



2014

YEAR-END REVIEW AND FORECAST

In 2014, the U.S. aerospace and defense industry was faced with multiple challenges brought about largely by the effects of sequestration and shrinking defense budgets. The severe domestic budgetary climate forced industry urgently to seek new markets and find inventive ways to grow shareholder value, while enduring shrinking employee ranks.

Overall, aerospace and defense companies stayed profitable in 2014 compared with 2013. An increase in sales is forecast to \$228.4 billion for 2014 – up from \$219.4 billion last year. Sales of commercial aircraft again paced the industry's sales growth. Aerospace exports maintained an upward trend, improving by nearly \$8.1 billion, with this growth mainly in the civil sector. However, continued effects of budget cuts on industry and the Defense Department are adversely stifling innovation, resulting in significant layoffs of the industry's highly-skilled workforce and ultimately will hinder our global competitiveness. Especially hard-hit were small-to-medium sized suppliers who have taken the brunt of the reductions. Market and budget pressures are expected to continue to challenge our industry in 2015.

Congress will determine whether additional relief from the damaging 2011 Budget Control Act (BCA) spending caps will be provided in 2016 and beyond. Given the increasingly dangerous

global threat environment and growing concern that U.S. military technological superiority may be in jeopardy due to serious declines in funding for research, there appear to be a growing number of members of Congress who want to see an end to the mindless budget caps.

While larger companies continue to mitigate the effects of the budget environment by diversifying, seeking new markets and downsizing, smaller companies in the defense industrial base are bearing the brunt of the funding slide and face critical challenges to keeping their businesses viable. Without additional relief from BCA caps, companies in the defense industrial base will continue to downsize or be forced out of the defense business altogether.



Civil Aircraft



As industry concerns from sequestration cuts and resulting budget pressures will continue to hamper all facets of aerospace in 2015, implementation of the Federal Aviation Administration's goals for improving operations, safety and efficiency are also at risk. Congress has recently finalized a complete fiscal year 2015 appropriations bill for the FAA and other federal agencies, a bill which responds to AIA's priorities. That bill provides additional funding above the request for Next Generation Air Transportation System (Next-Gen) and Unmanned Aircraft Systems (UAS) integration. The Congress also supported AIA's request for a report to Congress on implementing certification process reforms, as well as funding for the Continuous Lower Energy, Emissions and Noise (CLEEN) research program.

However, we strongly believe the FAA cannot maintain adequate levels of service and invest sufficiently for the future if the BCA caps for FY 2016-21 are not drastically modified.

The civil aircraft segment overcame the on-going regulatory and budgetary challenges to post strong overall market growth. The sector again posted an increase in orders for the sixth consecutive year. Total backlog for U.S. Civil transport aircraft totaled 5,552 aircraft worth \$429 billion. Foreign orders continued to pace this growth, accounting for 72 percent of total orders.

The large civil aircraft market led the strong sales push in 2014. As reported so far in 2014, Boeing net orders reached 1,274 aircraft. At this year's Farnborough Airshow, Boeing revealed new aircraft models - the 200-passenger 737 MAX 8 and the new 787-9 Dreamliner featured in its flying display. Boeing's announced orders and commitments at the show reached a healthy 201 aircraft worth more than \$40.2 Billion.

Boeing 787 production continued to include final assembly of the first 787-9 version of the airliner produced in Boeing's South Carolina manufacturing facility. Airline deliveries of the 787 reached nearly 100 so far this year. The Washington and South Carolina manufacturing sites are producing 10 aircraft per month. That rate will rise to 12 per month in 2016.

The Next-Generation 737 and 737 MAX aircraft continued their strong sales with 982 orders to date. Major orders announced this year included an \$11 Billion, 100 737 MAX 200 purchase by Ryanair, an 80 aircraft order from SMBC

Aviation Capital worth \$8.5 billion - the largest single 737 MAX order from a leasing company, and an 80 737 mixed model purchase by China Eastern Airlines worth \$8 billion.

In order to meet the strong market demand for 737s, production is currently at 42 aircraft per month and will build to 47 per month in 2017.

For other AIA members with significant manufacturing operations in the U.S, Embraer, in its third quarter, announced a record firm order backlog of \$22.1 billion. While this backlog, the highest in company history, was bolstered by orders for the military KC-390 airlifter, the figure was also driven by a Republic Airways Holdings Inc. order for 50 E175 jets. This month, Embraer celebrated the delivery of its 1,100th E-Jet. The aircraft, an E190 model, also marked the 200th E-Jet flying in Latin America.

Bombardier's new CSeries airliner resumed flight testing in September and its expected entry-into-service date is late 2015 to early 2016. The all-new aircraft can be configured to seat between 100-160 passengers. A purchase of 50 CSeries aircraft by Macquarie AirFinance in September brought firm orders to 243.

The explosive growth of unmanned systems – especially in the civil market – continues to hold great potential. The estimated UAS worldwide spending trendline we reported last year remains true – it will nearly double over the next decade, from \$6.6 billion to \$11.4 billion on an annual basis, and the segment is expected to generate \$89 billion during the next 10 years. Growth and the application of UAS related businesses and services in the U.S. continues strong, but is hampered by the lack of guidance for their integration into the U.S. airspace system.

While FAA Administrator Huerta's UAS roadmap announcement established a path towards integrating UAS into the National Aerospace System, we wait for the congressionally mandated deadline in 2015 to address this. Weekly reports of near-misses with other aircraft are bringing further pressure on the FAA to quickly and safely integrate UAS systems into U.S. airspace with clear guidance that will not hinder innovation. We look forward to a timely implementation of the plan that provides for current and future regulatory standards, policies, certification, and operational procedures required to address full integration into the National Airspace System.



