Spirit AeroSystems Holdings, Inc.
Form 10-Q
October 31, 2008

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549
Form 10-Q

(Mark One)

þ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 25, 2008

Or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-33160

Spirit AeroSystems Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**20-2436320**
(State of Incorporation)	*(I.R.S. Employer Identification Number)*

3801 South Oliver
Wichita, Kansas 67210
(Address of principal executive offices and zip code)
Registrant s telephone number, including area code:
(316) 526-9000

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer þ	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No þ

As of October 24, 2008, the registrant had outstanding 103,210,626 shares of class A common stock, $0.01 par value per share and 36,681,331 shares of class B common stock, $0.01 par value per share.

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PART I- FINANCIAL INFORMATION

Item 1. ***Financial Statements***

Spirit AeroSystems Holdings, Inc.
Condensed Consolidated Statements of Operations
(unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	September 25, 2008	September 27, 2007	September 25, 2008	September 27, 2007
	($ in millions, except per share data)			
Net revenues	$ 1,027.2	$ 967.5	$ 3,125.7	$ 2,880.4
Operating costs and expenses				
Cost of sales	864.3	804.7	2,596.1	2,388.2
Selling, general and administrative	39.0	42.9	119.0	142.3
Research and development	12.7	13.3	33.1	37.4
Total operating costs and expenses	916.0	860.9	2,748.2	2,567.9
Operating income	111.2	106.6	377.5	312.5
Interest expense and financing fee amortization	(9.9)	(9.7)	(29.5)	(28.1)
Interest income	4.4	8.0	15.1	22.8
Other income (loss), net	(0.7)	1.3	0.9	5.1
Income before income taxes	105.0	106.2	364.0	312.3
Income tax expense	(31.0)	(22.6)	(118.4)	(90.9)
Net income	$ 74.0	$ 83.6	$ 245.6	$ 221.4
Earnings per share				
Basic	$ 0.54	$ 0.61	$ 1.79	$ 1.65
Diluted	$ 0.53	$ 0.60	$ 1.76	$ 1.59

See notes to condensed consolidated financial statements (unaudited)

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Spirit AeroSystems Holdings, Inc.
Condensed Consolidated Balance Sheets
(unaudited)

	September 25, 2008	December 31, 2007
	($ in millions)	
Current assets		
Cash and cash equivalents	$ 177.7	$ 133.4
Accounts receivable, net	211.9	159.9
Current portion of long-term receivable	82.8	109.5
Inventory, net	1,768.8	1,342.6
Prepaids	13.1	14.2
Other current assets	67.8	83.2
Total current assets	2,322.1	1,842.8
Property, plant and equipment, net	1,053.2	963.8
Long-term receivable	51.9	123.0
Pension assets	350.9	318.7
Other assets	84.6	91.6
Total assets	$ 3,862.7	$ 3,339.9
Current liabilities		
Accounts payable	$ 389.4	$ 362.6
Accrued expenses	177.4	182.6
Current portion of long-term debt	8.1	16.0
Advance payments, short-term	210.7	67.6
Deferred revenue, short-term	43.5	42.3
Other current liabilities	20.8	3.9
Total current liabilities	849.9	675.0
Long-term debt	583.8	579.0
Advance payments, long-term	740.7	653.4
Other liabilities	179.7	165.9
Shareholders equity		
Preferred stock, par value $0.01, 10,000,000 shares authorized, no shares issued and outstanding		
Common stock, Class A par value $0.01, 200,000,000 shares authorized, 103,214,928 and 102,693,058 shares issued and outstanding, respectively	1.0	1.0
Common stock, Class B par value $0.01, 150,000,000 shares authorized, 36,682,070 and 36,826,434 shares issued and outstanding, respectively	0.4	0.4
Additional paid-in capital	935.6	924.6
Accumulated other comprehensive income	101.3	117.7
Retained earnings	470.3	222.9
Total shareholders equity	1,508.6	1,266.6

