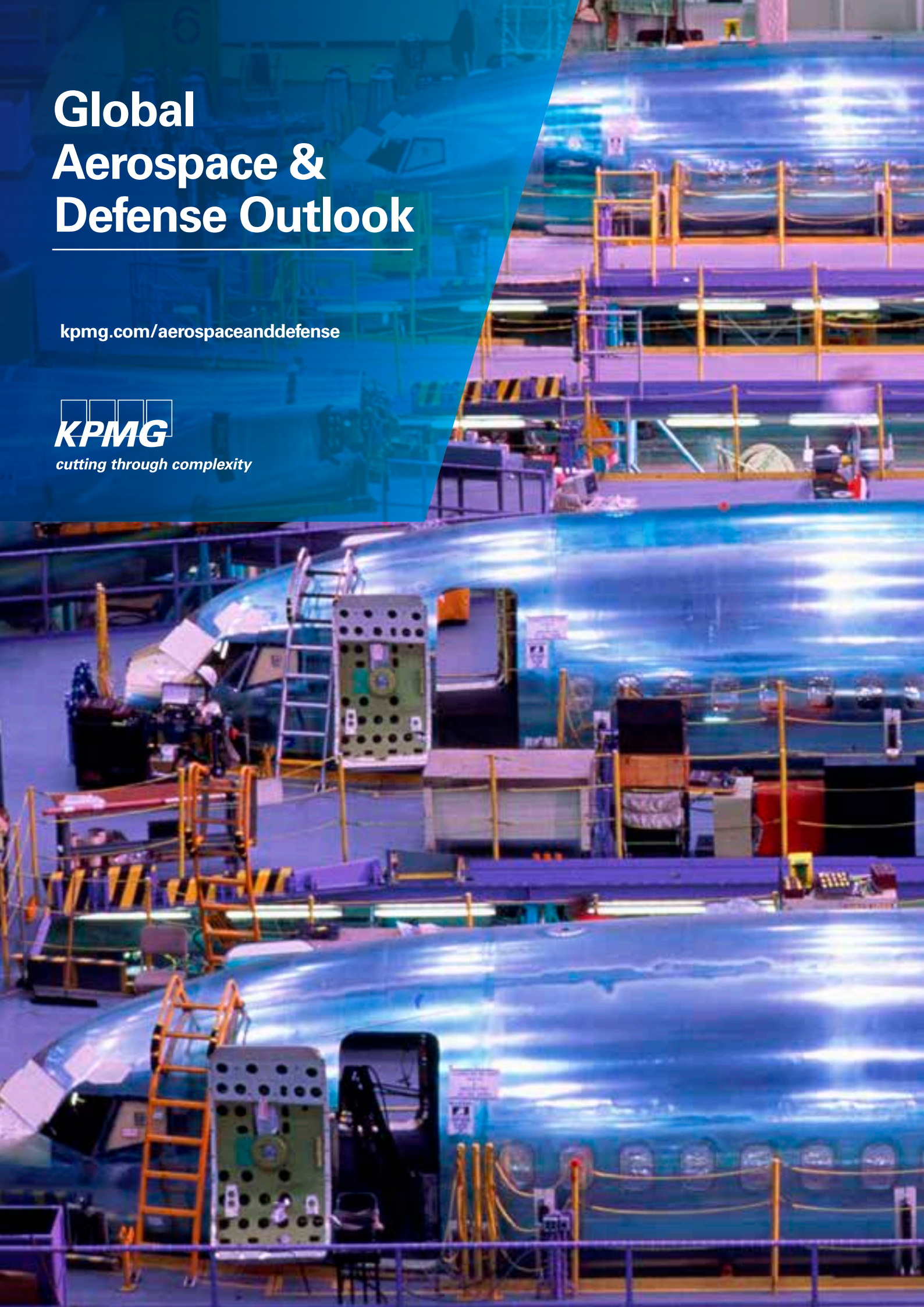


Global Aerospace & Defense Outlook

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cutting through complexity



Foreword

With few buyers, and facing massive cost pressures, most Aerospace and Defense (A&D) organizations are now experiencing significant uncertainty. And, as budgets for A&D spending come under greater pressure, many are looking for opportunities to shore up their revenues, either by establishing a stronger presence in new markets or by adapting their current product and service lines to adjacent industry sectors.

As this report clearly illustrates, A&D organizations are more focused than ever on entering into partnerships and creating more collaborative business models to help them achieve these objectives. Already, we are seeing some of the larger original equipment manufacturers (OEMs) setting up permanent offices in newly emerging markets, while others are working with adjacent sector leaders to create compelling value propositions.

However, as A&D organizations become more global and extend their reach into other sectors, they will experience increasing pressure to enhance their supply chain visibility. Many will need to consider how they will fulfill offset agreements while ensuring high standards within new markets. Others will need to consolidate their multiple procurement platforms to ensure they have better visibility into the demands and expectations they are placing on their local suppliers.

Our *2014 Global Aerospace and Defense Outlook* suggests that the next few years will usher in an era of collaboration – around products and services, R&D and access to markets – that will fundamentally change the way A&D organizations operate. But our experience suggests that adapting operating models to meet the resulting ‘disruptive complexity’ will be no easy task for A&D executives and may take upwards of five years to achieve; A&D organizations would be well advised to start their planning now.

To discuss these – or any other issues currently facing your A&D organization – I encourage you to contact your local KPMG member firm, or one of the contacts listed at the back of this publication.



