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1,185,056

1,186,606

Selling, general & administrative

375,413

374,981

395,274

396,548

346,781

348,766

Research, development and engineering

103,024

109,778

95,939

99,710

91,491

91,868

Operating Earnings from Continuing

Operations

194,811

183,075

170,159

165,749

156,985

153,073

Income Tax Expense

38,928

33,025

22,535

21,857

18,956

16,486

Earnings from Continuing Operations

Attributable to Esterline, Net of Tax

124,698

118,865

116,951

113,219

96,665

95,223

Net Earnings Attributable to Esterline

117,387

111,554

101,685

97,953

59,612

58,170

Earnings Per Share Attributable to Esterline - Basic:

Continuing operations

\$

4.19

\$

4.00

\$

3.97

\$

3.84

\$

3.15

\$

3.10



Earnings Per Share

\$

3.94

\$

3.75

\$

3.45

\$

3.32

\$

1.94

\$

1.89

Earnings Per Share Attributable to Esterline - Diluted:

Continuing operations

\$

4.15

\$

3.96

\$

3.93

\$

3.80

\$

3.10

\$

3.05

Earnings Per Share

\$

3.91

\$

3.72

\$

3.42

\$

3.29

\$

1.91

\$

1.86

61

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In the consolidated financial statements, the impact of the restatement in fiscal 2014 are reflected in this Amendment as an adjustment of \$0.9 million to beginning retained earnings for fiscal 2015.

A summary of the effects of the Restatement as of September 29, 2017, September 30, 2016, and October 2, 2015, is as follows:

In Thousands	2017		2016		2015	
	(As Reported)	(Restated)	(As Reported)	(Restated)	(As Reported)	(Restated)
<b>Consolidated Balance Sheet</b>						
Accounts receivable, net	\$437,963	\$430,524	\$422,073	\$421,511	\$380,748	\$380,450
Inventories	482,701	477,969	450,206	447,095	446,768	442,315
Prepaid expenses	18,816	19,239	17,909	18,378	23,008	23,156
Deferred income tax benefits	55,355	56,793	75,409	75,790	28,979	27,982
Accounts payable	133,101	138,595	121,816	126,607	117,976	118,734
Accrued liabilities	229,610	230,007	238,163	235,649	259,734	256,147
U.S. and foreign income taxes	6,111	582	10,932	9,695	2,404	1,861
Other liabilities	17,658	18,838	21,968	23,026	29,367	30,174
Deferred income tax liabilities	43,978	43,978	53,798	54,325	73,849	73,106
Total Shareholders' Equity	1,847,128	1,835,276	1,611,131	1,605,865	1,547,791	1,545,496

The Company did not present tables for the adjustments within the consolidated statement of cash flows, since all of the foregoing adjustments were within the operating activities section of the consolidated statement of cash flows. These adjustments did not affect total cash flows from operating activities, financing activities or investing activities for any period presented. Additionally, changes to the Consolidated Statement of Comprehensive Income (Loss), Consolidated Statement of Shareholders' Equity and Noncontrolling Interests as well as additional footnotes were a result of the above adjustments.

NOTE 3: Allowance for Doubtful Accounts

The allowance for doubtful accounts reflects the best estimate of probable losses inherent in the accounts receivable balance and is based on known past due accounts, historical experience and other currently available evidence. Activity in the allowance for doubtful accounts was as follows:

In Thousands	2017	2016	2015
Beginning balance	\$17,028	\$10,050	\$10,023
Charged to expense	1,647	9,690	1,502
Other <sup>1</sup>	-	-	378
Write-offs	(2,640)	(2,712)	(1,853)

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\$16,035 \$17,028 \$10,050

<sup>1</sup> Other includes balances acquired and balances reclassified to assets held for sale.

NOTE 4: Inventories

Inventories at the end of fiscal 2017 and 2016 consisted of the following:

In Thousands	2017 (Restated)	2016 (Restated)
Raw materials and purchased parts	\$ 194,034	\$ 176,438
Work in progress	167,543	156,191
Inventory costs under long-term contracts	10,648	12,844
Finished goods	105,744	101,622
	\$ 477,969	\$ 447,095

## NOTE 5: Goodwill

The following table summarizes the changes in goodwill by segment for fiscal 2017 and 2016:

In Thousands	Avionics & Controls	Sensors & Systems	Advanced Materials	Total
Balance, October 2, 2015	\$450,599	\$387,707	\$203,685	\$1,041,991
Goodwill adjustments	(1,732 )	-	-	(1,732 )
Foreign currency translation adjustment	(6,073 )	(2,140 )	(7,379 )	(15,592 )
Balance, September 30, 2016	442,794	385,567	196,306	1,024,667
Foreign currency translation adjustment	13,224	14,266	1,416	28,906
Balance, September 29, 2017	\$456,018	\$399,833	\$197,722	\$1,053,573

## NOTE 6: Intangible Assets

Intangible assets at the end of fiscal 2017 and 2016 were as follows:

In Thousands	Weighted Average Years Useful Life	2017 Gross Carrying Amount	Accum. Amort.	2016 Gross Carrying Amount	Accum. Amort.
Amortized Intangible Assets:					
Programs	16	\$625,470	\$339,920	\$607,276	\$293,223
Core technology	12	15,926	13,123	15,926	11,778
Patents and other	12	89,736	60,335	86,286	51,250
Total		\$731,132	\$413,378	\$709,488	\$356,251
Indefinite-lived Intangible Assets:					
Trademarks		\$41,412		\$39,798	

Programs represent the valuation of systems or components sold under long-term supply agreements with aerospace companies, military contractors, and OEM manufacturers using similar technology. The valuation of the program includes the values of the program-specific technology, the backlog of contracts, and the relationship with customers which lead to potential future contracts. The valuation of the program is based upon its discounted cash flow at a market-based discount rate.

Amortization of intangible assets from continuing operations was \$44.2 million, \$49.4 million, and \$44.0 million in fiscal 2017, 2016, and 2015, respectively. Amortization of intangible assets related to discontinued operations was



\$1.2 million in fiscal 2015.

Estimated amortization expense related to intangible assets for each of the next five fiscal years is as follows:

In Thousands

Fiscal Year	
2018	\$45,953
2019	45,076
2020	42,941
2021	41,555
2022	35,355

## NOTE 7: Accrued Liabilities

Accrued liabilities at the end of fiscal 2017 and 2016 consisted of the following:

In Thousands	2017 (Restated)	2016 (Restated)
Payroll and other compensation	\$ 120,428	\$ 107,132
Commissions	4,442	5,901
Casualty and medical	16,067	14,933
Interest	6,592	6,397
Warranties	14,689	13,365
State and other tax accruals	5,222	4,737
Customer deposits	20,593	22,302
Deferred revenue	18,666	24,125
Contract reserves	5,109	8,051
Forward foreign exchange contracts	4,387	12,036
Litigation reserves	1,454	4,006
Environmental reserves	645	646
Deferred rent	1,645	1,925
Other	10,068	10,093
	\$ 230,007	\$ 235,649

Accrued liabilities are recorded to reflect the Company's contractual obligations relating to warranty commitments to customers. Warranty coverage of various lengths and terms is provided to customers depending on standard offerings and negotiated contractual agreements. An estimate for warranty expense is recorded at the time of sale based on the length of the warranty, historical warranty return rates and repair costs.

Changes in the carrying amount of accrued product warranty costs are summarized as follows:

In Thousands	2017	2016
Balance, beginning of year	\$ 13,365	\$ 14,658
Warranty costs incurred	(1,875 )	(2,423 )
Product warranty accrual	4,658	6,850
Release of reserves	(1,907 )	(5,700 )
Foreign currency translation adjustment	448	(20 )
Balance, end of year	\$ 14,689	\$ 13,365

## NOTE 8: Retirement Benefits

Approximately 40% of U.S. employees have a defined benefit earned under the Esterline pension plan.

Under the Esterline defined benefit plan, pension benefits are earned under a cash balance formula with annual pay credits ranging from 2% to 6% effective January 1, 2003. Prior to 2003, pension benefits are based on years of service

and five-year average compensation for the highest five consecutive years' compensation during the last ten years of employment. Participants elected either to continue earning benefits under the prior plan formula or to earn benefits under the cash balance formula. Effective January 1, 2003, all new participants are enrolled in the cash balance formula. Esterline also has an unfunded supplemental retirement plan for key executives providing for periodic payments upon retirement.

CMC sponsors defined benefit pension plans and other retirement benefit plans for its employees in Canada. Pension benefits are based upon years of service and final average salary. Other retirement benefit plans are non-contributory health care and life insurance plans.

The Company sponsors a number of other non-U.S. defined benefit pension plans primarily in Belgium, France and Germany. These defined benefit plans generally provide benefits to employees based on formulas recognizing length of service and earnings.

The Company accounts for pension expense using the end of the fiscal year as its measurement date. In addition, the Company makes actuarially computed contributions to these plans as necessary to adequately fund benefits. The Company's funding policy is consistent with the minimum funding requirements of ERISA.

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The accumulated benefit obligation and projected benefit obligation for Esterline's U.S. plans are \$309.2 million and \$321.2 million, respectively, with plan assets of \$294.4 million as of September 29, 2017. The underfunded status for the Esterline plans is \$26.8 million at September 29, 2017, of which \$22.4 million is for the unfunded supplemental retirement plan for key executives. Contributions to the Esterline non-qualified plans totaled \$1.4 million both in fiscal 2017 and 2016. There is no funding requirement for fiscal 2018 for the qualified U.S. pension plans maintained by Esterline.

The accumulated benefit obligation and projected benefit obligation for the CMC plans are \$137.5 million and \$138.5 million, respectively, with plan assets of \$140.2 million as of September 29, 2017. The funded status for these CMC plans is \$1.7 million at September 29, 2017. Contributions to the CMC plans totaled \$3.5 million and \$5.6 million in fiscal 2017 and 2016, respectively. The expected funding requirement for fiscal 2018 for the CMC plans is \$3.9 million.

The accumulated benefit obligation and projected benefit obligation for the other non-U.S. plans are \$39.3 million and \$49.6 million, respectively, with plan assets of \$23.0 million as of September 29, 2017. The underfunded status for these other non-U.S. plans is \$26.6 million at September 29, 2017. Contributions to the other non-U.S. plans totaled \$1.8 million and \$5.0 million in fiscal 2017 and 2016, respectively. The expected funding requirement for fiscal 2018 for the other non-U.S. plans is \$1.0 million.

Principal assumptions of the Esterline, CMC and other non-U.S. plans are as follows:

	Esterline U.S. Defined Benefit Pension Plans		CMC Defined Benefit Pension Plans		Other Non-U.S. Defined Benefit Pension Plans	
	2017	2016	2017	2016	2017	2016
Principal assumptions as of year end:						
Discount rate	3.75%	3.60%	3.76%	3.22%	1.40 - 8.75%	0.90 - 7.75%
Rate of increase in future compensation levels	4.48%	4.28%	2.75%	2.75%	2.96 - 10.29%	2.96 - 10.13%
Assumed long-term rate of return on plan assets	7.00%	7.00%	5.19%	5.66%	3.25 - 8.25%	3.25 - 8.00%
					Esterline U.S. Post-Retirement Pension Plans	CMC Post-Retirement Pension Plans
					2017	2016
Principal assumptions as of year end:						
Discount rate					3.75%	3.60%
Initial weighted average health care trend rate					6.00%	6.00%
Ultimate weighted average health care trend rate					6.00%	6.00%
					5.80%	6.00%
					4.10%	4.20%

The Company uses discount rates developed from a yield curve established from high-quality corporate bonds and matched to plan-specific projected benefit payments. Although future changes to the discount rate are unknown, had the discount rate increased or decreased by 25 basis points, pension liabilities in total would have decreased \$13.7 million or increased \$14.4 million, respectively. If all other assumptions are held constant, the estimated effect on fiscal 2017 pension expense from a hypothetical 25 basis points increase or decrease in both the discount rate and expected long-term rate of return on plan assets would not have a material effect on our pension expense. Management is not aware of any legislative or other initiatives or circumstances that will significantly impact the Company's pension obligations in fiscal 2018.

The assumed health care trend rate can have a significant impact on the Company's post-retirement benefit obligations. The Company's health care trend rate was based on the experience of its plans and expectations for the future. A 100 basis points increase in the health care trend rate would increase the post-retirement benefit obligation by \$1.4 million. A 100 basis points decrease in the health care trend rate would decrease the post-retirement benefit obligation by \$1.2 million. Assuming all other assumptions are held constant, the estimated effect on fiscal 2016 post-retirement benefit expense from a hypothetical 100 basis points increase or decrease in the health care trend rate would not have a material effect on our post-retirement benefit expense.

Plan assets are invested in a diversified portfolio of equity and debt securities consisting primarily of common stocks, bonds and government securities. The objective of these investments is to maintain sufficient liquidity to fund current benefit payments and achieve targeted risk-adjusted returns. Management periodically reviews allocations of plan assets by investment type and evaluates external sources of information regarding the long-term historical returns and expected future returns for each investment

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type, and accordingly, the 3.25% to 8.25% assumed long-term rate of return on plan assets is considered to be appropriate. Allocations by investment type are as follows:

	Target	Actual 2017	2016
Plan assets allocation as of fiscal year end:			
Equity securities	35 - 70%	58.4 %	56.4 %
Debt securities	30 - 65%	35.3 %	37.1 %
Cash	0%	6.3 %	6.5 %
Total		100.0%	100.0%

The following table presents the fair value of the Company's Pension Plan assets as of September 29, 2017, by asset category segregated by level within the fair value hierarchy, as described in Note 9.

In Thousands	Fair Value Hierarchy		
	Level 1	Level 2	Total
Asset category:			
Equity Funds:			
Registered Investment Company Funds - U.S. Equity	\$113,997	\$-	\$113,997
U.S. Equity Securities	54,640	-	54,640
Non-U.S. Equity Securities	50,395	-	50,395
Commingled Trust Funds - Non-U.S. Securities	-	48,377	48,377
Fixed Income Securities:			
Commingled Trust Funds - Fixed Income	-	83,387	83,387
Non-U.S. Foreign Commercial and Government Bonds	-	77,931	77,931
Cash and Cash Equivalents	28,848	-	28,848
Total	\$247,880	\$209,695	\$457,575

The following table presents the fair value of the Company's Pension Plan assets as of September 30, 2016, by asset category segregated by level within the fair value hierarchy, as described in Note 9.