General Aviation

While general aviation did not have to contend with the government shutdown this year, other challenges remained. AIA worked in cooperation with broader coalitions to reauthorize – and if possible make permanent – the Research and Development Tax Credit. Renewing the tax credit and bonus depreciation would significantly benefit companies in this sector to help upgrade their products, and boost innovation and safety enhancements. While there is wide-spread recognition in Congress and in the administration that the R&D Tax Credit plays a vital role in driving innovation and keeping U.S. products competitive globally, the credit expired at the end of last year.

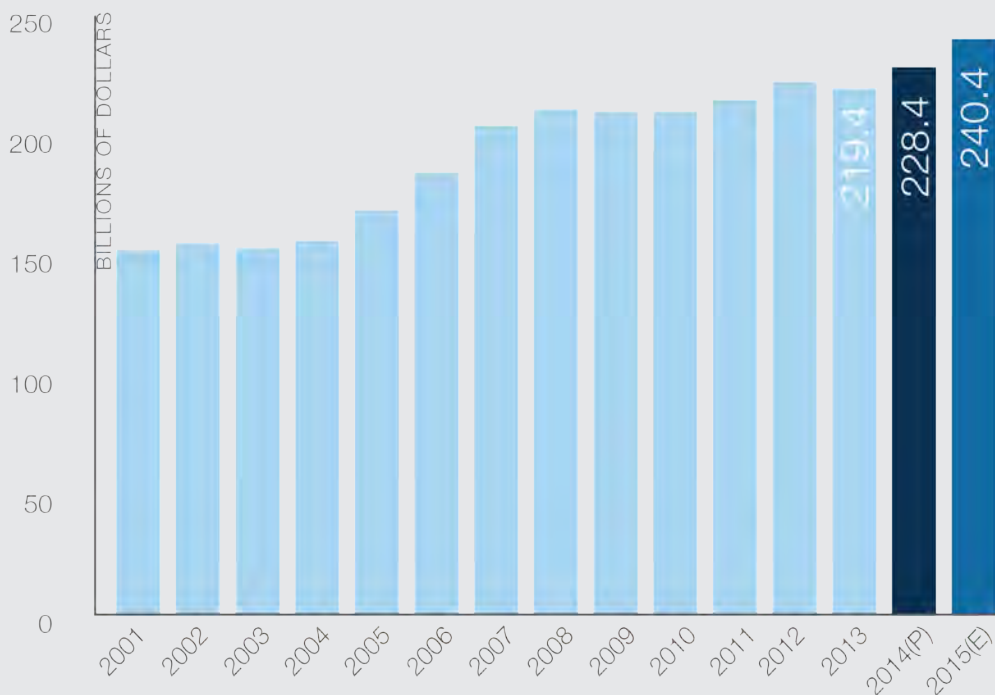
In May, the House of Representatives passed by a strong two-thirds majority a bill strengthening and making permanent the R&D Tax Credit. On a procedural vote, the Senate failed to pass it. The House has again voted to advance the legislation during the lame duck session. We are waiting for the Senate vote before the end of the year. General aviation shipments are projected to reach 1691 units by year end. This is an increase of 4.7 percent over 2013 for a total value of \$11.9 billion. Projections for 2015 are for 1742 units at a value of \$12.7 billion.

As of the third quarter, general aviation shipments worldwide were 1,678 aircraft, up 6.2 percent. Billings rose 3.9 percent with a figure of \$16.0 billion. Piston-engine aircraft and business jet deliveries were up, 10.3 percent and 9.3 percent respectively, while turboprop shipments were down 4.2 percent.

There were also several significant achievements in general aviation this year. Beechcraft Corporation celebrated two milestones with their King Air twin-turboprop line. They marked the 50th year of King Air production and the first anniversary of the largest general aviation turboprop aircraft order in history – 105 King Air 350i aircraft including maintenance, service and support to WheelsUp.

Cessna Aircraft Company's mid-size Latitude business jet made its public debut this year and continued its certification flight test program. Type certification of the aircraft is expected in the second quarter of 2015. Gulfstream manufactured its 100th G650 business jet and announced two all-new business jets, the G500 and G600.

Aerospace Industry Sales



Military



Total military sales were flat, at \$87.3 billion. Aircraft sales increased marginally 0.8 percent, or \$420 million, to \$52.6 billion in 2014. Missiles dropped 4.1 percent, or \$840 million, to \$19.9 billion; and DOD space spending increased 5.5 percent, or \$2.6 billion, to \$48.8 billion. Reductions in DOD spending were partially offset by strong growth of 9.2 percent in defense exports. Foreign sales will continue to be a key area of focus for defense companies, but defense export growth will not offset declines in domestic procurement spending.

The Bipartisan Budget Act of 2013 reduced some of the effects of sequestration for 2014 – and will, to a lesser extent, in 2015 – but going forward, investment accounts remain under significant pressure. Modernization funding will continue to be hardest hit due to its immediate accessibility.

