Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2009

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
HAWKER BEECHCRAFT CORPORATION RETIREMENT INCOME PLAN FOR SALARIED EMPLOYEES

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 10/01/1955

2a Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
HAWKER BEECHCRAFT CORPORATION

10511 EAST CENTRAL
WICHITA, KS 67206-2557

2b Employer Identification Number (EIN)
48-0135770

2c Sponsor's telephone number
316-676-8496

2d Business code (see instructions)
336410

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2010	SHARAD B. JIWANLAL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2010	SHARAD B. JIWANLAL
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") HAWKER BEECHCRAFT CORPORATION 10511 EAST CENTRAL WICHITA, KS 67206-2557	**3b** Administrator's EIN 48-0135770 **3c** Administrator's telephone number 316-676-8496

4	If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:		**4b** EIN
a	Sponsor's name		**4c** PN
5	Total number of participants at the beginning of the plan year	**5**	6089
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	1854
b	Retired or separated participants receiving benefits	**6b**	1623
c	Other retired or separated participants entitled to future benefits	**6c**	2290
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	5767
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	242
f	Total. Add lines **6d** and **6e**	**6f**	6009
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	83
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1G

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)		**9b** Plan benefit arrangement (check all that apply)	
(1)	Insurance	**(1)**	Insurance
(2)	Code section 412(e)(3) insurance contracts	**(2)**	Code section 412(e)(3) insurance contracts
(3) X	Trust	**(3)** X	Trust
(4)	General assets of the sponsor	**(4)**	General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules		**b General Schedules**	
(1) X	**R** (Retirement Plan Information)	**(1)** X	**H** (Financial Information)
(2)	**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	**(2)**	**I** (Financial Information – Small Plan)
		(3)	___ **A** (Insurance Information)
		(4) X	**C** (Service Provider Information)
(3) X	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	**(5)** X	**D** (DFE/Participating Plan Information)
		(6)	**G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
HAWKER BEECHCRAFT CORPORATION RETIREMENT INCOME PLAN FOR SALARIED EMPLOYEES

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
HAWKER BEECHCRAFT CORPORATION

D Employer Identification Number (EIN)
48-0135770

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1	Enter the valuation date: Month 01 Day 01 Year 2009			
2	Assets:			
a	Market value	**2a**		299199679
b	Actuarial value	**2b**		329119647
3	Funding target/participant count breakdown		**(1)** Number of participants	**(2)** Funding Target
a	For retired participants and beneficiaries receiving payment	**3a**	1753	177460015
b	For terminated vested participants	**3b**	1982	37439345
c	For active participants:			
	(1) Non-vested benefits	**3c(1)**		9282643
	(2) Vested benefits	**3c(2)**		106355367
	(3) Total active	**3c(3)**	2354	115638010
d	Total	**3d**	6089	330537370
4	If the plan is at-risk, check the box and complete items (a) and (b) [ ]			
a	Funding target disregarding prescribed at-risk assumptions	**4a**		
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	**4b**		
5	Effective interest rate	**5**		8.15 %
6	Target normal cost	**6**		11292503

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Signature of actuary

Date
08-05452

MARK A. HENDRICKS, FSA, EA, MAAA

Type or print name of actuary

Most recent enrollment number
816-556-4800

MERCER

Firm name

Telephone number (including area code)

2405 GRAND BOULEVARD
KANSAS CITY, MO 64108

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	17012892	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	13947909	0
9	Amount remaining (Item 7 minus item 8)	3064983	0
10	Interest on item 9 using prior year's actual return of -20.92 %	-641194	
11	Prior year's excess contributions to be added to prefunding balance:		
	a Excess contributions (Item 38 from prior year)		0
	b Interest on (a) using prior year's effective rate of ____ %		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		0
12	Reduction in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12)	2423789	0

Part III Funding percentages

14	Funding target attainment percentage	14	98.84 %
15	Adjusted funding target attainment percentage	15	99.57 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	104.82 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
09/15/2010	12906000				
			Totals ► 18(b)	12906000	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	11292933

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment: %	2nd segment: %	3rd segment: %	[X] N/A, full yield curve used

b Applicable month (enter code) — **21b**: 2

22 Weighted average retirement age — **22**: 63

23 Mortality table(s) (see instructions) [ ] Prescribed - combined [X] Prescribed - separate [ ] Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. [X] Yes [ ] No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. [X] Yes [ ] No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. [X] Yes [ ] No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	**28**	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	**30**	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	**31**		11292503
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment		0	0
b Waiver amortization installment		0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**		
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33)	**34**		11292503

	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement	0	0	0

36 Additional cash requirement (item 34 minus item 35)	**36**	11292503
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	**37**	11292933
38 Interest-adjusted excess contributions for current year (see instructions)	**38**	430
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	**39**	0
40 Unpaid minimum required contribution for all years	**40**	0

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2009** **This Form is Open to Public Inspection.**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
HAWKER BEECHCRAFT CORPORATION RETIREMENT INCOME PLAN FOR SALARIED EMPLOYEES

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
HAWKER BEECHCRAFT CORPORATION

D Employer Identification Number (EIN)
48-0135770

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

MERCER

13-2834414

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	105156	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

WILSHIRE ASSOCIATES

95-2755360

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	80743	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

PRICEWATERHOUSECOOPERS LLP

13-4008324

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	27890	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN;
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN;
c	Position:	
d	Address:	**e** Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
HAWKER BEECHCRAFT CORPORATION RETIREMENT INCOME PLAN FOR SALARIED EMPLOYEES

B Three-digit plan number (PN) ▶ 002

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
HAWKER BEECHCRAFT CORPORATION

D Employer Identification Number (EIN)
48-0135770

Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: HAWKER BEECHCRAFT CORP DB MASTER TR

b Name of sponsor of entity listed in (a): THE BANK OF NEW YORK MELLON

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
13-5160382-001	M	329301966

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
HAWKER BEECHCRAFT CORPORATION RETIREMENT INCOME PLAN FOR SALARIED EMPLOYEES

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
HAWKER BEECHCRAFT CORPORATION

D Employer Identification Number (EIN)
48-0135770

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		12906000
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	978492	1117703
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	299108892	329301966
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	300087384	343325669
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h	25433	7730
i Acquisition indebtedness	1i		
j Other liabilities	1j	202357	
k Total liabilities (add all amounts in lines 1g through1j)	1k	227790	7730
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	299859594	343317939

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	12906000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		12906000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

			(a) Amount	(b) Total
2b	(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)		
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
	(6) Net investment gain (loss) from common/collective trusts	2b(6)		
	(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
	(8) Net investment gain (loss) from master trust investment accounts	2b(8)		52627132
	(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
	(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c	Other income	2c		
d	Total income. Add all **income** amounts in column (b) and enter total	2d		65533132
	Expenses			
e	Benefit payment and payments to provide benefits:			
	(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	22866144	
	(2) To insurance carriers for the provision of benefits	2e(2)		
	(3) Other	2e(3)		
	(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		22866144
f	Corrective distributions (see instructions)	2f		
g	Certain deemed distributions of participant loans (see instructions)	2g		
h	Interest expense	2h		
i	Administrative expenses: (1) Professional fees	2i(1)		
	(2) Contract administrator fees	2i(2)		
	(3) Investment advisory and management fees	2i(3)		
	(4) Other	2i(4)	601645	
	(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		601645
j	Total expenses. Add all **expense** amounts in column (b) and enter total	2j		23467789
	Net Income and Reconciliation			
k	Net income (loss). Subtract line 2j from line 2d	2k		42065343
l	Transfers of assets:			
	(1) To this plan	2l(1)		1393002
	(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PRICEWATERHOUSECOOPERS LLC **(2)** EIN: 13-4008324

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		20000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X	
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
HAWKER BEECHCRAFT CORPORATION RETIREMENT INCOME PLAN FOR SALARIED EMPLOYEES

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
HAWKER BEECHCRAFT CORPORATION

D Employer Identification Number (EIN)
48-0135770

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 13-5160382

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3** 3

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☒ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: 16% Investment-Grade Debt: 14% High-Yield Debt: _____% Real Estate: _____% Other: 70%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☒ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☒ Modified duration ☐ Other (specify):

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
800 Market Street
St. Louis MO 63101-2695
Telephone (314) 206 8500
Facsimile (314) 206 8514

Report of Independent Auditors

To the Participants and Administrator of
Hawker Beechcraft Corporation Retirement Income
Plan for Salaried Employees

We were engaged to audit the financial statements and supplemental schedules of the Hawker Beechcraft Corporation Retirement Income Plan for Salaried Employees (the "Plan") at December 31, 2009 and 2008 and for the years then ended, as listed in the accompanying index. These financial statements and schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Mellon Bank, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2009 and 2008 and for the years then ended, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and schedules taken as a whole. The form and content of the information included in the financial statements and schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

PricewaterhouseCoopers LLP

October 14, 2010

Schedule SB, Line 21b – Explanation of Discount Rate Applicable Month Discrepancy

The full yield curve with an applicable look-back month of November 2008 was used to value funding liabilities as of January 1, 2009.

