



# Investor Presentation

May 2012



# Forward Looking Statement



This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be preceded by, followed by or include the words “believes,” “expects,” “anticipates,” “intends,” “plans,” “estimates” or similar expressions. These statements are based on the beliefs and assumptions of our management. Generally, forward-looking statements include information concerning our possible or assumed future actions, events or results of operations. Forward looking statements specifically include, without limitation, the information in this presentation regarding: projections; efficiencies/cost avoidance; cost savings; income and margins; earnings per share; growth; economies of scale; combined operations; the economy; capital expenditures; future financing needs; future acquisitions and dispositions; litigation; potential and contingent liabilities; management’s plans; and integration related expenses.

Although we believe that the expectations reflected in the forward-looking statements are based on reasonable assumptions, these forward-looking statements are subject to numerous factors, risks and uncertainties that could cause actual outcomes and results to be materially different from those projected. We cannot guarantee future results, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. All written and oral forward-looking statements made in connection with this presentation that are attributable to us or persons acting on our behalf are expressly qualified in their entirety by “Risk Factors” and other cautionary statements included herein.

The information in this presentation is not a complete description of our business or the risks. There can be no assurance that other factors will not affect the accuracy of these forward-looking statements or that our actual results will not differ materially from the results anticipated in such forward-looking statements. Factors that could cause actual results to differ materially from those estimated by us include, but are not limited to, those factors or conditions described under “Risk Factors” in the Form 10-K dated December 31, 2011 and the following: the cyclical nature of the aerospace market and the level of new commercial aircraft orders, customer concentration, production rates for various commercial and military aircraft programs, the level of U.S. defense spending, competitive pricing pressures, manufacturing inefficiencies, start-up costs and possible overruns on new contracts, technology and product development risks and uncertainties, product performance, increasing consolidation of customers and suppliers in the aerospace industry, price erosion within the electronics manufacturing services marketplace, the risk of environmental liabilities, possible goodwill impairment, compliance with applicable regulatory requirements and changes in regulatory requirements, including regulatory requirements applicable to government contracts and sub-contracts, imposition of taxes, export controls, tariffs, embargoes and other trade restrictions, economic and geopolitical developments and conditions, our ability to service our substantial indebtedness, our ability to manage and otherwise comply with our covenants with respect to our significant outstanding indebtedness, unfavorable developments in the global credit markets, which may make it more difficult to incur new indebtedness or refinance our outstanding indebtedness, the risk that the business, operations and employees will not be integrated successfully with our business and operations, our inability to recognize the benefits of the recent merger with LaBarge, Inc. including any potential synergies, growth, cost savings or accretive value, our ability to retain key employees, our inability to maintain current customer and supplier relationships, the risk that the recently concluded merger disrupts current plans and operations, litigation, and risks associated with other acquisitions and dispositions of businesses by us.

We caution the reader that undue reliance should not be placed on any forward-looking statements, which speak only as of the date of this presentation. We do not undertake any duty or responsibility to update any of these forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect actual outcomes.

This presentation includes certain non-GAAP financial measures, such as Adjusted EBITDA and free cash flow. Tables reconciling such non-GAAP financial measures are available in this presentation.



- Introduction
- Company Overview
- The “New Ducommun”
- Key Company Strengths
- Financial Overview
- Appendix



# Investment Highlights



- Leading global provider of engineering and manufacturing services to the aerospace, defense and diverse technology-driven markets
- Solid reputation as growing Tier 2 supplier
- Long-term relationships with blue chip customers
- Diversified end-markets and platforms with strong industry fundamentals
- Strong market position in low volume, high mix niche markets
- Successful track record of M&A integration
- Consistent cash flow with sizeable backlog



# Core Values



- Honesty
- Professionalism
- Respect
- Customer Orientation
- Continuous Improvement
- Teamwork



