TIMKEN

Gorham PMA/DER Conference
"The Best Of Both Worlds"

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About The Timken Company

- High-performance solutions tailored for the most demanding applications

- Global footprint: 27 countries
- 20,000 people worldwide
- Diverse industrial technologies
- Worldwide customers and distribution
- 2010 Sales of $4.1 billion

About Timken Aerospace

- Aerospace bearings and helicopter transmission system components

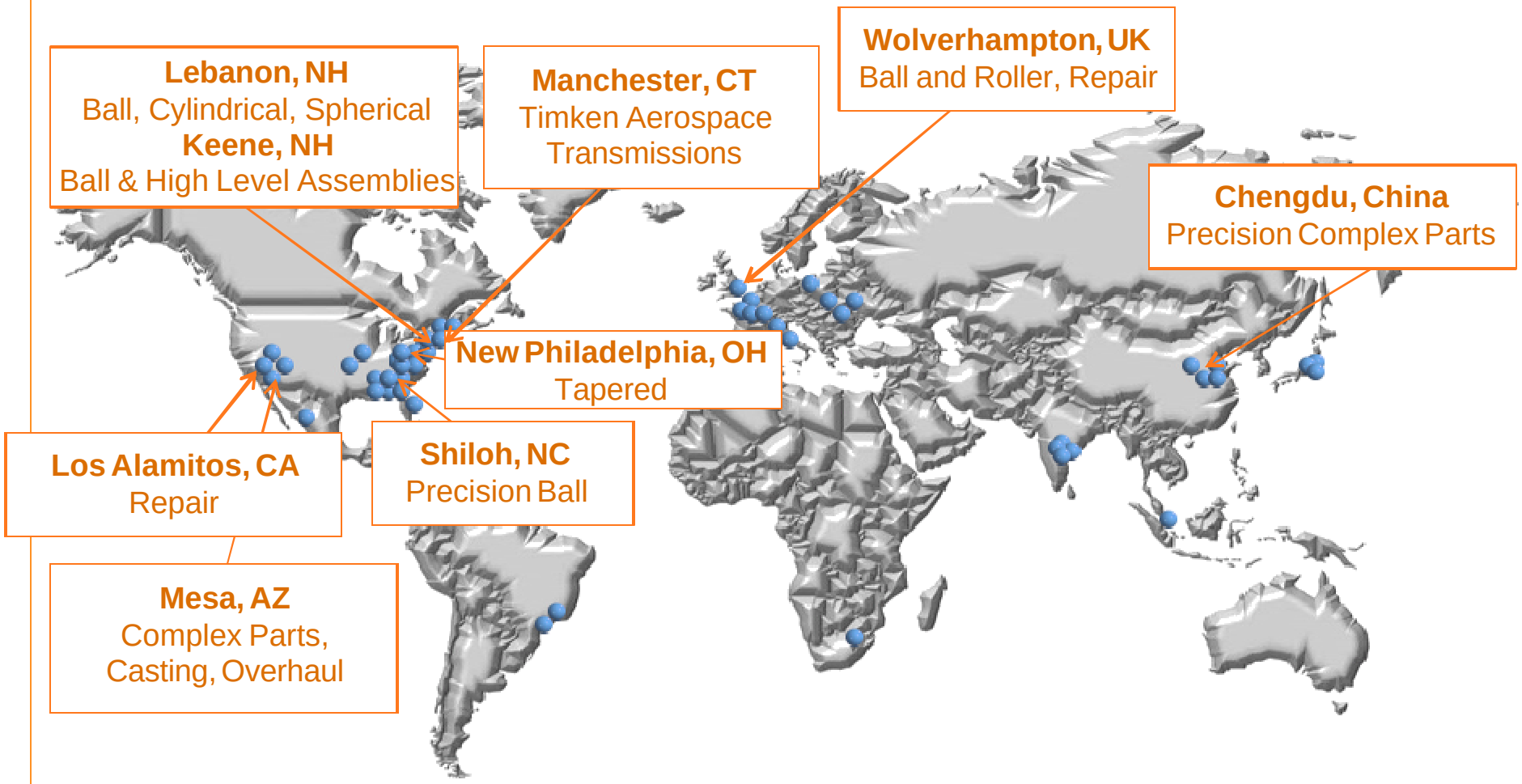
- Aftermarket services
  - Part reconditioning
  - Engine, transmission and component overhaul
  - Replacement parts for fixed-wing aircraft and helicopters

Aerospace Bearings

Aerospace Transmissions

Aerospace Aftermarket

Our Aerospace Locations



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What's Important To You?

- Safety
- Reliability
- Warranty
- Cost
- Responsiveness
- Experience

What's The Current Environment?

- Two channels of choice…
  1. Type Certificate Holder (TCH)
  2. PMA/DER
- PMA/DER safety & reliability not an issue, per the FAA
- Now focus on overall value
  - Warranty
  - Responsiveness
  - Cost
  - Experience

PMA/DER penetration continues to increase

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Picking A Partner

- Do they demonstrate these capabilities?
  - Have knowledge of aircraft system requirements
  - Leverage engineering and development resources
  - Exhibit financial stability
  - Reach a global audience/international presence
  - Improve your turnaround time
  - Improve your supply chain
  - Reduce your inventory

Picking A Product

Option	Cost	Lead-Time **
New TCH part	$$$	X to XXXX…
New PMA part	$$	X to XXXX…
DER Repaired part	$	X

**** - Also drives inventory**

The Case For Bearing Repair

- Rapid lead-time
- High reclamation rates
- 25-50% cost savings versus new

- Repair ~30,000+ bearings per year
- 5,000+ approved repair processes on more than 80 different platforms
- FAA-approved for over 50 years
- Most North American airlines and U.S. militaries embrace the concept

For bearings, repair is a compelling option

Summary

- PMA / DER Repair continues to gain acceptance
  - Supply base more competent
  - Value proposition
- Picking the right partner is still important
  - Differential between TCH / PMA / DER Repair

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Where You Turn