Doug Gates

KPMG Global Head of
Aerospace and Defense

Contents



Prioritizing profitability 2

Partnering to achieve innovation 6

Taking the supply chain global 10

Five key take-aways 16

About the survey 17

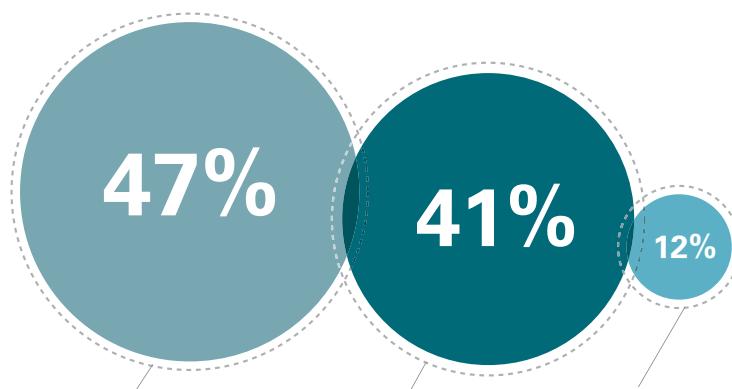




Prioritizing profitability

As A&D organizations come under increasing top-line and bottom-line pressure, many are now focused on improving their visibility into their profitability and costs. However, our survey suggests that A&D organizations may have some hard work ahead; almost half of all A&D respondents admit that they are only 'somewhat effective' at determining their profitability and just 12 percent categorized themselves as being 'very effective'.

How effective are you at determining profitability?



Somewhat effective

(semi-automated, limited insight to drive competitive differentiation)

Effective

(automated, some insights to drive competitive differentiation)

Very effective

(highly automated and integrated, insights drive significant competitive differentiation)

Note: Percentages may not add up to 100 percent due to rounding.
Source: Forbes Survey, January 2014.

"A&D manufacturers tend to be very good at determining their costs against a set forecast, but face significant market uncertainty and demand fluctuations, particularly in the West where defense budgets are rapidly shrinking," noted Doug Gates, KPMG's Global Head of Aerospace & Defense. "Ultimately, this means that they struggle to determine overall profitability."

In part, this is because few A&D organizations believe that they can rely on their current margin and cost information to support business decision-making. More than a third of all A&D respondents said they couldn't rely on their pricing data, their product

and service line profitability data, their customer profitability data or the data they use to underpin their channel or market analysis.

As a result, A&D respondents suggested that they would put substantial investment into enhancing systems and processes related to profit and cost information. Almost nine in 10 A&D respondents said they would place either moderate or significant investment into processes to support 'product and service cost improvements'. Seven in 10 said they would put a similar level of investment into 'forecasting and planning', 'pricing' and 'profitability' systems and processes.

How reliant is your data?

Pricing



Channel or market analysis



Product or service line profitability



Customer profitability



- Yes – highly reliant
- Somewhat – moderately reliant
- No – not reliant

Note: Percentages may not add up to 100 percent due to rounding.
Source: Forbes survey, January 2014.

Only one in 10 A&D respondents said this would be their highest priority (versus 27 percent in the general survey population).

Interestingly, however, A&D respondents were less likely than their peers in other sectors to suggest that they would place a high priority on adopting processes and systems that deliver real-time measurement of product cost and profitability. Only one in 10 A&D respondents said this would be their highest priority (versus 27 percent in the general survey population) over the next two years, with larger OEMs almost

twice as likely as suppliers to make this their highest priority.

“Given the long development and production times typical of A&D organizations, it is not entirely surprising that they are less focused on getting ‘real-time’ data and much more focused on improving the quality of their data overall,” noted Doug Gates, KPMG’s Global Head of Aerospace & Defense.

KPMG Insight



Ryan Donley
Director,
Advisory Services
KPMG in the US

Making the most of market adjacencies

While all evidence – both in this report and in the market – suggests that A&D organizations are increasingly focusing on leveraging so-called ‘market adjacencies’, our experience suggests that moving existing products and services into new sectors will be much more complicated than many expect.

Regulation will be a major barrier, particularly for those seeking to leverage their existing cyber capabilities into other highly-regulated industry sectors like healthcare or financial services. Much work will be required at the front-end to understand the compliance requirements; new capabilities may be needed to manage reporting.

A&D executives will also need to think about how they structure their pricing, sales and distribution for commercial markets where customers may expect different models such as licensing, leasing or franchising. Maintaining

systems and hardware for a commercial client base will also require different skills and pricing structures to ensure that the solutions are sustainable and profitable over the long term.

When I work with A&D organizations to explore strategies for leveraging potential market adjacencies, I always advise my clients to start by looking for those opportunities where – simply by changing the pricing model or being creative in the way services are delivered – they can move existing products into new markets without ‘re-engineering’ them first.

Ultimately, I believe that A&D organizations will need to remember to stay true to who they are and what they stand for. After all, it is those underlying strengths and attributes that underpin the value of their products and services in the first place.

Case study

Moving into new and emerging markets

With demand for new and refurbished ships remaining strong, low-cost markets are becoming an increasingly attractive manufacturing destination, particularly for commercial, naval and coast guard vessels. For one large engineering conglomerate, the combination of ample low-cost yet highly skilled labor and a strong pipeline of upcoming procurement projects found in India offered a clear opportunity for growth. However, after having announced their plans in 2006, the company started to struggle to quantify the exact size of the opportunity and, as a result, the implementation quickly began to stall.