# Vision Statement

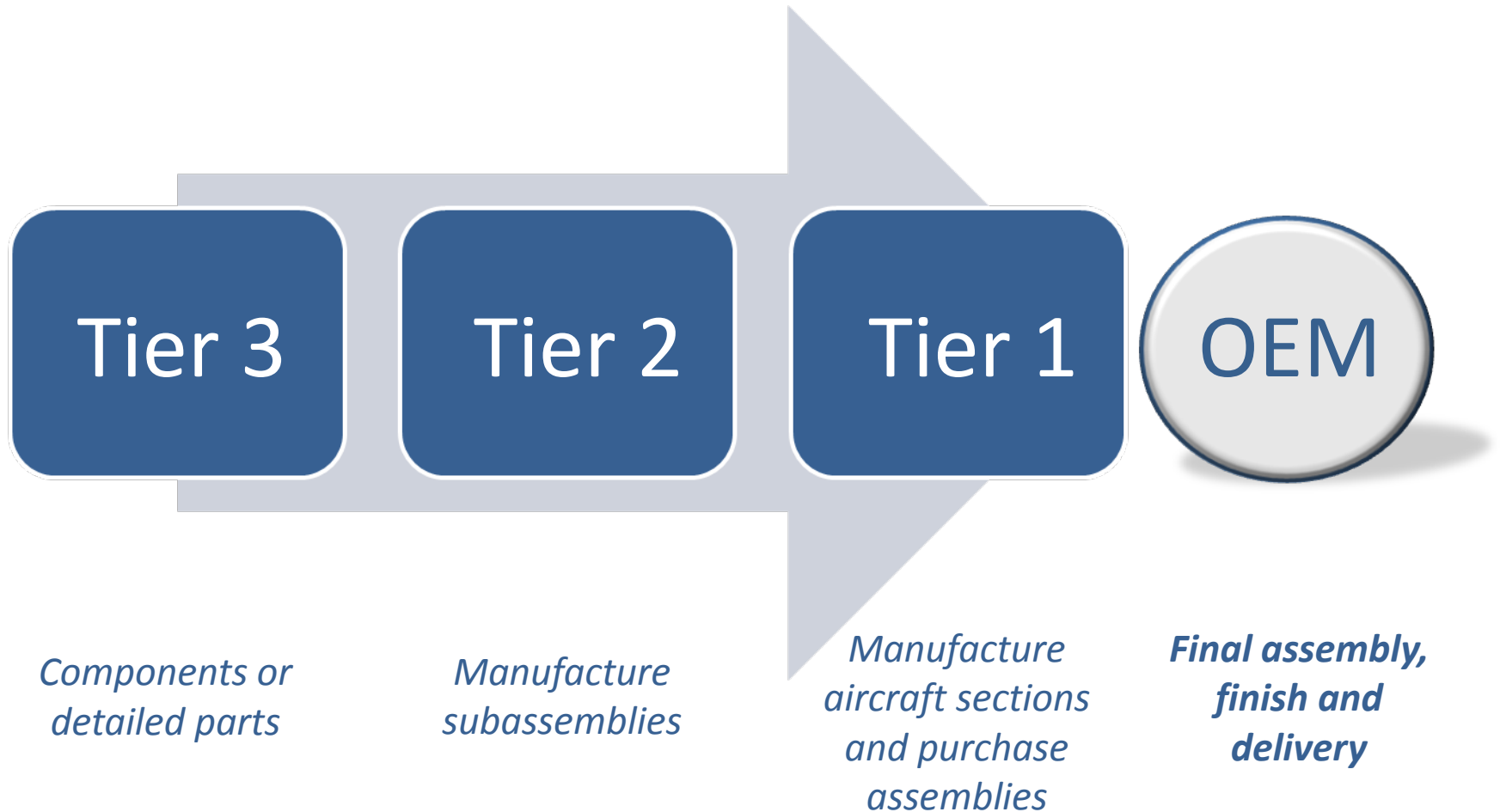


Ducommun, a global partner

- Growing profitably to \$1 Billion
- Powered by the development and full commitment of our people
- Driving innovative solutions and services to the aerospace, defense and diverse technology-driven markets



# Ducommun Goal: *Become a Leading Tier 2 Player*



# The “One Ducommun” Platform Forms the Basis for Sustainable Profitable Growth



Organizational  
Development

+

Operational  
Excellence

=

Sustained Profitable  
Growth

- Training and development
- Honesty, professionalism, customer orientation, continuous improvement, team work
- Shared services (HR, Supply Chain, Accounting, IT)

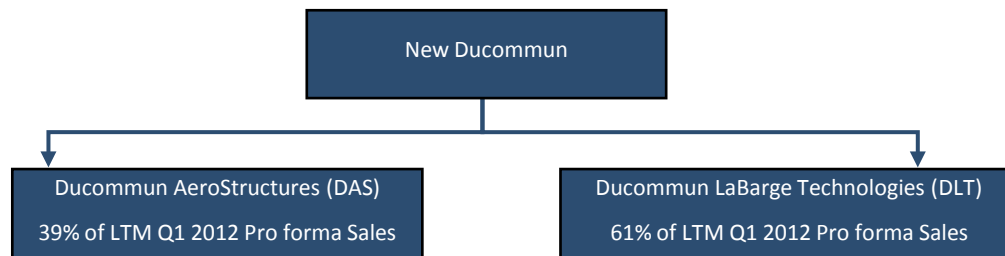
- Lean Six Sigma
- Broader capabilities
- Production efficiencies
- Capacity
- Offshore expansion
- Supply chain management

- Increase value-added offerings
- Increase operating margins
- Increase profitability of incremental revenue
- Increase return on capital
- Increase shareholder value

# The “New” Ducommun

## Distinguishing Characteristics

- Strong market positioning in manufacturing services for aerospace and defense applications and associated markets
  - One-stop-shop approach
- Significant further 'de-risking' of platform, market and customer concentration
- Highly engineered mission critical aerospace components—leading tier 2 aerostructures supplier
- Significantly greater scale in revenues and EBITDA and strong free cash flow characteristics



<b>Pro forma LTM stats <sup>(1)</sup></b>	<b>2010</b>	<b>LTM Q1 2012</b>
Sales (\$mm)	\$408	\$746
Adj. EBITDA (\$mm)	\$43	\$87
<i>% Margin</i>	10.5%	11.7%
Capital expenditures (\$mm)	\$7	\$20
Adj. EBITDA - Capex (\$mm)	\$36	\$67

Note: 3/31/12 Adjusted EBITDA figures include pro forma cost synergies of \$2.2 mm.  
 (1) Proforma for LTM Q1 2012.

# Ducommun AeroStructures (DAS)



## Ducommun AeroStructures (39% of LTM Q1 2012 Pro forma Sales)<sup>(1)</sup>

Ducommun AeroStructures designs, engineers and manufactures large, complex contoured aerostructure components / assemblies and is a US non-OEM supplier of composite and metal bonded structures / assemblies.