In Thousands	Fair Value Hierarchy		
	Level 1	Level 2	Total
Asset category:			
Equity Funds:			
Registered Investment Company Funds - U.S. Equity	\$104,075	\$-	\$104,075
U.S. Equity Securities	55,196	-	55,196
Non-U.S. Equity Securities	28,031	-	28,031
Commingled Trust Funds - Non-U.S. Securities	-	52,973	52,973
Fixed Income Securities:			
Commingled Trust Funds - Fixed Income	-	82,627	82,627
Non-U.S. Foreign Commercial and Government Bonds	-	75,414	75,414
Cash and Cash Equivalents	27,465	-	27,465

Total	\$214,767	\$211,014	\$425,781
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#### Valuation Techniques

Level 1 Equity Securities are actively traded on U.S. and non-U.S. exchanges and are either valued using the market approach at quoted market prices on the measurement date or at the net asset value of the shares held by the plan on the measurement date based on quoted market prices.

Level 2 fixed income securities are primarily valued using the market approach at either quoted market prices, pricing models that use observable market data, or bids provided by independent investment brokerage firms.

Level 2 primarily consists of commingled trust funds that are primarily valued at the net asset value provided by the fund manager. Net asset value is based on the fair value of the underlying investments.

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Cash and cash equivalents include cash which is used to pay benefits and cash invested in a short-term investment fund that holds securities with values based on quoted market prices, but for which the funds are not valued on quoted market basis.

Net periodic pension cost for the Company's defined benefit plans at the end of each fiscal year consisted of the following:

In Thousands	Defined Benefit Pension Plans			Post-Retirement Benefit Plans		
	2017	2016	2015	2017	2016	2015
Components of Net Periodic Cost						
Service cost	\$15,108	\$12,861	\$11,811	\$385	\$342	\$359
Interest cost	15,553	18,095	16,159	335	473	464
Expected return on plan assets	(25,866)	(24,491)	(23,872)	-	-	-
Settlement	21	2	3,522	-	-	-
Amortization of prior service cost	490	487	404	(5 )	(17 )	(63 )
Amortization of actuarial						
(gain) loss	7,643	6,590	5,165	-	-	-
Net periodic cost (benefit)	\$12,949	\$13,544	\$13,189	\$715	\$798	\$760



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The funded status of the defined benefit pension and post-retirement plans at the end of fiscal 2017 and 2016 were as follows:

In Thousands	Defined Benefit Pension Plans		Post-Retirement Benefit Plans	
	2017	2016	2017	2016
<b>Benefit Obligations</b>				
Beginning balance	\$505,298	\$453,283	\$13,236	\$12,187
Currency translation adjustment	9,340	268	665	26
Service cost	15,108	12,861	385	342
Interest cost	15,553	18,095	335	473
Plan participants contributions	318	376	-	-
Actuarial (gain) loss	(11,420 )	44,136	(529 )	738
Other adjustments	(1,254 )	(859 )	-	-
Benefits paid	(23,687 )	(22,862 )	(550 )	(530 )
Ending balance	\$509,256	\$505,298	\$13,542	\$13,236
<b>Plan Assets - Fair Value</b>				
Beginning balance	\$425,781	\$389,461	\$-	\$-
Currency translation adjustment	8,170	341	-	-
Realized and unrealized gain (loss) on plan assets	41,566	45,817	-	-
Plan participants contributions	318	376	-	-
Company contribution	6,681	12,041	550	530
Other adjustments	-	1,466	-	-
Expenses paid	(1,254 )	(859 )	-	-
Benefits paid	(23,687 )	(22,862 )	(550 )	(530 )
Ending balance	\$457,575	\$425,781	\$-	\$-
<b>Funded Status</b>				
Fair value of plan assets	\$457,575	\$425,781	\$-	\$-
Benefit obligations	(509,256)	(505,298)	(13,542)	(13,236)
Net amount recognized	\$(51,681 )	\$(79,517 )	\$(13,542)	\$(13,236)
<b>Amount Recognized in the Consolidated Balance Sheet</b>				
Non-current asset	\$4,267	\$2,395	\$-	\$-
Current liability	(1,840 )	(1,912 )	(669 )	(716 )
Non-current liability	(54,108 )	(80,000 )	(12,873)	(12,520)
Net amount recognized	\$(51,681 )	\$(79,517 )	\$(13,542)	\$(13,236)
<b>Amounts Recognized in Accumulated Other Comprehensive Income</b>				
Net actuarial loss (gain)	\$78,713	\$112,420	\$476	\$975
Prior service cost	2,593	2,951	-	-
Ending balance	\$81,306	\$115,371	\$476	\$975

The accumulated benefit obligation for all pension plans was \$486.0 million at September 29, 2017, and \$482.2 million at September 30, 2016.



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Estimated future benefit payments expected to be paid from the pension and post-retirement benefit plans or from the Company's assets are as follows:

In Thousands

Fiscal Year

2018	\$28,083
2019	29,835
2020	31,087
2021	33,212
2022	33,715
2023 - 2027	180,157

Employees may participate in certain defined contribution plans. The Company's contribution expense under these plans totaled \$10.1 million, \$10.7 million, and \$9.5 million in fiscal 2017, 2016, and 2015, respectively. The Company contributes a matching amount that varies by participating company and employee group based on the first 6% of earnings contributed. The three formulas used are: 25% of the first 6%; or 50% of the first 6%; or 100% of the first 2% and 50% on the next 4%.

In fiscal 2014 the Company offered vested terminated participants in the Esterline plan a one-time opportunity to elect a lump-sum payment from the plan in lieu of a lifetime annuity. In the first fiscal quarter of 2015, the Company paid \$16.6 million in lump-sum payments to vested terminated pension plan participants from the plan, which resulted in an actuarial settlement charge of \$3.0 million. During the remainder of fiscal 2015, an additional \$1.4 million in lump-sum payments was distributed to cash balance participants under the ongoing terms of the plan, which resulted in an additional settlement charge of \$0.5 million in fiscal 2015.

### NOTE 9: Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy has been established that prioritizes the inputs to valuation techniques used to measure fair value. An asset's or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The hierarchy of fair value measurements is described below:

Level 1 – Valuations are based on quoted prices that the Company has the ability to obtain in actively traded markets for identical assets and liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market or exchange traded market, a valuation of these instruments does not require a significant degree of judgment.

Level 2 – Valuations are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 – Valuations are based on model-based techniques for which some or all of the assumptions are obtained from indirect market information that is significant to the overall fair value measurement and which require a significant

degree of management judgment.

The following table sets forth the Company's financial assets and liabilities that were measured at fair value on a recurring basis by level within the fair value hierarchy at the end of fiscal 2017 and 2016:

In Thousands	Level 2	
	2017	2016 (Restated)
Assets:		
Derivative contracts designated as hedging instruments	\$13,932	\$ 3,130
Derivative contracts not designated as hedging instruments	284	143
Embedded derivatives	746	2,485
Liabilities:		
Derivative contracts designated as hedging instruments	\$464	\$ 7,473
Derivative contracts not designated as hedging instruments	2,440	6,720
Embedded derivatives	2,239	985

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In Thousands	Level 3	
	2017	2016
Assets:		
Estimated value of assets held for sale	\$ 19,835	\$ 26,850
Liabilities:		
Estimated value of liabilities held for sale	\$ 8,908	\$ 11,133

The Company's embedded derivatives are the result of entering into sales or purchase contracts that are denominated in a currency other than the Company's functional currency or the supplier's or customer's functional currency. The fair value is determined by calculating the difference between quoted exchange rates at the time the contract was entered into and the period-end exchange rate. These contracts are categorized as Level 2 in the fair value hierarchy.

The Company's derivative contracts consist of foreign currency exchange contracts and, from time to time, interest rate swap agreements. These derivative contracts are over the counter and their fair value is determined using modeling techniques that include market inputs such as interest rates, yield curves, and currency exchange rates. These contracts are categorized as Level 2 in the fair value hierarchy.

The Company's Board of Directors previously approved a plan to sell certain non-core business units. Based upon the estimated fair values, the Company adjusted the carrying value of the assets and liabilities of the businesses to fair value. Principle assumptions used in measuring the estimated value of assets and liabilities held for sale included estimated selling price of the discontinued business, discount rates, industry growth rates, and pricing of comparable transactions in the market.

NOTE 10: Derivative Financial Instruments

The Company may use derivative financial instruments in the form of foreign currency forward exchange contracts and interest rate swap contracts for the purpose of minimizing exposure to changes in foreign currency exchange rates on business transactions and interest rates, respectively. The Company's policy is to execute such instruments with banks the Company believes to be credit worthy and not to enter into derivative financial instruments for speculative purposes. These derivative financial instruments do not subject the Company to undue risk, as gains and losses on these instruments generally offset gains and losses on the underlying assets, liabilities, or anticipated transactions that are being hedged.

All derivative financial instruments are recorded at fair value in the Consolidated Balance Sheet. For a derivative that has not been designated as an accounting hedge, the change in the fair value is recognized immediately through earnings. For a derivative that has been designated as an accounting hedge of an existing asset or liability (a fair value hedge), the change in the fair value of both the derivative and underlying asset or liability is recognized immediately through earnings. For a derivative designated as an accounting hedge of an anticipated transaction (a cash flow hedge), the change in the fair value is recorded on the Consolidated Balance Sheet in Accumulated Other Comprehensive Income (AOCI) to the extent the derivative is effective in mitigating the exposure related to the anticipated transaction. The change in the fair value related to the ineffective portion of the hedge, if any, is immediately recognized in earnings. The amount recorded within AOCI is reclassified into earnings in the same period during which the underlying hedged transaction affects earnings.

The fair values of derivative instruments are presented on a gross basis, as the Company does not have any derivative contracts which are subject to master netting arrangements. The Company does not have any derivative instruments with credit-risk-related contingent features or that required the posting of collateral as of September 29, 2017. The cash flows from derivative contracts are recorded in operating activities in the Consolidated Statement of Cash Flows.

#### Foreign Currency Forward Exchange Contracts

The Company transacts business in various foreign currencies which subjects the Company's cash flows and earnings to exposure related to changes in foreign currency exchange rates. These exposures arise primarily from purchases or sales of products and services from third parties. Foreign currency forward exchange contracts provide for the purchase or sale of foreign currencies at specified future dates at specified exchange rates, and are used to offset changes in the fair value of certain assets or liabilities or forecasted cash flows resulting from transactions denominated in foreign currencies. As of September 29, 2017, and September 30, 2016, the Company had outstanding foreign currency forward exchange contracts principally to sell U.S. dollars with notional amounts of \$406.9 million and \$450.9 million, respectively. These notional values consist primarily of contracts for the British pound sterling, Canadian dollar and European euro, and are stated in U.S. dollar equivalents at spot exchange rates at the respective dates.

## Interest Rate Swaps

The Company manages its exposure to interest rate risk by maintaining an appropriate mix of fixed and variable rate debt, which over time should moderate the costs of debt financing. When considered necessary, the Company may use financial instruments in the form of interest rate swaps to help meet this objective.

## Embedded Derivative Instruments

The Company's embedded derivatives are the result of entering into sales or purchase contracts that are denominated in a currency other than the Company's functional currency or the supplier's or customer's functional currency.

## Net Investment Hedge

In April 2015 the Company issued €330.0 million in 3.625% Senior Notes due April 2023 (2023 Notes) and requiring semi-annual interest payments in April and October each year until maturity. The Company designated the 2023 Notes and accrued interest as a hedge of the investment in certain foreign business units. The foreign currency gain or loss that is effective as a hedge is reported as a component of other comprehensive income (loss) in shareholders' equity. To the extent that this hedge is ineffective, the foreign currency gain or loss is recorded in earnings. There was no ineffectiveness since inception of the hedge.

## Fair Value of Derivative Instruments

Fair values of derivative instruments in the Consolidated Balance Sheet at the end of fiscal 2017 and 2016 consisted of:

In Thousands	Classification	Fair Value	
		2017	2016 (Restated)
Foreign Currency Forward Exchange Contracts:			
	Other current assets	\$ 11,433	\$ 1,803
	Other assets	2,783	1,470
	Accrued liabilities	2,506	11,006
	Other liabilities	398	3,187
Embedded Derivative Instruments:			
	Other current assets	\$ 604	\$ 1,864
	Other assets	142	621
	Accrued liabilities	1,657	866
	Other liabilities	582	119

The effect of derivative instruments on the Consolidated Statement of Operations for fiscal 2017 and 2016 consisted of:

## Fair Value Hedges

The Company recognized the following gains (losses) on contracts designated as fair value hedges:

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In Thousands                      2017      2016

Embedded derivatives:

Gain (loss) recognized in sales    \$(1,709)    \$(3,552)

Cash Flow Hedges

The Company recognized the following gains (losses) on contracts designated as cash flow hedges:

In Thousands	2017	2016 (Restated)
Foreign currency forward exchange contracts:		
Gain (loss) recognized in AOCI (effective portion)	\$26,093	\$ 38,202
Gain (loss) reclassified from AOCI into sales	(8,310 )	(19,575 )



## Net Investment Hedges

The Company recognized the following gains (losses) on contracts designated as net investment hedges:

In Thousands	2017	2016
2023 Notes and Accrued Interest:		
Gain (loss) recognized in AOCI	\$(19,016)	\$(1,256)

During fiscal 2017 and 2016, the Company recorded a gain of \$5.8 million and a loss of \$6.1 million, respectively, on foreign currency forward exchange contracts that have not been designated as an accounting hedge. These foreign currency exchange gains (losses) are included in selling, general and administrative expense.

There was no significant impact to the Company's earnings related to the ineffective portion of any hedging instruments during fiscal 2017 and 2016. In addition, there was no significant impact to the Company's earnings when a hedged firm commitment no longer qualified as a fair value hedge or when a hedged forecasted transaction no longer qualified as a cash flow hedge during fiscal 2017 and 2016.

Amounts included in AOCI are reclassified into earnings when the hedged transaction settles. The Company expects to reclassify approximately \$10.9 million of net gain into earnings in fiscal year 2018. The maximum duration of a foreign currency cash flow hedge contract at September 29, 2017, is 24 months.