To re-ignite the project, the company approached KPMG to help assess the projected demand and profitability for the shipyard over the next ten years. Based on in-depth market research, extensive demand analysis, interviews with senior naval and coast guard officers and a detailed global competitive analysis, KPMG in India provided the company with a detailed business plan and implementation framework. KPMG also identified opportunities for improving efficiency in both the implementation and operational phases of the project.

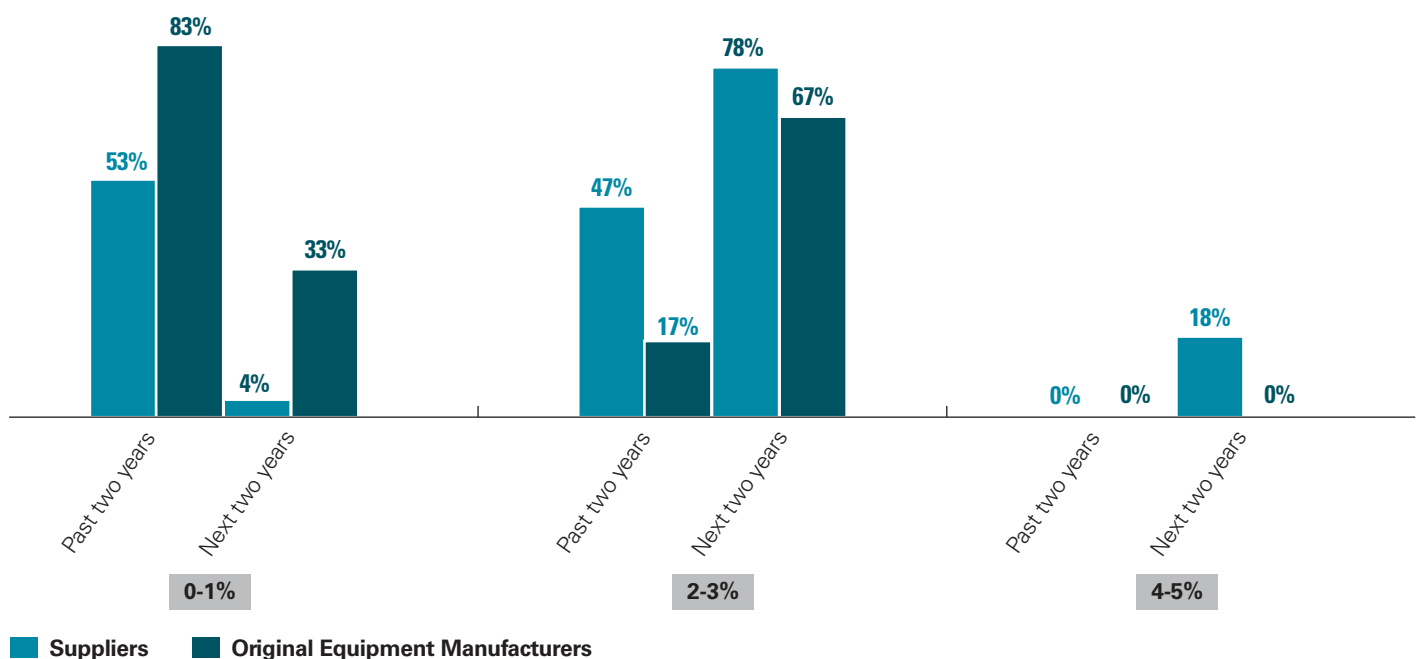
Today, the company has become a major shipyard in the private sector and is successfully executing large orders for the Indian Coast Guard, the Indian Navy, as well as a number of international commercial new-build and repair orders. Ultimately, the company's experience demonstrated that – when entering into new or emerging markets segments within the capital intensive and high-risk defense sector – it is critical to first assess the local market and have a reliable local partner that understands the 'on the ground' realities.



Partnering to achieve innovation

With pressure mounting on A&D organizations to reduce costs and improve top-line revenues, many A&D respondents now suggest that they are building new partnerships and investing more of their revenue into R&D in order to drive bottom-line growth and enhance innovation.

Spending on R&D set to increase



Note: Percentages may not add up to 100 percent due to rounding.
Source: Forbes survey, January 2014.

Investment expectations are high with three-quarters of A&D respondents saying that they would spend between 2 to 3 percent of revenues on R&D over the next two years and 16 percent saying they would spend between 4 to 5 percent. Given that more than half admitted to spending just 1 percent or less of revenues on R&D over the past two years, it is clear that A&D organizations are hoping to catalyze a step-change in their approach to growth.

Interestingly, it is the smaller organizations and suppliers that seem set to make the biggest investments into innovation (as a proportion of revenue). Almost one in five suppliers said they would spend between 4 and 5 percent of revenues on innovation going forward, whereas no OEMs suggested they would spend more

than 3 percent of their revenues on R&D over the next two years.