The applicable month has not been entered here due to restrictions within the EFAST2 system which did not allow for an entry in line 21b if the “N/A, full yield curve used” option was selected in line 21a. Since the applicable month was the second month preceding the month including the valuation date (November 2008), “2” would have been entered in line 21b had the system allowed an entry.

Line 21b was completed on the pdf attachment of the Schedule SB.

Schedule SB, Line 22 – Description of weighted average retirement age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire each potential retirement age is shown below. The average retirement age is 63.

(A) Retirement age	(B) Retirement percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	5.00%	1000.00	50.00	2750.00
56	2.50%	950.00	23.75	1330.00
57	2.50%	926.25	23.16	1319.91
58	2.50%	903.09	22.58	1309.49
59	5.00%	880.52	44.03	2597.52
60	7.00%	836.49	58.55	3513.26
61	4.00%	777.94	31.12	1898.16
62	25.00%	746.82	186.70	11575.69
63	15.00%	560.11	84.02	5293.08
64	15.00%	476.10	71.41	4570.53
65	60.00%	404.68	242.81	15782.61
66	50.00%	161.87	80.94	5341.81
67	50.00%	80.94	40.47	2711.37
68	50.00%	40.47	20.23	1375.92
69	50.00%	20.23	10.12	698.08
70	100.00%	10.12	10.12	708.19
Total			1,000.00	62,775.63
Average				62.78

Schedule SB, Part V – Statement of actuarial assumptions/methods

Asset methods

We used financial data submitted by the trustee as of January 1, 2009 without further audit. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and we have no reason to doubt its substantial accuracy.

The asset valuation method is an annual average of the adjusted market value over the last 6 months preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant methods

We used the participant data supplied by the plan sponsor. We have reviewed the data and have no reason to doubt its substantial accuracy. Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date.
- **Insurance contracts:** The plan does not have any insurance contracts.
- **Disabled participants:** The liabilities for participants on long-term disability have been included with the liabilities for terminated vested participants
- **Transferred participants:** The liabilities for employees who have transferred into another plan of the plan sponsor have been included with the liabilities for terminated vested participants.

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Minimum funding method

Target liability for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **accrued liability** is the present value of benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **normal cost** is the present value of the benefit deemed to accrue in the plan year. If multiple decrements are used, the accrued liability and the normal cost for an individual are the sum of the component accrued liabilities and normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual normal costs, and the plan's **funding target liability** is the sum of the accrued liabilities for all participants under the plan.

Maximum deductible contribution method

Calculations of maximum deductible contributions include the excess of the accrued liability computed using the projected unit credit method over the minimum funding target liability. The objective of the projected unit credit method is to fund each participant's benefits under the plan as they accrue, taking into consideration future compensation [benefit] increases. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **projected accrued liability** is the present value of benefits based on credited service as of the beginning of the plan year and projected compensation [benefit] that would be used in the calculation of the benefit on each expected separation date. If multiple decrements are used, the accrued liability for an individual is the sum of the component accrued liabilities associated with the various anticipated separation dates.
- The plan's **projected funding target liability** is the sum of the projected accrued liabilities for all participants under the plan.

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

The following assumptions were used in valuing the liabilities and benefits under the plan.

Discount rate elections	Full yield curve at November 1, 2008.
Mortality elections	
▪ Healthy participants	Static annuitant and non-annuitant tables prescribed by the Pension Protection Act of 2006.
▪ Pre-1995 disabilities	Revenue Ruling 96-7 table for participants who became disabled before 1995.
▪ Post-1994 disabilities	Revenue Ruling 96-7 table for participants who became disabled after 1994.
417(e) lump sums	
▪ Annuity substitution	Not applicable.
▪ Generational mortality option	Not applicable.
▪ Phase-in option	Not applicable.
Other economic assumptions	
▪ Salary increases	4.50% per year.
▪ Flat-dollar benefit increases	Not applicable.
▪ Social Security wage base	3.75% per year.
▪ Inflation	3.00% per year.
▪ Expenses	0.2% of Market Value of Assets.
Demographic assumptions	
▪ Withdrawal	See table of sample rates.
▪ Disability incidence	See table of sample rates.

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Retirement age

Attained age	Rate
Under 55	0%
55	5.0%
56	2.5%
57	2.5%
58	2.5%
59	5.0%
60	7.0%
61	4.0%
62	25.0%
63	15.0%
64	15.0%
65	60.0%
66	50.0%
67	50.0%
68	50.0%
69	50.0%
70	100.0%

Benefit commencement age for	
▪ Future vested deferred	65
▪ Current vested deferred	65

Spouse assumptions	**Male participants**	**Female participants**
▪ Percentage married	85.00%	75.00%
▪ Spouse age difference	3 years younger	3 years older

Form of payment	**Single life**	**50% J&S**
▪ Active retirements	50%	50%
▪ Future vested deferred	50%	50%
▪ Future disabilities	100%	0%
▪ Future deaths	100%	0%
▪ Current vested deferred	50%	50%

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Table of Sample Rates

		Disability incidence	
Attained age	**Withdrawal**	**Male**	**Female**
20	27.0%	0.03%	0.03%
25	27.0	0.04	0.05
30	23.0	0.05	0.08
35	18.0	0.07	0.14
40	10.5	0.12	0.21
45	4.5	0.20	0.32
50	4.5	0.36	0.53
55	1.1	0.72	0.95
60	1.1	1.26	1.16
65	0.0	1.75	1.36
70	0.0	0.00	0.00

As further allowance for heavy turnover in the early years of employment, the following additional turnover is based on years of service:

Service	Percent Terminating
1	3.5%
2	3.0%
3	2.5%
4	2.0%
5	1.5%

Schedule SB, Part V – Summary of plan provisions

Benefits included or excluded

Unless noted below, all benefits provided by the plan are included in this valuation.

- **Plan amendments:** Amendments adopted after the valuation date or effective after the current plan year are excluded from the valuation.
- **Scheduled benefit increases:** Scheduled benefit increases effective after the end of the current plan year are excluded from minimum funding requirements.
- **Late retirement increases:**
  - *Active participants:* The plan provides benefit suspension notices to participants who work beyond normal retirement; therefore, late retirement actuarial increases only apply to participants who defer retirement beyond age 70 ½. This valuation does not include increases for current participants over age 70.
  - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued without considering the late retirement actuarial increase as it is immaterial.
- **Shutdown benefits:** We are not aware of any corporate actions that would create shutdown benefits; therefore, they are excluded.
- **IRC Section 415(b):** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **Benefit restrictions:** Benefit restrictions (if applicable) are ignored in this valuation.

Significant events

To the best of our knowledge, no events occurred during the year that would significantly affect the valuation results.

Schedule SB, Part V – Summary of plan provisions *(continued)*

Following is a summary of the major plan provisions used to determine the plan's financial position. It should not be used in determining plan benefits.

Effective date and plan year	Original plan: October 1, 1955 Restated plan: January 1, 2007 Plan year: 2009
Most recent amendment	Last amended effective as of January 1, 2009.
Definitions	
▪ Participation	Age 21 and one year of service. No person who first performs an hour of service on or after January 1, 2007 is eligible.
▪ Employee contributions	None
▪ Annual Benefit	Accrued benefit payable at age 65, or as early as age 55 reduced 5/9% for each of the first 60 months and 5/18% for each additional month that the first payment date precedes Normal Retirement Date.
▪ Final average earnings	Annualized average of earnings during highest 60 consecutive months out of last 120 months. "Earnings" include base pay, cost of living adjustments, bonus, commissions, discretionary and productivity awards, unbankable sick leave, area pay and shift differentials, but may not exceed the compensation limit as specified in the section 401(a)(17) of the Internal Revenue Code.

Schedule SB, Part V – Summary of plan provisions *(continued)*

Normal retirement	
▪ Eligibility	Age 65 and five years of service.
▪ Benefit	The greatest of: ▪ 1.8% for the first 20 years of Membership plus 1.2% for the next 29 years multiplied by the excess of Final Average Earnings over the primary social security benefit, with a maximum adjustment for Social Security of 60%. ▪ For Raytheon employees who became participants prior to January 1, 1989, 1.2% of Final Average Earnings multiplied by service, but not to exceed 60% of Final Average Earnings less 50% of the Primary Social Security benefit. ▪ The dollar credit in effect for bargaining unit employees under the Hawker Beechcraft Corporation Retirement Income Plan for Hourly-Paid employees (currently $516) multiplied by service. Benefits may not exceed the maximum benefit limit as specified in Section 415 of the Internal Revenue Code.
Early retirement	
▪ Eligibility	Age 55 and 5 years of service.
▪ Benefit	Accrued benefit reduced 5/12% for each month that the first payment date precedes age 62.
Late retirement	
▪ Eligibility	5 years of service.
▪ Benefit	Benefit will continue to accrue until retirement.
Deferred vested	
▪ Eligibility	5 years of service.
▪ Benefit	Accrued benefit payable at age 65, or as early as age 55 reduced 5/9% for each of the first 60 months and 5/18% for each additional month that the first payment date precedes Normal Retirement Date.