## NOTE 11: Income Taxes

Income tax expense (benefit) from continuing operations for fiscal 2017, 2016 and 2015 consisted of:

In Thousands	2017 (Restated)	2016 (Restated)	2015 (Restated)
Current			
U.S. Federal	\$ 2,914	\$ 13,848	\$ 9,743
State	146	(852 )	493
Foreign	38,179	30,409	21,903
	41,239	43,405	32,139
Deferred			
U.S. Federal	2,744	(6,893 )	(7,686 )
State	(157 )	2,060	864
Foreign	(10,801 )	(16,715 )	(8,831 )
	(8,214 )	(21,548 )	(15,653 )
Income tax expense	\$ 33,025	\$ 21,857	\$ 16,486

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U.S. and foreign components of earnings from continuing operations before income taxes for fiscal 2017, 2016 and 2015 were:

In Thousands	2017 (Restated)	2016 (Restated)	2015 (Restated)
U.S.	\$ 39,119	\$ 66,036	\$ 39,624
Foreign	114,275	69,989	72,486
Earnings from continuing operations before income taxes	\$ 153,394	\$ 136,025	\$ 112,110

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Primary components of the Company's deferred tax assets and liabilities at the end of the fiscal 2017 and 2016 resulted from temporary tax differences associated with the following:

In Thousands	2017 (Restated)	2016 (Restated)
Reserves and liabilities	\$52,632	\$54,370
Loss carryforwards	53,175	51,760
Tax credit carryforwards	39,078	34,836
Employee benefits	12,720	13,853
Retirement benefits	14,907	22,703
Non-qualified stock options	10,937	13,760
Hedging activities	-	3,350
Other	3,940	1,003
Total deferred tax assets	187,389	195,635
Less valuation allowance	(45,601 )	(43,503 )
Total deferred tax assets, net of valuation allowance	141,788	152,132
Depreciation and amortization	(6,503 )	(7,456 )
Intangibles and amortization	(111,196)	(116,620)
Deferred costs	(5,668 )	(3,907 )
Hedging activities	(2,450 )	-
Other	(3,156 )	(2,684 )
Total deferred tax liabilities	(128,973)	(130,667)
Net deferred tax assets (liabilities)	\$12,815	\$21,465

The Company operates in numerous taxing jurisdictions and is subject to regular examinations by various U.S. federal, state and foreign jurisdictions. Additionally, the Company assumed tax liabilities and the rights to tax refunds in connection with various acquisitions and divestitures of businesses in prior years. The Company's income tax positions are based on research and interpretations of income tax laws and rulings in each of the jurisdictions in which the Company does business. Due to the subjectivity and complexity of the interpretations of the tax laws and rulings in each jurisdiction, the differences and interplay in the tax laws between those jurisdictions, as well as the inherent uncertainty in estimating the final resolution of complex tax audit matters, the Company's estimates of income tax liabilities and assets may differ from actual payments, assessments or refunds.

Management believes that it is more likely than not that the Company will realize the benefit of most of its deferred tax assets. Significant factors management considered in determining the probability of the realization of the deferred tax assets include expected future earnings and the reversal of deferred tax liabilities. Accordingly, no valuation allowance has been recorded on the deferred tax assets other than certain tax credits, capital losses and net operating losses. The U.S. federal capital loss carryforward will begin to expire in fiscal 2020 if not utilized. The foreign net operating loss can be carried forward indefinitely. The majority of the tax credit carryforwards can be carried forward indefinitely.

U.S. and various state and foreign income tax returns are open to examination, and presently there are foreign and state income tax returns under examination. Such examinations could result in challenges to tax positions taken, and accordingly, the Company may record adjustments to provisions based on the outcomes of such matters. However, the Company believes that the resolution of these matters, after considering amounts accrued, will not have a material adverse effect on its consolidated financial statements.

The incremental tax benefit received by the Company upon exercise of non-qualified employee stock options was \$2.1 million, \$0.6 million, and \$2.0 million in fiscal 2017, 2016, and 2015, respectively.

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A reconciliation of the U.S. federal statutory income tax rate to the effective income tax rate for fiscal 2017, 2016 and 2015 was as follows:

	2017 (Restated)		2016 (Restated)		2015 (Restated)	
U.S. statutory income tax rate	35.0	%	35.0	%	35.0	%
Foreign taxes	-1.5	%	-10.3	%	-11.2	%
Difference in foreign tax rates	-4.2	%	-4.4	%	-5.3	%
Change in foreign tax rates and laws	-2.9	%	0.0	%	0.0	%
Research and development credits	-3.5	%	-5.2	%	-5.3	%
Non-deductible under consent agreement	0.0	%	0.0	%	2.3	%
Domestic manufacturing deduction	-0.3	%	-1.0	%	-0.6	%
Net change in tax reserves	-0.3	%	-0.2	%	-0.2	%
State income taxes	0.5	%	0.2	%	0.1	%
Other, net	-1.3	%	2.0	%	-0.1	%
Effective income tax rate	21.5	%	16.1	%	14.7	%

The increase in the year-over-year effective tax rate for fiscal 2017 is primarily attributable to the foreign tax law change that limits the interest expense deduction. The increase is partially offset by the French tax law change that reduced its corporate income tax rate.

No provision for federal income taxes has been made on accumulated earnings of foreign subsidiaries, since such earnings are considered indefinitely reinvested. The amount of undistributed foreign earnings which are considered to be indefinitely reinvested at September 29, 2017, is approximately \$668.4 million. Furthermore, the Company determined it was not practical to estimate the deferred taxes on these earnings. The amount of deferred income taxes is not practical to compute due to the complexity of the Company's international holding company structure, layers of regulatory requirements that have to be evaluated to determine the amount of allowable dividends, numerous potential repatriation scenarios that could be created to facilitate the repatriation of earnings to the U.S., and the complexity of computing foreign tax credits.

A reconciliation of the amount of unrecognized tax benefits for fiscal 2017, 2016 and 2015 is as follows:

In Thousands	2017 (Restated)	2016 (Restated)	2015 (Restated)
Unrecognized tax benefits as of the beginning of year	\$ 7,877	\$ 11,389	\$ 14,826
Unrecognized gross benefit change:			
Gross increase due to prior period adjustments	1,608	445	672
Gross decrease due to prior period adjustments	-	(475 )	(2,793 )
Gross increase due to current period adjustments	853	1,475	743
Gross decrease due to settlements with taxing authorities	-	(2,068 )	-
Gross decrease due to a lapse of the statute of limitations	(1,490 )	(2,889 )	(2,059 )
Total change in unrecognized gross benefit	971	(3,512 )	(3,437 )

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Unrecognized tax benefits as of the end of the year	\$ 8,848	\$ 7,877	\$ 11,389
Unrecognized tax benefits that, if recognized, would impact the effective tax rate	\$ 4,888	\$ 6,626	\$ 10,583
Statement of operations:			
Total amount of interest income (expense) included in income tax expense	\$ 33	\$ (308 )	\$ (37 )
Recognized in the statement of financial position:			
Total amount of accrued interest included in income taxes payable	\$ 616	\$ 583	\$ 891

During the next 12 months it is reasonably possible that approximately \$1.4 million of previously unrecognized tax benefits related to operating losses and tax credits could decrease as a result of settlement of examinations and/or the expiration of statutes of limitations. The Company recognizes interest related to unrecognized tax benefits in income tax expense.

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The Company is no longer subject to income tax examinations by tax authorities in its major tax jurisdictions as follows:

Tax Jurisdiction	Years No Longer Subject to Audit
U.S. Federal	2013 and prior
Belgium	2015 and prior
Canada	2008 and prior
France	2012 and prior
United Kingdom	2014 and prior

### NOTE 12: Debt

Long-term debt at the end of fiscal 2017 and 2016 consisted of the following:

In Thousands	2017	2016
U.S. credit facility	\$50,000	\$155,000
U.S. Term Loan, due April 2020	225,000	237,500
3.625% Senior Notes, due April 2023	389,862	370,920
Government refundable advances	45,549	44,994
Debt issuance costs	(4,654 )	(5,609 )
Obligation under capital leases	71,091	67,765
	776,848	870,570
Less current maturities	17,424	16,774
Carrying amount of long-term debt	\$759,424	\$853,796

### U.S. Credit Facility

On April 9, 2015, the Company amended the secured credit facility to extend the expiration to April 9, 2020, increase the revolving credit facility to \$500 million, and provide for a delayed-draw term loan facility of \$250 million. The Company recorded \$2.3 million in debt issuance costs. The credit facility is secured by substantially all the Company's assets, and interest is based on standard inter-bank offering rates. The interest rate ranges from LIBOR plus 1.25% to LIBOR plus 2.00%, depending on the leverage ratios at the time the funds are drawn. At September 29, 2017, the Company had \$50.0 million outstanding under the secured credit facility at an interest rate of LIBOR plus 1.50%, which was 2.74%. An additional \$27.5 million of unsecured foreign currency credit facilities have been extended by foreign banks for a total of \$527.5 million available companywide. Available credit under the above credit facilities was \$461.6 million at fiscal 2017 year end, when reduced by outstanding borrowings of \$50.0 million and letters of credit of \$15.9 million.

### U.S. Term Loan, due April 2020

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On August 3, 2015, the Company borrowed \$250 million under the delayed-draw term loan provided for under the amended credit facility (U.S. Term Loan, due 2020). The interest rate on the U.S. Term Loan, due 2020, ranges from LIBOR plus 1.25% to LIBOR plus 2.00%, depending on the leverage ratios at the time the funds are drawn. At September 29, 2017, the interest rate was LIBOR plus 1.50%, which equaled 2.74%. The loan amortizes at 1.25% of the original principal balance quarterly through March 2020, with the remaining balance due in April 2020.

### 3.625% Senior Notes, due April 2023

In April 2015 TA Mfg. Limited, a wholly owned subsidiary, issued €330.0 million in 3.625% Senior Notes, due April 2023 (2023 Notes) requiring semi-annual interest payments in April and October of each year until maturity. The net proceeds from the sale of the notes, after deducting \$5.9 million of debt issuance costs, were \$350.8 million. The 2023 Notes are general unsecured senior obligations of the Company. The 2023 Notes are unconditionally guaranteed on a senior basis by the Company and certain subsidiaries of the Company that are guarantors under the Company's existing secured credit facility. The 2023 Notes are subject to redemption at the option of the Company at any time prior to April 15, 2018, at a price equal to 100% of the principal amount, plus any accrued interest to the date of redemption and a make-whole provision. The Company may also redeem up to 35% of the 2023 Notes before April 15, 2018, with the net cash proceeds from equity offerings. The 2023 Notes are also subject to redemption at the option of the Company, in whole or in part, on or after April 15, 2018, at redemption prices starting at 102.719% of the principal amount plus accrued interest during the period beginning April 15, 2018, and declining annually to 100% of principal and accrued interest on or after April 15, 2021.

Based on quoted market prices, the fair value of the Company's 2023 Notes was \$403.2 million and \$365.3 million as of September 29, 2017, and September 30, 2016, respectively. The carrying amounts of the secured credit facility and the U.S. Term



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Loan, due 2020, approximate fair value. The estimate of fair value for the 2023 Notes was based on Level 2 inputs as defined in the fair value hierarchy.

In connection with the redemption of debt in fiscal 2015, the Company incurred an \$8.75 million redemption premium and wrote off \$2.7 million in unamortized debt issuance costs as a loss on extinguishment of debt.

### Government Refundable Advances

Government refundable advances consist of payments received from the Canadian government to assist in research and development related to commercial aviation based at our Canadian operation, CMC. The repayment of this advance is based on year-over-year commercial aviation revenue growth at CMC beginning in 2014. Imputed interest on the advance was 2.5% at September 29, 2017. The debt recognized was \$45.5 million and \$45.0 million as of September 29, 2017, and September 30, 2016, respectively.

### Obligation Under Capital Lease

The Company leases building and equipment under capital leases. The present value of the minimum capital lease payments, net of the current portion, totaled \$69.0 million as of September 29, 2017.

As of September 29, 2017, aggregate annual maturities of long-term debt and future non-cancelable minimum lease payments under capital lease obligations were as follows:

In Thousands	
Fiscal Year	
2018	\$23,374
2019	20,221
2020	260,854
2021	12,065
2022	12,522
2023 and thereafter	525,484
Total	854,520
Less: debt issuance costs	4,654
amount representing interest on capital leases	73,018
Total long-term debt	\$776,848

A number of underlying agreements contain various covenant restrictions which include maintenance of net worth, payment of dividends, interest coverage, and limitations on additional borrowings. The Company was in compliance with these covenants at September 29, 2017.

As result of the Restatement as described in Note 2 of this Form 10-K/A, the Company was in non-compliance with its debt covenants under the U.S. credit facility requiring timely audited financial statements on Form 10-K and the timely filing of the Company's Form 10-Q for the first fiscal quarter ended December 29, 2017. On February 13,

2018, the Company's lenders agreed to waive non-compliance of these covenants until March 31, 2018.

NOTE 13: Commitments and Contingencies

Rental expense for operating leases for engineering, selling, administrative and manufacturing totaled \$17.7 million, \$19.0 million and \$18.6 million in fiscal 2017, 2016, and 2015, respectively.

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At September 29, 2017, the Company's rental commitments for noncancelable operating leases with a duration in excess of one year were as follows:

In Thousands	
Fiscal Year	
2018	\$ 13,382
2019	10,334
2020	8,194
2021	5,872
2022	5,004
2023 and thereafter	9,021
Total	\$ 51,807

The Company is subject to purchase obligations for goods and services. The purchase obligations include amounts under legally enforceable agreements for goods and services with defined terms as to quantity, price and timing of delivery. As of September 29, 2017, the restated Company's purchase obligations were as follows:

In Thousands		Less than	1 3	4 5	After
	Total	1 year	years	years	5 years
Purchase obligations	\$671,962	\$648,313	\$22,555	\$1,094	\$ -

The Company is a party to various lawsuits and claims, both as plaintiff and defendant, and has contingent liabilities arising from the conduct of business, none of which, in the opinion of management, is expected to have a material effect on the Company's financial position or results of operations. The Company believes that it has made appropriate and adequate provisions for contingent liabilities.

In March 2014 the Company entered into a Consent Agreement with the DTCC to resolve alleged ITAR civil violations. Among other things, the Consent Agreement required the Company to pay a \$20 million penalty, of which \$10 million was suspended and eligible for offset credit. In fiscal 2016, the DTCC approved costs the Company incurred to implement compliance measures to fully offset the \$10 million suspended payment. The Consent Agreement was closed in fiscal 2017.

