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**TECHNOLOGY**

Cessna adds larger node to service network

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PROVIDENCE – Cessna Aircraft Co., the Wichita, Kan.-based business aircraft division of Textron Inc. (NYSE: TXT), today celebrates the grand opening of a new Citation Service Center in Mesa, Ariz.

Mesa Mayor Scott Smith and a host of Cessna operators are expected to join Jack J. Pelton, Cessna's chairman, president and chief executive, for the ceremony this afternoon at the Mesa Citation Service Center.

The new center, at Phoenix-Mesa Gateway Airport, is part of Cessna's global network of nine company-owned business centers and more than 30 authorized service facilities around the world. Located in a 101,000-square-foot purpose-built facility, it includes 62,400 square feet of hangar space, as well as office and back-shop areas. The 77-person facility replaces a smaller regional service center in Long Beach, Calif.

Cessna's ability to provide high-rated service, at facilities around the world, is "one of the factors supporting [its] continued leadership in annual business jet deliveries," the aircraft maker noted.

The world's largest maker of general-aviation aircraft, based on unit sales, Cessna last year delivered 1,031 aircraft, including 467 Citation business jets, and ended the year with an orders backlog of \$14.5 billion. Since its founding in 1927, it has delivered 192,000 airplanes, including more than 5,700 Citations.

The Mesa opening comes a day after Textron, in a move aimed at boosting liquidity and reducing finance costs, announced it has drawn down the full balance of the \$3 billion in credit lines available to the parent company and its Providence-based Textron Financial Corp. (TFC) commercial finance division.

Part of the money will go to repay "all commercial paper outstanding," and the roughly \$1.2 billion remaining will "will provide the enterprise with added cash liquidity," Textron said. The credit-line withdrawals will not come due until April 2012.

The tactic is "consistent with the comprehensive liquidity plan outlined in our earnings call, and we believe the additional liquidity puts Textron and TFC in a strong position for 2009 and beyond," Textron Chairman and CEO Lewis B. Campbell said in the announcement.

"It is prudent to ensure cash liquidity in the current environment, and the bank credit lines provide such liquidity at very attractive terms," Campbell added. "This liquidity strengthens



COURTESY TEXTRON INC.

THE NEW CENTER will service aircraft such as the Citation X, above, the world's fastest business jet. Cessna – world's largest maker of general-aviation aircraft – last year delivered 1,031 planes, including 467 Citations, but still ended 2008 with a \$14.5B orders backlog.

Textron and will put TFC in a stronger position as it executes its downsizing strategy.”

Textron last week posted a 53 percent decline in full-year profit, to \$486 million, after fourth-quarter charges that included \$293 million in mark-to-market adjustments on certain TFC receivables and \$169 million in goodwill impairment, also at TFC, and \$64 million in restructuring costs. ([READ MORE](#))

Even in advance of that report, two major ratings agencies had issued downgrades for the company’s long-term debt. ([READ MORE](#)) In January, Moody’s Investors Service pared its rating on about \$6.5 billion of Textron debt to Baa2 – two levels above junk – from the previous Baa1. And in December, rival Standard & Poor’s had lowered its ratings, also by one notch, citing Textron Financial’s “weaker-than expected” performance.

The finance unit’s “scheduled debt maturities beginning later in the year are unlikely to be satisfied solely by collections on the portfolio,” Moody’s analyst Bob Jankowitz wrote in a note last month. The division “will become more reliant on alternatives such as refinancing a portion of the maturing debt or asset sales, for which market conditions are challenging.”

Refinancing would be even more difficult at the higher interest rates the company would have to pay on new debt at its downgraded ratings. But Textron’s action yesterday eliminates those concerns.

Textron Inc. (NYSE: TXT) is a \$14.2 billion company employing 42,000 people in 28 countries. Its brands include Bell Helicopter, Cessna Aircraft Co., Jacobsen, Kautex, Lycoming, E-Z-GO and Greenlee, among others. Additional information is available at www.textron.com.