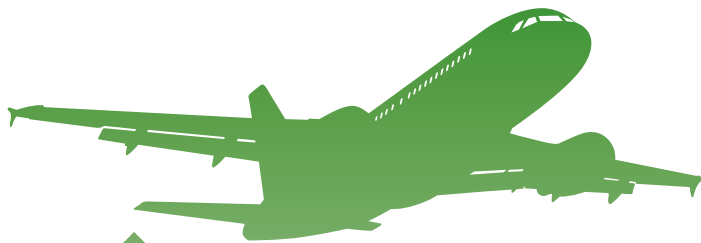


## Global Aerospace & Defense Industry outlook Expect another record year for commercial aerospace and continued declines in defense



Increase in  
commercial

The projected increase in commercial aerospace will be driven by:

- Accelerated replacement cycle of obsolete aircraft with next generation fuel-efficient aircraft
- Continued increase in passenger travel demand (projected to increase 5 percent over the next 20 years)



Over the next decade by 2023, commercial aircraft annual production levels are anticipated to increase significantly by an estimated **25 percent.**

2014 will likely bring high single to double-digit levels of growth in the commercial aerospace sub-sector.



The projected decrease in defense spending is largely driven by:

- Reduced armed conflict in Iraq and Afghanistan
- Affordability concerns in many traditional militarily-active governments

Decrease  
in defense



It is anticipated for 2013,

**global revenues for defense companies**

will track to similar levels in the past two years, around an estimated

**minus 2.5 percent**

Defense spending is **increasing** in **several areas** of the **globe** — namely, the Middle East, India, China, Russia, South Korea, Brazil, and Japan.

“Overall, global Aerospace & Defense sector revenue growth in the 5 percent range is expected for 2014.”

— Tom Captain, Global Aerospace and Defense Sector Leader, Deloitte Touche Tohmatsu Limited



## 2013 Financial performance summary

This chart provides an update on the financial performance of the Top 20 Global and U.S. Aerospace & Defense (A&D) Companies, separated by commercial A&D.

Top 20 global and U.S. A&D companies		Nine months ending September 2013	Nine months ending September 2012	Percentage change
Top 20 Global A&D companies	Commercial aerospace	185.5	169.7	9.3%
	Defense	195.9	197.0	-0.6%
Top 20 U.S. A&D companies	Commercial aerospace	114.2	106.7	7.0%
	Defense	162.9	167.1	-2.5%

Revenues are in US\$ billion.

To download the complete report, visit [www.deloitte.com/us/2014ADoutlook](http://www.deloitte.com/us/2014ADoutlook)

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