Schedule SB, Part V – Summary of plan provisions *(continued)*

Disability	
▪ Eligibility	Termination due to total and permanent disability as required for Social Security disability benefits.
▪ Benefit	1.2% of Final Average Earnings times service, but not to exceed 60% of Final Average Earnings less 50% of the Primary Social Security benefit, commencing: ▪ If disability is work connected, after absence of two months. ▪ If disability is not work connected and participant has at least 10 years of vesting service, after absence of six months.
Pre-retirement death	
▪ Eligibility	5 years of service.
▪ Benefit prior to early retirement	Surviving Spouse Benefit equal to the amount payable to the member's spouse as if the member had survived to early retirement age, retired early, elected a 50% Joint and Survivor Annuity and then died. Benefit commences on the first of the month following the date the member would have been eligible to retire early and is payable for lifetime of spouse.
▪ Benefit after early but before normal retirement	See Form of Retirement Benefit below.
▪ Benefit after normal retirement	See Form of Retirement Benefit below.
Form of benefits	
▪ Automatic form for unmarried participants	Standard form is life annuity.
▪ Automatic form for married participants	Standard form is life annuity.
▪ Optional forms	Optional forms are available with an actuarial reduction.
▪ Actuarial equivalence for optional forms	For purposes of determining an optional form of benefit payment (other than a lump sum) the following factors are used: (a) Rate of interest: 7% (b) Mortality: The 1971 Group Annuity Mortality Table, male rates, with ages of the participant set back one year and ages of the spouse or joint annuitant set back five years.

Schedule SB, Part V – Summary of plan provisions *(continued)*

Special Provisions	
▪ Eligibility	For salaried employees of Hangar One, Inc. on December 31, 1987.
▪ Annual Benefit	For periods of service to December 31, 1987, a benefit based on the prior plan formula.
Miscellaneous	
▪ Changes since the prior valuation	The compensation limitation under IRC Section 401(1)(17) increased from $230,000 for 2008 to $245,000 for 2009. Also, the benefit limitation under IRS Section 415(b) increased from $185,000 for 2008to $195,000 for 2009. The plan was amended to increase the minimum benefit rate to $51 per month per year of service effective January 1, 2009.

Schedule SB, Line 24 – Change in actuarial assumptions

Beginning with the 2009 valuation, expected administrative expenses are added to the target normal cost.

Schedule SB, Line 25 – Change in method

The actuarial value of assets changed from market value to a 6-month average adjusted market value.

The plan sponsor election for the funding interest rate changed from a full yield curve with no look-back to a full yield curve with a 2 month look-back.

Schedule SB, Line 26 – Schedule of active participant data

Attained Age	Years of credited service										
	0-1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
< 25	1	19									20
25-29	3	96 52,747	28 62,711								127
30-34	10	74 54,371	73 63,931	18							175
35-39	11	91 58,520	83 73,873	75 76,636	3						263
40-44	7	74 61,753	93 65,618	95 80,787	19	2					290
45-49	12	67 72,964	95 73,330	130 75,942	54 83,254	30 118,697	6	1			395
50-54	5	64 77,448	97 66,857	152 80,029	85 76,164	49 110,257	30 125,903	4			486
55-59	2	31 69,653	48 64,517	113 71,685	83 66,912	36 95,735	21	15	1		350
60-64	3	11	28 70,692	54 69,022	45 62,151	32 96,030	13	12	4		202
65-69		2	7	12	5	5	2	3	5		41
70+					4					1	5
Total	54	529	552	649	298	154	72	35	10	1	2,354

In each cell, the top number is the count of active participants for each age/service combination. The lower number is the average compensation of the active participants in that group.

Compensation shown in the above exhibit is based on pensionable compensation and is limited to $230,000.

In accordance with Schedule SB instructions, average compensation is not shown for cells with fewer than 20 participants.

SCHEDULE SB (Form 5500)	Single-Employer Defined Benefit Plan Actuarial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	2009 This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan	B Three-digit plan number (PN) ▶	
Hawker Beechcraft Corporation Retirement Income Plan for Salaried Ees		002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF	**D** Employer Identification Number (EIN)	
Hawker Beechcraft Corporation	48-0135770	

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2009

2	Assets:			
	a Market value		**2a**	299,199,679
	b Actuarial value		**2b**	329,119,647
3	Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	**3a**	1,753	177,460,015
	b For terminated vested participants	**3b**	1,982	37,439,345
	c For active participants:			
	(1) Non-vested benefits	**3c(1)**		9,282,643
	(2) Vested benefits	**3c(2)**		106,355,367
	(3) Total active	**3c(3)**	2,354	115,638,010
	d Total	**3d**	6,089	330,537,370
4	If the plan is at-risk, check the box and complete items (a) and (b) [ ]			
	a Funding target disregarding prescribed at-risk assumptions		**4a**	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor		**4b**	
5	Effective interest rate		**5**	8.15 %
6	Target normal cost		**6**	11,292,503

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	MARK A. HENDRICKS MAH	10-11-2010
	Signature of actuary	Date
Mark A. Hendricks, FSA, EA, MAAA		08-05452
Type or print name of actuary		Most recent enrollment number
Mercer		(816)556-4800
Firm name		Telephone number (including area code)
2405 Grand Boulevard		
Kansas City	MO 64108	
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	17,012,892	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	13,947,909	0
9	Amount remaining (Item 7 minus item 8)	3,064,983	0
10	Interest on item 9 using prior year's actual return of (20.92)%	(641,194)	
11	Prior year's excess contributions to be added to prefunding balance:		
	a Excess contributions (Item 38 from prior year)		0
	b Interest on (a) using prior year's effective rate of _____%		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		0
12	Reduction in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	2,423,789	0

Part III Funding percentages

14	Funding target attainment percentage	14	98.83 %
15	Adjusted funding target attainment percentage	15	99.57 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	104.82 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
09/15/2010	12,906,000				
			Totals ► 18(b)	12,906,000	18(c) 0

19	Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contribution from prior years	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	11,292,933

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment: %	2nd segment: %	3rd segment: %	[X] N/A, full yield curve used

b Applicable month (enter code) — **21b**: 2

22 Weighted average retirement age — **22**: 63

23 Mortality table(s) (see instructions) [ ] Prescribed - combined [X] Prescribed - separate [ ] Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. [X] Yes [ ] No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. [X] Yes [ ] No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment [X] Yes [ ] No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment — **27**:

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years — **28**:

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a) — **29**: 0

30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29) — **30**: 0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions) — **31**: 11,292,503

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount —

34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33) — **34**: 11,292,503

	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement	0	0	0

36 Additional cash requirement (item 34 minus item 35) — **36**: 11,292,503

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c) — **37**: 11,292,933

38 Interest-adjusted excess contributions for current year (see instructions) — **38**: 430

39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37) — **39**: 0

40 Unpaid minimum required contribution for all years — **40**: 0

Hawker Beechcraft Corporation Retirement Income Plan for Salaried Employees

Financial Statements
December 31, 2009 and 2008

Hawker Beechcraft Corporation
Retirement Income Plan for Salaried Employees
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The supplemental schedules to the Plan's Form 5500 are not required since the Plan's assets are held in a Master Trust. Accordingly, the plan administrator must file detailed financial information for the Master Trust, including the supplemental schedules, separately with the Department of Labor.

