

INDUSTRY UPDATE

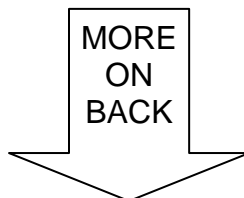
INDUSTRY UPDATE

Aerospace Industries Association

- The U.S. aerospace industry **generated a record** \$170 billion in sales during 2005 – up 9.2 percent from last year's \$156 billion.
- Profits rose in 2005 to an estimated \$11 billion, the **highest level ever**.
- AIA projects aerospace industry sales will grow another \$14 billion to \$184 billion next year.
- Shipments of complete civil aircraft increased in number and in value in 2005.
- General aviation shipments soared with 604 more deliveries and billings grew 27 percent, or \$1.8 billion, **to a record** \$8.5 billion.
- Civil helicopter sales surged from \$515 million – an already high level – **to a record** \$750 million.
- Civil aircraft sector sales, which also include engines and parts, increased 20 percent, or \$6.6 billion, to \$39 billion in 2005.
- Sales of military aircraft, engines, parts, and services increased 7 percent, or \$3.3 billion **to a record** \$50 billion in 2005.
- Space sector sales increased 3.8 percent, or \$1.4 billion, **to a record** \$37 billion in 2005.
- Civil aircraft sector sales are projected to grow more than \$10 billion, up to \$50 billion.

GAMA (General Aviation Manufacturers Association)

- GAMA is proud to report a record year in 2005. General aviation billings rose to \$15.1 billion, a 27.2 percent increase over 2004.
- Year-end, worldwide shipments of general aviation airplanes totaled 3,580 units for 2005, up 20.8 percent over the previous year's total of 2,963 units.
- U.S. – based manufactures shipped 2,857 airplanes, and increase of 21.3 percent, up from 2,355 units in 2004.
- As airplane manufactures' order books continue to grow, we expect that the creation of well paying, stable jobs will continue.



U.S. Department of Labor / Bureau of Labor Statistics / Bulletin 2600

- Aircraft Pilots and Flight Engineers – Overall, the employment of aircraft pilots is projected to increase about as fast as average (9 to 17 percent) for all occupations through 2014.
- Aircraft and Avionics Equipment Mechanics and Service Technicians – Employment is expected to increase about as fast as average (9 to 17 percent) for all occupations through the year 2014.

Federal Aviation Administration – Aviation Forecast 2006 through 2017

- An important yardstick, though, remains the number of passengers that traveled. Last year, that number was a record 739 million, up from 690 million the previous year. U.S. commercial aviation remains on track to carry **one billion passengers by 2015**. In addition, international traffic is growing almost 2 percent faster than domestic traffic.
- In 2005, for the second year in a row, passenger demand on U.S. airlines remained strong. System revenue passenger miles (RPMs) and enplanements grew 8.0 and 7.1 percent, respectively.
- Commercial air carrier domestic enplanements rose 6.6 percent and were 4.5 percent higher than pre-911 levels.
- Based on data compiled by the International Civil Aviation Organization (ICAO), world air carriers transported 1.9 billion passengers (up 11.6 percent) a total of 3.4 trillion revenue passenger kilometers (RPKs) (up 14.0 percent) in calendar year 2004. Although worldwide traffic results are not available for full year 2005, signs are the demand for world aviation services continued to grow strongly in 2005.
- Student pilots are important to general aviation and the aviation industry as a whole. Based on statistics compiled by the FAA's Mike Monroney Aeronautical Center, the number of student pilots decreased by 0.8 percent in 2005. This will end two consecutive years of increases in this important pilot category. The industry has, over the past several years, begun several industry-wide programs designed to attract new pilots to general aviation.
- The number of general aviation hours flown will also increase by 3.2 percent per year through 2017.

Sources: Aerospace Industries Association
2005 Year-End Review and 2006 Forecast – An Analysis
By David H. Napier, Director, Aerospace Research Center

GAMA (General Aviation Manufacturers Association)
Annual Industry Review & 2006 Market Outlook Briefing

U.S. Department of Labor / Bureau of Labor Statistics / Bulletin 2600
Occupational Outlook Handbook, 2007-07 Edition

Federal Aviation Administration
– Aviation Forecast 2006 through 2012