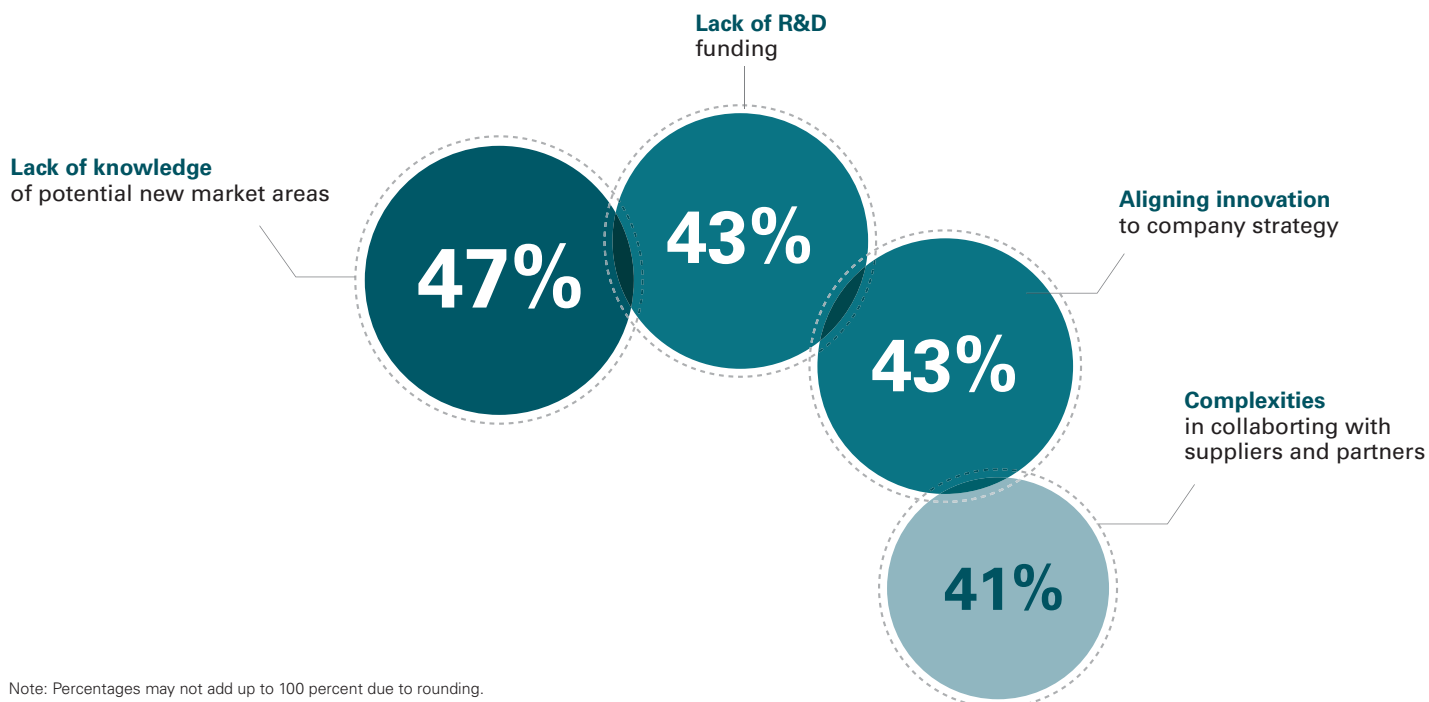
Reflecting the sector's increasing focus on entering new and adjacent markets, it is perhaps not surprising that 75 percent of A&D respondents also said that they would be primarily focused on enhancing their existing product lines rather than investing in breakthrough technologies.

However, the data also suggests that the desire to move into new growth markets and take advantage of market adjacencies is creating new challenges for the A&D innovation model. Almost half (47 percent) of sector respondents said that the biggest challenge they face in their ability to innovate is a lack of knowledge of potential new market areas. Respondents also cited challenges

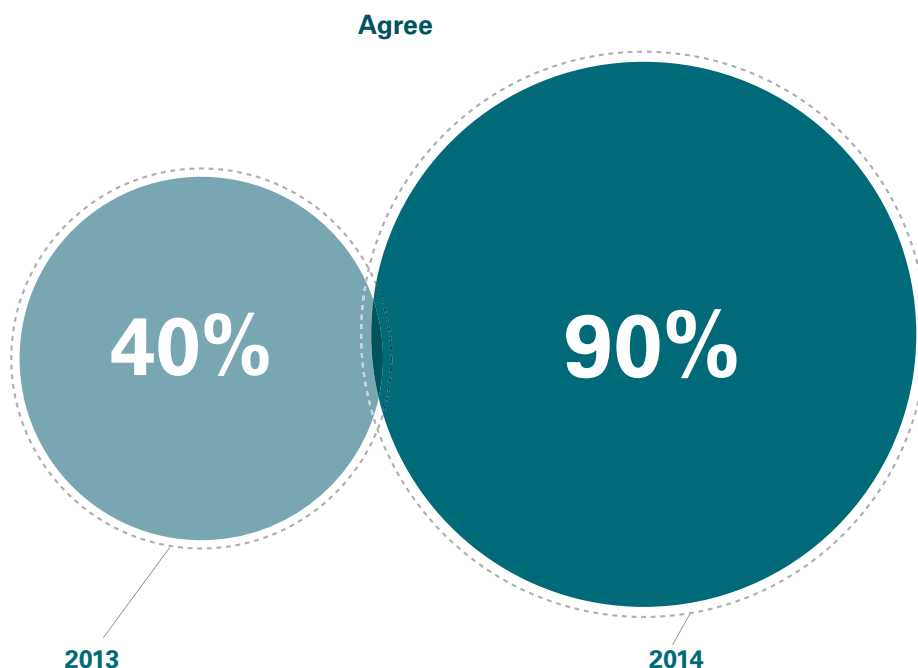
“Collaboration is going to be a vital enabler of growth for the A&D sector, particularly as companies start to adapt their existing product lines to take advantage of market adjacencies and enter into new, higher-growth geographies.”

