

GENERAL DYNAMICS CORP

Form 424B5

May 07, 2018

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Registration No. 333-223853

**The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities, and we are not soliciting offers to buy these securities, in any jurisdiction where the offer or sale is not permitted.**

**Subject to completion, dated May 7, 2018**

## **Preliminary Prospectus Supplement**

(To Prospectus dated March 22, 2018)

\$	<b>Floating Rate Notes due 2020</b>
\$	<b>Floating Rate Notes due 2021</b>
\$	<b>% Notes due 2020</b>
\$	<b>% Notes due 2021</b>
\$	<b>% Notes due 2023</b>
\$	<b>% Notes due 2025</b>
\$	<b>% Notes due 2028</b>

We are offering \$ aggregate principal amount of Floating Rate Notes due 2020 (the 2020 floating rate notes ), \$ aggregate principal amount of Floating Rate Notes due 2021 (the 2021 floating rate notes and, together with the 2020 floating rate notes, the floating rate notes ), \$ aggregate principal amount of % Notes due 2020 (the 2020 notes ), \$ aggregate principal amount of % Notes due 2021 (the 2021 notes ), \$ aggregate principal amount of % Notes due 2023 (the 2023 notes ), \$ aggregate principal amount of % Notes due 2025 (the 2025 notes ) and \$ aggregate principal amount of % Notes due 2028 (the 2028 notes and, together with the 2020 notes, the 2021 notes, the 2023 notes and the 2025 notes, the fixed rate notes ). We refer to the floating rate notes and the fixed rate notes collectively as the notes.

The 2020 floating rate notes will mature on \_\_\_\_\_, 2020 and will bear interest at a floating rate, reset quarterly, equal to Three-Month LIBOR (as defined herein) plus \_\_\_\_\_ basis points. The 2021 floating rate notes will mature on \_\_\_\_\_, 2021 and will bear interest at a floating rate, reset quarterly, equal to Three-Month LIBOR plus \_\_\_\_\_ basis points. Interest on the floating rate notes will be payable quarterly, in arrears, on \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ of each year, beginning \_\_\_\_\_, 2018.

The 2020 notes will mature on \_\_\_\_\_, 2020 and will bear interest at the rate of \_\_\_\_\_ % per annum. The 2021 notes will mature on \_\_\_\_\_, 2021 and will bear interest at the rate of \_\_\_\_\_ % per annum. The 2023 notes will mature on \_\_\_\_\_, 2023 and will bear interest at the rate of \_\_\_\_\_ % per annum. The 2025 notes will mature on \_\_\_\_\_, 2025 and will bear interest at the rate of \_\_\_\_\_ % per annum. The 2028 notes will mature on \_\_\_\_\_, 2028 and will bear interest at the rate of \_\_\_\_\_ % per annum. Interest on the fixed rate notes will be payable semi-annually, in arrears, on \_\_\_\_\_ and \_\_\_\_\_ of each year, beginning \_\_\_\_\_, 2018.

The floating rate notes are not redeemable prior to maturity. We may redeem the fixed rate notes, in whole or in part, at any time prior to their maturity at the applicable redemption prices described in this prospectus supplement.

The notes will be unsecured and will rank equally with all our other existing and future senior unsecured indebtedness and senior in right of payment to all of our other existing and future subordinated indebtedness. Our obligations under the notes will be fully and unconditionally guaranteed by certain of our subsidiaries in accordance with the terms of the indenture under which the notes will be issued. The guarantees will rank equally in right of payment with each other and all other existing and future senior unsecured indebtedness of such guarantors.

The notes will be issued only in denominations of \$2,000 and integral multiples of \$1,000 above that amount.

The notes are new issues of securities with no established trading market. We do not intend to apply for the notes to be listed on any securities exchange or to arrange for the notes to be quoted on any quotation system.