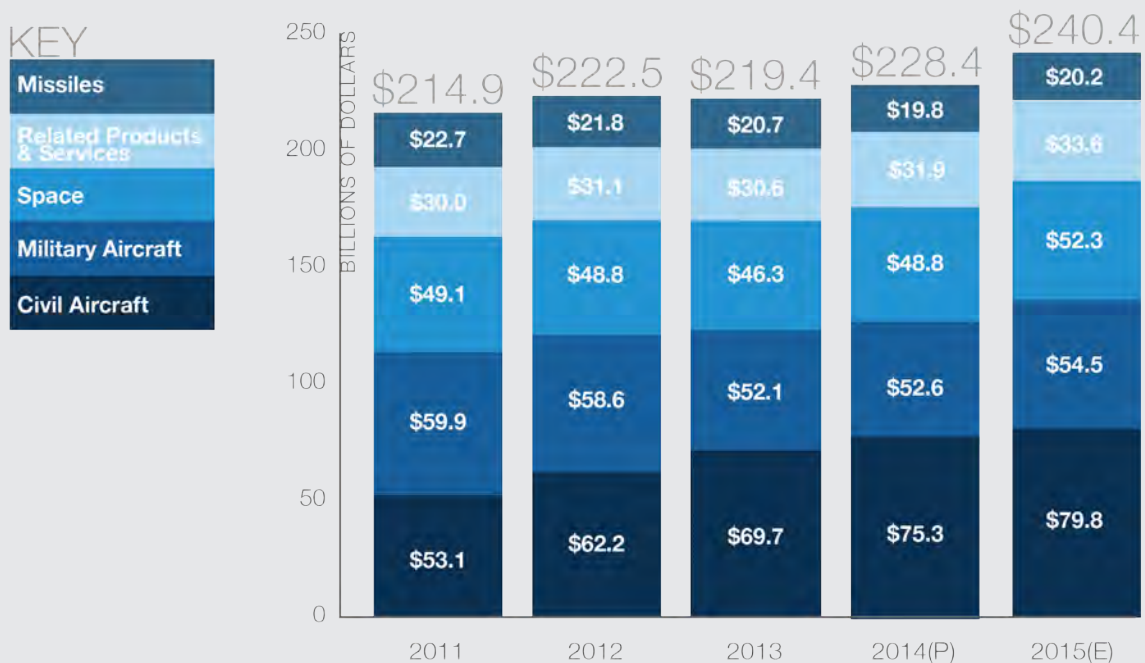
According to a report issued by DOD in April named “Estimated Impacts of Sequestration-Level Funding,” if Congress does not provide the \$115 billion of relief that DOD is requesting over the 2016-2019 timeframe,

the defense industry can expect the following major reductions:

- Reducing one squadron of F-35 aircraft
- Eliminating the fleet of KC-10 tankers
- Cutting operational surface combatant ships by 7 in FY 2019
- Cutting procurement of 8 ships across the FYDP
- Divesting the Global Hawk Block 40 fleet
- Divesting the Predator fleet beginning in FY 2016
- Eliminating planned purchases of Reaper unmanned aircraft in FY 2018 and FY 2019
- Reducing Service readiness funding by \$16 billion over the FYDP to include approximately \$9 billion in depot/ship maintenance, which would further increase Service maintenance backlogs

In total, DOD is projecting that over the 2016-2019 timeframe the procurement and research and development accounts – the lifeblood of defense industry – will be cut by more than \$86 billion.

Aerospace Industry Sales By Product Group



Trade



The U.S. aerospace industry leads the United States in the net export of manufactured goods, with an increase in exports of \$8.1 billion. As a result, the favorable balance of trade in aerospace products is \$61.2 billion in 2014.

Exports of civil aircraft, engines and parts continue to represent about 88 percent of all aerospace exports. Continued growth over the next several years is expected, given the unprecedented backlog of civil aircraft orders. A slowdown in the global economy and dropping oil prices have yet to reduce ongoing demand for new, more fuel-efficient civil aircraft.

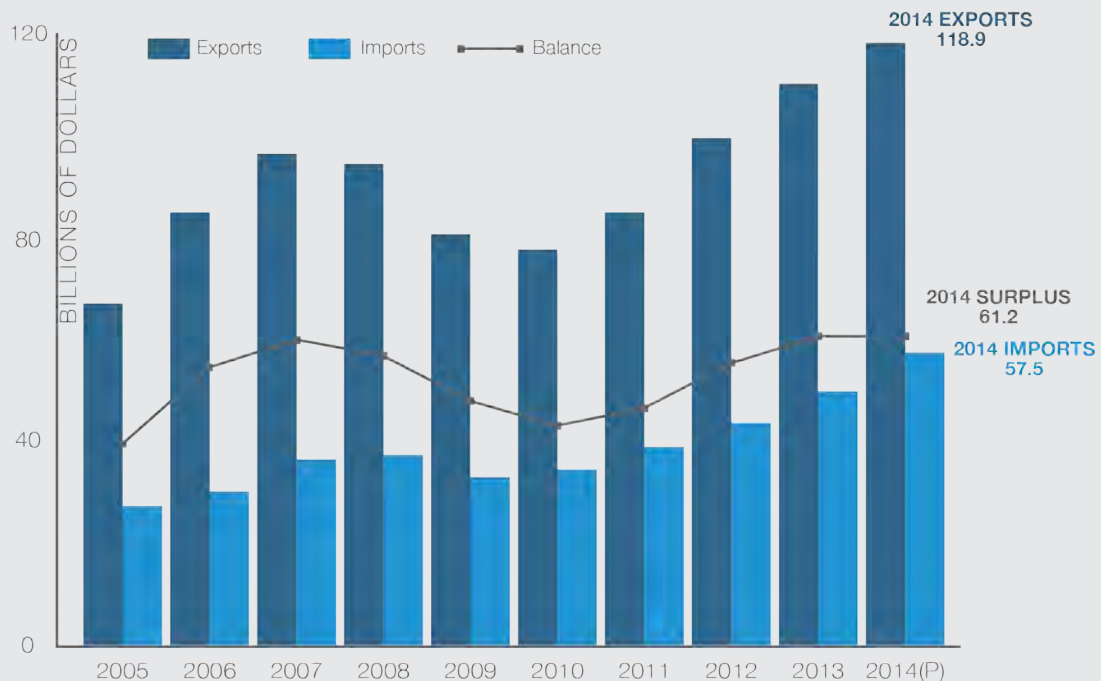
There is reason for optimism with regard to export growth. In 2014, Export Control Reform proceeded apace, with the Obama Administration implementing last year's legislation moving commercial satellites and technologies from the U.S. Munitions List, and completing revisions to USML Category VIII (military aircraft) and Category XIX (military engines) by moving essentially commercial technologies to the Commerce Control List. In addition, Congress passed a short-term reauthorization of

the Export-Import Bank – a critical element of American competitiveness in overseas markets. A long-term authorization of the Bank will be a key priority for AIA in 2015.