Doug Gates, KPMG's Global Head of Aerospace & Defense

New markets create new challenges for innovation



Partnerships, rather than in-house efforts, will characterize the future of innovation



Note: Percentages may not add up to 100 percent due to rounding.
Source: Forbes Survey, January 2014.

A&D organizations are increasingly looking to partner with their suppliers to not only share risks and development costs

related to aligning innovation to their company strategy (43 percent), securing R&D funding (43 percent) and collaborating with partners and suppliers (41 percent).

Overcoming these challenges will likely be a high priority; nine in 10 A&D respondents said that they believe that partnerships – not in-house efforts – will characterize the future of innovation for their organizations. Given that only 40 percent said the same in 2013, this reflects a significant shift towards partnerships over the past year.

“Collaboration is going to be a vital enabler of growth for the A&D sector, particularly as companies start to adapt their existing product lines to take advantage of market adjacencies and enter into new, higher-growth geographies,” said Doug Gates. “A&D organizations are increasingly looking to partner with their suppliers to not only share risks and development costs, but also to drive incremental innovation and product enhancements that meet the needs of adjacent industry sectors.”

KPMG Insight



Matt Richards
Managing Director,
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KPMG in the US

The looming talent gap

That the major defense contractors are about to face a significant talent gap is nothing new. For years, observers have been warning that – without new approaches to talent and leadership development – many of the majors will suffer a terrible leadership vacuum over the next five years. Yet, to date, little has changed in the way the majors recruit and retain young talent.

We believe that the time has come for the major defense contractors to start rethinking their approach. In part, this will require them to reconsider how they attract and, most importantly, retain the brightest and most valuable talent (particularly engineers) in the market. Thankfully, some leading practices can be learned from the intelligence industry where much work has already been done to refine the value proposition for younger ‘in-demand’ employees.

At the same time, the majors will also want to immediately start thinking about how they might better pool their knowledge internally so that key capabilities, data and insights can be found, shared and reused across the organization.

A good first step is to create a catalogue of the key skills and capabilities within the organization that can be used to quickly identify the right resources and the right data for specific highly-skilled projects. A catalogue can also help the HR organization identify weaknesses or gaps in their existing talent pool. And in doing so, the major defense contractors would not only be making their organization more flexible and cost efficient today, they will also be protecting their knowledge and value for the future.



Taking the supply chain global

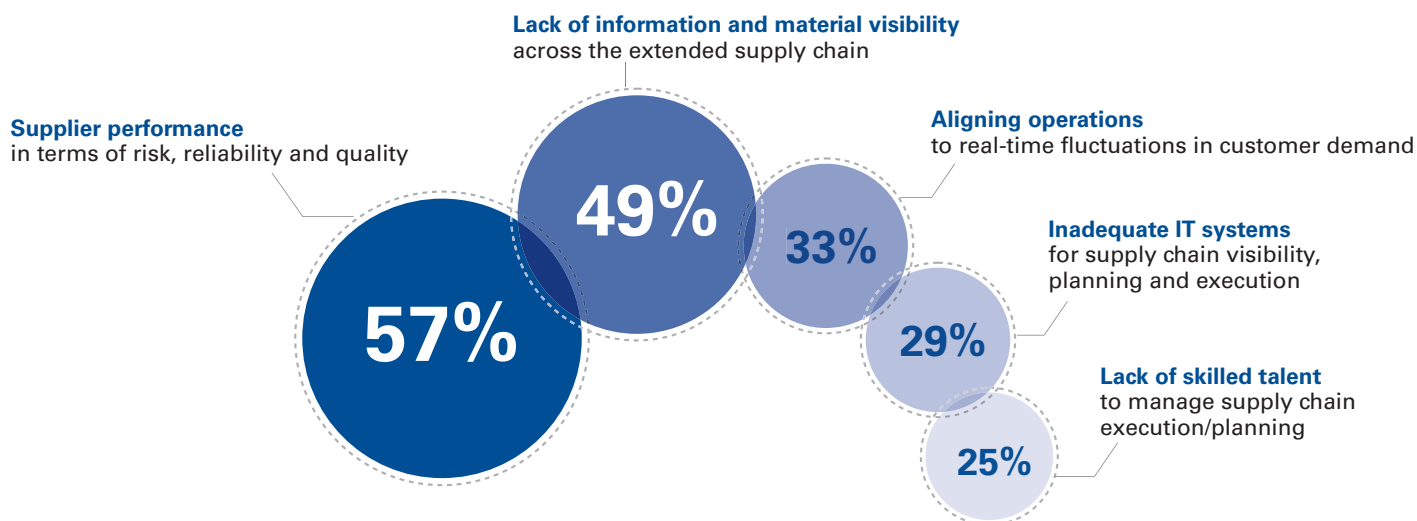
Seeking new opportunities for growth, many A&D organizations are now focused on entering new markets and taking advantage of suitable opportunities to leverage their existing services and products into adjacent markets. Not surprisingly, this year's survey shows that A&D organizations are struggling to adapt their supply chains to serve these potential new markets.

Fifty-seven percent of A&D respondents said that they were facing challenges with supplier performance.

"As A&D organizations start to move into new and adjacent markets, they will need to think carefully about how they balance offset agreements against the need to rationalize and consolidate their procurement," noted Brian Higgins, Partner, Supply Chain & Operations, KPMG in the US. "Creating reliable and efficient supply chains in emerging markets will continue to be a significant challenge for A&D organizations expanding globally over the next few years."