Total liabilities and shareholders equity	$ 3,862.7	$ 3,339.9

See notes to condensed consolidated financial statements (unaudited)

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Spirit AeroSystems Holdings, Inc.
Condensed Consolidated Statement of Shareholders Equity
(unaudited)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Total	Comprehensive Income/(Loss)
			($ in millions)				
Balance December 31, 2007	139,519,492	$ 1.4	$ 924.6	$ 117.7	$ 222.9	$ 1,266.6	$ 342.1
Net income					245.6	245.6	245.6
Employee equity awards	497,903		12.3			12.3	
Stock forfeitures	(120,397)		(0.7)			(0.7)	
SFAS 158 measurement date change, net of tax					1.8	1.8	
Excess tax liability from share-based payment arrangements			(0.6)			(0.6)	
Unrealized loss on cash flow hedges, net of tax				(3.7)		(3.7)	(3.7)
Unrealized loss on currency translation adjustments				(12.7)		(12.7)	(12.7)
Balance September 25, 2008	139,896,998	$ 1.4	$ 935.6	$ 101.3	$ 470.3	$ 1,508.6	$ 229.2

See notes to condensed consolidated financial statements (unaudited)

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Spirit AeroSystems Holdings, Inc.
Condensed Consolidated Statements of Cash Flows
(unaudited)

	For the Nine Months Ended September 25, 2008	For the Nine Months Ended September 27, 2007
	($ in millions)	
Operating activities		
Net income	$ 245.6	$ 221.4
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation expense	90.8	67.1
Amortization expense	7.1	5.7
Accretion of long-term receivable	(13.0)	(16.0)
Employee stock compensation expense	11.6	26.8
Excess tax benefit from share-based payment arrangements		(32.9)
Loss from ineffectiveness of hedge contracts	0.4	
Loss from foreign currency transactions	0.3	
(Gain) loss on disposition of assets	(0.2)	0.4
Deferred taxes	0.9	3.8
Pension and other post-retirement benefits, net	(21.5)	(22.0)
Changes in assets and liabilities		
Accounts receivable	(28.4)	(48.0)
Inventory, net	(432.9)	(312.6)
Accounts payable and accrued liabilities	30.5	18.7
Advance payments	230.4	93.6
Income taxes payable	15.1	56.6
Deferred revenue and other deferred credits	16.9	36.4
Other	(7.0)	6.3
Net cash provided by operating activities	146.6	105.3
Investing Activities		
Purchase of property, plant and equipment	(175.2)	(228.0)
Proceeds from sale of assets	1.8	0.2
Long-term receivable	87.1	22.8
Financial derivatives	1.1	3.1
Investment in joint venture	(3.6)	
Net cash (used in) investing activities	(88.8)	(201.9)
Financing Activities		
Proceeds from revolving credit facility	75.0	
Payments on revolving credit facility	(75.0)	

Proceeds from issuance of debt		8.8		
Proceeds from government grants		1.6		
Principal payments of debt		(11.9)		(14.4)
Debt issuance costs		(6.8)		
Excess tax benefit from share-based payment arrangements				32.9
Executive stock repurchase				(1.0)
Net cash provided by (used in) financing activities		(8.3)		17.5
Effect of exchange rate changes on cash and cash equivalents		(5.2)		0.2
Net increase (decrease) in cash and cash equivalents for the period		44.3		(78.9)
Cash and cash equivalents, beginning of period		133.4		184.3
Cash and cash equivalents, end of period	$	177.7	$	105.4
Supplemental Information				
Change in value of financial instruments	$	3.1	$	(5.1)
Property acquired through capital leases	$		$	1.6

See notes to condensed consolidated financial statements (unaudited)

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Spirit AeroSystems Holdings, Inc.
Notes to Condensed Consolidated Financial Statements (unaudited)
($ in millions other than per share amounts)