**See Risk factors beginning on page S-6 for a discussion of certain risks that you should consider in connection with an investment in the notes.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

	Per 2020 Floating Rate Note Total		Per 2021 Floating Rate Note Total		Per 2020 Note Total		Per 2021 Note Total		Per 2023 Note Total		Per 2025 Note Total		Per 2028 Note Total	
Price to Public (1)	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$
Underwriting Discounts	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$
Proceeds, Before Expenses, to us (1)	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$

(1) Plus accrued interest from \_\_\_\_\_, 2018, if settlement occurs after that date.

The notes are expected to be delivered in book-entry form only through the facilities of The Depository Trust Company and its participants, including Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme, on or

about , 2018.

*Joint Book-Running Managers*

**BofA Merrill Lynch**

**RBC Capital Markets  
, 2018**

**Wells Fargo Securities**

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**You should read carefully this prospectus supplement, the accompanying prospectus and any related free writing prospectus prepared by us or on our behalf or to which we have referred you before you invest in the notes. These documents contain or incorporate by reference important information you should consider before making your investment decision. This prospectus supplement contains specific information about the notes being offered and the accompanying prospectus contains a general description of the notes. This prospectus supplement may add, update or change information in the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus supplement, in the accompanying prospectus or in any free writing prospectus prepared by us or on our behalf or to which we have referred you. Neither we nor the underwriters take responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. You should assume that the information contained in this prospectus supplement, in the accompanying prospectus, in any document incorporated by reference herein or therein, and in any free writing prospectus prepared by us or on our behalf or to which we have referred you is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those respective dates.**

This prospectus supplement and the accompanying prospectus do not constitute an offer to sell, or the solicitation of an offer to buy, any securities other than the registered securities to which they relate, nor do this prospectus supplement and the accompanying prospectus constitute an offer to sell or a solicitation of an offer to buy these

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securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

References to we, us, our or the Company are to General Dynamics Corporation, unless we expressly indicate otherwise. References to General Dynamics are to General Dynamics Corporation, together with our consolidated subsidiaries, including the Guarantors. Guarantors means, initially, American Overseas Marine Company, LLC, Bath Iron Works Corporation, Electric Boat Corporation, General Dynamics Government Systems Corporation, General Dynamics Land Systems Inc., General Dynamics Ordnance and Tactical Systems, Inc., General Dynamics-OTS, Inc., Gulfstream Aerospace Corporation, and National Steel and Shipbuilding Company.

References to dollars or \$ in this prospectus supplement and the accompanying prospectus are to U.S. dollars.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the U.S. Securities and Exchange Commission (the SEC). You may read and copy any document that we file at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an internet site at [www.sec.gov](http://www.sec.gov) that contains reports, proxy statements and other information regarding registrants that file electronically, including General Dynamics Corporation. Except as expressly set forth in the paragraph below, we are not incorporating the contents of the SEC website into this prospectus supplement.

The SEC allows us to incorporate by reference into this prospectus supplement the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus supplement, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference into this prospectus supplement the documents listed below that we have filed with the SEC (File No. 1-3671) and any future filings that we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, until we sell all of the securities (other than filings or portions of filings that are furnished under applicable SEC rules rather than filed):

Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed on February 12, 2018;

Quarterly Report on Form 10-Q for the quarter ended April 1, 2018, filed on April 25, 2018; and

Current Reports on Form 8-K filed on February 12, 2018 (only with respect to Item 1.01 and Exhibit 2.1 in Item 9.01), March 5, 2018, March 20, 2018, March 27, 2018 and April 3, 2018 (as amended on May 7, 2018).

You may request a copy of these filings at no cost, by writing or telephoning the office of:

General Dynamics Corporation

2941 Fairview Park Drive, Suite 100

Falls Church, Virginia 22042-4513

Attention: Corporate Secretary

Telephone: (703) 876-3000

You may also find additional information about us (including the documents mentioned above) on our website at [www.generaldynamics.com](http://www.generaldynamics.com). The information included on or linked to our website or any website referred to in any document incorporated by reference into this prospectus supplement is not a part of this prospectus supplement or the accompanying prospectus.

