

ARCHIVED REPORT

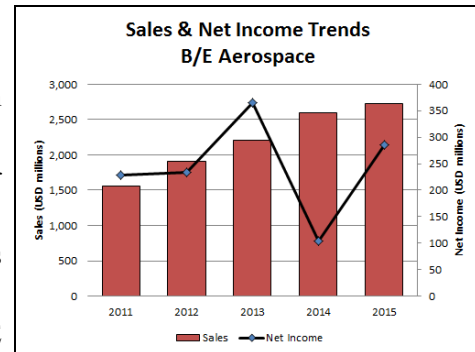
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B/E Aerospace

Outlook

- In early 2017, Rockwell Collins completed its \$8.6 billion acquisition of B/E Aerospace
- B/E Aerospace has been rebranded as Rockwell Collins Interior Systems
- With the acquisition, Rockwell Collins expands and diversifies its aircraft components product portfolio and customer mix
- Boeing and Airbus accounted for 13 percent each of B/E Aerospace's 2016 sales



Headquarters

B/E Aerospace Inc
1400 Corporate Center Way
Wellington, FL 33414
Telephone: + 1 (561) 791-5000
Fax: + 1 (561) 791-7900
Website: <http://beaerospace.com>

The company was founded in 1987 by Amin Khoury with the acquisition of Bach Engineering. The company grew in 1989 with the acquisition of avionics provider EECO Inc. Following that acquisition, the name was changed to B/E Avionics. In April 1990, the company went public on NASDAQ, listed as "BEAV."

The company continued its growth with the acquisition of PTC Aerospace Inc (seating products) and Aircraft Products Company (galley structures and inserts) in 1992. With its operations now firmly focused on cabin interiors, the company name was changed to B/E Aerospace Inc.

All told, between 1989 and 2011, the company completed 28 acquisitions, which have helped to position the firm as a key supplier of aircraft cabin components.

In April 2017, Rockwell Collins completed its acquisition of B/E Aerospace in a deal valued at \$8.6 billion.

Structure and Personnel

Amin J. Khoury
Executive Chairman of the Board
Werner Lieberherr
President and Chief Executive Officer
Joseph T. Lower
Vice President and Chief Financial Officer
Sean Cromie
Vice President and General Manager,
Commercial Aircraft Segment
Tommy G. Plant
Vice President and General Manager,
Business Jet Segment

Ryan M. Patch
Vice President - Law, General Counsel, Secretary
and Chief Compliance Officer
Stephen R. Swisher
Vice President - Finance and Controller and
Assistant Secretary
Eric J. Wesch
Vice President - Finance and Treasurer and
Assistant Secretary

B/E Aerospace

Product Area

B/E Aerospace's products include aircraft seating, food and beverage preparation and storage systems, galley and interior monument systems, passenger and crew oxygen storage equipment, oxygen distribution and delivery systems, lavatory systems, wastewater management systems, lighting systems, and overhead bins. The company's services include interior reconfigurations and a variety of engineering, design, integration, installation, retrofit and certification services.

The company is believed to manage its operations as follows:

1. Commercial Aircraft
 - 1.1 Seating Products
 - 1.2 Food and Beverage & Preparation and Storage Equipment
 - 1.3 Oxygen Delivery Systems
 - 1.4 Interior Structures
 - 1.5 Engineering, Design, Integration, Installation and Certification Services
2. Business Jets

Seating Products. B/E offers a wide selection of first class, business class, tourist class and regional aircraft seats. A typical seat includes the seat frame, cushions, armrests, tray table, and a variety of optional features such as adjustable lumbar supports, electrical actuation systems, footrests, reading lights, head/neck supports, and other comfort amenities. B/E also uses outside vendors to integrate in-flight entertainment equipment.

Food and Beverage & Preparation and Storage Equipment. Equipment in this segment includes coffee and beverage makers as well as specialized ovens for use in aircraft.

Oxygen Delivery Systems. Provides oxygen storage, distribution and delivery systems for both commercial and business jet aircraft.

Interior Structures. Focuses on the production of modular aircraft lavatory and galley systems.

Engineering, Design, Integration, Installation and Certification Services. This segment provides the services necessary to design, manage, integrate, test and certify reconfigurations and modifications for commercial aircraft and to manufacture related products, including engineering kits and interface components. These interior reconfiguration services enable airlines to modify the cabin layout, install telecommunications and entertainment equipment, and relocate galleys, lavatories, overhead bins, and crew rest compartments.