2014 was also a key year in space exports. In November, the Administration published final rules for Category XV, Spacecraft Systems and Related Equipment, which brought to a successful close industry efforts to remove commercial satellites from the U.S. Munitions List. This is a critical development, essential in ensuring U.S. competitiveness in the critical international market for years to come and will help maintain a healthy U.S. space industrial base.

Increasing defense exports is a critical priority for our industry, given reductions in overall defense spending in the domestic market. We continue to advocate for a renewed partnership between industry and government to develop and execute a National Defense Export Strategy that supports U.S. national security, foreign policy and economic interests.

Aerospace Foreign Trade



Space

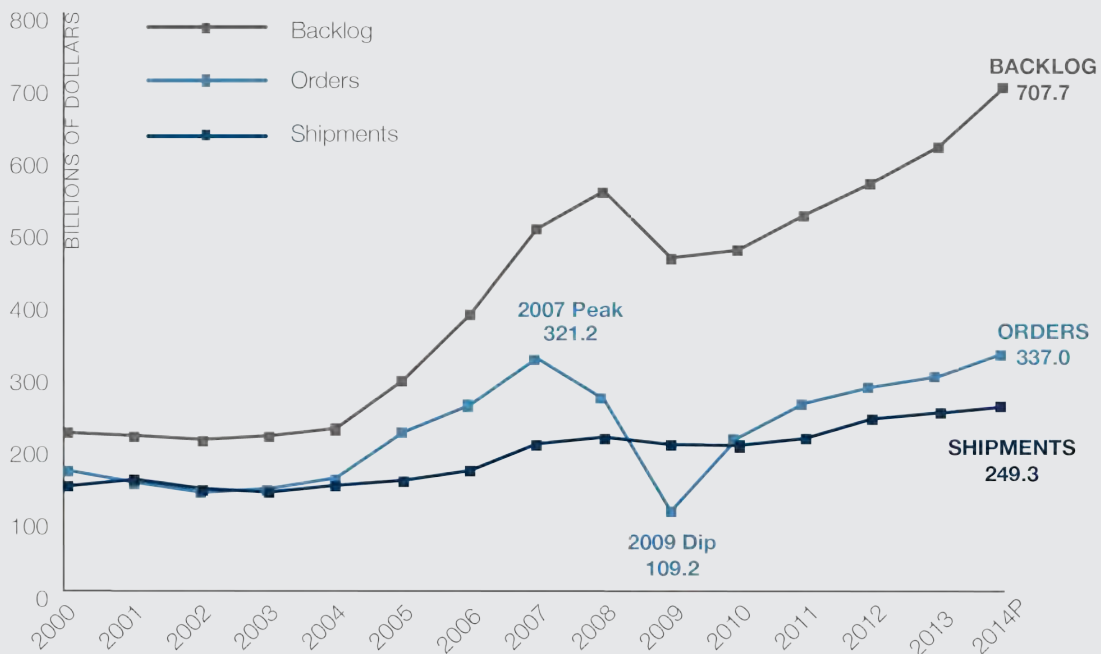
Human spaceflight entered a new era earlier this month with the spectacularly successful Orion test mission. NASA's brand new Orion spacecraft, built by prime contractor Lockheed Martin and its team of subcontractors, is the first vehicle in four decades designed to take humans beyond Earth orbit. The launch from Cape Canaveral, Florida atop a United Launch Alliance Delta Heavy rocket was literally picture perfect. During its four and a half hour mission, the uncrewed flight tested a number of Orion's key systems. Combined with future exploration hardware developments such as a lander and a long term crew habitat, Orion will have the ultimate ability to return astronauts from visits to asteroids, the moon or even Mars.

Despite this complete success, NASA's tight budget will not permit the next Orion flight until 2017 or 2018. This second un-crewed mission is expected to be on the first flight of NASA's new launch vehicle, the Space Launch System. The following launch

in 2021 – seven years from now – is planned to be the first Orion mission with astronauts actually on board. Orion's first mission hopefully will guide Congress into fully funding these future missions and keeping the program development on schedule.

Commercial space flight activities experienced significant successes as well as setbacks in 2014. Regular commercial cargo flights continue to the International Space Station. SpaceX currently flies cargo resupply missions to the space station under NASA contract. A fifth flight is schedule in late December. NASA's Commercial Crew program issued initial contract awards and work has begun to ultimately provide crew transportation to ISS. And while commercial companies did experience significant setbacks in October of this year, we take heart from the ongoing commitment of our industry's leadership to press on and resume flights and testing once causes and appropriate corrective actions have been identified.

Aerospace Shipments, Orders and Backlog



In the national security space arena, a major challenge has been concerns that Russia – increasingly at odds with the United States due to its hostile actions in Ukraine – is the country that produces the RD-180 rocket engines that are used to loft most DOD satellites. While current engine inventories and deliveries have not been impacted, we are working to facilitate a creative solution by government and industry.

For the year, sales in the space sector increased 5.5 percent or 2.6 billion to 48.8 billion.



Summary & Outlook



As we look toward 2015, “uncertainty” is the word that describes our industry outlook. While our companies are successfully dealing with reduced government revenue streams, they continue to face challenges in properly planning for this forced, ambiguous future. U.S. government spending is central to the uncertain forces affecting our businesses. Federal spending has declined in each of the past two years. Normal procedures for issuing contracts have often been disrupted by Congress’ use of continuing resolutions rather than regular budget order. In addition, allocations for important, long-term projects have been delayed, stretched out, and, in some cases, dropped completely. As a result, revenues in the defense sector in particular have declined. We expect this trend to continue. Spending cuts have also affected companies supporting the FAA on its air traffic control modernization program and working with NASA on commercial and exploration programs in space. This vague business climate influences and restricts the industry’s ability to invest in critical research and development, new infrastructure initiatives and critical job skills.