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**SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS**

Certain statements in this prospectus supplement and the accompanying prospectus and in the information incorporated herein and therein by reference contain forward-looking statements, which are based on management's expectations, estimates, projections and assumptions. Words such as expects, anticipates, plans, believes, schedule, outlook, estimates, should and variations of these words and similar expressions are intended to identify forward-looking statements. These include but are not limited to projections of revenues, earnings, operating margins, segment performance, cash flows, contract awards, aircraft production, deliveries, dividends and backlog. In making these statements we rely on assumptions and analyses based on our experience and perception of historical trends, current conditions and expected future developments as well as other factors we consider appropriate under the circumstances. Forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. These statements are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. Therefore, actual future results and trends may differ materially from what is forecast in forward-looking statements due to a variety of factors, including, without limitation, those identified under Risk factors in this prospectus supplement and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, those identified under Special note on forward-looking statements in the accompanying prospectus and other important factors disclosed in this prospectus supplement, the accompanying prospectus and our other filings with the SEC.

All forward-looking statements speak only as of the date hereof or, in the case of any document incorporated by reference, the date of that document. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are qualified by the cautionary statements in this section. We do not undertake any obligation to update or publicly release any revisions to forward-looking statements to reflect events, circumstances or changes in expectations after the date such statements are made. These factors may be revised or supplemented in subsequent reports on SEC Forms 10-K, 10-Q and 8-K.



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**SUMMARY**

*The following summary should be read as an introduction to, and in conjunction with, the remainder of this prospectus supplement, the accompanying prospectus and any documents incorporated by reference herein and therein. You should base your investment decision on a consideration of this prospectus supplement, the accompanying prospectus and any documents incorporated by reference herein and therein, as a whole. Words and expressions defined in Description of the notes and guarantees below shall have the same meanings in this summary.*

**The issuer**

General Dynamics is a global aerospace and defense company that offers a broad portfolio of products and services in business aviation; combat vehicles, weapons systems and munitions; information technology (IT) services and C4ISR (command, control, communications, computers, intelligence, surveillance and reconnaissance) solutions; and shipbuilding and ship repair. The Company was incorporated in Delaware in 1952.

**Recent developments**

***CSRA acquisition***

On April 3, 2018, we completed our acquisition of CSRA Inc., a Nevada corporation ( CSRA ). CSRA is now part of General Dynamics Information Technology ( GDIT ). The combination of GDIT and CSRA creates a premier provider of high-tech information technology (IT) solutions to the government IT market.

The aggregate amount of cash consideration paid by us in connection with the acquisition, including amounts to repay CSRA 's due and payable debt and cash out outstanding stock options and restricted stock units of CSRA, was approximately \$9.7 billion. This amount was funded by a combination of available cash on hand, an advance of \$7.5 billion under our 364-day revolving credit facility and proceeds from commercial paper issuances. In addition, we paid approximately \$450 million to satisfy obligations under CSRA 's accounts receivable purchase agreement.

**The offering**

**Issuer** General Dynamics Corporation

**Guarantors** American Overseas Marine Company, LLC  
Bath Iron Works Corporation

Electric Boat Corporation

General Dynamics Government Systems Corporation

General Dynamics Land Systems Inc.

General Dynamics Ordnance and Tactical Systems, Inc.

General Dynamics-OTS, Inc.

Gulfstream Aerospace Corporation

National Steel and Shipbuilding Company

**Notes** \$ aggregate principal amount of Floating Rate Notes due 2020.

\$ aggregate principal amount of Floating Rate Notes due 2021.

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\$ aggregate principal amount of % Notes due 2020.

\$ aggregate principal amount of % Notes due 2021.

\$ aggregate principal amount of % Notes due 2023.

\$ aggregate principal amount of % Notes due 2025.