Reflecting this, our survey finds that A&D respondents have become much more concerned about supplier performance and visibility over the past years. Fifty-seven percent of A&D respondents said that they were facing challenges with supplier performance, up from 35 percent in 2013. Similarly, challenges related to achieving information and material visibility across the extended supply chain rose up the agenda; almost half (49 percent) of respondents cited this as a challenge this year versus just 12 percent in 2013.

Big challenges for global supply chain



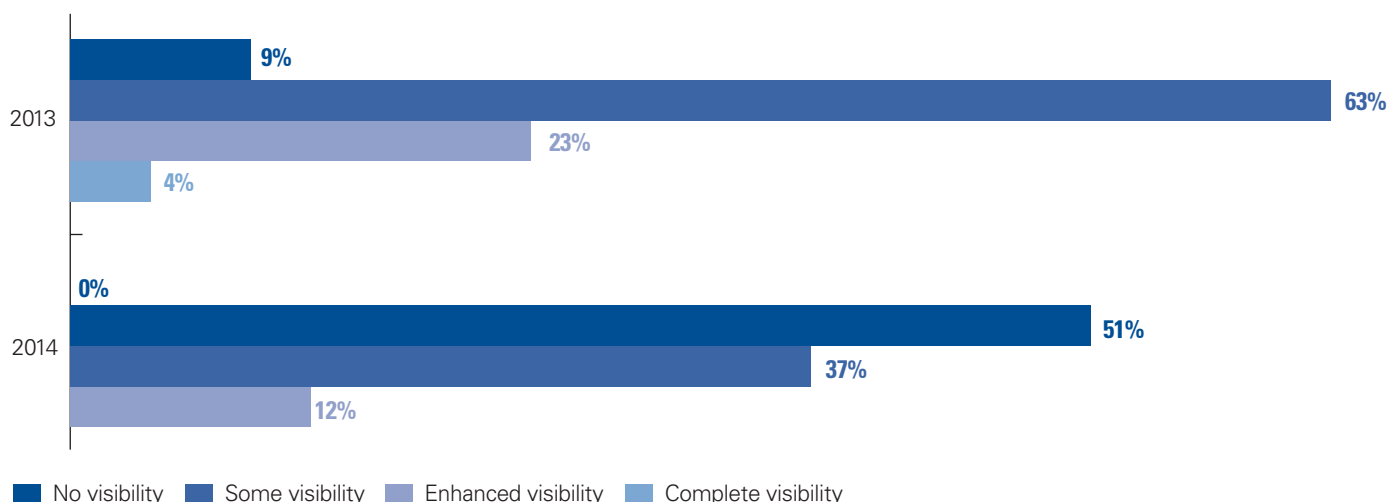
Note: Percentages may not add up to 100 percent due to rounding.
Source: Forbes Survey, January 2014.

The survey results suggest they have good reason to worry: 51 percent said that they had only 'some visibility' into their Tier 1 suppliers and no visibility into their Tier 2 suppliers; more than a third claimed 'enhanced visibility' reaching only as far as their Tier 2 suppliers.

While these results clearly suggest more effort is needed, they also reflect

a significant improvement over the results of our 2013 *Global Aerospace and Defense Outlook*, where almost 10 percent admitted to having no visibility at all and less than a quarter were willing to classify themselves as having 'enhanced visibility'. And, likely based on this pace of progress, almost three-quarters of A&D respondents

Visibility improving but still a major challenge



Note: Percentages may not add up to 100 percent due to rounding.
Source: Forbes survey, January 2014.

How is your organization using this technology for the following areas? Select one for each.

Global Procurement



Global demand planning (real-time demand signal changes)



Linkage to product R&D/product development



Supplier risk & resiliency



■ Using enterprise wide ■ Using on a limited basis (e.g. single business unit or product line) ■ Not using

Note: Percentages may not add up to 100 percent due to rounding.
Source: Forbes survey, January 2014.

Given the growing demand on the commercial aerospace side and the increasingly complex A&D product structure, A&D organizations are quickly finding that they need a clearer understanding of their delivery and capacity across all tiers of their supply base.

Michael Judd,
Managing Director,
KPMG in the US

suggest that they might be able to achieve a globally integrated supply chain within the next three to five years. "Given the growing demand on the commercial aerospace side and the increasingly complex A&D product structure, A&D organizations are quickly finding that they need a clearer understanding of their delivery and capacity across all tiers of their supply base," noted Michael Judd, Managing Director at KPMG in the US. "In part, gains in visibility have been achieved by leveraging the growing capacity, affordability and implementation speed of cloud-based systems and we believe this trend will continue as the continuous growth and profitability pressures increase within A&D organizations."

Interestingly, there are signs that A&D executives are starting to see technology as a challenge in achieving greater supply chain visibility. Twenty-nine percent said that their IT systems were inadequate for their supply chain visibility, planning and execution needs; 43 percent said that a lack of mature

technology was creating obstacles to communicating data across the supply chain; an almost equal number (45 percent) said that they did not think their top-tier suppliers' technology was sophisticated enough to share real-time capacity and demand data.

Regardless, our survey suggests that many within the A&D sector are leveraging technology to improve their supply chain effectiveness and visibility. Sixty-one percent say they are using technology to link product R&D enterprise wide; almost half say they are using global demand planning with real-time demand signal changes across the enterprise.

While this increased adoption and integration of technology is certainly a good sign, the survey also finds that only 18 percent say they are using global procurement technologies across the wider enterprise and 20 percent are leveraging technology to better manage supplier risk and resiliency.