Opening new markets and innovative management practices are helping our companies perform well through this uncertainty, but it is clear that our industry’s workforce is shrinking and companies are countering domestic market uncertainty by seeking new opportunities overseas. Competitive market forces are shifting resources towards new adjacencies in such areas as civil aviation, IT, training and simulation, and other markets. As a result, there could be significant long-term consequences to the capabilities of the defense industrial base.

In this constricted budget environment, continued innovation is key to survival, let alone staying ahead in business as well as supporting our national security. Companies will need to become even more efficient to stay competitive. Whether it’s exploiting mature technologies in new and different ways, developing new approaches to existing problems or exploring cutting-edge processes, technologies and products, U.S. companies will need to devote even further energy to innovation to secure their future.

As an industry, we will be strongly advocating for taking the shackles off of industrial innovation. From increasing R&D budgets to reducing regulatory burdens, we need more engagement from our government partners to help spur and reward the kinds of innovative ideas for which our industry is best known and our customers and our nation’s warfighters deserve. A growing number in Congress are realizing that funding levels dictated by BCA caps are insufficient and dangerous for our country’s long-term security and success. And Americans are watching. In a recent AIA public opinion poll conducted by Harris, the message was clear:

- Seventy-three percent of Americans say they believe the United States is less secure, knowing that the military budgets have been cut by nearly \$1 trillion since 2012.
- More than two-thirds of registered voters (69 percent) say we should increase spending on America’s national security, especially relative to the caps set over three years ago.
- Seven in ten (70 percent) say they support raising the spending limits currently in place which would allow America’s national security budget to increase as needed to counter the current threat level.

The solution is also clear. The budget caps imposed by the Budget Control Act of 2011 must end. The caps on discretionary spending – both for defense and non-defense programs – are set too low to address the global security threats we face today, and into the future and to invest in the innovative technologies required to maintain U.S. military superiority, infrastructure requirements, and economic health.