1. Organization and Basis of Interim Presentation

Spirit AeroSystems Holdings, Inc. (Holdings) was incorporated in the state of Delaware on February 7, 2005, and commenced operations on June 17, 2005 through the acquisition of The Boeing Company s (Boeing) operations in Wichita, Kansas, Tulsa, Oklahoma and McAlester, Oklahoma (the Boeing Acquisition). Holdings provides manufacturing and design expertise in a wide range of products and services for aircraft original equipment manufacturers and operators through its subsidiary, Spirit AeroSystems, Inc. (Spirit or the Company). Onex Corporation (Onex) of Toronto, Canada maintains majority voting power of Holdings. In April 2006, Holdings acquired the aerostructures division of BAE Systems (Operations) Limited (BAE Aerostructures), which builds structural components for Airbus, Boeing and Hawker Beechcraft Corporation (formerly Raytheon Aircraft Company). Prior to this acquisition, Holdings sold essentially all of its production to Boeing. Since Spirit s incorporation, the Company has expanded its customer base to include Sikorsky, Rolls-Royce, Gulfstream, Cessna, Mitsubishi Aircraft Corporation, Southwest Airlines, and Continental Airlines. The Company has its headquarters in Wichita, Kansas, with manufacturing facilities in Tulsa and McAlester, Oklahoma; Prestwick, Scotland; and in Wichita. Spirit expects to open a new manufacturing facility in Subang, Malaysia in early 2009 and another manufacturing facility in Kinston, North Carolina in 2010 that will produce components for the Airbus A350 XWB aircraft.

Spirit is the majority participant in the Kansas Industrial Energy Supply Company (KIESC), a tenancy-in-common with other Wichita companies established to purchase natural gas. KIESC is fully consolidated as Spirit owns 77.8% of the entity s equity.

In November 2007, Spirit entered into a joint venture with Progresstech LTD of Moscow, Russia called Spirit-Progresstech LLC. Spirit and Progresstech LTD each have a 50% ownership interest in the company, which provides aerospace engineering support services. The $1.6 investment in Spirit-Progresstech LLC to date is accounted for under the equity method of accounting.

In April 2008, Spirit entered into a joint venture with Hong Kong Aircraft Engineering Company Limited (HAECO), and its subsidiary, Taikoo Aircraft Engineering Company Limited (TAECO), Oklahoma-based First Wave MRO, Inc., Cathay Pacific Airways Limited, and Cal-Asia to develop and implement a state-of-the-art composite and metal bond component repair station in the Asia-Pacific region. The service center is called Taikoo Spirit AeroSystems Composite Co. Ltd., and Spirit owns 25.5% of the company. The $2.2 investment in Taikoo Spirit AeroSystems Composite Co. Ltd. is accounted for under the equity method of accounting.

The accompanying interim condensed consolidated financial statements include Spirit s financial statements and the financial statements of its majority-owned subsidiaries and have been prepared in accordance with accounting principles generally accepted in the United States of America and the instructions to Form 10-Q and Article 10 of Regulation S-X. Investments in business entities in which the Company does not have control, but has the ability to exercise significant influence over operating and financial policies (generally 20% to 50% ownership), are accounted for by the equity method. All intercompany balances and transactions have been eliminated in consolidation. Spirit s U.K. subsidiary uses local currency, the British pound, as its functional currency. All other foreign subsidiaries use local currency as their functional currency with the exception of our Malaysian subsidiary which uses the British pound.

As part of the monthly consolidation process, the functional currency is translated to U.S. dollars using the end-of-month translation rate for balance sheet accounts and average period currency translation rates for revenue and income accounts as defined by SFAS No. 52, *Foreign Currency Translation (as amended)*.

In the opinion of management, the accompanying interim condensed unaudited consolidated financial statements contain all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation of the results of operations for the interim periods. The results of operations for the nine months ended September 25, 2008 are not necessarily indicative of the results that may be expected for the year ending December 31, 2008. Certain reclassifications have been made to the prior year financial statements and notes to conform to the 2008 presentation.

