

Aerospace

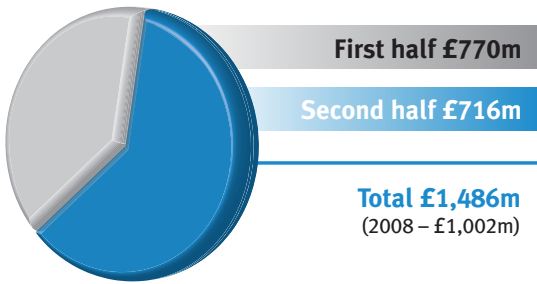
GKN Aerospace is a leading global supplier of airframe and engine structures, components, assemblies, transparencies and engineering services to a wide range of aircraft and engine prime contractors.

It provides design and manufacturing capabilities in three main product areas: aerostructures (fuselage, wing and flight control surface assemblies and components), propulsion systems (engine and nacelle components and assemblies) and special products (transparencies and protection systems).

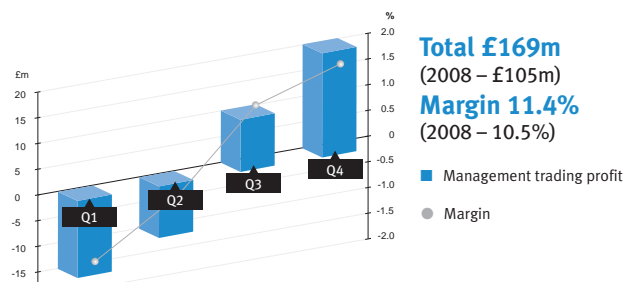
GKN Aerospace is a leader in the design and manufacture of advanced composites, transparencies and complex metal structures.



Management sales



Management trading profit and margin



Achievements in 2009

Aerospace has a balanced position in civil and defence programmes and has continued to secure its market position during 2009 with a range of customers and programmes. A large number of these are now entering the initial phase of schedule ramp-up and are projected to reach rate production over the next few years.

In 2009 new contracts awarded included composite inboard/outboard flap components for the Airbus A350 with a potential value of \$350,000 per ship-set, and winglets for the Bombardier CSeries, with a potential order for 1,000 aircraft. New work packages were also won on the Lockheed Martin F-35 (Joint Strike Fighter) for hard metal machining and composite manufacture of fuselage components with a value of around \$200 million.

Whilst aerospace markets remained positive overall, further restructuring activities were carried out in 2009 to

address a softening in the civil aviation market and to reposition the business for anticipated lower production volumes.

The acquisition and successful integration of Filton helped to propel GKN Aerospace forward as Europe's No. 1 aerostructures business. Filton brought 'life of programme' contracts across all Airbus aircraft and enhances GKN's capability to design and manufacture major sub-assemblies for large aircraft wings.

During the year work also began on a dedicated composite facility at Filton. This state-of-the-art manufacturing and automated assembly operation will incorporate production techniques that represent the future of composites manufacture in aviation. Production at the facility is anticipated to commence in 2011.

Technology Trends — Composites



Composites remain key to the delivery of complex lightweight aero and engine structures for the next generation of fuel efficient, low emission aircraft.

Recognising this trend, GKN Aerospace has, through its JV with Rolls-Royce, completed development of a composite engine blade. It has also extended its role in the Airbus-led Next Generation Composite Wing programme, joined the European Clean Sky joint technology initiative and is a founding member of both the UK's National Composites Network and the newly commissioned National Composites Centre.