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
800 Market Street
St. Louis MO 63101-2695
Telephone (314) 206 8500
Facsimile (314) 206 8514

Report of Independent Auditors

To the Participants and Administrator of
Hawker Beechcraft Corporation Retirement Income
Plan for Salaried Employees

We were engaged to audit the financial statements and supplemental schedules of the Hawker Beechcraft Corporation Retirement Income Plan for Salaried Employees (the "Plan") at December 31, 2009 and 2008 and for the years then ended, as listed in the accompanying index. These financial statements and schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Mellon Bank, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2009 and 2008 and for the years then ended, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and schedules taken as a whole. The form and content of the information included in the financial statements and schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

PricewaterhouseCoopers LLP

October 14, 2010

Hawker Beechcraft Corporation
Retirement Income Plan for Salaried Employees
Statements of Net Assets Available for Benefits
December 31, 2009 and 2008

	2009	2008
Assets		
Investments, at fair value		
Plan's interest in Hawker Beechcraft Master Trust	$ 329,301,966	$ 299,108,892
Receivable for employer contribution	12,906,000	-
Receivable from Raytheon Company Pension Plan for Salaried Employees	1,117,703	-
Receivable from Hawker Beechcraft Corporation Retirement Income Plan for Hourly Paid Employees (a related party)	-	821,688
Receivable from Hawker Beechcraft Corporation Base Retirement Income Plan (a related party)	-	156,804
Total assets	343,325,669	300,087,384
Liabilities		
Accounts payable and accrued expenses	7,730	25,433
Payable to Hawker Beechcraft Corporation Retirement Income Plan for Hourly Paid Employees (a related party)	-	148,586
Payable to Hawker Beechcraft Corporation Base Retirement Income Plan (a related party)	-	53,771
Total liabilities	7,730	227,790
Net assets available for benefits	$ 343,317,939	$ 299,859,594

The accompanying notes are an integral part of these financial statements.

Hawker Beechcraft Corporation
Retirement Income Plan for Salaried Employees
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2009 and 2008

	2009	2008
Additions		
Plan's interest in Hawker Beechcraft Master Trust investment gain	$ 52,627,132	$ -
Employer contributions	12,906,000	-
Transfers from other plans		
Raytheon Company Pension Plan for Salaried Employees	1,117,703	-
Hawker Beechcraft Corporation Base Retirement Income Plan (a related party)	275,299	-
	66,926,134	-
Deductions		
Plan's interest in Hawker Beechcraft Master Trust investment loss	-	81,921,702
Benefits paid to participants	22,866,144	21,228,775
Administrative expenses	601,645	453,604
	23,467,789	103,604,081
Net increase (decrease) in net assets available for benefits	43,458,345	(103,604,081)
Net assets available for benefits		
Beginning of year	299,859,594	403,463,675
End of year	$ 343,317,939	$ 299,859,594

The accompanying notes are an integral part of these financial statements.

1. Plan Description

General

The Hawker Beechcraft Corporation Retirement Income Plan for Salaried Employees (the "Plan") is a noncontributory defined benefit pension plan covering substantially all salaried exempt and salaried non-exempt (effective January 1, 1994) employees ("Salaried" employees or "Participants") of Hawker Beechcraft Corporation, Hawker Beechcraft Services, Inc., RAPID Aircraft Parts Inventory and Distribution, LLC and Travel Air Insurance Company, Ltd (collectively, the "Companies") hired prior to January 1, 2007. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Participants should refer to the plan agreement for more complete information.

Eligibility

Prior to December 31, 1989, all salaried exempt employees were eligible to participate in the Plan. A salaried employee hired after December 31, 1989 must complete one year of service to participate in the Plan. A Salaried employee hired after July 31, 1993 must attain the age of 21 and complete one year of service to participate in the Plan. Any employee hired or rehired on or after January 1, 2007 is not eligible to participate in the Plan.

Pension Benefits

Participants with five or more years of vested service are entitled to monthly income pension benefits beginning at normal retirement age (65) equal to accrued benefits, which is the greatest of:

(1) The difference between final average monthly salary (average compensation for the 60 highest consecutive calendar months within the last 120 months of credited service) and primary Social Security multiplied by the product of 1.8% times the first 20 years of credited service plus 1.2% times the next 29 years (24 years prior to January 1, 1988) of credited service with a maximum adjustment for Social Security of 60%, or;

(2) For employees who became participants before January 1, 1988, 1.2% of final average monthly salary (average compensation for the 60 highest consecutive calendar months within the last 120 months of credited service) multiplied by credited service, but not to exceed 60% of final average monthly salary less 50% of the estimated primary Social Security adjustment, or;

(3) The minimum benefit of one of the following:

   a. For a salaried employee who was a plan participant on August 1, 1975, the sum of the following:

      i. A base benefit of $9.00 per year of credited service through August 1, 1975, plus $7.00 per year of credited service after that date; and

      ii. A supplemental benefit equal to 1.2% of base monthly salary in excess of $350 on October 1, 1959 multiplied by credited service through that date, plus 1.2% of average base monthly salary over years of credited service after October 1, 1959 in excess of $350 multiplied by credited service after that date.

b. Effective August 1, 1983, the monthly dollar credit for terminations or retirements is as follows:

Termination Period	Dollar Credit
8/1/83 through 8/4/85	$ 13.00
8/5/85 through 8/3/86	14.00
8/4/86 through 8/2/87	15.00
8/3/87 through 8/5/90	18.00
8/6/90 through 8/1/93	22.00
8/2/93 through 8/4/96	26.00
8/5/96 through 8/3/97	28.00
8/4/97 through 8/2/98	29.00
8/3/98 through 8/1/99	31.00
8/2/99 through 8/6/00	32.00
8/7/00 through 8/5/01	33.00
8/6/01 through 8/4/02	38.00
8/5/02 through 8/3/03	39.00
8/4/03 through 8/1/04	40.00
8/2/04 through 7/31/05	41.00
8/1/05 through 8/6/06	42.00
8/7/06 through 8/5/07	43.00
8/6/07 through 12/31/08	44.00
On or after 1/1/09	51.00

(4) The Plan permits early retirement with a reduced benefit after age 55 for participants with 5 years of credited service and with unreduced benefits after age 62 with 5 years of credited service. If participants terminate before rendering 5 years of vesting service, they forfeit the right to receive their portion of accumulated plan benefits. The normal form of a benefit payment is a life annuity. If a participant is married and retirement-eligible at the time of death, a reduced survivorship benefit is payable to the participant's spouse in an amount equal to 50% of the monthly pension the participant would have been entitled to receive. Other options are available upon prior election.

(5) Annual earnings in excess of $245,000, adjusted annually for changes in the cost of living as provided in Section 401(a)(17) of the Internal Revenue Code, are not eligible when determining benefits under the Plan.

Disability Benefits
Active participants terminated due to total and permanent disability who are not covered by the Companies' long-term disability plan receive a monthly income equal to the accrued benefit commencing: (1) on first day of month after determination of disability following a period of absence of a least two months, if disability is work-related; (2) at normal retirement date, if disability is not work-related and participant has less than 10 years of vesting service; or (3) first day of seventh month following disability, if disability is not work-related, but participant has at least 10 years of vesting service. For participants making voluntary contributions under the Companies' long-term disability plan, the participant shall continue to earn credited service while disabled. Final average monthly salary shall be determined assuming compensation at disability continues to normal retirement date. Effective January 1, 2002, approval for disability retirement is subject to the participant being approved for Social Security disability benefits.

2. Summary of Significant Accounting Policies

Basis of Presentation
The accompanying financial statements are prepared on the accrual basis of accounting, with the exception of benefit payments, which are recorded when paid.

Investment Valuation and Income Recognition
The Plan's interest in the Hawker Beechcraft Master Trust (the "Master Trust") is stated at fair value. Net investment income (loss) from the Master Trust is allocated proportionately on a monthly basis based on the Plan's interest in the Master Trust. See Note 6 for additional information.

Contributions
Employer contributions are funded and recorded as determined by actuarial computations.

Plan Transfers
Transfers in and out consist of funds transferred between the Hawker Beechcraft Corporation Retirement Income Plan for Salaried Employees, the Hawker Beechcraft Corporation Retirement Income Plan for Hourly Paid Employees and the Hawker Beechcraft Corporation Base Retirement Income Plan due to participants who retire from one plan and also have service in another.

Benefit Payments
Benefit payments to participants are recorded when paid.

Administrative Expenses
Expenses specifically related to the Plan are included in the statement of changes in net assets available for benefits under "Administrative expenses." Expenses and accruals for expenses paid directly by the Master Trust are included in the statement of changes in net assets available for benefits under "Hawker Beechcraft Master Trust investment gain" and "Hawker Beechcraft Master Trust investment loss" for the periods ending December 31, 2009 and 2008, respectively.

Use of Estimates

The preparation of the Plan's financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make significant estimates and assumptions that affect the reported amounts of net assets available for plan benefits at the date of the financial statements, the actuarial present value of accumulated plan benefits as of the benefit information date, the changes in net assets available for plan benefits during the reporting period and, when applicable, the disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In June 2009, the FASB issued FAS No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles — a replacement of FASB Statement No. 162* ("FAS 168"). FAS 168 establishes the FASB Accounting Standards Codification ("ASC") as the single source of authoritative GAAP recognized by the FASB with the exception of guidance provided by the SEC for public companies. Under the new accounting principles framework, if guidance for a transaction or event is not specified within a source of authoritative GAAP, the Plan must first consider accounting principles for similar transactions or events within a source of authoritative GAAP and then consider nonauthoritative guidance from other sources. Though the ASC is not intended to change existing GAAP, any effect of applying the standard will be accounted for as a change in accounting principle or correction of an error depending on the facts and circumstances. FAS 168 was first effective for the Plan's year ending December 31, 2009. The Plan has removed all other references to legacy accounting standards and has adopted a plain English approach to disclosures regarding accounting guidance. The Plan expects no other changes to its financial statements as the result of the ASC. Changes to the ASC, representing new or amended accounting and disclosure guidance, will be communicated in the form of an Accounting Standards Update ("ASU"). Although ASUs will update the ASC, they are not considered authoritative in their own right.