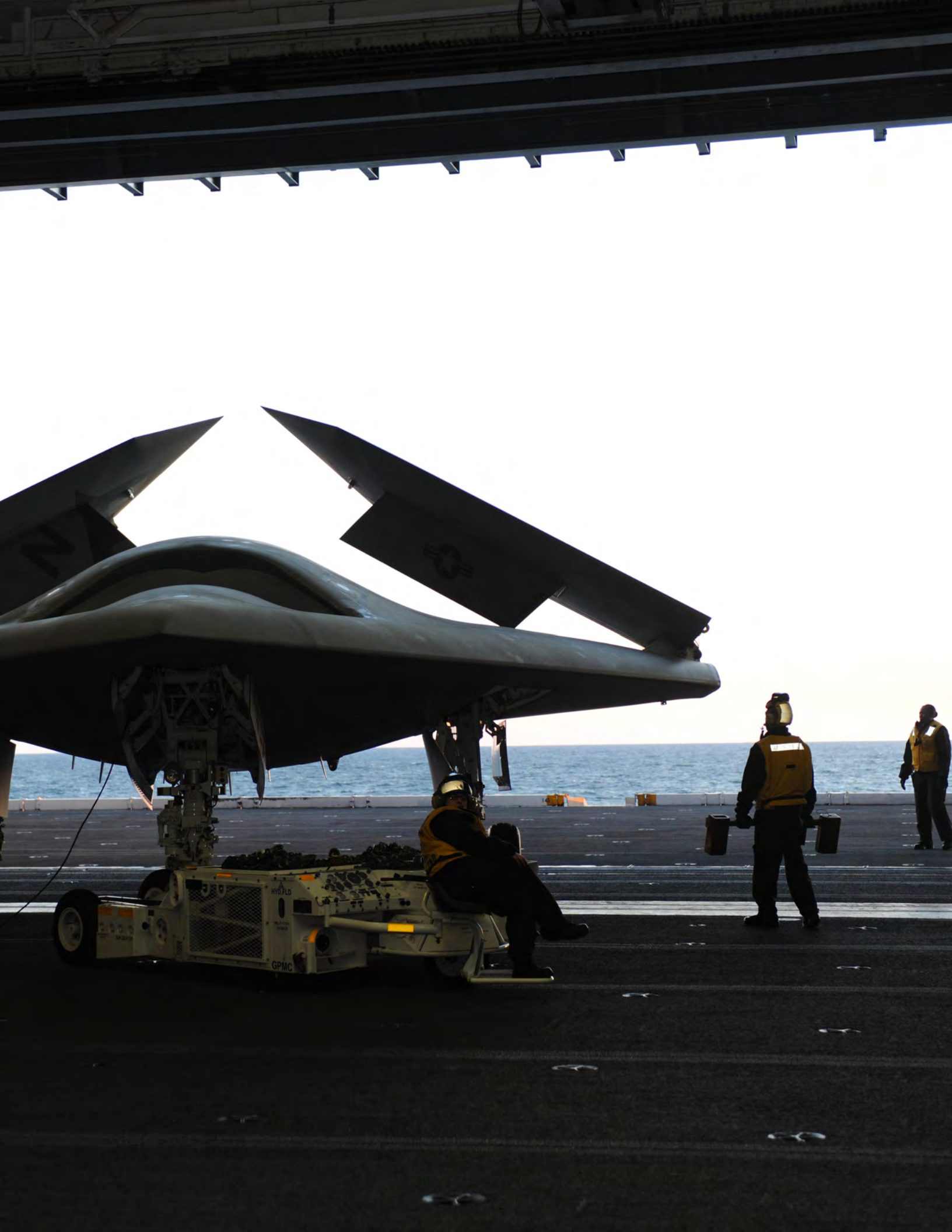


Table I

Aerospace Industry Sales by Product Group*

Calendar Years 2004-2015

Year	Total Sales	AIRCRAFT			Missiles	Space	Related Products & Services
		Total	Civil	Military			
Current Dollars (Billions)							
2004	\$156.66	\$78.32	\$32.52	\$45.80	\$19.66	\$33.48	\$24.20
2005	168.59	86.58	37.16	49.42	20.80	35.84	25.36
2006	184.68	100.19	45.85	54.34	21.03	36.98	26.48
2007	203.87	112.96	52.55	60.41	22.59	39.27	29.06
2008	211.10	112.19	48.18	64.01	24.59	44.14	30.18
2009	210.66	110.76	51.30	59.46	24.70	45.77	29.44
2010	209.36	110.21	48.16	62.05	23.46	46.02	29.68
2011	214.90	113.07	53.15	59.92	22.74	49.09	30.01
2012	222.45	120.74	62.17	58.56	21.83	48.83	31.06
2013	219.44	121.84	69.70	53.15	20.69	46.27	30.64
2014(P)	228.40	127.83	75.27	52.57	19.85	48.83	31.89
2015(E)	240.38	134.30	79.76	54.54	20.21	52.30	35.56
Constant Dollars ^a (Billions)							
2004	\$165.03	\$83.03	\$34.48	\$48.56	\$20.84	\$35.49	\$25.66
2005	175.66	90.21	38.72	51.49	21.67	37.34	26.43
2006	186.59	101.23	46.32	54.90	21.25	37.36	26.76
2007	206.32	114.31	53.18	61.13	22.86	39.74	29.40
2008	212.39	112.88	48.48	64.40	24.74	44.41	30.36
2009	210.66	110.76	51.30	59.46	24.70	45.77	29.44
2010	209.55	110.31	48.20	62.11	23.48	46.06	29.70
2011	214.03	112.61	52.93	59.68	22.65	48.89	29.88
2012	219.54	119.16	61.36	57.80	21.54	48.19	30.65
2013	215.21	119.49	68.35	51.14	20.29	45.38	30.05
2014(P)	222.87	124.74	73.44	51.29	19.37	47.65	31.12
2015(E)	233.36	130.38	77.43	52.95	19.62	50.78	32.58

Source: Aerospace Industries Association (AIA), based on company reports; The Budget of the United States Government, National Aeronautics and Space Administration (NASA), U.S. Department of Commerce, and Department of Defense, 2014.

* Government purchases reflected as appropriated funding.

a. Based on AIA's aerospace composite price deflator, (2009=100).

E. Estimate.

P. Preliminary.

Aerospace Industry Sales by Customer*

Table II

Calendar Years 2004-2015

Year	Total Sales	AEROSPACE PRODUCTS AND SERVICES				Related Products & Services
		Total	Department of Defense	NASA & Other Agencies	Other Customers	
Current Dollars (Billions)						
2004	\$155.66	\$131.46	\$75.38	\$15.23	\$40.85	\$24.20
2005 ^a	168.59	143.22	80.71	16.10	46.41	25.36
2006	184.68	158.20	84.04	16.49	57.66	26.48
2007	203.87	174.82	94.16	16.70	63.95	29.06
2008	211.10	180.92	103.44	18.05	59.44	30.18
2009	210.66	181.22	101.70	19.25	60.27	29.44
2010	209.36	179.68	103.48	19.36	56.84	29.68
2011	214.90	184.90	101.10	19.93	63.87	30.01
2012	222.45	191.39	95.66	19.51	76.23	31.06
2013	219.44	188.80	87.28	19.06	82.46	30.64
2014(P)	228.40	196.51	87.29	19.78	89.45	31.89
2015(E)	240.38	206.82	91.61	19.78	95.43	33.56
Constant Dollars ^b (Billions)						
2004	\$165.03	\$139.37	\$79.92	\$16.15	\$43.30	\$25.66
2005 ^a	175.66	149.23	84.10	16.78	48.36	26.43
2006	186.60	159.84	84.92	16.67	58.26	26.76
2007	206.31	176.91	95.29	16.90	64.27	29.40
2008	212.39	182.03	104.07	18.16	59.80	30.36
2009	210.66	181.22	101.70	19.25	60.72	29.44
2010	209.55	179.85	103.57	19.38	56.90	29.70
2011	214.03	184.14	100.69	19.85	63.61	29.88
2012	219.54	188.89	94.41	19.25	75.23	30.65
2013	215.21	185.17	85.60	18.69	80.88	30.05
2014(P)	222.87	191.75	85.17	19.30	87.28	31.12
2015(E)	233.36	200.78	88.94	19.20	92.64	32.58

Source: Aerospace Industries Association (AIA), based on company reports; The Budget of the United States Government, National Aeronautics and Space Administration (NASA), Department of Commerce, and Department of Defense, 2014.

* Government purchases reflected as appropriated funding.

a. Beginning in 2005, NASA sales were reported separately from other agencies.

b. Based on AIA's aerospace composite price deflator, (2009=100).