Business Jets. This segment provides seating and sofa products, including electric "fully berthing" lie-flat seats, both fluorescent and LED direct and indirect lighting, and air valves and oxygen delivery systems, as well as sidewalls, bulkheads, credenzas, closets, galley structures, lavatories, wastewater systems, de-icing systems, cabin management systems, and tables.

Facilities

For a full facility listing, please visit: <http://beaerospace.com/contact/>

B/E Aerospace, Business Jet & VIP Aircraft Seating, 9100 NW 105th Circle, Miami, FL 33178. Telephone: + 1 (305) 459-7000.

B/E Aerospace, Business Class & Main Cabin Seating, 190 Oak Plaza Blvd, Winston-Salem, NC 27105. Telephone: + 1 (336) 767-2000.

B/E Aerospace, Super First Class Seating, 1851 S Pantano Rd, Tucson, AZ 85710. Telephone: + 1 (520) 733-1733.

B/E Aerospace, Lighting & Integrated Systems, 5349 S Emmer Dr, New Berlin, WI 53151. Telephone: + 1 (262) 679-6170. Formerly Emteq.

Website: <http://www.emteq.com>

B/E Aerospace, Water & Waste Systems, 5795 Logistics Pkwy, Rockford, IL 61109. Telephone: + 1 (779) 771-7500.

B/E Aerospace, De-icing Systems, 93 Nettie Fenwick Rd, Fenwick, WV 26202. Telephone: + 1 (304) 846-2554.

B/E Aerospace, Oxygen Systems, 11404 Commando Rd, Paine Field-Lake Stickney, Everett, WA 98204. Telephone: + 1 (425) 923-2700.

B/E Aerospace, Leighton Buzzard Galleys, Grovebury Rd, Leighton Buzzard, Bedfordshire, LU74TB, U.K. Telephone: + 44 1525 858300.

Corporate Overview

B/E Aerospace is one of the world's largest manufacturers of cabin interior products for commercial aircraft and business jets. The company's product line ranges from aircraft passenger seats to lavatory and galley systems.

New Products and Services

Aspire. In April 2016, B/E Aerospace secured a launch customer for its new Aspire widebody main cabin-seating platform. The new seat design has been engineered to provide airline passengers with enhanced living space and increased leg and shin clearance as well as a high level of integration with advanced in-flight entertainment systems. In addition, the seat is touted by B/E as the industry's lightest full feature widebody main cabin seat.

Super First Class Seating Award. In October 2015, B/E was selected to outfit an unnamed customer's new-buy widebody aircraft with high-end super first class suites. Deliveries are expected to begin in late 2017 and are initially valued at about \$260 million.

3X Nano. In May 2015, B/E Aerospace introduced a new low-footprint LED lighting system. Known as 3X Nano, the system was developed with Emteq under the B/E Aerospace Lighting & Integrated Systems banner. The system reportedly offers the smallest 28V DC wash light footprint available, measuring just 0.41 x 0.31 inches and having a weight of 1.5 ounces per foot. 3X Nano offers flexible installation options, including the use of existing aircraft wiring and controls.

Plant Expansion/Organization Update

No recent plant expansions or organizational changes have been reported by B/E Aerospace in the past two years.

Mergers/Acquisitions/Divestitures

Rockwell Collins Acquires B/E Aerospace. In April 2017, Rockwell Collins completed its acquisition of B/E Aerospace for \$8.6 billion, plus the assumption of \$1.9 billion in net debt. B/E Aerospace was subsequently rebranded as Rockwell Collins. Werner Lieberherr, former B/E Aerospace president and chief executive officer, is now executive vice president and chief operating officer of Rockwell Collins' newly created Interior Systems business. The transaction combines Rockwell Collins' capabilities in flight deck avionics, cabin electronics, mission communications, simulation and training, and information management

systems with B/E Aerospace's range of cabin interior products, which include seating, food and beverage preparation and storage equipment, lighting and oxygen systems, and modular galley and lavatory systems for commercial airliners and business jets.

KLX Spin-off Complete. In December 2014, B/E Aerospace completed the previously announced spin-off of its services operations into a new company, KLX Inc. Previously, in June 2014, the company announced its plan to split into two independent, publicly traded companies. The first, B/E Aerospace, is focused on aircraft cabin interior equipment, and the other, KLX, is focused on distribution, logistics and technical services for the aerospace and energy services markets.