In April 2009, the FASB issued FASB Staff Position ("FSP") No. FAS 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly* ("FSP FAS 157-4"). This FSP amends Statement of Financial Accounting Standards ("FAS") No. 157, *Fair Value Measurements* ("FAS 157") and supersedes FSP No. FAS 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset is Not Active* ("FSP FAS 157-3"). (All of the aforementioned pronouncements were incorporated into ASC 820, *Fair Value Measurements and Disclosures*, upon issuance of the Accounting Standards Codification). According to the FSP, an entity should consider several factors to determine whether there has been a significant decrease in the volume and level of activity for the asset or liability when compared with normal market activity for the asset or liability including price quotations not based on current information, few number of recent transactions, and price quotations varying substantially among market makers to name a few. If an entity concludes, based on the weight of the evidence, there has been a significant decrease in volume and level of activity then transactions or quoted prices may not be determinative of fair value, thus requiring further analysis to determine whether the prices are based on orderly transactions. The FSP lists several factors to consider in making this assessment as well, including the existence of a usual and customary marketing period, the seller being in or near bankruptcy or forced to sell to meet regulatory or legal requirements, and the transaction price appearing as an outlier when compared with other recent transactions. Based on the available evidence, an entity must determine whether or not a transaction is orderly. The weight placed on a transaction price when estimating fair value is based on this determination as well as the sufficiency of information available to make the determination. The FSP reaffirms the need to use judgment when determining if a price is

determinative of fair value, considering all facts and circumstances including the nature of a quote (binding offer or an indicative price), whether or not the price includes an appropriate risk premium that a market participant would demand, and considering the use of a different valuation technique or multiple valuation techniques. In addition to the accounting guidance, the FSP also amends fair value disclosure requirements to require in interim periods the disclosure of the inputs and valuation techniques used to measure fair value and any changes in inputs and techniques during the period. The FSP also requires that the fair value disclosures be presented for debt and equity securities by major security type, based on the nature and risks of the security. FSP FAS 157-4 was effective for the Plan year ended December 31, 2009. The FSP did not have a significant impact on the valuation of the Plan's assets or liabilities. Refer to Note 6 of the financial statements for a discussion of the Plan's valuation techniques.

For the year ending December 31, 2009, the Plan adopted the Financial Accounting Standards Board's ("FASB") update to general standards on accounting for disclosures of events that occur after the balance sheet date but before the financial statements are issued or are available to be issued. The adoption of this guidance did not materiality impact the Plan's financial statements. See Note 11, Subsequent Events, for further discussion of subsequent events.

Accounting Standards Issued But Not Yet Effective
In January 2010, the FASB issued ASU No. 2010-06, *Fair Value Measurements and Disclosures* (Topic 820) ("ASU 2010-06") which requires new disclosures and clarifies existing disclosures required under current fair value guidance. Under the new guidance, a reporting entity must disclose separately gross transfers in and gross transfers out of Levels 1, 2, and 3 and describe the reasons for the transfers. A reporting entity must also disclose and consistently follow its policy for determining when transfers between levels are recognized. The new guidance also requires separate presentation of purchases, sales, issuances, and settlements rather than net presentation in the Level 3 reconciliation. ASU 2010-06 also requires that the fair values of derivative assets and liabilities be presented on a gross basis except for the Level 3 reconciliation which may be presented on a net or a gross basis. The ASU also makes clear the appropriate level of disaggregation for fair value disclosures, which is generally by class of assets and liabilities, as well as clarifies the requirement to provide disclosures about valuation techniques and inputs for both recurring and nonrecurring fair value measurements that fall under Level 2 or Level 3. The new disclosure requirements will be effective for the Plan year ending December 31, 2010 with the exception of the requirement to separately disclose purchases, sales, issuances, and settlements which will be effective for the Plan year ending December 31, 2011. The Plan will incorporate the required disclosures into 2010 fair value footnote but has not yet decided whether or not it will early adopt the 2011 requirements as permitted under the guidance.

Risks and Uncertainties
Contributions to the Plan are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements. See Note 6 for additional information with respect to investment risk.

3. Actuarial Present Value of Accumulated Pension Plan Benefits

Accumulated plan benefits are those future periodic payments that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of deceased employees, and (c) active employees or their beneficiaries. Benefits are based principally upon years of service and compensation. Benefits payable under all circumstances - retirement, death, and termination of employment - are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Companies' consulting actuaries, Mercer Human Resource Consulting, and is the amount which results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements for death, withdrawal, or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuation as of January 1, 2009 are as follows:

Discount rate	• 7.75% compounded annually for the present value of accumulated plan benefits
Assumed rate of return on investments for accumulated benefits	• 7.75%
Mortality basis	• For pre-retirement mortality: RP-2000 Mortality Table for males and females, without adjustment for collar or employee/annuitant distinction, projected to 2010 • For post-retirement mortality: blended table of 50% RP-2000 Mortality Tables for males and females without adjustment for collar or employee/annuitant distinction, projected to 2010, and 50% company experience
Retirement age	• Participants are assumed to retire at varying frequencies from age 55 (5% frequency) to age 70 (100% frequency) with the greatest frequency at age 65 (60% frequency).

Termination

- Rates as follows for vested and nonvested termination:

Age	Percent
20	27.0%
25	27.0%
30	23.0%
35	18.0%
40	10.5%
45	4.5%
50	4.5%
55	1.1%
60	1.1%
65 and over	0.0%

- As a further allowance for heavy turnover in the early years of employment, the following additional turnover is based on years of service:

Service	Percent Terminating
1	3.5%
2	3.0%
3	2.5%
4	2.0%
5	1.5%

There have been changes in plan provisions and actuarial assumptions since the last actuarial valuation on December 31, 2008 as described below:

Plan Changes
The compensation limitation under IRC Section 401(a)(17) increased from $230,000 for 2008 to $245,000 for 2009. Also, the benefit limitation under IRS Section 415(b) increased from $185,000 for 2008 to $195,000 for 2009.

As of December 31, 2009, the most recent valuation date, the actuarial present value of accumulated plan benefits is as follows:

Vested benefits	
Participants currently receiving payments	$ 203,365,049
Terminated vested participants	55,528,684
Active participants	90,898,730
	349,792,463
Nonvested benefits	8,362,787
Total actuarial present value of accumulated plan benefits	$ 358,155,250

The following is an analysis of changes in the present value of accumulated plan benefits:

Actuarial present value of accumulated plan benefits as of December 31, 2008	$ 343,037,585
Increase (decrease) during the year attributed to	
Benefits accumulated	12,284,459
Interest on prior liability	25,699,350
Benefits paid	(22,866,144)
Net increase	15,117,665
Actuarial present value of accumulated plan benefits as of December 31, 2009	$ 358,155,250

4. Funding Policy

The Companies' funding policy is to make contributions to the Plan in amounts that will fund the pension cost accrued each year (using the methodology established for government contract pricing), which is the sum of the normal cost plus the amount(s) required to amortize: (1) any change in the unfunded actuarial accrued liability due to changes in the Plan over 30 years, and (2) any change in the unfunded actuarial accrued liability due to changes in actuarial assumptions or methods and actuarial gains and losses arising after 1975 over 15 years, plus interest on the preceding items to the date contributions are made. However, the contribution will not be less than the minimum required contribution nor greater than the maximum tax-deductible contribution. A contribution of $12,906,000 was made in September 2010 to meet the minimum funding requirement for the year ended December 31, 2009. No funding was required for the year ended December 31, 2008.

Although they have not expressed any intention to do so, the Companies have the right under the Plan to discontinue their contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

5. Summary of Information Certified by the Trustee

The following is a summary of the information certified as complete and accurate by Mellon Bank, N.A. (the "Trustee") as of and for the years ended December 31, 2009 and 2008, respectively.

The Plan's interest in Master Trust net assets certified by the Trustee ("Certified") does not include accrued expenses of $325,080 and $90,787 at December 31, 2009 and 2008, respectively, which are included in the statement of net assets available for benefits. The Plan's Certified interest in the Hawker Beechcraft Master Trust investment gain does not include $325,080 and $90,787 of accrued expenses recognized on the statement of changes in net assets available for benefits for the year ended December 31, 2009 and 2008, respectively.