The interim financial statements should be read in conjunction with the audited consolidated financial statements, including the notes thereto, included in our 2007 Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) on February 22, 2008.

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Spirit AeroSystems Holdings, Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) Continued
($ in millions other than per share amounts)

2. Summary of Significant Accounting Policies

The significant accounting policies set forth in this report should be read in conjunction with the significant accounting policies discussed in the notes to the consolidated financial statements under Part II, Item 8, Financial Statements and Supplementary Data , included in our Annual Report on Form 10-K for the year ended December 31, 2007, as filed with the SEC on February 22, 2008.

Joint Ventures

The investment resulting in a 50% ownership interest in Spirit-Progresstech LLC totaled $1.6 at September 25, 2008 and is accounted for under the equity method of accounting.

The investment resulting in a 25.5% ownership interest in Taikoo Spirit AeroSystems Composite Co. Ltd. totaled $2.2 at September 25, 2008 and is accounted for under the equity method of accounting.

Government Grants

As part of our site construction projects in Kinston, North Carolina and Subang, Malaysia, we have the potential benefit of grants related to government funding of a portion of these buildings and other specific capital assets. Due to the terms of the lease agreements, we are deemed to own the construction projects. During the construction phase of the facilities, as amounts eligible under the terms of the grants are expended, we will record that spending as Property, Plant and Equipment (construction-in-progress) and Deferred Grant Income Liability (less the present value of any future minimum lease payments). Upon completion of the facilities, the Deferred Grant Income will be amortized as a component of production cost. This amortization is based on specific terms associated with the different grants. In North Carolina, the Deferred Grant Income related to the capital investment criteria, which represents half of the grant, will be amortized over the lives of the assets purchased to satisfy the capital investment performance criteria. The other half of the Deferred Grant Income will be amortized over a ten year period in a manner consistent with the job performance criteria. In Malaysia, the Deferred Grant Income will be amortized based on the lives of the eligible assets constructed with the grant funds as there are no performance criteria. As of September 25, 2008, we recorded $17.2 within Property, Plant and Equipment and Other Long-Term Liabilities (Deferred Grant Income) related to the use of grant funds in Malaysia. Of the $17.2 in capital, $15.6 represents transactions where funds have been paid directly to contractors by an agency of the Malaysian Government so they are not reflected on the Statement of Cash Flows. The remaining $1.6 amount was paid to contractors by Spirit and we received reimbursement from governmental entities so that amount is reflected within Capital Expenditures and Proceeds from Government Grants within the Investing and Financing sections of the Statement of Cash Flows, respectively.

New Accounting Standards

In September 2006, the Financial Accounting Standards Board (FASB) issued SFAS 157, *Fair Value Measurements (SFAS 157)*, which defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles (GAAP) in the United States, and expands disclosures about fair value measures. It is effective for fiscal years beginning after November 15, 2007, with early adoption encouraged. The provisions of SFAS 157 are to be applied on a prospective basis, with the exception of certain financial instruments for which retrospective application is required. On November 14, 2007, the FASB granted a one year deferral solely for non-financial assets and liabilities to comply with SFAS 157. Financial assets have been subject to the rule since the adoption on January 1, 2008. The partial adoption of SFAS 157 did not affect our financial position or results of operations, but did require additional disclosures about fair value measurement for financial assets, see Note 8, Fair Value Measurements. In February 2008, the FASB issued Staff Position FSP No. 157-2, *Partial Deferral of the Effective Date of Statement 157* (FSP No. 157-2), which delayed the adoption date until January 1, 2009 for non-financial assets and liabilities that are measured at fair value on a non-recurring basis, such as goodwill and identifiable intangible assets. In October 2008, the FASB issued Staff Position FSP No. 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset is Not Active* to provide guidance for determining the fair value of material financial assets in an inactive market. We considered FSP No. 157-3 in the determination of the fair value of our financial assets and liabilities. We do not expect the adoption of SFAS 157 for non-financial assets and liabilities to have a material impact on our financial position or results of operations.