KLX operates through two segments. The Aerospace Solutions Group is a distributor and value-added service provider of aerospace fasteners and consumables. The Energy Services Group provides services and products for the oil and gas industry. Annual revenues for KLX in 2015 were \$1.6 billion. The operation is headquartered in Wellington, Florida.

Website: www.KLX.com

Emteq and Fischer + Entwicklungen Acquired. In June 2014, B/E Aerospace announced it was acquiring Emteq Inc, a provider of aircraft interior and exterior lighting systems, and Fischer + Entwicklungen GmbH & Co KG, a manufacturer of seating products for civilian helicopters. The total acquisition purchase price for the two companies was approximately \$470 million. The Emteq acquisition was completed in December 2014 and the Fischer acquisition in August 2014.

Oilfield Services Units Acquired. In January 2014, B/E Aerospace acquired LT Energy Services (LT), an Eagle Ford-based oilfield services provider of rental equipment, and Wildcat Wireline (Wildcat), a provider of wireline services primarily in the Eagle Ford basin and the Marcellus/Utica basin. The total acquisition purchase price for these two transactions, including expenses, was approximately \$265 million.

Blue Dot Energy Acquired. In August 2013, B/E Aerospace initiated an expansion of its Consumables Management segment into the oil and gas services industry via the acquisition of Blue Dot Energy Services LLC, a provider of parts distribution, rental equipment, and on-site services. The acquisition purchase price, including expenses, is approximately \$75 million.

B/E Aerospace

Interturbine Acquired. In June 2012, B/E Aerospace acquired Interturbine Aviation Logistics GmbH, Interturbine Logistics Solutions GmbH, and Interturbine Technologies GmbH. Interturbine is a provider of material management logistical services to global airlines and maintenance, repair and overhaul (MRO) providers. The company said that Interturbine is a "one stop source," reducing aircraft downtime for airlines and MROs. The acquisition purchase price was approximately EUR200 million (\$251 million) in cash.

UFC Aerospace Acquired. In January 2012, B/E Aerospace acquired UFC Aerospace Corp, a provider of complex supply chain management and inventory logistics solutions to aerospace original equipment manufacturers (OEMs). The acquisition purchase price was approximately \$400 million in cash.

Teaming/Competition/Joint Ventures

No recent teamings or competitions concerning B/E Aerospace have been reported in the past two years.

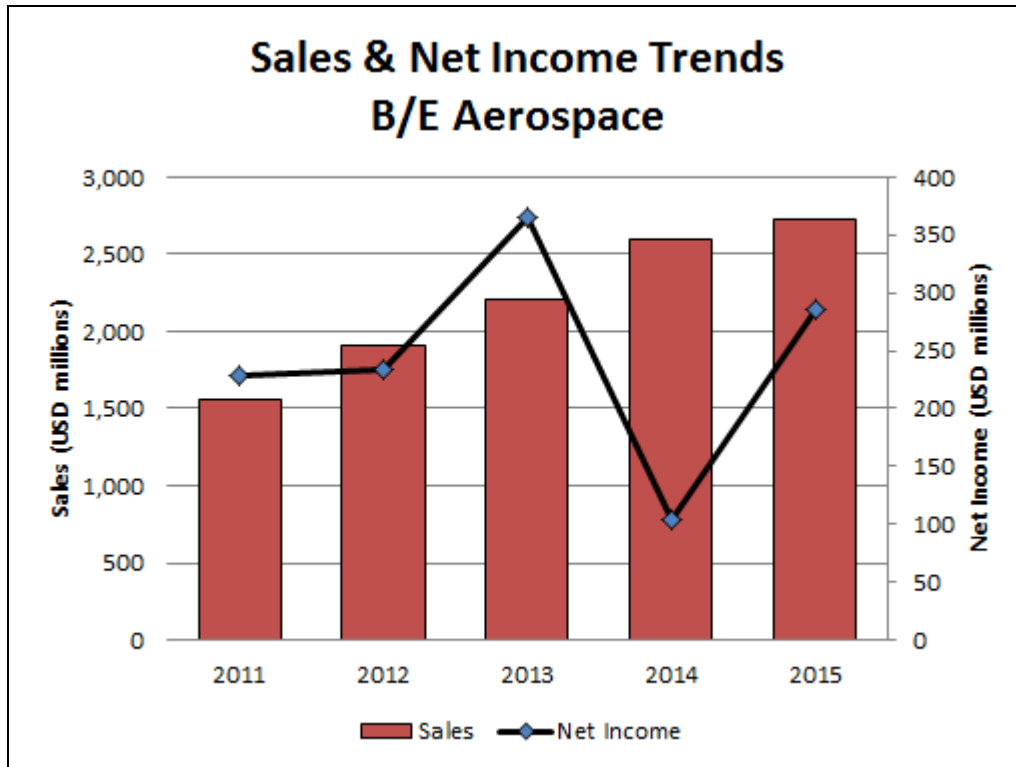
Financial Results/Corporate Statistics

B/E Aerospace posted sales of \$2.93 billion for 2016, up 7 percent from the \$2.73 billion reported in 2015. Net income rose to \$311.1 million for the year, compared to \$285.7 million in 2015. The latest full-year statistics are reported below.