	2009	2008
Investments at fair value		
Plan's interest in Master Trust net assets		
Hawker Beechcraft Master Trust	$ 329,627,047	$ 299,199,679
Changes in net assets		
Plan's interest in Master Trust net investment income (loss)		
Hawker Beechcraft Master Trust	$ 52,861,426	$ (82,007,861)

6. Master Trust

Summary Financial Information

The Plan's assets are held in the Master Trust, which was established for the investment of assets of the Plan and other Company-sponsored defined benefit plans. The assets of the Master Trust are held by the Trustee. The Pension Committee, appointed by the Company, periodically reviews the asset allocation and performance of the investments held in the Master Trust. The Pension Committee permits asset diversification to include a combination of cash, private equities, common and preferred stock, fixed income securities, foreign fixed income securities, real estate, and other investments such as repurchase agreement, reverse repurchase agreements, forwards, and futures.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

At December 31, 2009 and 2008, the Plan owned approximately 48% of the fair value of the Master Trust's net assets. The Companies have obtained certifications from the Trustee, excluding partnerships/joint ventures, as of and for the years ended December 31, 2009 and 2008, that the information for the Master Trust is complete and accurate. The total net assets of the Master Trust at December 31, 2009 and 2008 were:

	2009	2008
Assets		
Investments at fair market value as determined by quoted market prices		
Cash and cash equivalents	$ 5,080,758	$ 21,641,084
Equity securities	383,941,492	364,971,497
Fixed income securities	270,794,295	253,817,302
Preferred securities	-	1,403,596
Balanced funds	51,195,629	49,122,871
Futures contracts	(239,258)	-
Convertible securities	85,044	-
	710,857,960	690,956,350
Investments at estimated fair market value		
Private equity securities	2,883,740	10,691,397
Total investments at fair market value	713,741,700	701,647,747
Interest and dividends receivable	2,267,725	1,123,734
Receivable for securities sold	2,941,222	5,130,724
Receivable for forward foreign currency contracts	4,365,496	98,672
Cash on deposit with brokers	214,759	-
Total assets	723,530,902	708,000,877
Liabilities		
Payable for securities lending collateral	20,703,077	67,312,905
Payable for forward foreign currency contracts	4,368,722	155,318
Payable for securities purchased	14,447,491	21,860,187
Interest and dividends payable	11,122	9,091
Accrued management investment expenses	674,565	187,722
Total liabilities	40,204,977	89,525,223
Master Trust net assets	$ 683,325,925	$ 618,475,654
Plan's interest in Master Trust	$ 329,301,966	$ 299,108,892

The following table is a summary of the investment earnings and the net appreciation (depreciation) in the fair market value of the Master Trust for the years ended December 31, 2009 and 2008:

	2009	2008
Net (depreciation) appreciation in fair value of investments		
Stocks and bonds	$ 38,013,049	$ (73,214,338)
Common/collective trusts	72,606,733	(99,928,971)
Pooled separate accounts and investment entities	-	(69,432)
Options and contracts	238,495	(222,852)
Other investments	410,149	(1,041,759)
	111,268,426	(174,477,352)
Net (depreciation) appreciation in estimated fair value of investments		
Partnership/joint venture interest (not certified by the trustee)	(8,378,636)	(2,079,374)
Return of capital adjustments	(247)	(5,696)
	(8,378,883)	(2,085,070)
Interest	5,057,079	5,676,700
Dividends	2,589,233	3,774,233
Other	887,054	1,421,965
Subtotal Master Trust investment income (loss)	111,422,909	(165,689,524)
Total expenses	2,357,164	3,328,770
Total Master Trust net investment income (loss)	$ 109,065,745	$ (169,018,294)
Portion allocated to the Plan	$ 52,627,132	$ (81,921,702)

Valuation Policy
Effective January 1, 2008, the Master Trust adopted the provisions of ASC 820. ASC 820 defines fair value, establishes a framework for measuring fair value and requires expanded disclosures regarding fair value measurements.

ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into the following three broad categories:

Level 1 Inputs – Quoted prices for identical assets and liabilities in active markets.

Level 2 Inputs – Quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; observable inputs other than quoted prices; and inputs that are derived principally from or corroborated by other observable market data.

Level 3 Inputs – Unobservable inputs reflecting the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability.

The following tables present the Plan's assets measured at fair value on a recurring basis:

	December 31, 2009			
	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 194,971	$ 4,885,787	$ -	$ 5,080,758
Convertible securities	-	85,044	-	85,044
Equity securities	383,941,492	-	-	383,941,492
Fixed income securities	17,825,225	252,969,070	-	270,794,295
Futures contracts	(239,258)	-	-	(239,258)
Private equity securities	-	-	2,883,740	2,883,740
Balanced funds	-	51,195,629	-	51,195,629
	$ 401,722,430	$ 309,135,530	$ 2,883,740	$ 713,741,700

	December 31, 2008			
	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ -	$ 21,641,084	$ -	$ 21,641,084
Equity securities	364,971,497	-	-	364,971,497
Fixed income securities	16,113,225	237,704,077	-	253,817,302
Preferred securities	1,317,281	86,315	-	1,403,596
Private equity securities	-	-	10,691,397	10,691,397
Balanced funds	-	49,122,871	-	49,122,871
	$ 382,402,003	$ 308,554,347	$ 10,691,397	$ 701,647,747

The following is a description of the valuation methodologies used for assets measured at fair value:

- Cash equivalents are valued at cost, which, due to their short maturities, approximates fair value.
- Investments in equity securities (common and preferred) and equity securities sold short are valued at the last reported sales price. If no sales are reported for that day, the equity securities are valued at the more recent of the last published sale price or the mean between the last reported bid and asked prices, or at fair value as determined in good faith by the Trustee.
- Investments in fixed income securities (U.S. government, domestic and foreign bonds) are valued by a pricing service based upon market transactions at fair value as determined in good faith by the Trustee.
- Investments denominated in foreign currencies are translated into U.S. dollars using the last reported exchange rate.
- Common/collective trusts, pooled separate accounts, registered investment companies and 103-12 funds are valued at their last reported net asset values.

- Investments in separate accounts are equity security portfolios valued at their last reported net asset values.
- Investments in real estate are valued based on yearly independent appraised values.
- Investments in limited partnerships and joint ventures are valued at estimated fair value based on quarterly financial information received from the investment advisor and/or general partner.
- Securities and other assets for which market quotations are not readably available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value as determined in accordance with procedures approved by the Investment Committee of the Plan.
- Valuation policies for derivatives investments are disclosed in the "Derivative Policy" paragraph.

The table below summarizes the changes in Level 3 investment assets for the years ended December 31, 2009 and 2008:

	2009 Private Equity Securities	2008 Private Equity Securities
Balance, beginning of year	$ 10,691,397	$ -
Acquisitions	570,979	12,770,771
Unrealized gain (loss)	(8,378,636)	(2,079,374)
Balance, end of year	$ 2,883,740	$ 10,691,397

Investment Income (Loss)
The Trustee maintains separate records of each plan's proportionate share in the Master Trust's investment accounts. The Plan's share of investment income (loss) and net appreciation (depreciation) in the fair value of investments of the Master Trust is included in the statement of changes in net assets available for plan benefits as Master Trust investment income (loss). The net appreciation (depreciation) in the fair value of investments consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Under the Master Trust's agreement, each plan's assets are jointly invested. The Plan uses the unit participation method to calculate the Plan's interest in the Master Trust. Under this method, contributions made to and benefits paid from the Master Trust result in increases or decreases in units of participation. All of each of the Master Trust's income or loss results in a change in unit value.

Dividends are recorded on the ex-dividend date, and interest income is accrued as earned. All security transactions are recorded on the trade date. Premiums and discounts on debt securities are amortized to maturity. Dividend expense for securities sold short is recorded on the ex-dividend date. Gains or losses on sales of securities are based on average cost.

Investments Sold Short
The Master Trust may enter into dollar roll transactions. A dollar roll transaction may involve the sale of securities by the Master Trust with an agreement by the Master Trust to repurchase substantially similar securities at an agreed date and price. An example of a dollar roll occurs when the Master Trust enters a forward commitment to purchase a security and, instead of accepting delivery, the position is offset by a sale of the security with a simultaneous agreement to repurchase the security in the future. During the period between the sale and repurchase, the Master Trust will not be entitled to accrue interest and/or receive principal payments on the securities sold. The Master Trust is compensated by the difference between the current sales price and the lower forward price of the future purchase (often referred to as the "drop"), which is reported as interest income, as well as by the interest earned on the cash proceeds of the initial sale. Dollar roll transactions involve the risk that the market value of the securities sold by the Master Trust may decline below the repurchase price of those securities. In the event the buyer of the securities under a dollar roll transaction files for bankruptcy or becomes insolvent, the Master Trust's use of proceeds of the transaction may be restricted pending a determination by or with respect to the other party.