In February 2007, the FASB issued SFAS 159, *The Fair Value Option for Financial Assets and Financial Liabilities Including an Amendment of FASB Statement No. 115*, which allows for the option to measure financial instruments, warranties, and insurance contracts at fair value. Unrealized gains and losses on items for which the fair value option has been elected are reported in earnings. It became effective for fiscal years beginning after November 15, 2007. Early adoption was permitted as of the beginning of a fiscal year that began on or before November 15, 2007, provided the entity also elects to apply the provisions of SFAS 157. On January 1, 2008, we did not elect to measure any financial assets or liabilities at fair value.

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Spirit AeroSystems Holdings, Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) Continued
($ in millions other than per share amounts)

In December 2007, the FASB issued SFAS 141(R), *Business Combinations (SFAS 141(R))*, which replaces SFAS 141. SFAS 141(R) requires an acquirer to recognize the assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree, and any goodwill acquired to be measured at their fair value on the acquisition date. The Statement also establishes disclosure requirements which will enable users to evaluate the nature and financial effects of the business combination. This statement is to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period on or after December 15, 2008, and is effective for the Company at the beginning of fiscal 2009. Early adoption is prohibited.

In December 2007, the FASB issued SFAS 160, *Noncontrolling Interests in Consolidated Financial Statements an amendment of Accounting Research Bulletin No. 51 (SFAS 160)*, which establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent s ownership interest and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. The Statement also establishes reporting requirements that provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS 160 is effective for fiscal years beginning after December 15, 2008. We do not expect the adoption of SFAS 160 to have a material impact on our financial position or results of operations.

In March 2008, the FASB issued SFAS 161, *Disclosures about Derivative Instruments and Hedging Activities an amendment of FASB Statement No. 133 (SFAS 161)*, which requires disclosures of how and why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for and how derivative instruments and related hedged items affect an entity s financial position, financial performance, and cash flows. SFAS 161 is effective for fiscal years beginning after November 15, 2008, with early adoption permitted. We do not expect the adoption of SFAS 161 to have a material impact on our financial position or results of operations.

In May 2008, the FASB issued SFAS 162, *The Hierarchy of Generally Accepted Accounting Principles (SFAS 162)*, which identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of non-governmental entities that are presented in conformity with GAAP in the United States (the GAAP hierarchy). This Statement is effective 60 days following the SEC s approval of the Public Company Accounting Oversight Board (PCAOB) amendments to AU Section 411, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles.* The adoption of SFAS 162 will not have a material impact on our financial position or results of operations.

3. Accounts Receivable

Accounts receivable, net consists of the following:

	September 25, 2008	December 31, 2007
Trade receivables	$ 202.0	$ 154.9
Other	10.5	6.3
Total	212.5	161.2
Less: allowance for doubtful accounts	(0.6)	(1.3)
Accounts receivable, net	$ 211.9	$ 159.9

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Spirit AeroSystems Holdings, Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) Continued
($ in millions other than per share amounts)

4. Inventory

Inventories are summarized as follows:

	September 25, 2008	December 31, 2007
Raw materials	$ 189.2	$ 169.9
Work-in-process	1,171.5	866.2
Finished goods	33.5	27.0
Product inventory	1,394.2	1,063.1
Capitalized pre-production	374.6	279.5
Total inventory, net	$ 1,768.8	$ 1,342.6

Inventories are summarized by platform as follows:

	September 25, 2008	December 31, 2007
B737	$ 362.6	$ 348.7
B747	137.1	93.8
B767	16.0	17.1
B777	189.5	158.0
B787(1)	719.8	527.3
Airbus All platforms	103.0	86.4
Gulfstream(2)	159.3	44.9
Rolls-Royce	34.9	10.8
Other in-process inventory related to long-term contracts and other programs(3)	46.6	55.6
Total inventory	$ 1,768.8	$ 1,342.6

(1) B787 inventory includes $236.5 and $238.0 in capitalized pre-production costs at September 25, 2008 and December 31, 2007, respectively.