### Product Offering

#### Military Fixed Wing Aircraft

- Fuselage skin panels & assemblies
- Flight Control Surface assemblies
- Various door panels
- Leading edges

#### Military Rotary Wing Aircraft

- Main rotor blade assemblies
- Tail rotor blade assemblies
- Leading edges

#### Commercial Aircraft

- Fuselage skin panels & assemblies
- Composite winglets
- Flight Control Surface assemblies
- Leading edges
- Engine ducts

### Composite Winglets



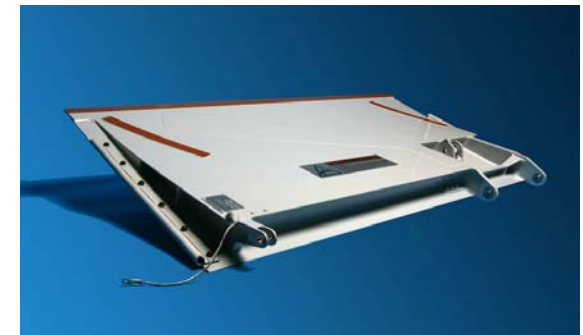
### Fuselage Skins & Assemblies



### Helicopter Firewall Assemblies



### Flight Control Surface Assemblies



(1) as of 3/31/12

DAS has manufacturing facilities in California, New York and Kansas

# Ducommun LaBarge Technologies (DLT)



## Ducommun LaBarge Technologies (61% of LTM Q1 2012 Pro forma Sales) <sup>(1)</sup>

DLT designs, engineers and manufactures products used in worldwide technology-driven markets, including aerospace and defense, industrial, natural resources and medical.

### Broad Based Specialized Capabilities

#### Product Offerings

- Hardware and software design, development and testing
- Cable assemblies, wiring harnesses and interconnect systems
- PCB assemblies and miniaturized hybrid circuits
- Complex electro-mechanical assemblies
- Electrical & mechanical design and manufacturing capabilities
  - Integrated cockpit control assemblies
  - Illuminated panels, advanced microwave switches and high performance motors and resolvers
- Radar sensors technology

(1) as of 3/31/12

Interconnect Systems



Printed Circuit Card Assemblies



Higher-Level Assemblies



Systems Integration



Electronics Assemblies



Radars Rack Manufacturing



Electrical Harnesses



Microwave Products





# Ducommun's End Use Markets Offer Growth Opportunities

(Pro Forma Combined for the Twelve Months Ended 3/31/12)

**Defense Technologies (32% of Sales)**  
**Defense Structures (18% of Sales)**



- Missile systems
- Radar systems
- Aircraft applications
- Shipboard systems
- Rotor blade assemblies

**Commercial (26% of Sales)**



- Flight control assemblies
- Rotor blade assemblies
- Fuselage skins
- Leading edges
- Engine ducts

**Industrial (9% of Sales)**



- Glass container electronic manufacturing systems
- Electronic test equipment
- Semiconductor capital equipment

**Natural Resources (9% of Sales)**



- Wind power generation systems
- Oilfield services equipment
- Mine automation
- Agricultural applications

**Medical (6% of LTM Sales)**

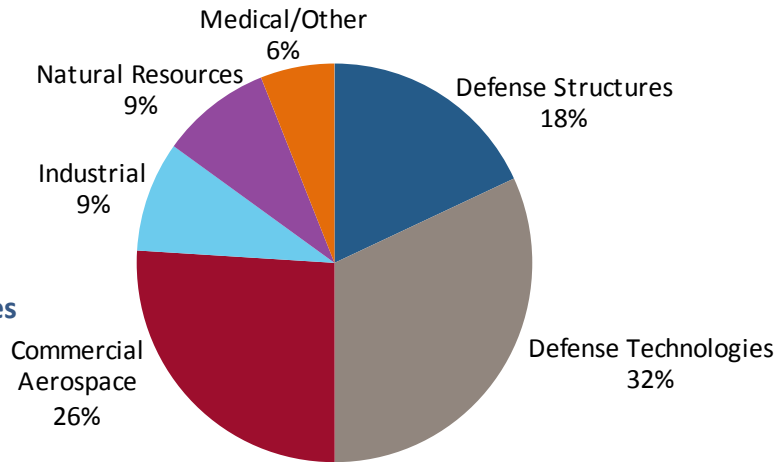


- Surgical systems
- Patient monitoring and therapy devices
- Respiratory care devices
- Biodecontamination equipment

# Diversified End Markets and Platforms with Strong Industry Fundamentals



**\$746 Million  
LTM Q1 2012  
Pro forma Sales**



Commercial Aerospace  
 Defense Technologies  
 Defense Structures  
 Natural Resources  
 Industrial  
 Medical & Other  
 Weighted Average Growth Rate