The Master Trust may sell a security it does not own in anticipation of a decline in the fair value of that security or as part of its core investment strategy. The Master Trust, in "selling short," sells borrowed securities that must at some date be repurchased and returned to the lender. The risk associated with this practice is that if the market value of the securities sold short increases, the Master Trust may realize losses upon repurchase at prices which may exceed the proceeds received from the sale of the security. Further, in unusual circumstances, the Master Trust may be unable to purchase securities to close its short positions. The Master Trust is obligated to pay a prime broker interest based on the value of the securities sold short and any dividends declared on the securities sold short. Such fees and dividends are recorded on the accrual basis as an expense to the Master Trust.

The Master Trust utilizes leverage to achieve its objective by combining short sales transactions with repurchase agreements. The concept of leveraging is based on the premise that the Master Trust cost of borrowing will be at rates that normally will be lower than the rate of return earned on the longer term investments it holds. While the use of leverage may increase the returns to the Master Trust, the use of leverage also increases the risk of loss to the Master Trust because the claims of the lenders to the Master Trust on assets and income of the Master Trust will be senior to the claims of participants.

At December 31, 2009 and 2008, the Hawker Beechcraft Corporation Master Trust had no liabilities for securities sold short.

Repurchase Agreements
The Master Trust may lend extra cash or cash on deposit at brokers in connection with short sales transactions (see the "Investments Sold Short" section) through the use of repurchase agreements whereby the Master Trust agrees to purchase and automatically agrees to sell certain securities at a mutually-agreed date and price. At the same time the counterparty to this agreement agrees to pledge some of its securities. The underlying collateral securities consist of securities in which the Master Trust is permitted to invest. In the case of repurchase agreements used to lend extra cash, the Master Trust values the underlying collateral securities daily on a mark-to-market basis to determine that the value, including accrued interest, is at least equal to the repurchase price. If the seller defaults as a result of its bankruptcy or otherwise, and the value of the collateral declines, realization of the collateral by the Master Trust may be delayed or limited.

In the case of repurchase agreements used to invest cash on deposit at brokers in connection with short sales transactions, the collateral is marked to market daily, and the increase or decrease in fair market value of the collateral offset the increase or decrease in fair market value of the securities sold short.

As of December 31, 2009 and 2008, the Hawker Beechcraft Corporation Master Trust did not invest in repurchase agreements.

Reverse Repurchase Agreements
The Master Trust may borrow through the use of reverse repurchase agreements whereby the Master Trust agrees to sell and simultaneously agrees to repurchase certain securities at a mutually-agreed date and price. At the time the Master Trust enters into a reverse repurchase agreement, it is required to pledge securities subject to repurchase. The sale of these securities is not recorded, and the Master Trust agrees to later repay the amount borrowed plus interest. Should the securities' value decline below the repurchase price, the Master Trust may be obligated to pledge additional collateral to the lender in the form of cash or securities.

The Master Trust utilizes leverage to achieve its objective by using reverse repurchase agreements. The concept of leveraging is based on the premise that the Master Trust's cost of borrowing will be at rates that normally will be lower than the rate of return earned on the longer term investments it holds. While the use of leverage may increase the returns to the Master Trust, the use of leverage also increases the risk of loss to the Master Trust because the claims of the lenders to the Master Trust on assets and income of the Master Trust will be senior to the claims of participants.

Reverse repurchase agreements involve the risk that the market value of the securities purchased with the proceeds from the sale of securities subject to the reverse repurchase agreements may decline below the amount the Master Trust is obligated to pay to repurchase these securities. The risk in borrowing, as with any extension of credit, consists of the possible delay in the recovery of securities or possible loss of rights to the collateral should the counter party fail financially. Additionally, there is the risk that the expense associated with the transaction may be greater than the income earned from the investment of the proceeds.

As of December 31, 2009 and 2008, the Hawker Beechcraft Corporation Master Trust had no reverse repurchase agreements pledged as collateral.

Securities Lending Program
The Master Trust participates in a securities lending program with the Trustee. The program allows the Trustee to loan securities, which are assets of the Master Trust, to approved brokers (the "Borrowers"). The Trustee requires Borrowers, pursuant to a security loan agreement, to deliver collateral to secure each loan. The collateral required is 102% of the fair value of U.S. securities borrowed at time of loan inception and 105% for non-U.S. securities borrowed. The Master Trust bears the risk of loss with respect to the unfavorable change in fair value of the invested cash collateral. However, the Borrower bears the risk of loss related to the decrease in the fair value of the securities collateral and, therefore, will have to deliver additional securities to maintain the required collateral. In the event of default by the Borrower, the Trustee shall indemnify the Master Trust by purchasing replacement securities equal to the number of unreturned loaned securities or, if replacement securities are not able to be purchased, the Trustee shall credit the Master Trust for the market value of the unreturned securities. In each case, the Trustee would apply the proceeds from the collateral for such a loan to make the Master Trust whole.

The market value of the securities on loan to Borrowers at December 31, 2009 and 2008 was $19,989,114 and $64,594,255, respectively. Cash collateral of $20,703,077 and $67,312,905 was received for securities on loan at December 31, 2009 and 2008, respectively, and was invested in an overnight repo pool and the EB Enhanced Pool, respectively which are funds affiliated to the Trustee. Noncash collateral of $36,510 received for securities on loan at December 31, 2008 consisted of U.S. Treasury notes and bonds, equities, letters of credit, sovereign debt, and supernational debt held by the Trustee on behalf of the Master Trust. A portion of the income generated upon investment of cash collateral is remitted to the Borrowers, and the remainder is allocated between the Master Trust and the Trustee in its capacity as a security agent. Securities lending income allocated to the Master Trust amounted to $178,545 and $806,160 for 2009 and 2008, respectively. Security lending income allocated to the Trustee amounted to $59,499 and $268,681 for 2009 and 2008, respectively.

Derivative Policy
The Master Trust enters into contractual arrangements classified as derivatives in carrying out its investment strategy, principally to: (1) hedge a portion of the Master Trust's portfolio to limit or minimize exposure to certain risks, (2) gain exposure to a market more rapidly or less expensively than could be accomplished through the use of the cash markets, and (3) increase investment returns by reducing the cost of structuring the portfolio or by capturing value disparities between financial instruments. The Master Trust utilizes both exchange-traded investment instruments such as equity and interest rate futures, options on futures, over-the-counter ("OTC") options, and forward exchange contracts. Select major financial institutions are used in derivatives transactions. When engaging in OTC and forward exchange contracts, there is exposure to credit loss in the event of nonperformance by the counterparties to these transactions. The Master Trust manages this exposure through credit approvals, limits, monitoring procedures, and to the extent possible, by restricting the period over which unpaid balances are allowed to accumulate. Procedures are in place at the Trustee to regularly monitor and report market and counterparty credit risks associated with these instruments. The Master Trust does not anticipate nonperformance by counterparties to these contracts, and no material loss would be expected from any such nonperformance.

The following is a summary of the significant accounting policies associated with the Master Trust's use of derivatives:

Forward Foreign Currency Exchange Contracts
A forward foreign currency exchange contract ("forward currency contract") is a commitment to purchase or sell a foreign currency at a future settlement date and at a negotiated rate.

Forward currency contracts are utilized to hedge a portion of the currency exposure that results from the Master Trust's holdings of equity and fixed income securities denominated in foreign currencies. In 2009 and 2008, the Master Trust typically hedged more than half of the foreign currency exposure of the portfolio invested in the mature foreign markets. It did not hedge its exposure when the stocks or bonds were denominated in the currency of an emerging market country.

Forward currency contracts are marked-to-market at the prevailing forward exchange rate of the underlying currencies, and the difference between contract value and market value is recorded as unrealized appreciation (depreciation) in Master Trust net assets. When the forward currency contract is closed, the Master Trust transfers the unrealized appreciation (depreciation) to a realized gain (loss) equal to the change in the value of the forward currency contract when it was opened and the value at the time it was closed or offset. Sales and purchases of forward currency contracts having the same settlement date and broker are offset, and any gain (loss) is realized on the date of offset.

Certain risks may arise upon entering into a forward currency contract from the potential inability of counterparties to meet the terms of their contracts. Additionally, when utilizing forward currency contracts to hedge, the Master Trust gives up the opportunity to profit from favorable exchange rate movements during the term of the contract.

The amount of unrealized appreciation (depreciation) in net assets included in the Hawker Beechcraft Master Trust at December 31, 2009 and 2008 was immaterial.

Future Contracts
A future contract is a contractual agreement to make or take delivery of a standardized quantity of a specified grade or type of commodity or financial instrument at a specified future date in accordance with terms specified by a regulated future exchange.