During fiscal 2015 the Company recognized a \$15.7 million gain in other income and a \$2.4 million reduction in interest expense upon the lapse of a statutory period related to a liability for a non-income tax position of an acquired company. In addition, the Company incurred a \$2.9 million loss in other income on foreign currency exchange resulting from the funding of the acquisition of Esterline Advanced Displays.

In fiscal 2016 the Company received a \$5 million insurance recovery due to an energetic incident at one of our countermeasure operations, which occurred in the third quarter of fiscal 2016. The Company received a \$7.8 million insurance recovery from this incident in fiscal 2017.

Approximately 586 U.S.-based employees or 12% of total U.S.-based employees were represented by various labor unions. The Company's non-U.S. operations are subject to union and national trade union agreements and to local regulations governing employment.

NOTE 14: Employee Stock Plans

The Company has three share-based compensation plans, which are described below. The compensation cost that has been charged against income for those plans for fiscal 2017 restated, 2016 restated, and 2015 was \$9.3 million, \$14.0 million, and \$10.8 million, respectively. The total income tax benefit recognized in the income statement for the share-based compensation arrangement for fiscal 2017, 2016, and 2015 was \$2.3 million, \$3.6 million, and \$2.7 million, respectively.

Employee Stock Purchase Plan

The Company offers an employee stock purchase plan to its employees. The plan qualifies as a noncompensatory employee stock purchase plan under Section 423 of the Internal Revenue Code. Employees are eligible to participate through payroll deductions subject to certain limitations.

The plan has a safe harbor design where shares are purchased by participants at 95% of the fair market value on the purchase date and, therefore, compensation cost is not recorded. During fiscal 2017, employees purchased 18,183 shares at a fair market value

price of \$94.16 per share. As of September 29, 2017, deductions aggregating \$0.5 million were accrued for the purchase of shares on December 15, 2017.

#### Employee Share-Save Scheme

The Company offers shares under its employee share-save scheme for U.K. employees. This plan allows participants the option to purchase shares at 95% of the market price of the stock as of the beginning of the offering period. The term of these options is three years. At the end of fiscal 2017, the Company had reserved 136,770 shares for issuance under its employee share-save scheme for U.K. employees, leaving a balance of 450,400 shares available for issuance in the future. The share-save scheme is not a “safe-harbor” design, and, therefore, compensation cost is recognized on this plan.

Under the employee share-save scheme, option exercise prices are equal to the fair market value of the Company’s common stock on the date of grant. The Company granted 11,338, 70,673 and 25,984 options in fiscal 2017, 2016, and 2015, respectively. The weighted-average grant date fair value of options granted in fiscal 2017 was \$24.61 per share. During fiscal 2017, 1,764 options were exercised at a weighted average exercise price of \$69.12.

The fair value of the awards under the employee share-save scheme was estimated using a Black-Scholes pricing model which uses the assumptions noted in the following table. The risk-free rate for the contractual life of the option is based on the U.S. Treasury zero coupon issues in effect the time of grant.

	2017	2016	2015
Volatility	35.58%	33.21%	25.80%
Risk-free interest rate	1.75 %	1.19 %	0.93 %
Expected life (years)	3	3	3
Dividends	0	0	0

#### Equity Incentive Plan

The Company also provides an equity incentive plan for officers and key employees. At the end of fiscal 2017, the Company had 3,617,032 shares reserved for issuance to officers and key employees, of which 2,455,036 shares were available to be granted in the future.

#### Stock Options

The Board of Directors authorized the Compensation Committee to administer awards granted under the Company’s 2013 Equity Incentive Plan and to establish the terms of such awards. Awards under the equity incentive plan may be granted to eligible employees of the Company over the 10-year period ending March 5, 2023. Options granted generally become exercisable ratably over a period of four years following the date of grant and expire on the tenth anniversary of the grant. Option exercise prices are equal to the fair market value of the Company’s common stock on the date of grant. The weighted-average grant date fair value of the options granted in fiscal 2017 and 2016 was \$32.72 per share and \$35.69 per share, respectively.

The fair value of each option granted by the Company was estimated using a Black-Scholes pricing model which uses the assumptions noted in the following table. The Company uses historical data to estimate volatility of the Company’s common stock and option exercise and employee termination assumptions. The range of the expected term reflects the results from certain groups of employees exhibiting different behavior. The risk-free rate for the periods

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within the contractual life of the grant is based upon the U.S. Treasury zero coupon issues in effect at the time of the grant.

	2017	2016	2015
Volatility	34.97 - 35.42%	33.06 - 40.52%	40.73 - 41.89%
Risk-free interest rate	1.98 - 2.51%	1.61 - 2.24%	1.43 - 2.00%
Expected life (years)	5 - 9	5 - 9	5 - 9
Dividends	0	0	0

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The following table summarizes the changes in outstanding options granted under the Company's equity incentive plan:

	2017		2016		2015	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
	Subject to Option		Subject to Option		Subject to Option	
Outstanding,						
beginning of year	1,390,956	\$ 72.09	1,358,921	\$ 68.18	1,362,793	\$ 60.16
Granted	242,200	81.60	221,200	90.16	203,200	107.34
Exercised	(492,968 )	51.70	(112,790 )	48.61	(182,322 )	50.94
Forfeited/cancelled	(63,450 )	93.63	(76,375 )	89.56	(24,750 )	74.73
Outstanding,						
end of year	1,076,738	\$ 82.30	1,390,956	\$ 72.09	1,358,921	\$ 68.18
Exercisable,						
end of year	594,963	\$ 76.66	918,706	\$ 61.03	824,496	\$ 55.58

The aggregate intrinsic value of the option shares outstanding and exercisable at September 29, 2017, was \$13.2 million and \$10.6 million, respectively.

The number of option shares vested or that were expected to vest at September 29, 2017, was 1.0 million and the aggregate intrinsic value was \$12.9 million. The weighted average exercise price and weighted average remaining contractual term of option shares vested or that were expected to vest at September 29, 2017, was \$81.59 and 6.3 years, respectively. The weighted-average remaining contractual term of option shares currently exercisable is 4.9 years as of September 29, 2017.

The table below presents stock activity related to stock options exercised in fiscal 2017 and 2016:

In Thousands	2017	2016
Proceeds from stock options exercised	\$28,116	\$8,175
Tax benefits related to stock options exercised	2,271	406
Intrinsic value of stock options exercised	19,223	3,195

Total unrecognized compensation expense for stock options that have not vested as of September 29, 2017, is \$6.5 million, which will be recognized over a weighted average period of 1.9 years. The total fair value of option shares vested during the year ended September 29, 2017, was \$1.4 million.

The following table summarizes information for stock options outstanding at September 29, 2017:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Shares	Weighted Average Remaining Life (years)	Weighted Average Price	Shares	Weighted Average Price
\$ 23.66 - 52.00	110,575	3.6	\$ 48.13	110,575	\$ 48.13
52.01 - 65.00	147,075	3.1	62.17	147,075	62.17
65.01 - 75.00	113,525	6.9	69.40	56,275	67.07
75.01 - 85.00	257,063	8.4	82.34	46,363	79.38
85.01 - 100.00	284,750	7.0	95.14	146,200	95.45
100.01 - 118.32	163,750	6.9	109.97	88,475	110.00

#### Restricted Stock Units

The Company granted 37,100 and 37,000 restricted stock units (RSUs) during fiscal 2017 and 2016, respectively. The fair value of each RSU granted by the Company is equal to the fair market value of the Company's common stock on the date of grant. RSUs granted generally have a three-year cliff vesting schedule.



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The following table summarizes the changes in RSUs granted under the Company's equity incentive plan:

	2017		2016		2015	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Non-vested, beginning of year	99,778	\$ 90.04	117,281	\$ 85.95	103,971	\$ 80.01
Granted	37,100	76.83	37,000	84.70	28,150	105.34
Vested	(44,420)	85.77	(48,053 )	75.35	(12,740 )	79.84
Forfeited/cancelled	(7,200 )	91.71	(6,450 )	94.58	(2,100 )	88.99
Non-vested, end of year	85,258	\$ 86.37	99,778	\$ 90.04	117,281	\$ 85.95

Total unrecognized compensation expense for RSUs that have not vested as of September 29, 2017, is \$3.1 million, which will be recognized over a weighted average period of 1.5 years.

The table below presents stock activity related to RSUs vested in fiscal 2017 and 2016:

In Thousands	2017	2016
Tax benefits related to RSUs vested	\$1	\$162
Intrinsic value of RSUs vested	3,631	3,847

### Performance Shares

The Company granted 43,650 and 56,275 performance share plan (PSP) shares during fiscal 2017 and 2016, respectively. PSP shares will be paid out in shares of Esterline common stock at the end of the three year performance period. The actual number of shares that will be paid out upon completion of the performance period is based on actual performance and may range from 0% to 300% of the target number of shares.

The following table summarizes the activity in the target PSP shares granted under the Company's equity incentive plan:

	2017	2016	2015
Non-vested, beginning of year	89,275	34,700	-

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Granted	43,650	56,275	36,800
Vested	-	-	-
Forfeited/cancelled	(12,775 )	(1,700 )	(2,100 )
Non-vested, end of year	120,150	89,275	34,700

NOTE 15: Shareholders' Equity

The authorized capital stock of the Company consists of 25,000 shares of preferred stock (\$100 par value), 475,000 shares of serial preferred stock (\$1.00 par value), each issuable in series, and 60,000,000 shares of common stock (\$.20 par value). At the end of fiscal 2017, there were no shares of preferred stock or serial preferred stock outstanding.

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Changes in outstanding common shares are summarized as follows:

	2017	2016
Shares Outstanding		
Shares issued, beginning of year	32,564,252	32,378,185
Shares issued under share-based compensation plans	553,221	186,067
Shares issued, end of year	33,117,473	32,564,252
Treasury stock purchased, beginning of year	(3,135,927 )	(2,831,350 )
Treasury stock purchased	-	(304,577 )
Treasury stock purchased, end of year	(3,135,927 )	(3,135,927 )
Shares outstanding, end of year	29,981,546	29,428,325

On June 19, 2014, the Company's Board of Directors approved a \$200 million share repurchase program. In March 2015, the Company's Board of Directors approved an additional \$200 million for the share repurchase program. Under the program, the Company is authorized to repurchase up to \$400 million of outstanding shares of common stock from time to time, depending on market conditions, share price and other factors. Repurchases may be made in the open market or through private transactions, in accordance with SEC requirements. The Company may enter into a Rule 10(b)5-1 plan designed to facilitate the repurchase of all or a portion of the repurchase amount. The program does not require the Company to acquire a specific number of shares. Common stock repurchased can be reissued, and accordingly, the Company accounts for repurchased stock under the cost method of accounting. There were no shares repurchased in fiscal 2017.

The components of Accumulated Other Comprehensive Loss:

In Thousands	2017 (Restated)	2016 (Restated)
Unrealized gain (loss) on derivative contracts	\$ 13,469	\$(4,314 )
Tax effect	(3,892 )	1,077
	9,577	(3,237 )
Pension and post-retirement obligations	(81,782 )	(116,346)
Tax effect	27,956	39,804
	(53,826 )	(76,542 )
Currency translation adjustment	(222,621)	(268,841)
Accumulated other comprehensive loss	\$(266,870)	\$(348,620)

NOTE 16: Acquisitions

On January 31, 2015, the Company acquired the defense, aerospace and training display business, or Esterline Advanced Displays (EAD), of Belgium-based Barco N.V. (Barco) for €150 million, or approximately \$171 million, in cash before a working capital adjustment of approximately \$15 million. Acquisition related costs of \$3.4 million were recognized as selling, general and administrative expense in fiscal 2015. The EAD acquisition contributed \$151.6 million, \$155.7 million and \$82.5 million in sales and \$7.8 million and \$2.6 million in operating earnings in fiscal 2017 and 2016, respectively and a \$16.0 million in operating losses in fiscal 2015. The Company financed the acquisition primarily using international cash reserves, with the balance funded by borrowings under its existing credit facility. The EAD business develops and manufactures visualization solutions for a variety of demanding defense and commercial aerospace applications and is included in our Avionics & Controls segment.

NOTE 17: Restructuring

On December 5, 2013, the Company announced the acceleration of its plans to consolidate certain facilities and create cost efficiencies through shared services in sales, general and administrative and support functions. Restructuring expense totaled \$8.7 million in fiscal 2016 and \$11.7 million in fiscal 2015. The costs are mainly for exit and relocation of facilities, losses on the write off of certain property, plant and equipment, and severance. There were no restructuring expenses in fiscal 2017.

NOTE 18: Discontinued Operations

The Company's Board of Directors previously approved the plan to sell certain non-core business units including Eclipse Electronic Systems, Inc. (Eclipse), a manufacturer of embedded communication intercept receivers for signal intelligence

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applications; Wallop Defence Systems, Ltd. (Wallop), a manufacturer of flare countermeasure devices; Pacific Aerospace and Electronics Inc. (PA&E), a manufacturer of hermetically sealed electrical connectors; a small distribution business; and a small manufacturing business. These businesses were not separate reporting units as defined under U.S. GAAP, and there was no indicator of impairment requiring an impairment test of their corresponding reporting units' goodwill or these businesses' long-lived assets. Based upon the estimated fair values, the Company incurred an estimated after-tax loss of \$2.9 million, \$8.4 million and \$30.8 million in fiscal 2017, 2016 and 2015, respectively, on the assets held for sale in discontinued operations. Principle assumptions used in measuring the estimated after-tax loss included estimated selling price of the discontinued business, discount rates, industry growth rates, and pricing of comparable transactions in the market. The additional losses on the assets were due to either the finalization of the selling prices of the assets disposed or to update the estimated fair values of the assets which continued to be held for sale. The estimated fair values were impacted by current market conditions for the sale transactions based mainly upon the status of negotiations with the potential buyers.

On March 28, 2017, the Company sold a small manufacturing business for \$0.6 million and a note receivable of \$2.4 million, resulting in a gain on sale of the business of \$0.8 million. The note receivable is due March 28, 2021, with an interest rate of 2.05%.