"Many of the larger organizations, where the different lines of business

contract separately, are starting to struggle with an increasingly fragmented view of supplier performance because there is often no 'aggregation' layer where the organization can achieve a full view of the supplier relationship," said Rob Barrett, Managing Director of Supply Chain & Operations at KPMG Advisory in the US. "In today's data-driven business environment, you simply can't manage a complex global supply chain without leveraging technology."

According to Doug Gates, the challenges related to creating new supply chains in emerging and adjacent markets are just some of the many complexities facing A&D executives. "The A&D sector is in a state of constant change with new business models, processes, systems, markets and opportunities emerging faster than ever before. In this era of 'disruptive complexity', A&D executives will need to be flexible in the face of change and ready to adapt to take advantage of new opportunities."

In today's data-driven business environment, you simply can't manage a complex global supply chain without leveraging technology.

KPMG Insight



Guido van Drunen
Principal,
Forensics Practice
KPMG in the US

Look before you leap: Reducing the risk of international expansion

The risk profile for A&D organizations is rising. In part, this is because entering into new markets and creating more collaborative business models often carries a host of new risks for A&D organizations to manage – everything from the security of power supplies, uninterrupted material supply, talent and resources. Those hoping to develop sustainable businesses in new markets will need to carefully consider the operating, regulatory, infrastructure and legal environment of their target markets prior to putting boots on the ground or investments into the market.

However, we believe that the greater – and often less visible – risks for A&D organizations will likely come from the third

parties they engage and partner with as they move into new and adjacent markets. The reality is that not all players in foreign markets are on the 'up and up' and A&D executives will therefore need to carefully review their agreements and assess their partners against a range of potential risks such as bribery and corruption charges, inclusion on sanctions lists, political affiliations or criminal records.

The bottom line is that A&D organizations must continue their expansion into international markets, but if they are to succeed, they will need to put much more focus on creating and implementing a robust risk management strategy first.

United States



Adil Khan
KPMG in the US

Like it or not, the next three years will be utterly transformational for the US aerospace and defense sectors. Those that are able to quickly transform to more efficient operating models and effectively respond to shifting customer demands will emerge stronger; those unable to adapt to the new market realities will be quickly left behind.

Already the US A&D sector is in flux. On the commercial aerospace side, renewed focus on operating efficiencies by US carriers, following re-emergence from recent bankruptcy, replacement of ageing fleets and continuing recovery in passenger air traffic is driving significant growth in new aircraft order books for both US and global OEMs. But at the same time, the dual challenge of higher build-rates and customer demands for more-sophisticated technologically advanced aircraft – more fuel efficient engines, greater use of composites and new pricing models, for example – is in fact, contributing to a real and growing risk of supply chain disruptions. As certain suppliers have only limited expertise and modest engineering capabilities for implementing and sustaining several programs we expect to see further consolidation within the supply chain as lower-tier and niche providers partner, acquire or merge and develop new risk-sharing models to better respond to these market dynamics.

Primes and sub-contractors are also feeling the squeeze within the defense arena where long-term budget uncertainty, emphasis on affordability, shifting defense priorities and troop draw-downs in conflict zones are putting immense pressure on defense contractors to look for new growth opportunities in adjacent sectors and foreign markets. The reality is that this is the 'new normal' for the US defense sector and, as a result, competition will intensify in the shrinking domestic market and those markets that seem capable of offering (or just preserving) top-line growth will be fiercely contested. Going forward, we expect to see defense contractors put increased focus on their business operating models and processes, including, renewed focus on program management and execution along with significant consolidation amongst the fragmented mid-tier suppliers, to meet the realities of the future defense market in the US.

As the pace of change quickens across the US A&D sectors, those that are able to create new opportunities by adapting quickly and efficiently to shifts in the market will not only survive but thrive in this environment. We believe that the next three years will show who got this right and who did not.

Canada



Grant McDonald
KPMG in Canada

This is an exciting time for the A&D sector in Canada. Indeed, while other mature markets have been ratcheting back their defense spend, the Canadian government has instead been focused on improving the environment for A&D organizations in the hope of developing a more globally-integrated sector.

Recent announcements and initiatives by the Canadian government have been encouraging for both domestic and foreign players. The newly announced Defense Procurement Strategy, for example, includes a new Defense Acquisition Guide, essentially a playbook of potential programs and procurement initiatives that the government hopes to undertake.

Interestingly, the Procurement Strategy also includes a new approach to 'weighting and rating' offsets within the bid process to focus on the economic value of the offset rather than simply the dollar amount. Those bidding for defense contracts will now need to rethink their bid process to ensure they put their best foot forward.

The government has also implemented a number of strategic programs designed to catalyze growth within the sector. The Strategic Aerospace and Defense Initiative, for example, provides grants to companies investing in innovation within the A&D sector; the government renewed the program with an extra CAD1 billion in new funds. To improve supply chain integration, there is a focus on supplier development initiatives aimed at creating a national supply chain program.

When combined with a number of recent and expected procurement programs – such as the CAD33 billion ship building program – it is not surprising that many of the biggest global players are now moving into the Canadian market. Given the adjacency of the Canadian market to the US, we expect to see Canada become an important stepping stone, both for US firms seeking to expand into foreign markets and for foreign firms seeking to acclimatize to the Americas in preparation for future expansion into the US.