\$ aggregate principal amount of % Notes due 2028.

**Maturity dates**

The 2020 floating rate notes will mature on , 2020. The 2021 floating rate notes will mature on , 2021.

The 2020 notes will mature on , 2020. The 2021 notes will mature on , 2021. The 2023 notes will mature on , 2023. The 2025 notes will mature on , 2025. The 2028 notes will mature on , 2028.

**Interest rates**

The 2020 floating rate notes will bear interest at a floating rate, reset quarterly, equal to Three-Month LIBOR (as defined herein) plus basis points. The 2021 floating rate notes will bear interest at a floating rate, reset quarterly, equal to Three-Month LIBOR plus basis points. See Description of the notes and guarantees General terms of the floating rate notes.

The 2020 notes will bear interest at the rate of % per annum. The 2021 notes will bear interest at the rate of % per annum. The 2023 notes will bear interest at the rate of % per annum. The 2025 notes will bear interest at the rate of % per annum. The 2028 notes will bear interest at the rate of % per annum.

**Interest payment dates**

Interest on the floating rate notes will be payable quarterly, in arrears, on , , and of each year, beginning on , 2018.

Interest on the fixed rate notes will be payable semi-annually, in arrears, on and of each year, beginning on , 2018.

**Ranking**

The notes will be our unsecured senior obligations and, as such, will rank *pari passu* in right of payment with all of our other existing and future senior unsecured indebtedness and senior in right of payment to all of our existing and future subordinated indebtedness.

**Guarantees**

The notes will be fully, jointly and severally, irrevocably and unconditionally guaranteed by each of the Guarantors, which guarantees will rank *pari passu* in right of payment with each other and all other existing and future senior unsecured indebtedness of such Guarantors.



The redemption price for such fixed rate notes will include, in each case, accrued but unpaid interest to but excluding the date of redemption on the principal amount of fixed rate notes to be redeemed.

Subject to certain exceptions, any notice of redemption may state that such redemption shall be conditional upon the receipt by a paying

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agent (which may be the trustee) for such fixed rate notes, on or prior to the date fixed for such redemption, of money sufficient to pay the redemption price and accrued interest on such fixed rate notes and that if such money has not been so received such notice shall be of no force or effect and we shall not be required to redeem such fixed rate notes. See Description of the notes and guarantees Optional redemption.

**Book-entry issuance, settlement and clearance**

The notes of each series are expected to be delivered in book-entry form only through the facilities of The Depository Trust Company and its participants, including Euroclear Bank S.A./N.V. and Clearstream Banking, *soci t  anonyme*, on or about \_\_\_\_\_, 2018.

**CUSIPs/ISINs**

/ \_\_\_\_\_ for the 2020 floating rate notes.

/ \_\_\_\_\_ for the 2021 floating rate notes.

/ \_\_\_\_\_ for the 2020 notes.

/ \_\_\_\_\_ for the 2021 notes.

/ \_\_\_\_\_ for the 2023 notes.

/ \_\_\_\_\_ for the 2025 notes.

/ \_\_\_\_\_ for the 2028 notes.

**Listing and trading**

The notes are new issues of securities with no established trading market. We do not intend to apply for the notes to be listed on any securities exchange or to arrange for the notes to be quoted on any quotation system.

**Trustee**

The Bank of New York Mellon.

**Calculation agent**

The Bank of New York Mellon.

**Timing and delivery**

We currently expect delivery of the notes to occur on or about 2018.

**Use of proceeds**

The net proceeds from this offering, after deducting the underwriting discounts and our estimated expenses, are expected to be approximately \$ billion. We intend to use the net proceeds from this offering to repay outstanding borrowings under our 364-day revolving credit facility (the 364-Day Credit Facility ), which we incurred to finance a portion of the purchase price for the CSRA acquisition. See Use of proceeds.