E. Estimate.

P. Preliminary.

Table IIIShipments, Orders and Backlog:
Aircraft & Parts and Search & Navigation Equipment

As of End-of-Year 1995-2014

(Millions of dollars) Year	Shipments	Orders	Backlog
1995	\$110,928	\$115,279	\$187,659
1996	110,840	134,142	210,961
1997	132,787	143,071	221,245
1998	150,077	138,407	209,575
1999	152,728	140,329	197,176
2000	144,740	165,994	218,430
2001	153,571	149,411	214,270
2002	140,889	135,527	208,908
2003	135,955	140,937	213,890
2004	145,305	155,574	224,159
2005	152,081	218,626	290,704
2006	165,652	256,446	381,498
2007	202,723	321,163	499,938
2008	211,943	264,227	552,222
2009	201,577	109,164	459,809
2010	200,294	210,698	470,213
2011	209,847	258,702	519,068
2012	236,877	280,915	563,106
2013	243,285	300,087	619,908
2014(P)	249,282	337,037	707,663

Source: Aerospace Industries Association (AIA), based on data from the Bureau of Census, Manufacturers' Shipments, Inventories, and Orders (M3), 2014.

Notes: Includes both Civil and Defense aerospace data
Not seasonally adjusted; includes aircraft, engine, and parts manufacturing.

P. Preliminary.

U.S. Civil Transport Aircraft Backlog

Table IV

Calendar Years 2010-2014

	2010	2011	2012	2013	2014 ^a
TOTAL BACKLOG:					
Number of Aircraft	3,443	3,771	4,373	5,080	5,552
Value (in millions)	\$255,591	\$293,303	\$317,287	\$372,980	\$429,568
Boeing:					
B-737	2,186	2,365	3,074	3,680	4,033
B-747	107	97	67	55	42
B-767	50	72	68	49	50
B-777	253	380	365	380	506
B-787	847	857	799	916	861
Foreign Order Backlog					
Percent of Total Backlog:					
Number of Aircraft	77.8%	67.0%	65.3%	67.8%	72.1%
Value	81.2%	64.8%	72.5%	71.9%	75.8%
Number of Aircraft	2,679	2,528	2,856	3,446	4,004
Value (in millions)	\$207,639	\$190,068	\$229,924	\$268,016	\$325,461
Boeing:					
B-737	1,643	1,394	1,836	2,399	2,835
B-747	95	89	63	53	42
B-767	30	26	10	1	0
B-777	221	323	316	332	518
B-787	690	696	631	661	609
Domestic Order Backlog					
Percent of Total Backlog:					
Number of Aircraft	22.2%	33.0%	34.7%	32.2%	27.9%
Value	18.8%	25.6%	27.5%	28.1%	24.4%
Number of Aircraft	764	1,243	1,517	1,634	1,528
Value (in millions)	\$47,952	\$75,191	\$87,363	\$104,964	\$104,964
Boeing:					
B-737	543	971	1,238	1,281	1,198
B-747	12	8	4	2	0
B-767	20	46	58	48	50
B-777	32	57	49	48	48
B-787	157	161	168	255	252

Source: Aerospace Industries Association (AIA), based on Company SEC filings and Boeing reports.
a. As of third quarter.

Table V Civil Aircraft Shipments

Calendar Years 2001-2015

Year	TOTAL	Transport Aircraft	Helicopters	General Aviation
Number of Aircraft Shipped				
2001	3,575	526	415	2,631
2002	2,904	379	318	2,207
2003	2,935	281	517	2,137
2004	3,445	285	805	2,355
2005	4,094	290	947	2,857
2006	4,443	398	898	3,147
2007	4,729	441	1,009	3,279
2008	4,538	375	1,084	3,079
2009	2,636	481	570	1,585
2010	2,135	462	339	1,334
2011	2,377	477	435	1,465
2012	2,605	601	486	1,518
2013	2,859	648	596	1,615
2014(P)	3,043	725	627	1,691
2015(E)	3,145	754	649	1,742
Value (millions of dollars)				
2001	\$43,043	\$34,155	\$247	\$8,641
2002	35,078	27,202	157	7,719
2003	28,180	21,380	366	6,434
2004	27,256	19,925	515	6,816
2005	30,848	21,365	816	8,667
2006	39,675	28,465	843	10,367
2007	46,657	33,386	1,330	11,941
2008	43,097	28,263	1,486	13,348
2009	44,105	34,051	972	9,082
2010	40,602	31,834	893	7,875
2011	45,582	36,171	1,145	8,266
2012	58,874	49,127	1,730	8,017
2013	66,400	52,981	2,350	11,069
2014(P)	71,972	57,535	2,540	11,897
2015(E)	76,463	61,168	2,625	12,670

Source: Aerospace Industries Association (AIA), based on company reports, data from the General Aviation Manufacturers Association (GAMA), Helicopter Association International (HAI) and Teal Group, 2014.

E. Estimate.
P. Preliminary.

U.S. Aerospace Balance of Trade

Table VI

Calendar Years 2010-2014

(Millions of Dollars)	2010	2011	2012	2013	2014(P)
BALANCE OF TRADE					
Current Dollars	\$43,188	\$46,750	\$55,754	\$61,027	\$61,185
Constant Dollars ^a	43,228	46,559	55,025	59,851	59,702
AEROSPACE EXPORTS					
Current Dollars	\$77,757	\$85,630	\$99,694	\$110,833	\$118,893
Constant Dollars ^a	77,828	85,280	98,390	108,697	116,011
AEROSPACE IMPORTS					
Current Dollars	\$34,569	\$38,879	\$43,940	\$49,806	\$57,708
Constant Dollars ^a	34,601	38,721	43,365	48,846	56,309

Source: Aerospace Industries Association (AIA), based on data from the Department of Commerce and Economic Consulting Services (ECS), 2014.

Note: Balance of Trade may not equal the difference between exports and imports due to rounding.

a. Based on AIA's aerospace composite price deflator, (2009=100).