United Kingdom



Glynn Bellamy
KPMG in the UK

With an Aerospace sector second only to the US in terms of size, the UK is home to many of the world's Aerospace market leaders such as Rolls-Royce, Airbus UK, GKN and BAE. Yet while these larger organizations tend to attract all of the headlines, the reality is that the UK has also fostered a diverse (and largely fragmented) supply chain of small to medium-sized enterprises that sit at the heart of a thriving industry.

However, as this year's *Global A&D Outlook* clearly illustrates, today's competitive landscape increasingly requires organizations to compete on a global basis and as part of a globally-integrated supply chain. Based on our experience working with UK Aerospace organizations seeking to transform their model away from their traditional national market and customer base, we believe many UK Aerospace players may still have some heavy lifting ahead.

In particular, players in the UK sector will need to focus on building their capabilities in a number of key areas such as directly targeting new customers in overseas markets, developing an on-shore and off-shore operational footprint, enhancing supply chain management skills, increasing engineering and product innovation and securing financing for investment in both organic and inorganic new business opportunities.

We believe that those businesses able to pivot towards the global markets will be the ones that will continue to succeed and, together, will help drive the increased consolidation and globalization of the supply chain in the UK.

India



Amber Dubey
KPMG in India

Boasting the world's third largest armed forces and the ninth highest defense expenditure, India represents a significant opportunity for the global A&D sector. Almost half of its military equipment is approaching obsolescence and the government is heavily dependent on imports. The newly-elected government has therefore made the growth of an indigenous A&D manufacturing sector a high priority.

Within four days of being sworn in, the government circulated a cabinet note, proposed sweeping changes to the country's Foreign Direct Investment (FDI) limitations for the A&D sector, with increasing levels available for those foreign investors transferring technology or developing 'state-of-the-art' technology. Reform in other key areas (such as the licensing regime, foreign trade policy and offset policies) are also expected and would also be welcomed by potential investors.

The government plans to improve India's place within the global A&D supply chain. More than USD250 billion worth of equipment will be procured over the next decade and, with an ample supply of engineers, scientists and low-cost skilled manpower, expectations are high that Indian companies can play a key role across the value chain – including research, design, development, manufacturing, maintenance, quality control and training.

Progress is already being made. In October 2013, for example, a Joint Venture between Sikorsky and India's Tata Group delivered its first 100 percent indigenously built S-92 helicopter cabins, made up of more than 5,000 locally manufactured precision components. As the case study on page five illustrates, strong headway has also been made in creating an indigenous ship building capability. In June 2014, the Tata Group delivered its first advanced composite floor beam to Boeing for its 787-9 Dreamliner.

By December 2014 we expect to see the new government clear the long-awaited capital acquisitions programs – for fighter jets, artillery guns, helicopters, submarines, amphibian planes etc. These programs, along with investor friendly reforms have the potential of making India a major global defense player within the next 10-15 years.

Brazil



Jarib Fogaca
KPMG in Brazil

While some may worry that Brazil's overall economic growth has started to slow, all signs indicate that the country's A&D sector is on the cusp of a new growth spurt. On the defense side, Brazil's Ministry of Defense has indicated their intention to improve the defense base through a series of projects, starting with the recently awarded USD3 billion contract to acquire 28 new fighter jets over 12 years. More major contracts are expected over the coming years.

There have also been significant developments on the Aerospace side where, to date, five major airports (together representing around 45 percent of all passenger air traffic in Brazil) have been placed under private concessions. With passenger travel growing by around 10 percent between 2011 and 2013, there has also been significant growth in the airline sector. The three main carriers (Azul, Gol and Tam) have increased their combined aircraft inventory by around 17 percent over the same period and, by 2013, accounted for more than 40 percent of all airline traffic.

Reflecting the findings of this year's A&D Outlook, there are also clear signs that Brazil's A&D sector is adopting more collaborative business models. For example, Embraer, by far the biggest player in Brazil's A&D market, recently started to disclose their risk-sharing agreements within their Annual Report, noting that around 80 percent of production costs were for materials and equipment purchased from their risk-sharing partners and suppliers.

Given this growth in the market, we believe that Brazil continues to be a market worthy of participation by global A&D players.

Five key

Take-aways for Aerospace and Defense manufacturers

1	Improving visibility into product cost and profitability to identify potential areas of growth and performance across the enterprise.
2	Explore partnerships and collaborative business models to drive innovation, leverage synergies and improve returns on R&D investment.
3	Encourage innovation not only in products and services, but also in business models, market strategies and operations.
4	Focus on creating new global supply chain models, tools and processes to support emerging opportunities for market growth.
5	Create strategies to address the 'disruptive complexity' caused by the accelerating pace of change, advances in manufacturing process, material science, decision support tools and breakthrough innovation.

About the survey

This *Global Aerospace and Defense Outlook* is part of KPMG's 2014 Global Manufacturing Survey. Data was collected by Forbes on behalf of KPMG in early 2014 and accompanying analysis was provided by senior KPMG A&D leaders from across the firm's global network of A&D practices.

A total of 460 senior manufacturing executives participated in the survey, of which 11 percent came from the A&D sector. The views reflected in the *2014 Global Aerospace and Defense Outlook* include those from six large OEMs, defined as companies with revenues of USD10 billion or more, and 45 medium-sized organizations and suppliers, defined as companies with revenues of between USD1 billion and USD10 billion.

Forty-seven percent of the A&D respondents identified themselves as being based in the Americas, 29 percent in Europe and 24 percent in Asia. Sixty-one percent of all A&D respondents held C-Level positions within their respective organizations, with a further 39 percent representing SVP/VP/Director or Head of department roles.



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