**Joint book-running managers**

Merrill Lynch, Pierce, Fenner & Smith Incorporated, RBC Capital Markets, LLC and Wells Fargo Securities, LLC

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**Governing law**

The Indenture, the notes and the guarantees will be governed by, and construed in accordance with, the laws of the State of New York.

**Conflicts of interest**

As a result of our intended use of the net proceeds from this offering to repay outstanding borrowings under our 364-Day Credit Facility, Merrill Lynch, Pierce, Fenner & Smith Incorporated, RBC Capital Markets, LLC and Wells Fargo Securities, LLC or certain of their respective affiliates will receive more than 5% of the net proceeds of this offering, not including underwriting compensation, thus creating a conflict of interest within the meaning of Rule 5121 (Public Offerings of Securities with Conflicts of Interest) of the Financial Industry Regulatory Authority, Inc. ( FINRA Rule 5121 ). Accordingly, this offering is being made in compliance with the requirements of FINRA Rule 5121. The appointment of a qualified independent underwriter is not necessary in connection with this offering as the notes are investment grade rated securities. See Underwriting (conflicts of interest) Conflicts of interest.

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**RISK FACTORS**

*In addition to the information contained elsewhere in or incorporated by reference into this prospectus supplement and the accompanying prospectus, you should carefully consider the risk factors identified below in evaluating an investment in the notes.*

**Risks relating to our business**

You should carefully consider the risks relating to the following factors, which are discussed under the section entitled Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2017:

the U.S. government provides a significant portion of our revenue;

U.S. government contracts are not always fully funded at inception, and any funding is subject to disruption or delay;

our U.S. government contracts are subject to termination rights by the customer;

as a government contractor, we operate in a highly regulated environment and are subject to audit by the U.S. government;

our Aerospace group is subject to changing customer demand for business aircraft;

our earnings and margin depend on our ability to perform on our contracts;

our earnings and margin depend in part on subcontractor and vendor performance;

sales and operations outside the United States are subject to various risks that may be associated with doing business in foreign countries;

our future success depends in part on our ability to develop new products and technologies and maintain a qualified workforce to meet the needs of our customers;

we have made and expect to continue to make investments, including acquisitions and joint ventures, that involve risks and uncertainties;

changes in business conditions may cause goodwill and other intangible assets to become impaired; and

our business could be negatively impacted by cyber security events and other disruptions.

**Risks relating to each of the notes**

Because we are a holding company, we depend on the ability of our subsidiaries to generate cash, in the form of intercompany credits, loans, dividends or otherwise, to meet our debt service obligations, including our obligations under the notes, and for other general corporate purposes. Intercompany credits, dividends, loans or other distributions to us from our subsidiaries may be subject to future contractual or other restrictions, and will depend upon the results of operations of those subsidiaries and may be subject to other business considerations. Although the notes are guaranteed by the Guarantors, if such guarantees were voided or held to be unenforceable, the Guarantors would have no obligation to pay any amounts due on the notes or to make any funds available.

**Risks relating to the floating rate notes**

*The amount of interest payable on the floating rate notes is set only once per Interest Period of the floating rate notes based on the three-month U.S. dollar LIBOR on the applicable LIBOR Determination Date, which rate may fluctuate substantially.*

In the past, the level of the three-month U.S. dollar London Interbank Offered Rate ( LIBOR ) has experienced significant fluctuations. Historical levels, fluctuations and trends of the three-month U.S. dollar LIBOR are not

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necessarily indicative of future levels. Any historical upward or downward trend in the three-month U.S. dollar LIBOR is not an indication that the three-month U.S. dollar LIBOR is more or less likely to increase or decrease at any time, and you should not take the historical levels of the three-month U.S. dollar LIBOR as an indication of its future performance. Additionally, although the actual three-month U.S. dollar LIBOR on a Floating Rate Note Interest Payment Date (as defined herein) or at other times during an Interest Period (as defined herein) may be higher than the three-month U.S. dollar LIBOR on the applicable LIBOR Determination Date (as defined herein), the only relevant date for purposes of determining the interest payable on the floating rate notes is the applicable LIBOR Determination Date for such Interest Period. Changes in the three-month U.S. dollar LIBOR between LIBOR Determination Dates will not affect the interest payable on the floating rate notes. As a result, changes in the three-month U.S. dollar LIBOR may not result in a comparable change in the market value of the floating rate notes.