**Annual Expected  
Growth Rate**

8% - 10%

3% - 5%

(3%) - 2%

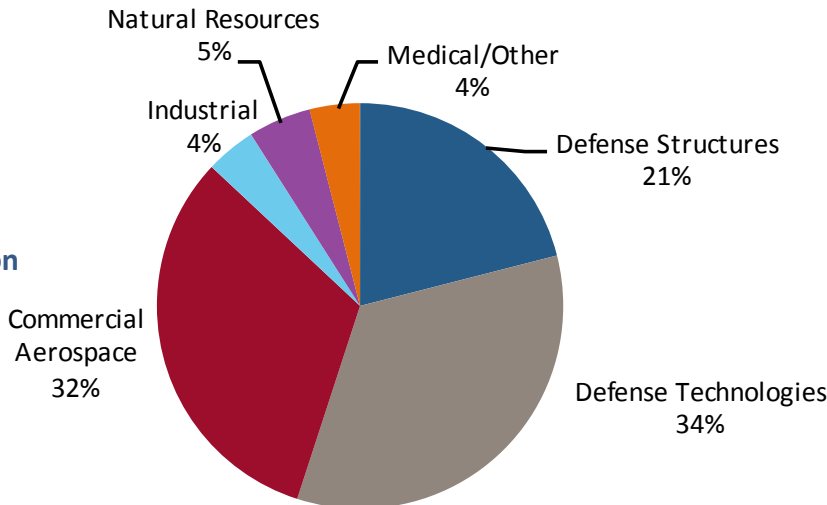
3% - 5%

3% - 5%

4% - 6%

3% - 6%

**\$647 Million  
Backlog as  
of 3/31/12**



Highly Diversified Portfolio in Low Volume, High Mix & High Margin Businesses

# Key Growth Drivers Allowing Ducommun to Expand Market Presence and Service Capabilities



## DAS

- Overall A&D market to grow 3-6% over the long-term
- Commercial programs expect to benefit from increased shipments to support the higher build rates
  - Boeing 737NG, 747, 777 and 787 programs
  - Airbus A330, A340, A350 and A380 programs
- New commercial opportunities – 737 MAX and A320 NEO
- Expect strong performance for largest program - Black Hawk Helicopter

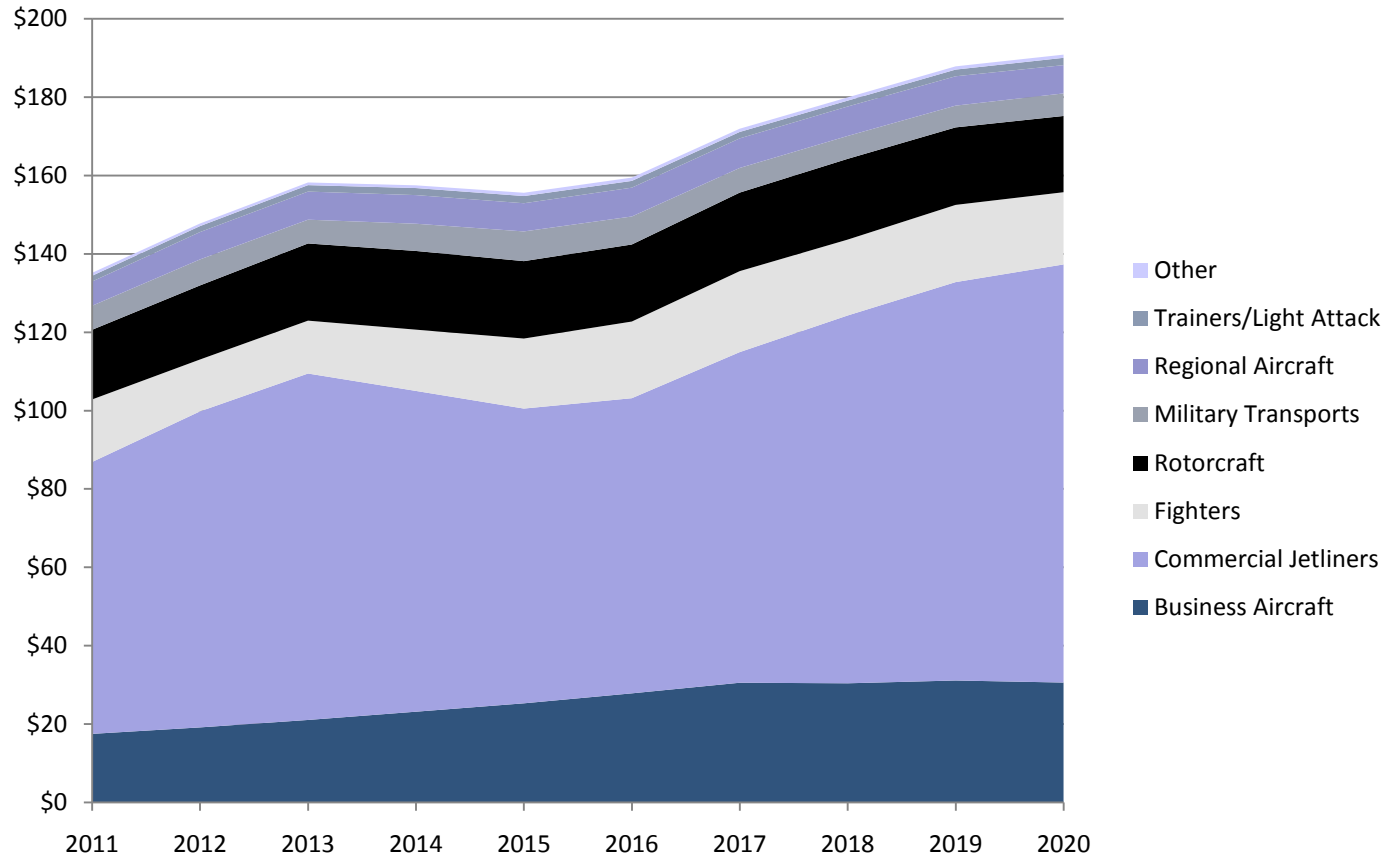
## DLT

- Overall low volume, high mix market growing 3-6% over the long-term
  - Outsourcing trend drives market growth
  - Increased electronics content
  - Strong demand for military electronics solutions
- Solid sales on the F-15 , F-16 and F-18 mobile radar solutions and missile systems
- Increased industrial, oil exploration, natural resources, and medical applications requirements