B/E Aerospace (NYSE: BEAV)					
(USD millions)	2012	2013	2014	2015	2016
Net Sales	1,914.3	2,203.3	2,599.0	2,729.6	2,932.9
Net Income	233.7	365.6	104.3	285.7	311.1
Sales to Boeing	N/A	12%	12%	10%	13%
Sales to Airbus	N/A	5%	6%	N/A	13%
R&D Expenditures	191.7	220.9	284.3	274.4	290.7
Total Backlog	3,750.0	2,800.0	3,000.0	3,200.0	3,500
Long-Term Debt	1,924	1,926	2,147	2,034	2,037
Shareholder Equity	2,179	2,609	10	55	216
Debt-to-Equity Ratio	.88	.73	214.7	36.98	9.43
<i>Employees</i>	<i>9,500</i>	<i>10,285</i>	<i>9,617</i>	<i>10,057</i>	<i>10,875</i>

N/A = Not Available

B/E Aerospace

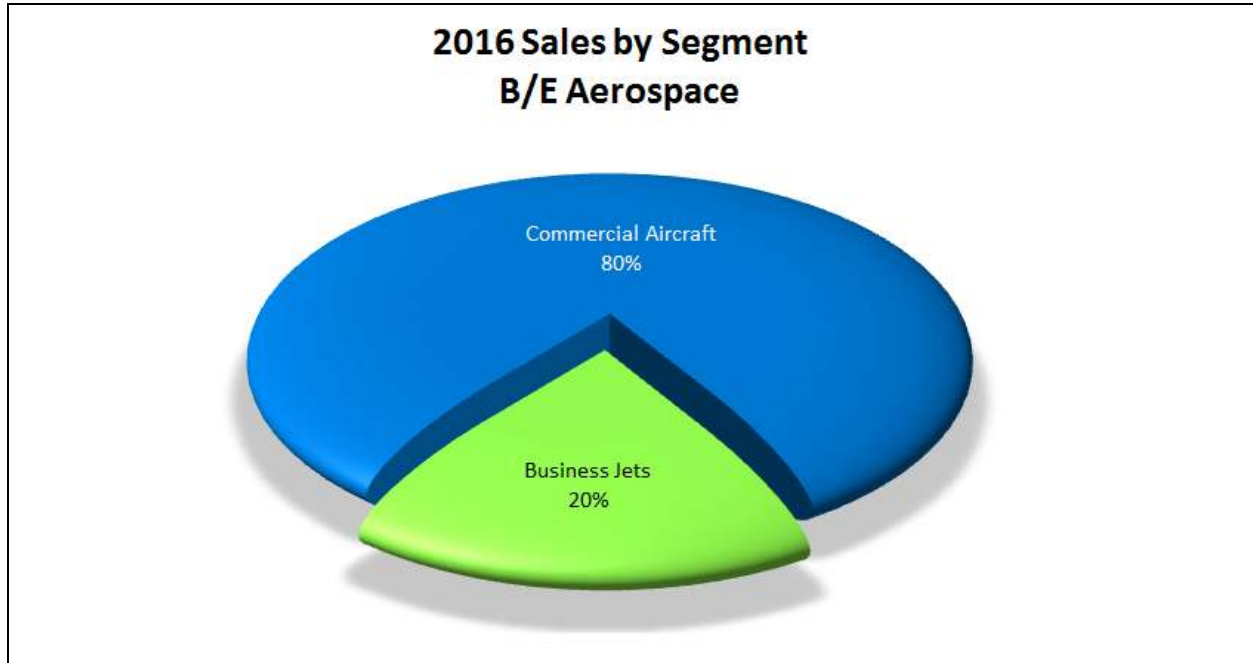


Industry Segments

A breakdown of the firm's sales by major business segment and geography is shown below.