P. Preliminary.

Table VII U.S. Imports of Aerospace Products

Calendar Years 2010-2014

(Millions of Dollars)	2010	2011	2012	2013	2014(P)
TOTAL IMPORTS	\$34,569	\$38,879	\$43,940	\$49,806	\$57,708
TOTAL CIVIL IMPORTS	\$31,061	\$35,023	\$39,306	\$45,540	\$52,898
Complete Aircraft	8,979	9,900	10,163	13,755	16,573
Transports	3,258	4,972	4,588	7,602	10,295
General Aviation	2,191	2,667	2,730	2,998	2,556
Helicopters	838	896	1,161	1,062	1,049
Other Aircraft ^a	18	35	23	20	24
Used & Rebuilt Aircraft	2,673	1,330	1,661	2,073	2,649
Aircraft Engines	3,545	3,868	4,856	5,022	5,678
Piston	22	26	19	36	36
Turbine	3,523	3,842	4,836	4,985	5,642
Aircraft & Engine Parts,	18,224	20,807	23,859	26,438	30,298
Missiles, Rockets & Parts	91	109	100	127	122
Spacecraft, Satellites & Parts	222	339	327	198	228
TOTAL MILITARY IMPORTS	\$3,508	\$3,857	\$4,634	\$4,226	\$4,810
Complete Aircraft	62	124	104	160	31
Fighters & Bombers	-	-	1	-	-
Transports	50	99	51	25	-
Helicopters	12	25	52	135	31
Other Aircraft ^a	-	-	-	-	-
Used & Rebuild Aircraft	-	-	-	-	-
Aircraft Engines	262	242	300	308	334
Turbine	77	40	45	45	37
Piston	185	202	255	262	297
Aircraft & Engine Parts,	2,556	2,850	3,570	3,249	3,809
Missiles, Rockets & Parts	412	380	418	316	342
Spacecraft, Satellites & Parts	217	261	242	233	294

Source: Aerospace Industries Association, based on data from the U.S. Department of Commerce and Economic Consulting Services (ECS), 2014.

Notes: Totals may not equal sum of terms due to rounding

a. Includes unspecified aircraft, gliders, balloons and airships.

P. Preliminary.

U.S. Exports of Aerospace Products

Table VIII

Calendar Years 2010-2014

(Millions of Dollars)	2010	2011	2012	2013	2014(P)
TOTAL EXPORTS	\$77,757	\$85,360	\$99,694	\$110,833	\$118,893
TOTAL CIVIL EXPORTS	\$66,936	\$75,065	\$86,610	\$97,331	\$104,145
Complete Aircraft	(D)	(D)	(D)	(D)	(D)
Transports					
General Aviation					
Helicopters					
Other Aircraft ^a					
Used & Rebuilt Aircraft					
Aircraft Engines					
Piston					
Turbine					
Aircraft & Engine Parts,					
Missiles, Rockets & Parts					
Spacecraft, Satellites & Parts					
TOTAL MILITARY EXPORTS	\$10,821	\$10,565	\$13,083	\$13,502	\$14,748
Complete Aircraft	1,742	1,738	3,442	2,700	4,972
Fighters & Bombers	432	324	737	-	-
Transports	140	614	1,410	1,450	3,138
Helicopters	832	539	690	841	1,296
Other Aircraft ^a	294	217	161	113	168
Used & Rebuilt Aircraft	43	44	444	297	370
Aircraft Engines	357	478	422	575	847
Piston	86	92	65	103	140
Turbine	271	387	357	472	707
Aircraft & Engine Parts,	6,587	6,439	7,025	7,053	6,634
Missiles, Rockets & Parts	1,728	1,490	1,728	2,572	1,724
Spacecraft, Satellites & Parts	408	419	466	602	571

Source: Aerospace Industries Association, based on data from the U.S. Department of Commerce and Economic Consulting Services (ECS), 2014.

Notes: Totals may not equal sum of terms due to rounding

a. Includes unspecified aircraft, gliders, balloons and airships

D. Civil aerospace export data suppressed by U.S. Census Bureau beginning first quarter 2009.

P. Preliminary.

Table IX Net Profit After Taxes

Calendar Years 1995-2014

Year	Dollars (in Millions)	Aerospace Industry Profits*			All Manufacturing Corporations		
		As a Percent of:			Profits as a Percent of:		
		Sales	Assets	Equity	Sales	Assets	Equity
1995	4,633	3.8	3.5	11.1	5.7	6.2	16.2
1996	7,150	5.6	5.1	17.1	6.0	6.5	16.8
1997	7,221	5.2	4.8	17.3	6.2	6.6	16.6
1998	7,701	5.0	4.8	18.0	6.0	6.1	15.7
1999	9,816	6.4	6.0	21.2	6.2	6.1	16.5
2000	7,111	4.7	4.2	14.0	6.1	5.9	15.2
2001	6,565	3.9	3.6	11.6	0.8	0.8	2.0
2002	6,572 ^a	4.1	3.7	12.2	3.3	2.9	7.8
2003	7,225	4.2	3.3	12.5	5.4	4.7	12.1
2004	10,291	5.5	4.3	15.3	7.1	6.4	15.8
2005	12,383	6.3	4.6	16.5	7.4	7.0	16.6
2006	14,203	6.8	5.1	18.7	8.1	7.7	17.5
2007	18,658	8.0	6.5	24.1	7.3	6.7	15.1
2008	14,568	6.1	4.7	18.6	4.2	3.8	8.9
2009	16,424	6.8	5.5	26.9	5.6	4.2	10.3
2010	16,516	6.8	5.5	22.9	8.3	6.6	15.1
2011	18,802	7.4	6.1	24.3	9.2	7.7	17.0
2012	19,842	7.4	5.9	25.5	8.5	6.9	15.6
2013	22,220	8.1	6.1	25.1	8.9	6.9	15.7
2014(P)	25,501	9.3	6.8	24.6	8.8	6.8	15.0

Source: Aerospace Industries Association (AIA), based on data from the Bureau of the Census, Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations, 2014.

*Not seasonally adjusted.

a. Includes non-operating expenses (less interest expense) totaling \$3.5 billion.

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