# Favorable Long-Term Market Outlook



Forecast Deliveries (\$bn)

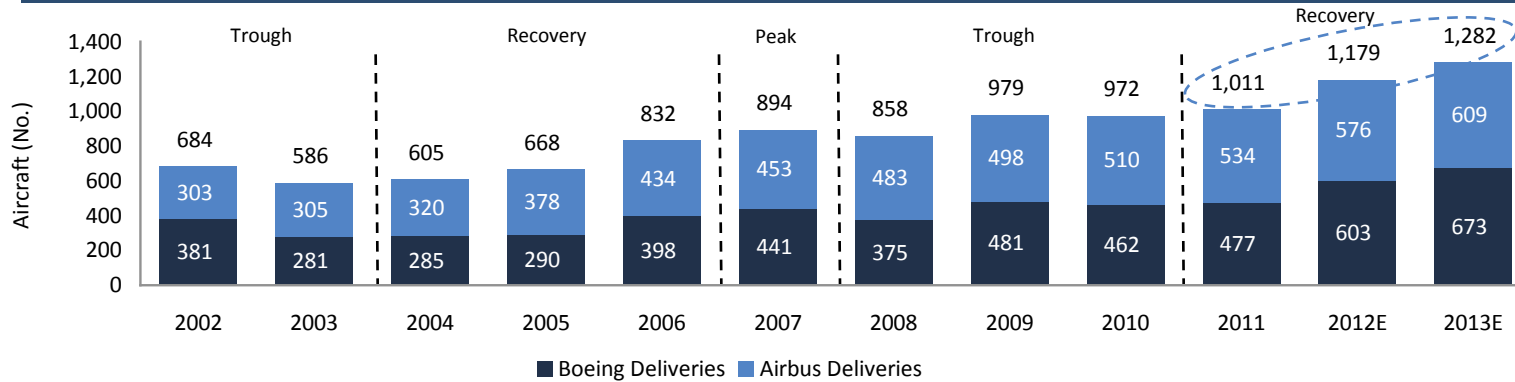


Source: Teal Group, February 2012

# Positive Commercial Aerospace Dynamics

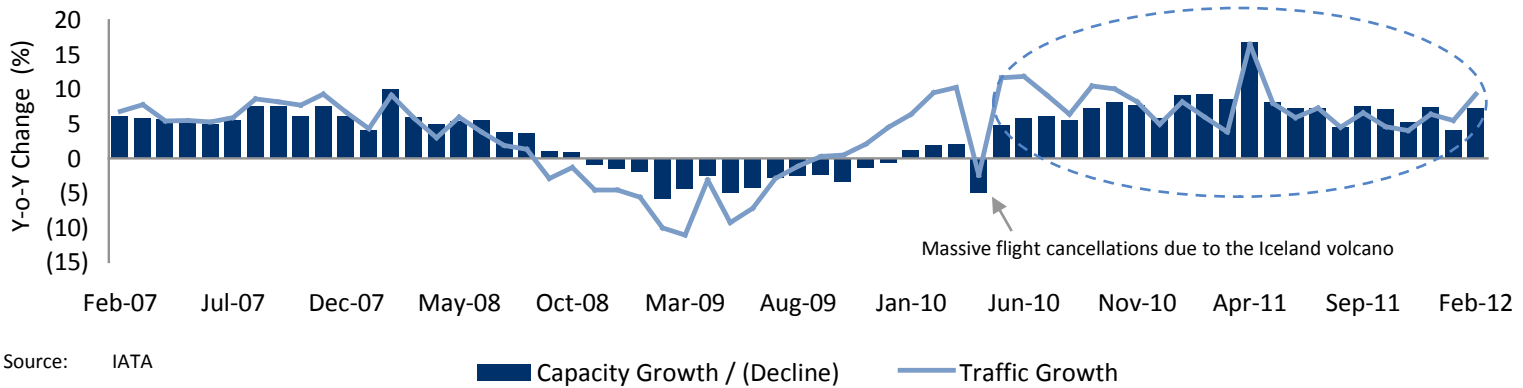


## Commercial Aircraft Build Rates



Source: Boeing & Airbus and Wall Street research

## Global Passenger Traffic and Capacity



Source: IATA

**Strong Upside from Favorable Commercial Aerospace Fundamentals**

# Strong Industrial, Natural Resources & Medical Electronics End Market Applications



- Industrial
  - Glass container EMS, test equipment, semiconductor fabrication units, welding products
  - Increased OEM outsourcing / broader applications
- Natural Resources
  - OFS equipment, mine automation & control systems, wind power and agricultural applications
  - Additional rigs entering market / new OFS investment
  - Increased demand in all segments
- Medical
  - Surgical systems, patient monitoring, respiratory care
  - Increased outsourcing, shift to specialist manufacturing

We expect the global oil services, industrial electronics and medical electronics market segments to grow 3%-6% over the next several years

