

Gulfstream

A GENERAL DYNAMICS COMPANY

Interiores Aéreos, S. A. de C. V
Boulevard Lázaro Cárdenas # 2385 Col. Calles
21397 Mexicali, Baja California

Overview

Gulfstream Mexicali, Interiores Aéreos, S.A. de C.V., is located in Mexicali, Baja California, México. The 335,000-square-foot manufacturing facility is a part of Savannah, GA – based Gulfstream Aerospace. Respect for people, continuous improvement, and exceeding customer expectations are key parts of our vision. The application of lean tools and philosophies started in 2002 when

our major focus on world-class manufacturing began. Some 1,100 team members make up four business units fabricating electrical wire harnesses, sheet-metal details, assemblies, and machined parts. The plant supplies components for the Gulfstream G150, G200, G450, G550 and G650 business jets.

Achievements

Environmental Health and Safety

- Certified under ISO14001 and OHSAS 18001
- Average TCIR of less than 0.3 since 2005
- 73% of total waste recycled in 2008
- Use simulation software to detect ergonomic risks and apply corrective action to protect team members.

Quality

- More than 10,000 poka yoke implementations since 2007
- On Error Training (OET) process used to detect and correct defects at the source
- Each external defect reported by the customer is reviewed with site manager and operations director for root cause corrective action and to address systemic quality issues
- 20% year-over-year improvement in quality since 2005
- Current sigma level over 5

Delivery

- Continued delivery performance improvement since 2005
- Currently over 99.9% on-time delivery
- Shipping more than 30,000 components weekly across the border and across the country. Most are in kit form as determined by customer requirements

Cost and Productivity

Our *Mejorable* kaizen improvement process (*mejorable* means “improve it”) continues to provide exceptional results. In 2008, more than two ideas per employee per month were implemented for a total of nearly 34,000 ideas. These ideas, along with lean improvements, helped us to implement nearly \$1.3M in savings for the year. Since 2005 we have implemented more than \$7M in annual lean savings. These savings apply to aircraft production costs, meaning they are repeated each year. In addition, we took on nearly \$4M in unfunded work during the same time period.

People and Empowerment

Since 2002, lean manufacturing tools and philosophy have become an integral part of our continuous training process. We provide more than 40 hours of formal training per employee per year in lean and six sigma concepts, all during working hours. We provide on-site English training to all interested employees, and complete funding for formal education from primary through baccalaureate level degrees. Nearly 30% of our employees are taking advantage of these programs to study formally outside of work.

People and Empowerment (cont)

Our management structure is designed to support continuous improvement and employee involvement. The voice of the customer is translated into action from the Lean Steering Committee, through cross functional teams (CFTs) for each business unit, and Work Excellence Groups (GETs – Grupos de Excelencia en el Trabajo). The GETs use value stream mapping as the primary tool to identify and implement our improvement strategy.

The Flight to Excellence program involves every employee in teams working together toward the goals. Each of these teams includes representatives from all disciplines, providing an unprecedented level of teamwork and adding an element of fun to learning and achieving the goals. Flight to Excellence teams participate in a friendly competition for feet of altitude by reaching defined goals. Teams also participate in activities designed to promote learning and values aligned with our continuous improvement vision.

For more information contact:

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Gulfstream Aerospace Corporation, a wholly owned subsidiary of General Dynamics (NYSE: GD), designs, develops, manufactures, markets, services and supports the world's most technologically advanced business-jet aircraft. Gulfstream has produced some 1,800 aircraft for customers around the world since 1958. To meet the diverse transportation needs of the future, Gulfstream offers a comprehensive fleet of aircraft, comprising the wide-cabin, high-speed Gulfstream G150®; the large-cabin, mid-range Gulfstream G200®; the new large-cabin, mid-range Gulfstream G250®; the large-cabin, mid-range Gulfstream G350®; the large-cabin, long-range G450®; the large-cabin, ultra-long-range Gulfstream G500®; the large-cabin, ultra-long-range Gulfstream G550® and the ultra-large-cabin, ultra-long-range G650®.

Gulfstream also offers aircraft ownership services via Gulfstream Financial Services Division and Gulfstream Pre-Owned Aircraft Sales®. The company employs more than 9,000 people at seven major locations. We invite you to visit our Web site for more information and photos of Gulfstream aircraft at www.gulfstream.com.

General Dynamics (NYSE: GD), headquartered in Falls Church, Va., employs approximately 92,000 people worldwide. The company is a market leader in business aviation; land and expeditionary combat systems, armaments and munitions; shipbuilding and marine systems; and information systems and technologies. More information about General Dynamics is available online at www.gd.com.