



TEXTRON AVIATION RECORDS MODEST RISE IN FIRST QUARTER PROFITS AND DELIVERIES

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Textron Aviation recorded a modest increase in business aircraft deliveries for the first quarter of 2016 on the back of rising output for the Citation Latitude.

For the period ended 31 March, the Cessna and Beechcraft owner delivered 34 business jets and 26 King Air turboprops, up from respective totals of 33 and 25, for the same period in 2015.

Speaking on a first-quarter earnings call on 20 April, Scott Donnelly, chairman and chief executive of Textron, said the company, which also owns Bell Helicopter, an unmanned systems business and several non-aviation concerns, had seen a "good start to the year" with demand in line with expectations.

He describes the aircraft delivery mix at Textron Aviation as "more biased" towards the new midsize Latitude – with seven units shipped in the first quarter – than its legacy models such as the Sovereign+ and Citation X+. "But that's something we expected," Donnelly says.

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New aircraft sales were sluggish during the first two months of 2016, but have since picked-up. "The momentum we felt in the latter part of last year certainly took a pause," says Donnelly.

"There's no doubt that January and February were pretty rough sledding. But as we went in through March, and I'd say continuing now in April, the market has been pretty good."

The US continued to dominate in the first quarter, taking an 80% share of Citation deliveries for the period, and 50% of King Air shipments. However Donnelly says sales are picking up in Europe "and the turboprop market in China is doing well".

Textron Aviation ended the first quarter with revenues of just over \$1 billion – \$40 million higher than for the same period last year – while profits nudged up \$6 million to \$73 million. The aircraft backlog has fallen by \$47 million since the end of last year, to \$1 billion, although this tally is expected to climb steadily over the the coming months as fractional ownership provider NetJets continues to firm up delivery slots from its 2012 order for 25 Latitudes. The first aircraft will be handed over in the third quarter.

NetJets also has options for 125 of the Pratt & Whitney Canada PW306D1-powered type.

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