***Increased regulatory oversight, uncertainty relating to the LIBOR calculation process and potential phasing out of LIBOR may adversely affect the value of and return on the floating rate notes. LIBOR is the subject of recent national and international regulatory guidance and proposals for reform.***

Regulators and law enforcement agencies in the United Kingdom and elsewhere are conducting civil and criminal investigations into whether banks that provide rates in connection with the calculation of daily LIBOR may have been under-reporting or otherwise manipulating or attempting to manipulate LIBOR. A number of banks have entered into settlements with their regulators and law enforcement agencies with respect to this alleged manipulation of LIBOR.

Actions by the ICE Benchmark Administration Limited ( IBA ) (the independent administration of LIBOR), regulators or law enforcement agencies may result in changes in the methods pursuant to which LIBOR is determined or the establishment of alternative reference rates. For example, on July 27, 2017, the United Kingdom Financial Conduct Authority ( FCA ), which regulates LIBOR, announced that it intends to stop persuading or compelling banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021 ( FCA Announcement ). The FCA Announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict the effect of the FCA Announcement, any changes in the methods pursuant to which LIBOR rates are determined, any establishment of alternative reference rates or any other reforms to LIBOR that may be enacted in the United Kingdom and elsewhere, which may adversely affect the trading market for LIBOR based securities, including the floating rate notes, or result in the phasing out of LIBOR as a reference rate for securities. In addition, any changes announced by the FCA (including the FCA Announcement), the IBA or any other successor governance or oversight body, or future changes adopted by any such body, in the method pursuant to which LIBOR rates are determined may result in a sudden or prolonged increase or decrease in reported LIBOR rates. If that were to occur, the level of interest payments would be affected and the value of the floating rate notes may be materially adversely affected.

Further, if the three-month U.S. dollar LIBOR is not available on a LIBOR Determination Date, the terms of the floating rate notes will require alternative determination procedures that may result in interest payments differing from expectations, which could materially adversely affect the value of the floating rate notes. Such alternative determination procedures are described under Description of the notes and guarantees General terms of the floating rate notes.

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**GENERAL DYNAMICS CORPORATION**

General Dynamics is a global aerospace and defense company that offers a broad portfolio of products and services in business aviation; combat vehicles, weapons systems and munitions; information technology (IT) services and C4ISR (command, control, communications, computers, intelligence, surveillance and reconnaissance) solutions; and shipbuilding and ship repair.

We were incorporated in Delaware in 1952. The company grew organically and through acquisitions until the early 1990s, when we sold nearly our entire portfolio except for our military-vehicle and submarine businesses. Starting in the mid-1990s, we began expanding again by acquiring Gulfstream Aerospace Corporation, combat-vehicle-related businesses, IT product and service companies and additional shipyards, forming the foundation of our company today.

We continue to expand our business through organic growth and acquisitions. We focus on delivering superior products and services to our customers and creating value for our shareholders through a relentless focus on operational excellence and continuous improvement.

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**USE OF PROCEEDS**

The net proceeds from this offering, after deducting the underwriting discounts and our estimated expenses, are expected to be approximately \$ billion. We intend to use the net proceeds from this offering to repay outstanding borrowings under our 364-Day Credit Facility, which we incurred to finance a portion of the purchase price for the CSRA acquisition. As of May 4, 2018, there was approximately \$7.5 billion in aggregate principal amount of loans outstanding under the 364-Day Credit Facility, bearing interest at an annual interest rate of 2.375%. The 364-Day Credit Facility matures on March 15, 2019.