On May 4, 2016, the Company sold certain assets of Wallop for 2.5 million British pounds and deferred compensation up to a maximum payment of 9 million British pounds. In the definitive purchase and sale agreement for the sale of these assets, the Company provided standard representations and warranties as well as indemnification to the buyer of the Wallop operation. The Company is obligated to indemnify the buyer for certain losses of up to 5.0 million British pounds, if, among other things, the Company breaches the representations and warranties. Subsequent to September 29, 2017, the Company received notification of a claim from the buyer of the Wallop operation alleging breaches of representations and warranties primarily associated with defective products and late product deliveries. Although a loss is possible, the amount of any loss related to this claim cannot be estimated at this time. The Company does not expect the possible loss to have a material effect on the Company's financial position. The deferred compensation is payable based upon receipt of acceptable orders during a three-year period ending May 3, 2019, and is equal to the amount of the acceptable order times a specified percentage ranging from 26.5% to 31%. The earn-out payment is estimated to be 5.6 million British pounds at September 29, 2017.

On June 5, 2015, the Company sold Eclipse for \$7.9 million and retained ownership of the land, building and building improvements, which are held for sale. In addition, on July 20, 2015, the Company sold PA&E for \$22.3 million.

The Company recorded an expense related to environmental remediation at a previously sold business for which the Company provided indemnification of \$0.9 million in fiscal 2017, \$0.8 million in fiscal 2016, and \$2.1 million in fiscal 2015. The liability for this environmental obligation was \$0.1 million and \$0.8 million at September 29, 2017, and September 30, 2016, respectively. Remediation costs paid in fiscal 2017, 2016, and 2015 were \$1.6 million, \$1.5 million and \$2.0 million, respectively.

The results of discontinued operations for the last three years were as follows:

In Thousands	Avionics & Controls	Sensors & Systems	Advanced Materials	Other	Total
2017					
Net Sales	\$ 4,964	\$ -	\$ -	\$-	\$4,964
Operating earnings (loss)	(447 )	894	(8,259 )	(895)	(8,707)

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Tax expense (benefit)	(470 )	-	(614 )	(312)	(1,396)
Income (loss) from discontinued					
operations	\$ 23	\$ 894	\$ (7,645 )	\$(583)	\$(7,311)
Included in Operating Earnings (Loss):					
Gain (loss) on net assets held					
for sale	\$ 320	\$ -	\$ (3,226 )	\$-	\$(2,906)
Gain (loss) on sale of					
discontinued operations	793	-	-	-	793

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In Thousands	Avionics & Controls	Sensors & Systems	Advanced Materials	Other	Total
2016					
Net Sales	\$ 17,572	\$ -	\$ 5,222	\$-	\$ 22,794
Operating earnings (loss)	1,350	(379 )	(15,761 )	(788)	(15,578)
Tax expense (benefit)	1,487	(83 )	(1,448 )	(268)	(312 )
Income (loss) from discontinued operations	\$(137 )	\$(296 )	\$(14,313 )	\$(520)	\$(15,266)
Included in Operating Earnings (Loss): Gain (loss) on net assets held for sale	\$(2,457 )	\$ -	\$(5,991 )	\$-	\$(8,448 )

In Thousands	Avionics & Controls	Sensors & Systems	Advanced Materials	Other	Total
2015 (Unaudited, Recast)					
Net Sales	\$47,603	\$21,221	\$ 14,407	\$-	\$ 83,231
Operating earnings (loss)	(24,004)	3,458	(22,424 )	(2,261)	(45,231)
Tax expense (benefit)	(2,948 )	814	(2,456 )	(322 )	(4,912 )
Income (loss) from discontinued operations	\$(21,056)	\$2,644	\$(19,968 )	\$(1,939)	\$(40,319)
Included in Operating Earnings (Loss): Gain (loss) on net assets held for sale	\$(16,763)	\$(622 )	\$(13,407 )	\$-	\$(30,792)

In Thousands	Avionics & Controls	Sensors & Systems	Advanced Materials	Other	Total
2015					
Net Sales	\$40,835	\$ 18,684	\$ 12,883	\$-	\$ 72,402
Operating earnings (loss)	(24,591)	3,041	(17,588 )	(2,120)	(41,258)
Tax expense (benefit)	(3,002 )	626	(1,104 )	(725 )	(4,205 )

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Income (loss) from discontinued

operations	\$ (21,589)	\$ 2,415	\$ (16,484 )	\$ (1,395)	\$ (37,053)
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Included in Operating Earnings (Loss):

Gain (loss) on net assets held

for sale	\$ (18,864)	\$ (229 )	\$ (12,061 )	\$ -	\$ (31,154)
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Assets and Liabilities Held for Sale within the Consolidated Balance Sheet at September 29, 2017, are comprised of the following:

In Thousands	Avionics & Controls	Sensors & Systems	Advanced Materials	Total
Other current assets	\$ -	\$ -	\$ 6,501	\$6,501
Current Assets of Businesses Held for Sale	\$ -	\$ -	\$ 6,501	\$6,501
Net property, plant and equipment	\$ 5,262	\$ -	\$ -	\$5,262
Other assets	-	-	8,072	8,072
Non-Current Assets of Businesses Held for Sale	\$ 5,262	\$ -	\$ 8,072	\$13,334
Accounts payable	\$ -	\$ -	\$ 138	\$138
Accrued liabilities	-	-	7,046	7,046
Current Liabilities of Businesses Held for Sale	\$ -	\$ -	\$ 7,184	\$7,184
Deferred income tax liabilities	\$ -	\$ -	\$ 1,404	\$1,404
Other liabilities	\$ -	\$ -	\$ 320	\$320
Non-Current Liabilities of Businesses Held for Sale	\$ -	\$ -	\$ 1,724	\$1,724
Net Assets of Businesses Held for Sale	\$ 5,262	\$ -	\$ 5,665	\$10,927

Assets and Liabilities Held for Sale within the Consolidated Balance Sheet at September 30, 2016, are comprised of the following:

In Thousands	Avionics & Controls	Sensors & Systems	Advanced Materials	Total
Accounts receivable, net	\$2,588	\$ -	\$ 4,093	\$6,681
Inventories	8,070	-	398	8,468
Prepaid expenses	127	-	103	230
Income tax refundable	-	-	71	71
Current Assets of Businesses Held for Sale	\$10,785	\$ -	\$ 4,665	\$15,450
Net property, plant and equipment	\$5,368	\$ -	\$ 2,869	\$8,237

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Intangibles, net	-	-	1,856	1,856
Deferred income tax benefits (liabilities)	(392 )	-	400	8
Other assets	-	-	1,299	1,299
Non-Current Assets of Businesses Held for Sale	\$4,976	\$ -	\$ 6,424	\$11,400
Accounts payable	\$441	\$ -	\$ 1,463	\$1,904
Accrued liabilities	7,000	-	1,909	8,909
Current Liabilities of Businesses Held for Sale	\$7,441	\$ -	\$ 3,372	\$10,813
Other liabilities	\$-	\$ -	\$ 320	320
Non-Current Liabilities of Businesses Held  for Sale	\$-	\$ -	\$ 320	\$320
Net Assets of Businesses Held for Sale	\$8,320	\$ -	\$ 7,397	\$15,717

NOTE 19: Business Segment Information

The Company's businesses are organized and managed in three reporting segments: Avionics & Controls, Sensors & Systems and Advanced Materials. Operating segments within each reporting segment are aggregated. Operations within the Avionics & Controls segment focus on integrated cockpit systems, technology interface systems for commercial and military aircraft, and similar devices for land- and sea-based military vehicles, visualization solutions for defense and commercial applications, secure

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communication systems, military audio and data products, specialized medical equipment and other industrial applications. Sensors & Systems includes operations that produce high-precision temperature and pressure sensors, electrical power switching, electrical interconnection systems, and other related systems principally for aerospace and defense customers. The Advanced Materials segment focuses on thermally engineered components for critical aerospace applications, high-performance elastomer products used in a wide range of commercial aerospace and military applications, and combustible ordnance and warfare countermeasure devices. All segments include sales to domestic, international, defense and commercial customers.

Geographic sales information is based on product origin. The Company evaluates these segments based on segment profits prior to net interest, other income/expense, corporate expenses and federal/foreign income taxes.

Details of the Company's operations by business segment for the last three fiscal years were as follows:

In Thousands	Twelve Months Ended		Eleven Months Ended	
	2017	2016	2015	2015
			(Unaudited)	
			(Recast)	
	(Restated)	(Restated)	(Restated)	(Restated)
<b>Sales</b>				
Avionics & Controls	\$840,777	\$861,636	\$826,044	\$727,801
Sensors & Systems	724,373	695,712	714,965	633,446
Advanced Materials	435,154	436,105	461,784	413,202
	\$2,000,304	\$1,993,453	\$2,002,793	\$1,774,449
<b>Earnings from Continuing Operations</b>				
Avionics & Controls	\$91,040	\$80,521	\$93,319	\$66,004
Sensors & Systems	86,902	82,466	82,211	69,766
Advanced Materials	73,891	74,515	91,334	80,951
Segment Earnings	251,833	237,502	266,864	216,721
Corporate expense	(68,758 )	(71,753 )	(84,116 )	(76,151 )
Other income	-	-	12,503	12,503
Interest income	527	367	632	578
Interest expense	(30,208 )	(30,091 )	(33,114 )	(30,090 )
Loss on extinguishment of debt	-	-	(11,451 )	(11,451 )
	\$153,394	\$136,025	\$151,318	\$112,110

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In Thousands	Twelve Months Ended			Eleven Months Ended
	2017	2016	2015	2015
			(Unaudited)	
			(Recast)	
Capital Expenditures				
Avionics & Controls	\$19,315	\$36,423	\$14,537	\$13,074
Sensors & Systems <sup>1</sup>	22,804	14,319	21,766	19,489
Advanced Materials <sup>2</sup>	14,247	15,868	16,309	14,324
Discontinued Operations	-	-	789	542
Corporate	1,674	1,862	2,006	1,912
	\$58,040	\$68,472	\$55,407	\$49,341
Depreciation and Amortization				
Avionics & Controls	\$40,853	\$38,909	\$38,070	\$33,415
Sensors & Systems	41,722	40,399	41,200	37,250
Advanced Materials	18,559	18,691	19,708	17,474
Discontinued Operations	-	12	1,877	496
Corporate	2,636	2,247	2,502	1,940
	\$103,770	\$100,258	\$103,357	\$90,575
In Thousands	2017	2016	2015	
	(Restated)	(Restated)	(Restated)	
Identifiable Assets				
Avionics & Controls	\$1,382,176	\$1,302,441	\$1,272,678	
Sensors & Systems	1,139,676	1,140,017	1,115,679	
Advanced Materials	504,965	498,442	493,964	
Discontinued Operations	21,192	29,488	57,095	
Corporate <sup>3</sup>	72,004	59,002	55,469	
	\$3,120,013	\$3,029,390	\$2,994,885	

<sup>1</sup> Excludes capital expenditures accounted for as a capitalized lease obligation of \$0.5 million and \$8.0 million in fiscal 2017 and 2016, respectively.

<sup>2</sup> Excludes capital expenditures accounted for as a capitalized lease obligation of \$3.5 million and \$3.3 million in fiscal 2017 and 2016, respectively.

<sup>3</sup> Primarily cash and deferred tax assets (see Note 11).

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The Company's operations by geographic area for the last three fiscal years were as follows:

In Thousands	Twelve Months Ended		Eleven Months
	2017 (Restated)	2016 (Restated)	Ended 2015
Sales <sup>1</sup>			
Domestic			
Unaffiliated customers - U.S.	\$ 824,796	\$ 837,939	\$ 706,586
Unaffiliated customers - export	199,494	172,209	168,459
Intercompany	55,338	77,472	58,039
	1,079,628	1,087,620	933,084
Canada			
Unaffiliated customers	181,778	183,832	173,394
Intercompany	8,449	3,378	4,013
	190,227	187,210	177,407
France			
Unaffiliated customers	413,641	398,909	364,882
Intercompany	56,824	51,461	42,903
	470,465	450,370	407,785
United Kingdom			
Unaffiliated customers	212,825	237,134	242,077
Intercompany	24,969	25,100	23,769
	237,794	262,234	265,846
All other Foreign			
Unaffiliated customers	167,770	163,430	119,051
Intercompany	185,192	167,565	125,386
	352,962	330,995	244,437
Eliminations	(330,772 )	(324,976 )	(254,110 )
	\$ 2,000,304	\$ 1,993,453	\$ 1,774,449

In Thousands	Twelve Months Ended		Eleven Months
	2017 (Restated)	2016 (Restated)	Ended 2015 (Restated)
Segment Earnings <sup>2</sup>			
Domestic	\$ 118,648	\$ 130,440	\$ 118,753
Canada	26,521	8,659	19,133
France	63,633	61,121	51,532
United Kingdom	22,950	25,646	28,826
All other foreign	20,081	11,636	(1,523 )

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	\$251,833	\$237,502	\$216,721
	2017	2016	2015
	(Restated)	(Restated)	(Restated)
Identifiable Assets <sup>3</sup>			
Domestic	\$1,049,747	\$1,055,021	\$932,713
Canada	499,418	450,047	455,050
France	753,854	770,593	747,616
United Kingdom	405,423	394,811	501,969
All other foreign	339,567	299,916	302,068
	\$3,048,009	\$2,970,388	\$2,939,416

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<sup>1</sup>Based on country from which the sale originated and the sale was recorded.

<sup>2</sup>Before corporate expense, shown on page 85.

<sup>3</sup>Excludes corporate, shown on page 86.

The Company's foreign operations consist of manufacturing facilities located in Belgium, Canada, China, the Dominican Republic, France, Germany, India, Mexico, Morocco, and the United Kingdom, and include sales and service operations located in Brazil, China, and Singapore. Intercompany sales are at prices comparable with sales to unaffiliated customers. U.S. government sales as a percent of Advanced Materials and Avionics & Controls sales were 9.6% and 3.0%, respectively, in fiscal 2017 and 3.5% of consolidated sales. In fiscal 2016 U.S. government sales as a percent of Advanced Materials and Avionics & Controls sales were 9.8% and 2.0%, respectively, and 3.1% of consolidated sales. In fiscal 2015 U.S. government sales as a percent of Advanced Materials and Avionics & Controls sales were 9.9% and 1.1%, respectively, and 2.9% of consolidated sales.

Product lines contributing sales of 10% or more of total sales in any of the last three fiscal years were as follows:

	2017	2016	2015
Connectors	16 %	16 %	16 %
Avionics	16 %	16 %	14 %

### NOTE 20: Subsequent Event

The Board of Directors approved the sale of the Company's elastomer business based in Brea, California, known as the Kirkhill business in March 2018. On March 15, 2018, the Company sold the assets and certain liabilities of this business to TransDigm, Inc. for \$50 million, before a working capital adjustment to be determined when the closing balance sheet of the business is finalized. The Company expects to record a loss on sale ranging from \$5 million to \$7 million.