# Summary of Key Company Strengths



# Significant Product Offerings Create Synergy Opportunities



## Integrated Electronic Assemblies



Wiring Harness



Temperature Control Interconnect Systems

## Display Systems / EMS Assemblies



Display Panels



Raytheon AESA Radar Rack

## Advanced Microwave Switches



Microwave Transfer Switch



Microwave Multi Position Switch

## High Performance Motors & Resolvers



Resolver

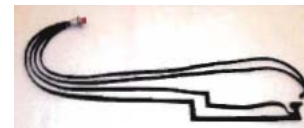


Stepper Motors

## Interconnect Systems



Multi-Branched Harness



High-Flexibility Molded Gimbal Cable

## PCB Assemblies



Military Radar Systems



Factory Automation

## Higher Level Assemblies



RF & Digital Assembly



Complex Wired Chassis

## Systems Integration



Quality Systems



Testing Capabilities

High Synergy Potential

# ...with Increased Content on Our Largest Program



## Expansion of Black Hawk Program

UH-60 Black Hawk



### DAS

- Firewalls
- Window assemblies
- Hellfire rack
- Door assemblies
- Erosion shields / leading edge for rotary wings
- Exhaust ducts

### DLT

- Overhead panel assemblies
- Circuit card assemblies and coaxial cables
- Cockpit and airframe harnesses

We continue to pursue additional growth opportunities leveraging both aerostructures and technologies capabilities

# Synergy Cost Savings Focus

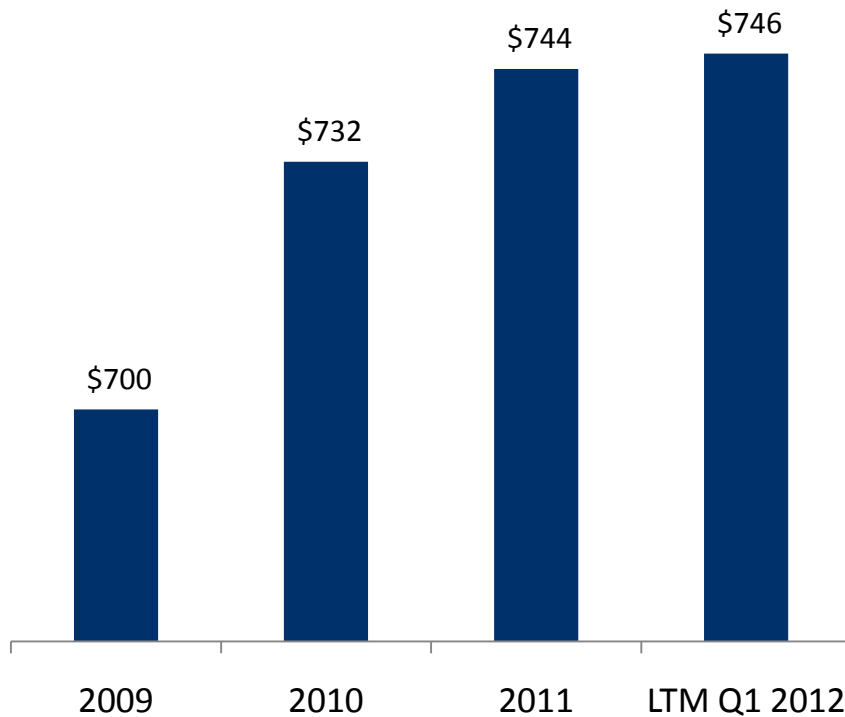


- Eliminate duplicate Corporate overhead
- Eliminate duplicate public company costs
- Eliminate operational redundancies
- Achieve supply chain savings

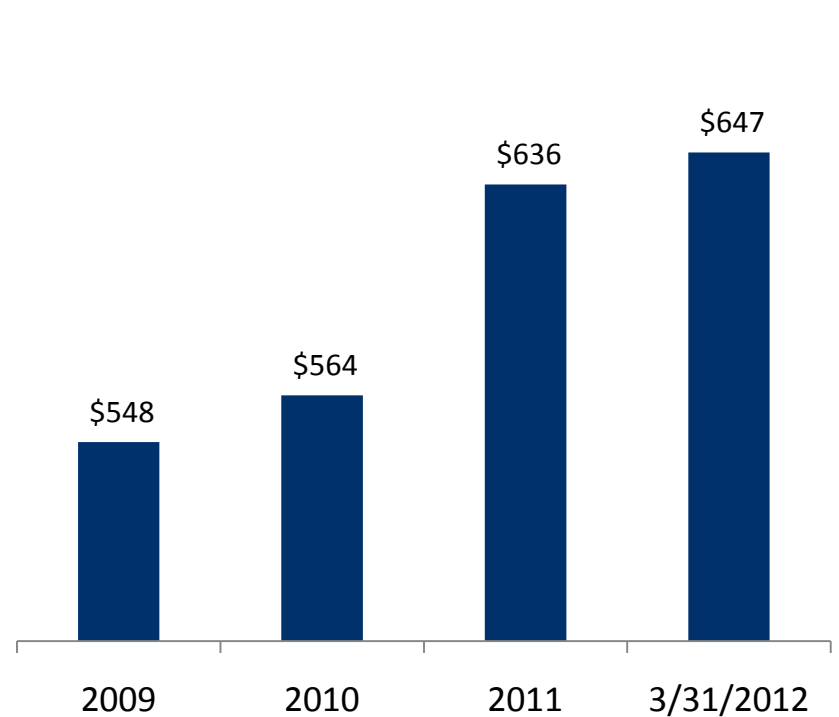
# Solid Revenue and Strong Backlog Foundation



Pro Forma Net Sales (\$mm)



Pro Forma Backlog (\$mm)



Note: Net sales and backlogs reflect combined results for the years ended December 31, 2009, 2010, 2011, and LTM Q1 2012