The Master Trust uses equity index, fixed income, cash and cash equivalents, and commodities future contracts to manage exposure to the market. Buying futures tends to increase the Master Trust's exposure to the underlying instrument. Selling futures tends to decrease the Master Trust's exposure to the underlying instrument held or to hedge the fair value of other fund investments. The Master Trust does not employ leverage in its use of futures; thus, cash balances are maintained at a level at least equal to the contract value of the futures.

Future contracts are valued at the last settlement price at the end of each day on the exchange upon which they are traded. Upon entering into a future contract, the Master Trust is required to deposit either in cash or securities an amount equal to a certain percentage of the nominal value of the contract ("initial margin"). Pursuant to the future contract, the Master Trust agrees to receive from, or pay to, the broker an amount of cash equal to the daily fluctuation in the value of the future contract. Such receipts or payments are known as "variation margin," which are settled daily and are included in the realized gains (losses) on future contracts. The Master Trust will record a variation margin receivable or payable in the Master Trust net assets for variation margins that have not yet been paid at the end of the year.

Future contracts involve, to varying degrees, credit and market risks. The Master Trust enters into future contracts on exchanges where the exchange acts as the counterparty to the transaction. Thus, credit risk on such transactions is limited to the failure of the exchange. The daily settlement on the future contracts serves to greatly reduce credit risk. Losses in value may arise from changes in the value of the underlying instrument or if there is an illiquid secondary market for the contracts. In addition, there is the risk that there may not be an exact correlation between a future contract and the underlying index or security.

At December 31, 2008, the Master Trust pledged U.S. government bonds of $36,510 as collateral for futures held. No pledges of assets as collateral for futures held existed at December 31, 2009.

Options

An option contract is a contract in which the writer of the option grants the buyer of the option the right to purchase from ("call option"), or sell to ("put option"), the writer a designated instrument at a specified price within a specified period of time. Certain options, including options on indices, will require cash settlement by the Master Trust if the option is exercised. The Master Trust may enter into put or call option contracts: 1) in order to hedge against potential adverse price movements in the value of the portfolio assets; 2) as a temporary substitute for selling selected investments; 3) to lock in the purchase price of a security or currency it expects to purchase in the near future; 4) as a temporary substitute for the purchase of selected investments; 5) and to enhance potential gain. The Master Trust does not employ leverage in its use of options; thus, cash balances are maintained at a level at least equal to the underlying index exposure of the option contracts.

When the Master Trust purchases or writes an option, an amount equal to the premium paid or received by the Master Trust is recorded as an asset or liability and is subsequently adjusted to the current market value of the option purchased or written. Options purchased or written are valued at the last sale price or, in the absence of a sale, the mean between the closing bid and ask prices or at the most recent ask price (bid for purchased options) if no bid and ask prices are available. Over-the-counter purchased or written options are valued using dealer-supplied quotations. Gain and loss is recognized when the option contract expires or is closed.

If the Master Trust writes a covered call option, the Master Trust foregoes, in exchange for the premium, the opportunity to profit during the option period from an increase in the value of the underlying security above the exercise price. If the Master Trust writes a put option, it accepts the risk of a decline in the value of the underlying security below the exercise price. Over-the-counter options have a risk of the potential inability of counterparties to meet the terms of their contracts. The Master Trust's maximum exposure to purchased options is limited to the premium initially paid. In addition, certain risks may arise upon entering into option contracts prior to the expiration date, and a change in value of the option contract may not correlate exactly with changes in the value of the securities or currencies hedged.

As of December 31, 2009 and 2008, the Master Trust did not invest in options.

Swaps

The Master Trust may invest in interest rate swap contracts. The Master Trust uses interest rate swap contracts to manage its exposure to interest rates. Interest rate swap contracts entered into by the Master Trust typically represent the exchange by the Master Trust with a counterparty of a commitment to make variable rate and fixed rate payments with respect to a notional amount of principal. Such contracts may have a term of one to ten years, but typically require periodic interim settlement in cash, at which time both the value of the index or security and the specified interest rate are reset for the next settlement period. During the period that the swap contract is open, the contract is marked-to-market as the net amount due to or from the Master Trust in accordance with the terms of the contract based on the closing level of the relevant index or security and interest accrual through the valuation date. Changes in the value of the swap contract are recorded as unrealized gains or losses, while periodic cash settlements are recorded as realized gains or losses.

The Master Trust may also invest in credit default swaps. Credit default swap contracts entered into by the Master Trust typically represent the exchange by the Master Trust with a counterparty of a commitment to provide a level of credit protection for a commitment to receive interest at a fixed rate based on the potential risk of default of the relevant underlying issuer. Providing credit protection to a counterparty tends to increase the Master Trust's exposure to the underlying instrument. Receiving credit protection from a counterparty tends to decrease the Master Trust's exposure to the underlying instrument held by the Master Trust or to hedge the fair value of other Master Trust investments. Such contracts may have a term of one to ten years, but typically require periodic interim settlement in cash. During the period that the credit default swap contract is open, the contract is marked-to-market in accordance with the terms of the contract based on the current interest rate spreads and credit risk of the referenced obligation of the underlying issuer and interest accrual through the valuation date. Changes in the value of the credit default swap contract are recorded as unrealized gains or losses, while periodic cash settlements are recorded as realized gains or losses.

Entering into a swap contract involves, to varying degrees, elements of credit, market and interest rate risk in excess of the amounts reported in the statement of net assets available for benefits. Notional principal amounts are used to express the extent of involvement in the transactions, but are not delivered under the contract. Accordingly, credit risk is limited to any amounts receivable from the counterparty. To reduce credit risk from potential counterparty default, the Master Trust enters into swap contracts with counterparties whose creditworthiness has been approved by the Trustee of the Master Trust. The Master Trust bears the market risk arising from any change in index or security values or interest rates.

At December 31, 2009 and 2008, the Master Trust did not invest in swaps.

7. Termination Policies

The Companies have not expressed any intent to terminate the Plan or discontinue its contributions. However, in the event the Plan is discontinued:

a. The assets comprising the Plan, including the net income (loss) of the Plan, shall be revalued at market by the Trustee.

b. The Plan provides that the net assets of the Plan shall be allocated among the participants and beneficiaries of the Plan in the order provided by ERISA.

c. To the extent unfunded vested benefits exist, ERISA provides that such benefits are payable by the Pension Benefit Guaranty Corporation ("PBGC") to participants, up to specified limitations, as described in ERISA.

Whether all participants receive their full or partial benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated plan benefit obligations, and may also depend on the financial condition of the plan sponsor and the level of benefits guaranteed by the PBGC.

The Companies may terminate the Plan in whole or in part at any time. This summary of termination priorities is provided for general information purposes only. Participants should refer to the plan document for more information.

8. Party-in-Interest Transaction

The Plan's investments are managed by The Bank of New York Mellon. Transactions with the Trustee qualify as party-in-interest transactions. The Plan incurred no Trustee expenses directly related to the Plan for the years ended December 31, 2009 and 2008. The Plan was allocated approximately $1,137,395 and $1,613,426 in 2009 and 2008, respectively, of trustee expenses paid directly by the Master Trust to the Trustee. The expenses and accrued expenses paid by the Master Trust are included in the Plan's interest in the Master Trust investment gain. As of December 31, 2009 and 2008, $325,080 and $90,787 of trustee expenses were accrued, respectively. The balance of $683,325,925 and $618,475,654 held in the Master Trust at December 31, 2009 and 2008 was 100% invested in Trustee-managed accounts.

The Plan may also have certain payables to other plans and receivables from other plans under the Master Trust. Transactions with other plans qualify as party-in-interest transactions and are separately stated on the statement of net assets available for benefits.

Hawker Beechcraft, Inc. provides certain facilities and administrative services relating to the operation of the Plan at no cost. These costs are immaterial to the Plan.

9. Tax Status

The Internal Revenue Service has determined and informed the Company by letter dated July 8, 2003 that the design of the Plan meets the requirements for qualification under Code section 401(a), on which the tax exemption of the related trust under Section 501(a) is based. The Plan has been amended since receiving the determination letter. The plan administrator and the Company's benefits counsel believe that the current design and operation of the Plan are consistent with continued qualification of the Plan and exemption of the related trust.

10. Reconciliation of Financial Statements to Form 5500

The transfers from Raytheon Company Pension Plan for Salaried Employees and from the Hawker Beechcraft Corporation Base Retirement Income Plan are included in the Form 5500 as reconciling items to net income to compute the net increase in net assets available for benefits. There are no reconciling items between the net assets available for benefits or the increase in net assets available for benefits per the financial statements and the Form 5500.

11. Subsequent Events

Management has evaluated the events and transactions that have occurred through October 14, 2010, the date the financial statements were available to be issued, and noted no items requiring adjustment of the financial statements or additional disclosures.