### NOTE 21: Quarterly Financial Data (Unaudited)

The Company has restated all quarterly periods of fiscal 2017 and fiscal 2016 to reflect the Restatement described herein. See Note 2 – Restatement. The following tables summarize the impacts of the Restatement on the Company's previously reported consolidated statements of operations and balance sheets included in our Quarterly Reports on Form 10-Q for each respective period. The Company did not present tables for the adjustments within the consolidated statement of cash flows, since all of the foregoing adjustments were within the operating activities section of the consolidated statement of cash flows. These adjustments did not affect total cash flows from operating activities, financing activities or investing activities for any period presented.

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Condensed Consolidated Statements of Operations

As Restated

In Thousands, Except Per Share Amounts	First Quarter (Restated)	Second Quarter (Restated)	Third Quarter (Restated)	Fourth Quarter (Restated)	Full Year (Restated)
2017					
Net Sales	\$ 458,416	\$ 509,131	\$ 504,107	\$ 528,650	\$ 2,000,304
Cost of Sales	315,504	331,925	330,408	362,422	1,340,259
Gross Profit	142,912	177,206	173,699	166,228	660,045
Selling, general & administrative	95,110	97,924	93,615	88,332	374,981
Research, development and engineering	21,706	29,041	30,190	28,841	109,778
Operating Earnings from Continuing					
Operations	28,696	55,430	49,894	49,055	183,075
Income Tax Expense (Benefit)	(463 )	13,080	10,703	9,705	33,025
Earnings from Continuing Operations	21,128	34,440	31,764	31,533	118,865
Loss from Discontinued Operations	(5,336 )	(34 )	(815 )	(1,126 )	(7,311 )
Net Earnings	\$ 15,792	\$ 34,406	\$ 30,949	\$ 30,407	\$ 111,554
Earnings (Loss) Per Share Attributable to Esterline -					
Basic:					
Continuing operations	\$ 0.71	\$ 1.16	\$ 1.07	\$ 1.05	\$ 4.00
Discontinued operations	(0.18 )	-	(0.03 )	(0.04 )	(0.25 )
Earnings Per Share	\$ 0.53	\$ 1.16	\$ 1.04	\$ 1.01	\$ 3.75
Earnings (Loss) Per Share Attributable to Esterline -					
Diluted:					
Continuing operations	\$ 0.71	\$ 1.15	\$ 1.06	\$ 1.05	\$ 3.96
Discontinued operations	(0.18 )	-	(0.03 )	(0.04 )	(0.24 )
Earnings Per Share	\$ 0.53	\$ 1.15	\$ 1.03	\$ 1.01	\$ 3.72
2016					
Net Sales	\$ 441,478	\$ 490,310	\$ 517,091	\$ 544,574	\$ 1,993,453
Cost of Sales	303,282	334,475	343,525	350,291	1,331,573
Gross Profit	138,196	155,835	173,566	194,283	661,880
Selling, general & administrative	94,091	102,423	96,769	103,265	396,548
Research, development and engineering	26,403	25,774	23,900	23,633	99,710
Operating Earnings from Continuing					
Operations	16,771	26,698	52,338	69,942	165,749
Income Tax Expense (Benefit)	(161 )	3,004	7,358	11,656	21,857
Earnings from Continuing Operations	9,641	16,270	36,956	50,352	113,219
Earnings (Loss) from Discontinued Operations	(4,780 )	(2,023 )	(8,690 )	227	(15,266 )
Net Earnings	\$ 4,861	\$ 14,247	\$ 28,266	\$ 50,579	\$ 97,953
Earnings (Loss) Per Share Attributable to Esterline -					
Basic:					



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Continuing operations	\$0.32	\$0.55	\$1.26	\$1.71	\$3.84
Discontinued operations	(0.16 )	(0.07 )	(0.30 )	0.01	(0.52 )
Earnings Per Share Attributable to Esterline	\$0.16	\$0.48	\$0.96	\$1.72	\$3.32
Earnings (Loss) Per Share Attributable to Esterline - Diluted:					
Continuing operations	\$0.32	\$0.55	\$1.24	\$1.69	\$3.80
Discontinued operations	(0.16 )	(0.07 )	(0.29 )	0.01	(0.51 )
Earnings Per Share Attributable to Esterline	\$0.16	\$0.48	\$0.95	\$1.70	\$3.29

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## Condensed Consolidated Statement of Operations

As Reported

In Thousands, Except Per Share Amounts	First Quarter (As Reported)	Second Quarter (As Reported)	Third Quarter (As Reported)	Fourth Quarter (As Reported)	Full Year (As Reported)
2017					
Net Sales	\$ 457,733	\$ 509,182	\$ 503,753	\$ 531,527	\$ 2,002,195
Cost of Sales	313,686	333,263	333,124	356,663	1,336,736
Gross Profit	144,047	175,919	170,629	174,864	665,459
Selling, general & administrative	95,633	97,083	93,615	89,082	375,413
Research, development and engineering	21,038	26,808	27,866	27,312	103,024
Operating Earnings from Continuing					
Operations	29,976	57,217	49,148	58,470	194,811
Income Tax Expense	420	14,160	10,433	13,915	38,928
Earnings from Continuing Operations	21,525	35,147	31,288	36,738	124,698
Loss from Discontinued Operations	(5,336 )	(34 )	(815 )	(1,126 )	(7,311 )
Net Earnings	\$ 16,189	\$ 35,113	\$ 30,473	\$ 35,612	\$ 117,387
Earnings (Loss) Per Share Attributable to Esterline -					
Basic:					
Continuing operations	\$ 0.73	\$ 1.18	\$ 1.05	\$ 1.23	\$ 4.19
Discontinued operations	(0.18 )	-	(0.03 )	(0.04 )	(0.25 )
Earnings Per Share	\$ 0.55	\$ 1.18	\$ 1.02	\$ 1.19	\$ 3.94
Earnings (Loss) Per Share Attributable to Esterline -					
Diluted:					
Continuing operations	\$ 0.72	\$ 1.17	\$ 1.04	\$ 1.22	\$ 4.15
Discontinued operations	(0.18 )	-	(0.03 )	(0.04 )	(0.24 )
Earnings Per Share	\$ 0.54	\$ 1.17	\$ 1.01	\$ 1.18	\$ 3.91
2016					
Net Sales	\$ 441,477	\$ 490,310	\$ 517,092	\$ 543,752	\$ 1,992,631
Cost of Sales	303,758	334,137	343,508	349,983	1,331,386
Gross Profit	137,719	156,173	173,584	193,769	661,245
Selling, general & administrative	94,091	102,423	96,769	101,991	395,274
Research, development and engineering	25,575	24,974	22,211	23,179	95,939
Operating Earnings from Continuing					
Operations	17,122	27,836	54,045	71,156	170,159
Income Tax Expense (Benefit)	(33 )	3,416	7,975	11,177	22,535
Earnings from Continuing Operations	9,864	16,996	38,046	52,045	116,951
Earnings (Loss) from Discontinued Operations	(4,780 )	(2,023 )	(8,690 )	227	(15,266 )
Net Earnings	\$ 5,084	\$ 14,973	\$ 29,356	\$ 52,272	\$ 101,685

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Earnings (Loss) Per Share Attributable to Esterline -

Basic:

Continuing operations	\$0.33	\$0.58	\$1.30	\$1.77	\$3.97
Discontinued operations	(0.16 )	(0.07 )	(0.30 )	0.01	(0.52 )
Earnings Per Share	\$0.17	\$0.51	\$1.00	\$1.78	\$3.45

Earnings (Loss) Per Share Attributable to Esterline -

Diluted:

Continuing operations	\$0.33	\$0.57	\$1.28	\$1.75	\$3.93
Discontinued operations	(0.16 )	(0.07 )	(0.29 )	0.01	(0.51 )
Earnings Per Share	\$0.17	\$0.50	\$0.99	\$1.76	\$3.42

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## Condensed Consolidated Statement of Operations

## Adjustments

In Thousands, Except Per Share Amounts	First Quarter (Adjustments)	Second Quarter (Adjustments)	Third Quarter (Adjustments)	Fourth Quarter (Adjustments)	Full Year (Adjustments)
<b>2017</b>					
Net Sales	\$ 683	\$ (51 )	\$ 354	\$ (2,877 )	\$ (1,891 )
Cost of Sales	1,818	(1,338 )	(2,716 )	5,759	3,523
Gross Profit	(1,135 )	1,287	3,070	(8,636 )	(5,414 )
Selling, general & administrative	(523 )	841	-	(750 )	(432 )
Research, development and engineering	668	2,233	2,324	1,529	6,754
Operating Earnings from Continuing					
Operations	(1,280 )	(1,787 )	746	(9,415 )	(11,736 )
Income Tax Expense (Benefit)	(883 )	(1,080 )	270	(4,210 )	(5,903 )
Earnings from Continuing Operations	(397 )	(707 )	476	(5,205 )	(5,833 )
Loss from Discontinued Operations	-	-	-	-	-
Net Earnings	\$ (397 )	\$ (707 )	\$ 476	\$ (5,205 )	\$ (5,833 )
<b>Earnings (Loss) Per Share Attributable to Esterline - Basic:</b>					
Continuing operations	\$ (0.02 )	\$ (0.02 )	\$ 0.02	\$ (0.18 )	\$ (0.19 )
Discontinued operations	-	-	-	-	-
Earnings Per Share	\$ (0.02 )	\$ (0.02 )	\$ 0.02	\$ (0.18 )	\$ (0.19 )
<b>Earnings (Loss) Per Share Attributable to Esterline - Diluted:</b>					
Continuing operations	\$ (0.01 )	\$ (0.02 )	\$ 0.02	\$ (0.17 )	\$ (0.19 )
Discontinued operations	-	-	-	-	-
Earnings Per Share	\$ (0.01 )	\$ (0.02 )	\$ 0.02	\$ (0.17 )	\$ (0.19 )
<b>2016</b>					
Net Sales	\$ 1	\$ -	\$ (1 )	\$ 822	\$ 822
Cost of Sales	(476 )	338	17	308	187
Gross Profit	477	(338 )	(18 )	514	635
Selling, general & administrative	-	-	-	1,274	1,274
Research, development and engineering	828	800	1,689	454	3,771
Operating Earnings from Continuing					
Operations	(351 )	(1,138 )	(1,707 )	(1,214 )	(4,410 )
Income Tax Expense (Benefit)	(128 )	(412 )	(617 )	479	(678 )
Earnings from Continuing Operations	(223 )	(726 )	(1,090 )	(1,693 )	(3,732 )
Earnings (Loss) from Discontinued Operations	-	-	-	-	-
Net Earnings	\$ (223 )	\$ (726 )	\$ (1,090 )	\$ (1,693 )	\$ (3,732 )

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Earnings (Loss) Per Share Attributable to Esterline -

Basic:

Continuing operations	\$ (0.01	) \$ (0.03	) \$ (0.04	) \$ (0.06	) \$ (0.13	)
Discontinued operations	-	-	-	-	-	
Earnings Per Share	\$ (0.01	) \$ (0.03	) \$ (0.04	) \$ (0.06	) \$ (0.13	)

Earnings (Loss) Per Share Attributable to Esterline -

Diluted:

Continuing operations	\$ (0.01	) \$ (0.02	) \$ (0.04	) \$ (0.06	) \$ (0.13	)
Discontinued operations	-	-	-	-	-	
Earnings Per Share	\$ (0.01	) \$ (0.02	) \$ (0.04	) \$ (0.06	) \$ (0.13	)

The sum of the quarterly per share amounts may not equal per share amounts reported for year-to-date periods. This is due to changes in the number of weighted average shares outstanding and the effects of rounding for each period.

## Condensed Consolidated Balance Sheets

As Restated

In Thousands	First Quarter (Restated)	Second Quarter (Restated)	Third Quarter (Restated)	Fourth Quarter (Restated)
2017				
Total Assets	\$2,926,010	\$2,942,064	\$3,046,570	\$3,120,013
Total Liabilities	1,347,134	1,298,308	1,305,673	1,284,737
Total Shareholders' Equity	1,578,876	1,643,756	1,740,897	1,835,276
Total Liabilities & Shareholders' Equity	\$2,926,010	\$2,942,064	\$3,046,570	\$3,120,013
2016				
Total Assets	\$2,918,341	\$3,011,002	\$3,002,909	\$3,029,390
Total Liabilities	1,403,537	1,441,932	1,429,859	1,423,525
Total Shareholders' Equity	1,514,804	1,569,070	1,573,050	1,605,865
Total Liabilities & Shareholders' Equity	\$2,918,341	\$3,011,002	\$3,002,909	\$3,029,390

## Condensed Consolidated Balance Sheets

As Reported

In Thousands	First Quarter (As Reported)	Second Quarter (As Reported)	Third Quarter (As Reported)	Fourth Quarter (As Reported)
2017				
Total Assets	\$2,927,800	\$2,946,476	\$3,049,631	\$3,130,323
Total Liabilities	1,342,201	1,295,590	1,302,083	1,283,195
Total Shareholders' Equity	1,585,599	1,650,886	1,747,548	1,847,128
Total Liabilities & Shareholders' Equity	\$2,927,800	\$2,946,476	\$3,049,631	\$3,130,323
2016				
Total Assets	\$2,919,322	\$3,012,040	\$3,004,117	\$3,032,031
Total Liabilities	1,402,002	1,439,727	1,426,733	1,420,900
Total Shareholders' Equity	1,517,320	1,572,313	1,577,384	1,611,131
Total Liabilities & Shareholders' Equity	\$2,919,322	\$3,012,040	\$3,004,117	\$3,032,031

## Condensed Consolidated Balance Sheets

## Adjustments

In Thousands	First Quarter (Adjustments)	Second Quarter (Adjustments)	Third Quarter (Adjustments)	Fourth Quarter (Adjustments)
2017				
Total Assets	\$ (1,790 )	\$ (4,412 )	\$ (3,061 )	\$ (10,310 )
Total Liabilities	4,933	2,718	3,590	1,542
Total Shareholders' Equity	(6,723 )	(7,130 )	(6,651 )	(11,852 )
Total Liabilities & Shareholders' Equity	\$ (1,790 )	\$ (4,412 )	\$ (3,061 )	\$ (10,310 )
2016				
Total Assets	\$ (981 )	\$ (1,038 )	\$ (1,208 )	\$ (2,641 )
Total Liabilities	1,535	2,205	3,126	2,625
Total Shareholders' Equity	(2,516 )	(3,243 )	(4,334 )	(5,266 )
Total Liabilities & Shareholders' Equity	\$ (981 )	\$ (1,038 )	\$ (1,208 )	\$ (2,641 )

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders

Esterline Technologies Corporation

We have audited the accompanying consolidated balance sheets of Esterline Technologies Corporation as of September 29, 2017 and September 30, 2016, and the related consolidated statements of operations, comprehensive income (loss), cash flows, shareholders' equity, and noncontrolling interests for the twelve months ended September 29, 2017 and September 30, 2016, and the eleven months ended October 2, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Esterline Technologies Corporation at September 29, 2017 and September 30, 2016, and the consolidated results of its operations and its cash flows for the twelve months ended September 29, 2017 and September 30, 2016, and the eleven months ended October 2, 2015, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Esterline Technologies Corporation's internal control over financial reporting as of September 29, 2017, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated November 21, 2017, except for the effects of the material weaknesses described in the fifth paragraph, as to which the date is March 30, 2018, expressed an adverse opinion thereon.