Pro forma combined companies have seen meaningful growth in order backlogs for the 12 months ended 3/31/12

# Pro Forma Capitalization



(\$ in millions)

	Adjusted Pro Forma (3/31/12)	Cap. (%)	Adjusted Cum. EBITDA Multiple		Amount / Multiple (x)
Cash	\$31.2				
New \$60 million Revolver <sup>(1)</sup>	–	–	–	LTM 3/31/2012 Adj. EBITDA <sup>(3)</sup>	\$86.5
New Term Loan B <sup>(1)</sup>	188.6	31.5%	2.2x	LTM CapEx	20.3
New Sr. Notes <sup>(2)</sup>	200.0	33.4%	4.5x	Pro forma interest <sup>(4)</sup>	32.8
Other	3.1	0.5%	4.5x	Adj. EBITDA / Pro forma interest	2.6x
Total Debt	\$391.7	65.4%	4.5x	(Adj. EBITDA – CapEx) / Pro forma interest	2.0x
Equity (Book Value)	207.3	34.6%			
<b>Total Capitalization</b>	<b>\$599.0</b>	<b>100.0%</b>			

Notes:

- (1) Sr. credit facility terms are L+4.25%, with a 1.25% LIBOR floor. Revolver unused at 3/31/12.
- (2) Sr. Notes issued at 9.75% due 2018.
- (3) See pro forma reconciliation of net income to Adjusted EBITDA in appendix.
- (4) Q1 2012 interest expense annualized

Goal to Reduce Leverage from Current 4.5x to 2.75-3.0x

# Free Cash Flow Plans For Debt Reduction



- Grow sales and operating income
- Improve working capital efficiency
- Focused capital expenditures
- Achieve cost synergies

# Sound Strategies for Profitable Growth



- Internal and External Customer Focus
- Leverage “One Ducommun” Platform
- Execute on Organic and External Growth Initiatives
- Build Brand Equity
- Build an Organization to Support Growth
- Realizing Synergy Benefits
- Drive Cash Flow



