

A&D SECTOR OUTLOOK BY THE NUMBERS 2017



Global aerospace and defense sector revenue growth to be around **2%**



USA A&D is expected to record **1.7%** YoY increase in revenue in 2017



European A&D is expected to record **2.5%** YoY increase in revenue in 2017

The average annual growth rate in the aerospace sector over the next 20 years

Passengers
4.8%



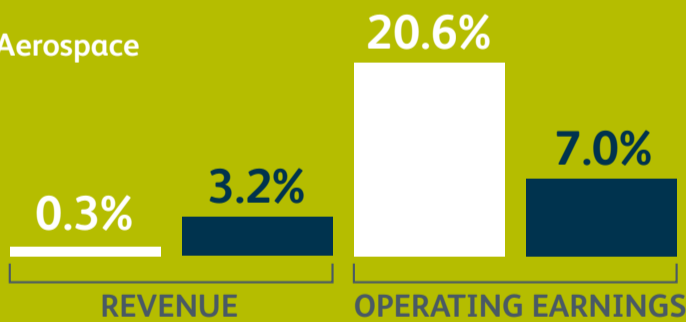
vs.

Freight
4.2%



Each subsector will see slight growth in revenue and higher growth in operating earnings this year

Commercial Aerospace
Defense



The total number of aircraft in demand for production over the next 20 years (excluding regional jets)



Over the next decade, commercial aircraft production levels are anticipated to increase by **29.3%**



The newly elected US administration's focus on strengthening the military will drive growth in the US defense subsector for 2017