As discussed in Note 2 to the consolidated financial statements, the accompanying financial statements have been restated to correct errors related to unreconciled intercompany transactions for purchases and sales of manufactured products and research and development and engineering expenses within the Company's Sensors and Systems segment and certain other matters.



/s/ Ernst & Young LLP

Seattle, Washington

November 21, 2017

Except for Note 2 and Note 20 as to which the date is March 30, 2018.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders

Esterline Technologies Corporation

We have audited Esterline Technologies Corporation's internal control over financial reporting as of September 29, 2017, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Esterline Technologies Corporation's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our report dated November 21, 2017, we expressed an unqualified opinion that Esterline Technologies Corporation maintained, in all material respects, effective internal control over financial reporting as of September 29, 2017, based on the COSO criteria. Management has subsequently identified a deficiency in controls related to the reconciliation of intercompany charges between its French and U.S. power systems business units. Additionally, management's monitoring controls at its power systems business units failed to detect these errors, and accordingly, its controls over the review and approval of power systems financial statements and intercompany account reconciliations were not effective. The Company has further concluded that such deficiencies represented material weaknesses as of September 29, 2017. As a result, management has revised its assessment, as presented in the accompanying Management's Report on Internal Control Over Financial Reporting, to conclude that Esterline Technologies Corporation's internal control over financial reporting was not effective as of September 29, 2017. Accordingly, our present opinion on the effectiveness of Esterline Technologies Corporation's internal control over financial reporting as of September 29, 2017, as expressed herein, is different from that expressed in our previous report.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balances sheets of Esterline Technologies Corporation as of September 29, 2017 and September 30, 2016, and the related consolidated statements of operations, comprehensive income (loss), cash flows, shareholders' equity, and noncontrolling interests for the twelve months ended September 29, 2017 and September 30, 2016, and the eleven months ended October 2, 2015. These material weaknesses were considered in determining the nature, timing and extent of audit tests applied in our audit of the 2017 consolidated financial statements, and this report does not affect our report dated

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November 21, 2017, except for Note 2 and Note 20 as to which the date is March 30, 2018, which expressed an unqualified opinion on those financial statements.

In our opinion, because of the effect of the material weaknesses described above on the achievement of the objectives of the control criteria, Esterline Technologies Corporation has not maintained effective internal control over financial reporting as of September 29, 2017, based on the COSO criteria.

/s/ Ernst & Young LLP

Seattle, Washington

November 21, 2017

Except for the effect of the material weaknesses described in the fifth paragraph above, as to which the date is March 30, 2018.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Our principal executive and financial officers evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of September 29, 2017, and have concluded that because of the material weaknesses in our internal control over financial reporting as discussed below, these controls and procedures were not effective.

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time period specified in the SEC rules and forms. These disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by us in the reports we file or submit is accumulated and communicated to management of the Company, including the principal executive officer and financial officers, as appropriate to allow timely decisions regarding required disclosure. In light of the material weaknesses discussed below, we performed additional analysis and other post-closing procedures to ensure our consolidated financial statements are prepared in accordance with generally accepted accounting principles. Accordingly, our management, including our principal executive and financial officers, have concluded that the consolidated financial statements included in this Form 10-K/A present fairly, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the United States.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in applicable rules under the Securities Exchange Act of 1934. The Company's internal control over financial reporting was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

The assessment of the effectiveness of the Company's internal control over financial reporting was based on criteria established in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Because of its inherent limitations, internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Management of the Company has assessed the effectiveness of the Company's internal control over financial reporting as of September 29, 2017, and concluded that, due to the two material weaknesses discussed below, the Company's internal control over financial reporting was not effective as of September 29, 2017.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. Financial personnel at our U.S. power systems business unit directed financial accountants to make improper accounting entries in the financial records, which were contrary to our internal accounting policies and circumvented our internal control over the reconciliation of intercompany charges between our French and U.S. power systems business units. Additionally, our monitoring controls at our power systems business units failed to detect these errors, and accordingly, our controls over the

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review and approval of power systems financial statements and intercompany account reconciliations was not effective. These material weaknesses resulted in misstatements which have been corrected in this Form 10-K/A.

Our independent registered public accounting firm, Ernst & Young LLP, has issued an audit report on the effectiveness of internal control over financial reporting. This report appears on page 95.

### Remediation Efforts to Address Material Weaknesses

The Board of Directors and management are fully committed to maintaining a strong internal control environment. The Company has taken and will continue to take significant and comprehensive actions to remediate the material weaknesses in internal control over financial reporting.

Our power systems business unit will implement our policies and procedures over the reconciliation of intercompany transactions. We continue to monitor the reconciliation control execution and will make further changes as necessary. Additionally, we are enhancing our monitoring controls and analytical procedures for reviewing business unit financial statements.

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We replaced the financial staff at our U.S.-based power systems unit with a new platform finance director, unit finance director and controller with appropriate levels of experience.

We believe the remediation steps outlined above have improved and will continue to improve the effectiveness of our internal control over financial reporting. While we have made meaningful progress on strengthening our internal controls relative to the material weaknesses, we have not fully tested all our remediation actions to verify the effectiveness of their design or operation.

The Board of Directors and management believe that the Company's remediation actions will provide an appropriate control environment going forward once the material weaknesses disclosed herein are remediated and other actions described herein have been taken.

As our management continues to evaluate and work to improve our disclosure controls and procedures and internal control over financial reporting, we may determine to take additional measures to address these deficiencies or determine to modify certain of the remediation measures described above.

/s/ Curtis C. Reusser

Curtis C. Reusser  
Chairman, President and Chief Executive Officer  
(Principal Executive Officer)

/s/ Stephen M. Nolan

Stephen M. Nolan  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

/s/ Gary J. Posner

Gary J. Posner  
Corporate Controller and Chief Accounting Officer  
(Principal Accounting Officer)

### Changes in Internal Control Over Financial Reporting

During the three months ended September 29, 2017, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.



PART III

Item 10. Directors and Executive Officers of the Registrant

We hereby incorporate by reference the information set forth under “Election of Directors,” “Section 16(a) Beneficial Ownership Reporting Compliance,” “Code of Ethics,” “Other Information as to Directors – Board and Board Committees,” and “Other Information as to Directors – Director Nominations and Qualifications” in the definitive form of the Company’s Proxy Statement, relating to its Annual Meeting of Shareholders held on February 8, 2018.

Information regarding our executive officers required by this item appears in Item 1 of this report under “Executive Officers of the Registrant.”

Item 11. Executive Compensation

We hereby incorporate by reference the information set forth under “Other Information as to Directors – Director Compensation,” “Executive Compensation – Compensation Discussion and Analysis,” “Compensation Committee Report” and “Compensation Committee Interlocks and Insider Participation” in the definitive form of the Company’s Proxy Statement, relating to its Annual Meeting of Shareholders held on February 8, 2018.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

We hereby incorporate by reference the information set forth under “Security Ownership of Certain Beneficial Owners and Management” and “Equity Compensation Plan Information” in the definitive form of the Company’s Proxy Statement, relating to its Annual Meeting of Shareholders held on February 8, 2018.

Item 13. Certain Relationships and Related Transactions, and Director Independence

We hereby incorporate by reference the information set forth under “Certain Relationships and Related Transactions” and “Other Information as to Directors – Board and Board Committees” in the definitive form of the Company’s Proxy Statement, relating to its Annual Meeting of Shareholders held on February 8, 2018.

Item 14. Independent Registered Public Accounting Firm Fees and Services

We hereby incorporate by reference the information set forth under “Independent Registered Public Accounting Firm’s Fees” in the definitive form of the Company’s Proxy Statement relating to the Annual Meeting of Shareholders held on February 8, 2018.



PART IV

Item 15. Exhibits and Financial Statement Schedules

(a)(1) Financial Statements.

Our Consolidated Financial Statements are as set forth under Item 8 of this report on Form 10-K/A.

(a)(2) Financial Statement Schedules.

All schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

(a)(3) Exhibits.

See Exhibit Index on pages 101-105.

Exhibit Number	Exhibit Index
3.1	<u>Restated Certificate of Incorporation for Esterline Technologies Corporation, dated June 6, 2002. (Incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 26, 2002 [Commission File Number 1-6357], with Form of Certificate of Designation, dated December 11, 2002.) (Incorporated by reference to Exhibit 4.1 to Esterline's Registration of Securities on Form 8-A filed December 12, 2002 [Commission File Number 1-6357].)</u>
3.2	<u>Amended and Restated By-laws of the Company, effective June 5, 2014. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on June 9, 2014 [Commission File Number 1-6357].)</u>
4.1	<u>Indenture dated April 8, 2015, relating to TA Mfg. Limited's 3.625% Senior Notes due 2023. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on April 8, 2015 [Commission File Number 1-6357].)</u>
10.1	* <u>Esterline Technologies Corporation Fiscal Year 2018 Annual Incentive Compensation Plan. (Incorporated by reference to Exhibit 10.1 to the Company's Annual Report on Form 10-K for the year ended September 29, 2017 [Commission File Number 1-6357].)</u>
10.2	* <u>Esterline Technologies Corporation Long-Term Incentive Performance Share Plan, for fiscal years 2018 – 2020. (Incorporated by reference to Exhibit 10.2 to the Company's Annual Report on Form 10-K for the year ended September 29, 2017 [Commission File Number 1-6357].)</u>
10.3	* <u>Esterline Technologies Corporation Supplemental Retirement Income Plan. (Incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended October 27, 2006 [Commission File Number 1-6357].)</u>
10.4	* <u>Esterline Technologies Corporation Fiscal Year 2017 Annual Incentive Compensation Plan. (Incorporated by reference to Exhibit 10.1 to the Company's Annual Report on Form 10-K for the year ended September 30, 2016 [Commission File Number 1-6357].)</u>
10.5	* <u>Esterline Technologies Corporation Long-Term Incentive Performance Share Plan, for fiscal years 2017 – 2019. (Incorporated by reference to Exhibit 10.2 to the Company's Annual Report on Form 10-K for the year ended September 30, 2016 [Commission File Number 1-6357].)</u>
10.6	* <u>Esterline Technologies Corporation Long-Term Incentive Performance Share Plan, for fiscal years 2016 – 2018. (Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended January 1, 2016 [Commission File Number 1-6357].)</u>
10.7	* <u>Esterline Technologies Corporation Long-Term Incentive Performance Share Plan, for fiscal years 2015 – 2017. (Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended May 1, 2015 [Commission File Number 1-6357].)</u>
10.8	* <u>Esterline Technologies Supplemental Executive Retirement and Deferred Compensation Plan. (Incorporated by reference to Exhibit 10.43 to the Company's Annual Report on Form 10-K for the year ended October 27, 2006 [Commission File Number 1-6357].)</u>

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- 10.9 \*Esterline Technologies Corporation 2002 Employee Stock Purchase Plan, as amended on November 22, 2016. (Incorporated by reference to Exhibit 10.9 to the Company's Annual Report on Form 10-K for the year ended September 30, 2016 [Commission File Number 1-6357].)
- 10.10 \*Esterline Technologies Corporation 2004 Equity Incentive Plan, as amended on March 3, 2010. (Incorporated by reference to Annex A of the Registrant's Definitive Proxy Statement on Schedule 14A, filed on January 22, 2010 [Commission File Number 1-6357].)
- 10.11 \*Esterline Technologies Corporation 2013 Equity Incentive Plan, as amended and restated effective December 16, 2016. (Incorporated by reference to Annex A of the Registrant's Definitive Proxy Statement on Schedule 14A, filed on December 29, 2016 [Commission File Number 1-6357].)
- 10.12 \*Form of Global Stock Option Agreement for Esterline Technologies Corporation Amended and Restated 2004 Equity Incentive Plan. (Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended January 25, 2013 [Commission File Number 1-6357].)

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Exhibit Number	Exhibit Index
10.13	<u>Form of Restricted Stock Unit Option Agreement for Esterline Technologies Corporate Amended and Restated 2004 Equity Incentive Plan. (Incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended January 25, 2013 [Commission File Number 1-6357].)</u>
10.14	* <u>Form of Global Stock Option Agreement for Esterline Technologies Corporation 2013 Equity Incentive Plan (dated November 2016). (Incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended September 29, 2016 [Commission File Number 1-6357].)</u>
10.15	* <u>Form of Global Restricted Stock Unit Options Agreement for Esterline Technologies Corporation 2013 Equity Incentive Plan. (Incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended September 29, 2016 [Commission File Number 1-6357].)</u>
10.16	* <u>Form of Global Stock Option Agreement for Esterline Technologies Corporation 2013 Equity Incentive Plan. (Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended May 1, 2015 [Commission File Number 1-6357].)</u>
10.17	* <u>Form of Global Restricted Stock Unit Option Agreement for Esterline Technologies Corporation 2013 Equity Incentive Plan. (Incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended May 1, 2015 [Commission File Number 1-6357].)</u>
10.18	* <u>Restricted Stock Unit Agreement between Robert D. George and Esterline Technologies Corporation dated September 11, 2013. (Incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended October 25, 2013 [Commission File Number 1-6357].)</u>
10.19	* <u>Restricted Stock Unit Agreement between Albert S. Yost and Esterline Technologies Corporation dated September 11, 2013. (Incorporated by reference to Exhibit 10.17 to the Company's Annual Report on Form 10-K for the year ended October 25, 2013 [Commission File Number 1-6357].)</u>
10.20	* <u>Restricted Stock Unit Agreement between Curtis C. Reusser and Esterline Technologies Corporation dated October 28, 2013. (Incorporated by reference to Exhibit 10.18 to the Company's Annual Report on Form 10-K for the year ended October 31, 2014 [Commission File Number 1-6357].)</u>
10.21	* <u>Executive Officer Amended and Restated Termination Protection Agreement. (Incorporated by reference to Exhibit 10.19 of the Company's Annual Report on Form 10-K for the year ended October 2, 2015 [Commission File Number 1-6357].)</u>
10.22	* <u>Offer Letter from Esterline Technologies Corporation to Paul P. Benson, dated November 6, 2014. (Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended January 1, 2016 [Commission</u>

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File Number 1-63571.)