(2) Gulfstream inventory includes $138.1 and $39.5 in capitalized pre-production costs at September 25, 2008 and December 31, 2007, respectively.

(3) Includes contracted non-recurring services for certain derivative aircraft programs to be paid by the original equipment manufacturer, plus miscellaneous other work-in-process.

Capitalized pre-production costs include certain costs, including applicable overhead, incurred before a product is manufactured on a recurring basis. These costs are typically recovered over a certain number of ship set deliveries and the Company believes these amounts will be fully recovered.

At September 25, 2008, work-in-process inventory included $202.9 of deferred production costs, of which $152.4 is related to B787, on certain contracts for the excess of production costs over the estimated average cost per ship set and ($59.4) of credit balances for favorable variances on other contracts between actual costs incurred and the estimated average cost per ship set for units delivered under the current production blocks. These balances were $57.1 and ($50.4), respectively, at December 31, 2007. Recovery of excess over average deferred production costs is dependent on the number of ship sets ultimately sold and the ultimate final selling prices and lower production costs associated with future production under these contract blocks. The Company believes these amounts will be fully recovered.

Sales significantly under estimates or costs significantly over estimates could result in the realization of losses on these contracts in future periods.

Spirit AeroSystems Holdings, Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) Continued
($ in millions other than per share amounts)

The following is a roll forward of the inventory obsolescence and surplus reserve included in the inventory balances at September 25, 2008:

Balance-December 31, 2007	$ 21.8
Charges to costs and expenses	18.8
Write-offs, net of recoveries	(10.6)
Balance-September 25, 2008	$ 30.0

5. Property, Plant and Equipment

Property, plant and equipment, net consists of the following:

	September 25, 2008	December 31, 2007
Land	$ 18.6	$ 19.2
Buildings (including improvements)	204.1	178.2
Machinery and equipment	471.3	396.7
Tooling	418.6	384.7
Construction-in-progress	211.4	164.4
Total	1,324.0	1,143.2
Less: accumulated depreciation	(270.8)	(179.4)
Property, plant and equipment, net	$ 1,053.2	$ 963.8

Interest costs associated with construction-in-progress are capitalized until the assets are completed and ready for use. Capitalized interest was $1.2 and $1.8 for the three months ended September 25, 2008 and September 27, 2007, respectively, and $4.3 and $5.1 for the nine months ended September 25, 2008 and September 27, 2007, respectively. Repair and maintenance costs are expensed as incurred. We recognized $15.1 and $27.3 of repair and maintenance expense for the three months ended September 25, 2008 and September 27, 2007, respectively, and $64.7 and $70.0 for the nine months ended September 25, 2008 and September 27, 2007, respectively.

6. Long-Term Receivable

In connection with the Boeing Acquisition, Boeing is required to make future non-interest bearing payments to Spirit attributable to the acquisition of title of various tooling and other capital assets to be determined by Spirit. Spirit will retain usage rights and custody of the assets for their remaining useful lives without compensation to Boeing.

The following is a schedule of future payments from our long-term and short-term receivables:

2008	$ 29.0
2009	115.4
Total	$ 144.4

A discount rate of 9.75% was used to record these payments at their estimated present value of $134.7 and $208.8 at September 25, 2008 and December 31, 2007, respectively. At September 25, 2008, the current portion of the long-term receivable was $82.8.

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Spirit AeroSystems Holdings, Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) Continued
($ in millions other than per share amounts)

7. Other Assets

Other assets are summarized as follows:

	September 25, 2008	December 31, 2007
Intangible assets		
Patents	$ 2.0	$