As a result of our intended use of the net proceeds from this offering to repay outstanding borrowings under our 364-Day Credit Facility, Merrill Lynch, Pierce, Fenner & Smith Incorporated, RBC Capital Markets, LLC and Wells Fargo Securities, LLC or certain of their respective affiliates will receive more than 5% of the net proceeds of this offering, not including underwriting compensation, thus creating a conflict of interest within the meaning of FINRA Rule 5121. Accordingly, this offering is being made in compliance with the requirements of FINRA Rule 5121. The appointment of a qualified independent underwriter is not necessary in connection with this offering as the notes are investment grade rated securities. See Underwriting (conflicts of interest) Conflicts of interest.

Table of Contents**CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES**

The following table shows our consolidated ratio of earnings to fixed charges for each of the periods indicated. On January 1, 2017, we adopted Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* ( ASC Topic 606 ), using the retrospective method. Our consolidated ratios of earnings to fixed charges for the year ended December 31, 2017 and the quarter ended April 1, 2018 reflect the adoption of ASC Topic 606, and our consolidated ratios of earnings to fixed charges for the years ended December 31, 2016 and 2015 have been restated to reflect the adoption of ASC Topic 606. Our consolidated ratios of earnings to fixed charges for the years ended December 31, 2014 and 2013 have not been restated to reflect the adoption of ASC Topic 606.

	Year ended December 31,					Quarter ended
	2013	2014	2015	2016	2017	April 1, 2018
Ratio of earnings to fixed charges	18.8	20.2	23.7	19.7	20.3	17.3

For the purpose of computing the ratio of earnings to fixed charges, earnings consist of pre-tax income from continuing operations, adjusted to add back fixed charges. Fixed charges consist of pre-tax interest on all indebtedness and an estimate of interest within rental expense.

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The following table sets forth the unaudited consolidated capitalization of General Dynamics (i) at December 31, 2017 on a historical basis, (ii) at December 31, 2017 on a pro forma basis, giving effect to the consummation of the CSRA acquisition and the incurrence of indebtedness in connection therewith and (iii) at December 31, 2017 on a pro forma as adjusted basis to further reflect the issuance of the notes in this offering, net of the underwriting discounts and commissions and our estimated offering expenses, and the application of the net proceeds of this offering as described under Use of proceeds. You should read this table in conjunction with (i) the consolidated financial statements and the related notes included in our Annual Report on Form 10-K for the year ended December 31, 2017 and our Quarterly Report on Form 10-Q for the quarter ended April 1, 2018 and (ii) the unaudited pro forma condensed combined financial statements and the related notes included with our Current Report on Form 8-K filed with the Commission on April 3, 2018 (as amended on May 7, 2018), which are incorporated by reference into this prospectus supplement.

<b>(Dollars in millions)</b>	<b>December 31, 2017</b>		
	<b>Actual</b>	<b>Pro forma</b>	<b>Pro forma as adjusted</b>
Cash and equivalents	\$ 2,983	\$ 2,862	\$
Debt			
Short-term debt and current portion of long-term debt:			
364-Day Credit Facility	\$	\$ 7,500	\$
Other	\$ 2	\$ 2,502	\$
Total short-term debt and current portion of long-term debt	\$ 2	\$ 10,002	
Long-term debt:			
Existing long-term debt	\$ 3,980	\$ 3,980	\$
2020 floating rate notes offered hereby	\$	\$	\$
2021 floating rate notes offered hereby	\$	\$	\$
2020 notes offered hereby	\$	\$	\$
2021 notes offered hereby	\$	\$	\$
2023 notes offered hereby	\$	\$	\$
2025 notes offered hereby	\$	\$	\$
2028 notes offered hereby	\$	\$	\$
Total long-term debt	\$ 3,980	\$ 3,980	\$
Total debt	\$ 3,982	\$ 13,982	\$
Shareholders' equity			