# Why Invest in Ducommun?

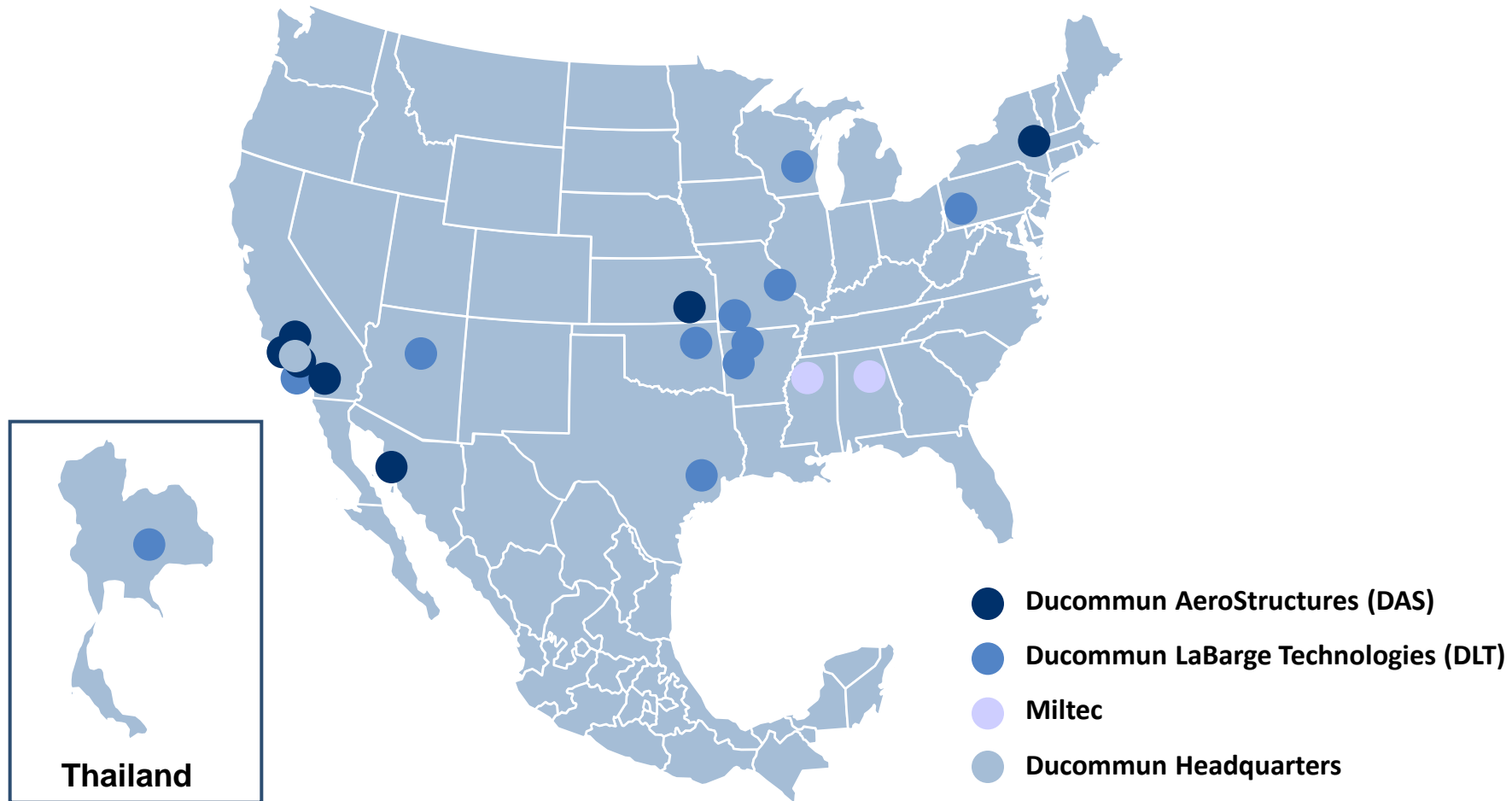


- Well positioned in large growing markets for both A&D and other key technology-driven applications
- Key growth drivers play to Ducommun's strengths
  - Steady increase anticipated in commercial air traffic
  - Recent positive developments in rate of large commercial aircraft builds for Boeing and Airbus
  - Customers consolidating supply base to companies with expanding capabilities
  - Growing electronics requirements
- Expanding backlogs
- Consistently strong cash flows



# Appendix

# Ducommun's Facilities Locations



Primarily US-Based with Access to Low-Cost Domiciles

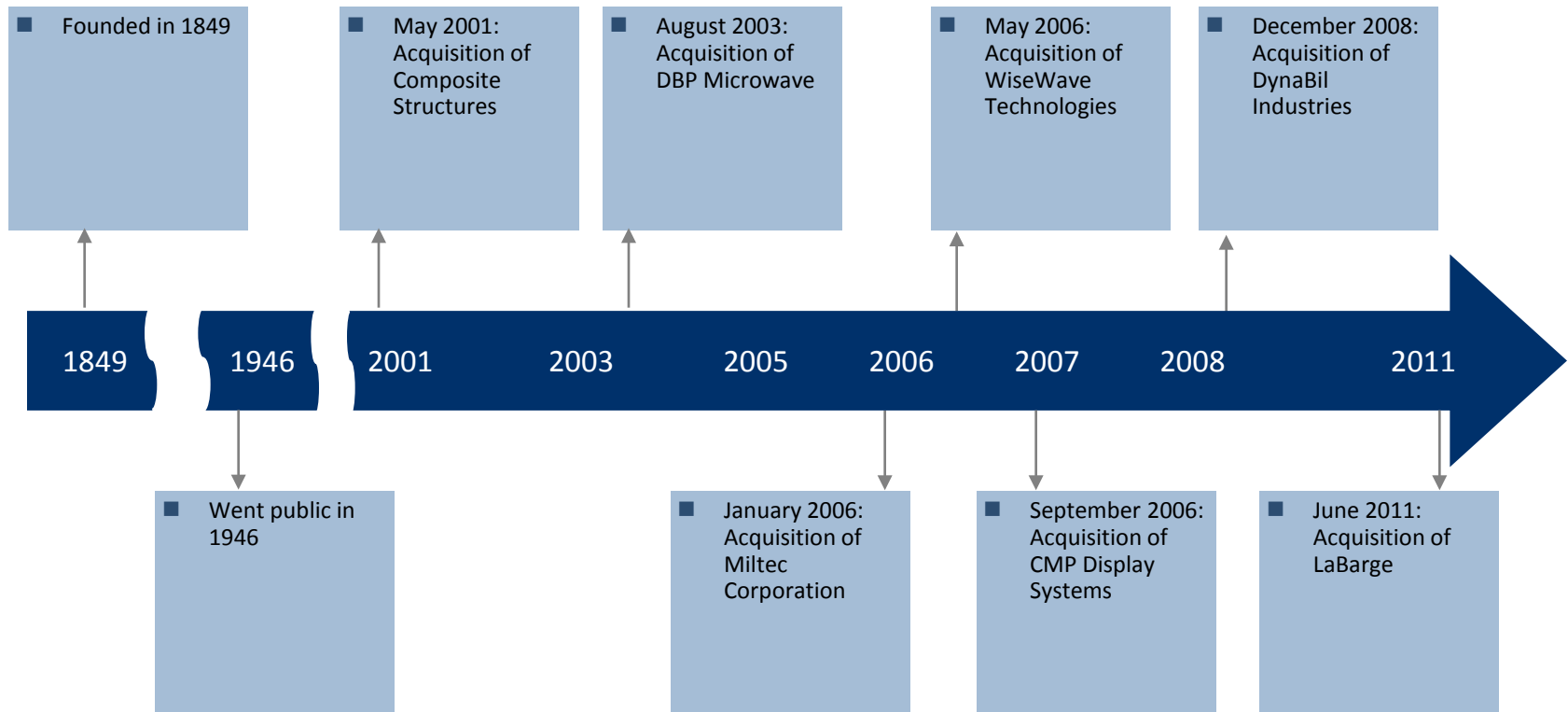
# Adjusted EBITDA Reconciliation: Pro Forma Combined for the Twelve Months Ended 3/31/12



(\$ in millions)

	<u>Pro Forma</u>
Net income	\$ (45.0)
Depreciation and amortization	26.8
Goodwill impairment	54.3
Interest expense, net	26.2
Income tax provision	(4.6)
Stock-based compensation	2.6
EBITDA	<u>60.3</u>
Inventory step-up write-off	2.4
Merger related transaction expenses	17.7
Merger related change in control comp exp	3.9
Pro forma cost savings	2.2
Consolidated EBITDA	<u>\$ 86.5</u>

# Ducommun: History of Successful Acquisitions







Established 1849

 Ducommun  
Incorporated