- 10.23 \* Offer Letter from Esterline Technologies Corporation to Roger A. Ross dated July 27, 2015. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 13, 2015 [Commission File Number 1-63571].)
- 10.24 \* Promotion Letter from Esterline Technologies Corporation to Marcia J. Mason dated August 1, 2012. (Incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended January 25, 2013 [Commission File Number 1-63571].)
- 10.25 \* Promotion Letter from Esterline Technologies Corporation to Albert S. Yost dated November 16, 2009. (Incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended January 25, 2013 [Commission File Number 1-63571].)
- 10.26 \* Offer Letter from Esterline Technologies Corporation to Curtis C. Reusser dated September 11, 2013. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 12, 2013 [Commission File Number 1-63571].)
- 10.27 \* Termination Protection Agreement, dated December 18, 2015, between Esterline Technologies Corporation and Roger A. Ross. (Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 30, 2016 [Commission File Number 1-63571].)

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Exhibit Number	Exhibit Index
10.28	<u>Agreement for Lease for 4 &amp; 5 Eastbrook Day Centre, Eastbrook Trading Centre among Sheldon Friendly Society, Darchem Engineering Limited and Esterline Technologies Corporation, dated as of March 10, 2016. (Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 1, 2016 [Commission File Number 1-6357].)</u>
10.29	<u>Deed, by and among, Sheldon Friendly Society, Darchem Engineering Limited, and Darchem Holdings Limited dated March 25, 2008. (Incorporated by reference to Exhibit 10.50 to the Company's Annual Report on Form 10-K for the year ended October 2, 2015 [Commission File Number 1-6357].)</u>
10.30	<u>Seventh Amendment dated as of April 9, 2015, among Esterline Technologies Corporation, the foreign borrowers party thereto, the subsidiary guarantors party thereto, Wells Fargo Bank, National Association, as Administrative Agent, and the lenders thereto. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 13, 2015 [Commission File Number 1-6357].)</u>
10.31	<u>Agreement, dated October 18, 2016, among Esterline Technologies Corporation, First Pacific Advisors, LLC and the other parties named in the Letter Agreement. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on 8-K dated October 18, 2016 [Commission File Number 1-6357].)</u>
10.32	<u>Consent Agreement between Esterline Technologies Corporation and the U.S. Department of State Bureau of Political Military Affairs filed on March 6, 2014. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 6, 2014 [Commission File Number 1-6357].)</u>
10.33	<u>Amended and Restated Master Acquisition Agreement by and among Barco NV, Barco Inc., Barco Integrated Solutions NV and Esterline Technologies Corporation dated as of November 14, 2014. (Incorporated by reference to Exhibit 10.48 to the Company's Annual Report on Form 10-K for the year ended October 31, 2014 [Commission File Number 1-6357].)</u>
10.34	<u>Property lease between Slibail Immobilier and Norbail Immobilier and Auxitrol S.A., dated April 29, 1997, relating to the manufacturing facility of Auxitrol at 5, allée Charles Pathé, 18941 Bourges Cedex 9, France, effective on the construction completed date (December 5, 1997). (Incorporated by reference to Exhibit 10.25 to the Company's Annual Report on Form 10-K for the year ended October 28, 2005 [Commission File Number 1-6357].)</u>
10.35	<u>Industrial and Build-to-Suit Purchase and Sale Agreement between The Newhall Land and Farming Company, Esterline Technologies Corporation and TA Mfg. Co., dated February 13, 1997, including Amendments, relating to premises located at 28065 West Franklin Parkway, Valencia, CA. (Incorporated by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K for the year ended October 28, 2005 [Commission File Number 1-6357].)</u>
10.36	<u>Lease Agreement, dated as of February 27, 1998, between Glacier Partners and Advanced Input Devices, Inc., as amended by Lease Amendment #1, dated February 27, 1998. (Incorporated by reference to Exhibit 10.31 to the Company's Annual Report on Form 10-K for the year ended October 27, 2000 [Commission File Number 1-6357].)</u>
10.37	<u>Lease Amendment #2 between Glacier Partners and Advanced Input Devices, Inc., dated July 2, 2002, and Lease Amendment #3 between Glacier Partners and Advanced Input Devices, Inc., dated September 18, 2009. (Incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended October 30, 2009 [Commission File Number 1-6357].)</u>



- 10.38 Lease Agreement, dated as of August 6, 2003, by and between the Prudential Insurance Company of America and Mason Electric Co., relating to premises located at Sylmar, California. (Incorporated by reference to Exhibit 10.34 to the Company's Annual Report on Form 10-K for the year ended October 31, 2003 [Commission File Number 1-6357].)
- 10.39 Occupation Lease of Buildings known as Phases 3 and 4 on the Solartron Site at Victoria Road, Farnborough, Hampshire between J Sainsbury Developments Limited and Weston Aerospace Limited, dated July 21, 2000. (Incorporated by reference to Exhibit 10.35 to the Company's Annual Report on Form 10-K for the year ended October 31, 2003 [Commission File Number 1-6357].)

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Exhibit Number	Exhibit Index
10.40	<u>Lease Agreement dated as of March 19, 1969, as amended, between Leach Corporation and Gin Gor Ju, Trustee of Ju Family Trust, relating to premises located in Orange County. (Incorporated by reference to Exhibit 10.37 to the Company's Annual Report on Form 10-K for the year ended October 29, 2004 [Commission File Number 1-6357].)</u>
10.41	<u>Lease Agreement, dated November 29, 2005, between Lordbay Investments Limited, Darchem Engineering Limited and Darchem Holdings Limited relating to premises located at Units 4 and 5 Eastbrook Road, London Borough of Gloucestershire Gloucester. (Incorporated by reference to Exhibit 10.38 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 28, 2006 [Commission File Number 1-6357].)</u>
10.42	<u>Amendment No. 1 dated as of November 23, 2005, to Lease Agreement dated as of March 1, 1994, between Highland Industrial Park, Inc. and Armtec Countermeasures Company. (Incorporated by reference to Exhibit 10.41 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 28, 2006 [Commission File Number 1-6357].)</u>
10.43	<u>Lease Agreement between Capstone PF LLC and Korry Electronics Co. dated as of March 26, 2008. (Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended May 2, 2008 [Commission File Number 1-6357].)</u>
10.44	<u>Exhibit C to Lease Agreement between Capstone PF LLC and Korry Electronics Co. dated as of March 26, 2008. (Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended August 1, 2008 [Commission File Number 1-6357].)</u>
10.45	<u>Second Amendment to Building Lease and Sublease, dated July 30, 2008, between Capstone PF LLC and Korry Electronics Co. (Incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended August 1, 2008 [Commission File Number 1-6357].)</u>
10.46	<u>Subordination, Nondisturbance and Attornment Agreement and Estoppel Certificate, dated July 30, 2008, between Keybank National Association and Korry Electronics Co. (Incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended August 1, 2008 [Commission File Number 1-6357].)</u>
10.47	<u>Lease Extension Agreement between Weir Redevelopment Company and Kirkhill TA dated October 30, 2009. (Incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended January 29, 2010 [Commission File Number 1-6357].)</u>
10.48	<u>First and Second Amendment to Office Lease Agreement between City Center Bellevue Property LLC, a Delaware limited partnership, and Esterline Technologies Corporation, a Delaware corporation, dated April 14, 2011, and May 4, 2011. (Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 29, 2011 [Commission File Number 1-6357].)</u>
10.49	<u>First Amendment to Lease between The Prudential Insurance Company of America and Mason Electric, Co. dated July 29, 2004. (Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 26, 2013 [Commission File Number 1-6357].)</u>
10.50	<u>Second Amendment to Lease between Sylmar Cascades Properties, L.P. and Mason Electric, Co. dated January 19, 2007. (Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on</u>

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Form 10-Q for the quarter ended July 26, 2013 [Commission File Number 1-6357].)

- 10.51 Third Amendment to Lease between Sylmar Cascades Properties, L.P. and Mason Electric, Co. dated January 1, 2013. (Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 26, 2013 [Commission File Number 1-6357].)
- 10.52 Third Amendment to Office Lease Agreement between City Center Bellevue Property LLC, a Delaware limited partnership, and Esterline Technologies Corporation, a Delaware corporation, dated August 19, 2013. (Incorporated by reference to Exhibit 10.49 to the Company's Annual Report on Form 10-K for the year ended October 2, 2015 [Commission File Number 1-6357].)

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Exhibit Number	Exhibit Index
10.53	<u>Lease Agreement between Industrias Asociados Maquiladoras, S.A. de C.V. and Sunbank de Mexico, S. de R.L. de C.V. dated as of September 1, 2015, as amended by the First Addendum dated September 19, 2015, the Second Addendum dated May 5, 2016, and the Third Addendum dated May 23, 2016. (Incorporated by reference to Exhibit 10.57 to the Company's Annual Report on Form 10-K for the year ended September 30, 2016 [Commission File Number 1-6357].)</u>
10.54	<u>Lease Agreement between Mex-Industrial Assets, S. de R.L. de C.V. and Esterline Mexico, S. de R.L. de C.V. dated June 4, 2014, as amended by the Amendment dated December 2, 2015, the Second Amendment dated June 1, 2016, and the Third Amendment dated November 3, 2016. (Incorporated by reference to Exhibit 10.58 to the Company's Annual Report on Form 10-K for the year ended September 30, 2016 [Commission File Number 1-6357].)</u>
10.55	<u>Lease Agreement between Industrias Asociados Maquiladoras, S.A. de C.V. and Esterline Mexico, S. de R.L. de C.V. dated October 8, 2007, as amended by the First Amendment dated December 1, 2012. (Incorporated by reference to Exhibit 10.59 to the Company's Annual Report on Form 10-K for the year ended September 30, 2016 [Commission File Number 1-6357].)</u>
10.56	<u>Lease Agreement between Inmobiliaria Promotora S.A. de C.V. (f/k/a Promotora Industrial Tijuana, S.A. de C.V.) and Leach International de Mexico, S. de R.L. de C.V. dated June 1, 2000, as amended by the First Addendum dated April 17, 2001, the Second Addendum dated March 23, 2005, and the Third Addendum dated October 8, 2014. (Incorporated by reference to Exhibit 10.60 to the Company's Annual Report on Form 10-K for the year ended September 30, 2016 [Commission File Number 1-6357].)</u>
10.57	<u>Fourth Amendment to Lease Agreement between Cibanco, S.A., I.B.M. Como Fiduciario del Fideicomiso E Finsa-WSC CIB/2504 (formerly Mex-Industrial Assets, S. de R.L. de C.V.) and Esterline Mexico, S. de R.L. de C.V. dated May 15, 2017. (Incorporated by reference to Exhibit 10.57 to the Company's Annual Report on Form 10-K for the year ended September 29, 2017 [Commission File Number 1-6357].)</u>
11.1	<u>Schedule setting forth computation of earnings per share for the five fiscal years ended September 29, 2017, as Restated.</u>
12.1	<u>Statement of Computation of Ratio of Earnings to Fixed Charges, as Restated.</u>
21.1	<u>List of subsidiaries.</u>
23.1	<u>Consent of Independent Registered Public Accounting Firm.</u>
31.1	<u>Certification of Chief Executive Officer.</u>
31.2	<u>Certification of Chief Financial Officer.</u>
32.1	<u>Certification (of Curtis C. Reusser) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2	<u>Certification (of Stephen M. Nolan) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.INS	XBRL Instance Document

101.SCH XBRL Taxonomy Extension Schema

101.CAL XBRL Taxonomy Extension Calculation Linkbase

101.DEF XBRL Taxonomy Extension Definition Linkbase

101.LAB XBRL Taxonomy Extension Label Linkbase

101.PRE XBRL Taxonomy Extension Presentation Linkbase

\* Indicates management contract or compensatory plan or arrangement.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ESTERLINE TECHNOLOGIES  
CORPORATION  
(Registrant)

By /s/ Stephen M. Nolan  
Stephen M. Nolan  
Executive Vice President and  
Chief Financial Officer  
(Principal Financial Officer)

Dated: March 30, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ Curtis C. Reusser (Curtis C. Reusser)	Chairman, President and Chief Executive Officer  (Principal Executive Officer)	March 30, 2018 Date
/s/ Stephen M. Nolan (Stephen M. Nolan)	Executive Vice President and Chief Financial Officer  (Principal Financial Officer)	March 30, 2018 Date
/s/ Gary J. Posner (Gary J. Posner)	Corporate Controller and Chief Accounting Officer  (Principal Accounting Officer)	March 30, 2018 Date
/s/ Michael J. Cave  (Michael J. Cave)	Director	March 30, 2018  Date
/s/ Michael J. Covey	Director	March 30, 2018

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(Michael J. Covey)

Date

/s/ Delores M. Etter

Director

March 30, 2018

(Delores M. Etter)

Date

/s/ Anthony P. Franceschini Director  
(Anthony P. Franceschini)

March 30, 2018

Date

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/s/ Paul V. Haack      Director    March 30, 2018

(Paul V. Haack)                      Date

/s/ Mary L. Howell    Director    March 30, 2018

(Mary L. Howell)                      Date

/s/ Scott E. Kuechle    Director    March 30, 2018

(Scott E. Kuechle)                      Date

/s/ Nils E. Larsen      Director    March 30, 2018

(Nils E. Larsen)                      Date