal peak
7%	Regional/Bus/GA OE (Weighted)	~5%	~10%	CF34-10 Engine Nacelles and tail cone on EMBRAER 190 support continued growth through the cycle
33%	Aftermarket (Commercial/Regional/Bus/GA)	4 - 5%	Higher than market-based growth rate	Airbus AM growing faster due to fleet aging, excellent product positions plus outsourcing trend support higher than market growth rate
25%	Defense and Space OE and Aftermarket	~5%	3 - 5%	<u>OE</u> - Positions on funded platforms worldwide, new products provide stable growth <u>Aftermarket</u> - Platform utilization, upgrade opportunities support long-term growth
3%	Heavy Maintenance		Approx. Flat	Sales fluctuate based on A/C age, timing and type of overhaul
6%	Other		Approx. Flat	
100%	Total	5 - 6%	6 - 9%	

- **Continued robust growth in major commercial aerospace original equipment and aftermarket channels**
- **Expect segment OI margins to expand to 13 – 14% in 2007**
 - Operational excellence and aftermarket growth
- **On track to achieve 15% segment OI margin by 2009**
- **Expect growth in EPS from continuing operations to be greater than sales growth**
- **2007 Outlook does not include**
 - Impact of acquisitions or divestitures
 - Resolution of A380 claim to Northrop Grumman

Sales growth, margin expansion and EPS growth solidly on track with expectations



Goodrich – 2007 and Beyond

Financial Goals – Perpetuate and grow the enterprise over the long-term

- **Revenue growth greater than the underlying market metric**
- **Margin expansion**
 - 15 percent segment operating income margin by 2009
 - Sustained growth thereafter
- **Cash flow conversion at, or greater than, 100 percent over the cycle**

Strategic Initiatives – to achieve financial and business goals:

- **Balanced Growth**
 - Use portfolio mass and breadth to grow all market channels
 - Pursue opportunities in defense and space markets
 - Continue to enhance Intelligence, Reconnaissance and Surveillance positions
- **Leverage the enterprise**
 - Drive cost efficiency and leverage technologies/capabilities
 - Balanced application of resources and capital allocation
- **Operational excellence**
 - Continuous improvement
 - Supply chain management, including low cost country sourcing and manufacturing

- **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
 - Expect 4 – 5 percent growth over the long-term
 - Consistent and predictable over the cycle
 - 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 and retrofit)
 - New opportunities for mission equipment and intelligence, surveillance and reconnaissance (ISR) products

- **Great market positions**
- **Good top line growth – sustainable, above market metric growth**
 - Continued strong commercial airplane original equipment growth
 - Expect commercial aftermarket growth greater than market growth (ASM's)
 - Continued growth in defense and space driven by ISR technology, upgrades and retrofits of existing products and new aircraft programs
- **Delivering on substantial margin improvement opportunity**
 - Improved segment operating income margin from 11.5% in 2005 to 13.0% for the full year 2006
 - Expect to achieve at least 15% segment operating income margin by 2009
- **Sustainable margin expansion and income growth beyond the OE cycle**
- **Driving cash flow conversion levels toward 100%**

Entire organization focused on margin expansion and cash flow growth