SALES	2013	2014	2015	2016
(USD millions)				
Commercial Aircraft	1,784.7	2,058.9	2,098.3	2,344.0
Business Jets	418.6	540.1	631.3	588.9
TOTAL	2,203.3	2,599	2,729.6	2,932.9
OPERATING INCOME	2013	2014	2015	2016
(USD millions)				
Commercial Aircraft	320.3	356.3	367.5	429.5
Business Jets	69.1	50.0	84.8	77.1
TOTAL	389.4	406.3	452.3	506.6

B/E Aerospace



GEOGRAPHIC SALES	2013	2014	2015	2016
(USD millions)				
U.S.	788.3	859.1	966.3	1,131.8
Europe	549.3	684.6	663.5	663.2
Asia, Pacific Rim, Middle East and Other	865.7	1,055.3	1,099.8	1,137.9
TOTAL	2,203.3	2,599.0	2,729.6	2,932.9

Strategic Outlook

B/E Aerospace holds a strong niche position in commercial aircraft manufacturing, specializing in aircraft interior seating, galleys, lavatories, and lighting. While its offerings are primarily targeted toward commercial aircraft, the company has pushed into the business jet and civil markets too. The company briefly diversified into oil and gas services via a series of acquisitions, but has since spun off these operations into a new firm, K LX.

The firm concentrates on its core operations of providing interior systems to OEMs such as Boeing and Airbus and retrofit options for airlines' existing fleets. With both OEMs working to fulfill large backlogs, the outlook for B/E Aerospace is expected to remain strong for the near future.

Because commercial aircraft manufacturing remains steady, Rockwell Collins decided to broaden its operations with B/E Aerospace. With the acquisition, Rockwell Collins expands its portfolio with a wide range of cabin interior products for commercial aircraft and business jets, including seating, food and beverage preparation and storage equipment, lighting and oxygen systems, and modular galley and lavatory systems. This advances the company's global growth strategy by expanding its previous focus on cockpit, cabin management, communication and connectivity solutions, and diversifies its product portfolio and customer mix.

With B/E Aerospace now under the aegis of Rockwell Collins, its data will be merged with that company's and this report will be archived in 2018.

Prime Award Summary

Unavailable. The company's work is focused solely on civil markets.

B/E Aerospace**Program Activity**

Some important aerospace and government programs currently underway at B/E Aerospace are listed below. The following are the company's business interests:

- Commercial aircraft seats
- Modular lavatory systems
- Aircraft oxygen systems
- Aircraft lighting systems
- Aircraft food and beverage preparation and storage equipment

Aircraft Programs**Airbus & Boeing**

B/E Aerospace is a subcomponent supplier to both Airbus and Boeing. The company's seating systems, galleys, lavatories, and lighting systems are offered on many models that the manufacturers produce.

Airbus A350 XWB

The A350 XWB (Xtra Wide Body) is an all-new family of commercial airliners. B/E Aerospace is supplying passenger and crew oxygen systems, galley systems, and economy-class seats for the aircraft.

Boeing 737

In 2011, Boeing selected B/E's modular lavatory systems as standard equipment for Boeing's 737 NG family of airplanes, as well as the Boeing 737 MAX. The award was initially valued in excess of \$800 million, exclusive of retrofit orders. This system has become standard equipment on these aircraft and will be the sole-source equipment on the 737 MAX when it enters service in 2017. In addition, the

company is providing its LED cabin lighting systems for the Boeing 737 Sky Interior aircraft.

Cessna Citation XLS/Citation Latitude

These are twin-turboprop light medium business jets. B/E Aerospace is providing passenger seats.

COMAC ARJ21

This is a Chinese-developed twin-turboprop-powered 78- to 90-seat regional jet family. B/E Aerospace is providing oxygen systems.

Dassault Falcon 5X

This is a twin-turboprop-powered business aircraft. B/E Aerospace is providing passenger seats, cabin lighting, and vacuum waste management systems for the aircraft.

Embraer Legacy 450/500

This is a family of twin-turboprop-powered business jet aircraft. B/E Aerospace is providing passenger seats, cabin lighting, and vacuum waste management systems for the aircraft.

Learjet 70/75/85

This is a series of twin-turboprop-powered, short / medium-range, business/executive transport aircraft. B/E Aerospace is providing vacuum waste management systems for the aircraft.

Sukhoi Superjet 100

This is a Russian regional jet with 85-103-seat capacity. B/E Aerospace is providing oxygen systems.

U.S. Contract Awards

None. The company's work is focused solely on civil markets.

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