



Market Realities Near-term and Long-term View

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June 2014

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Agenda

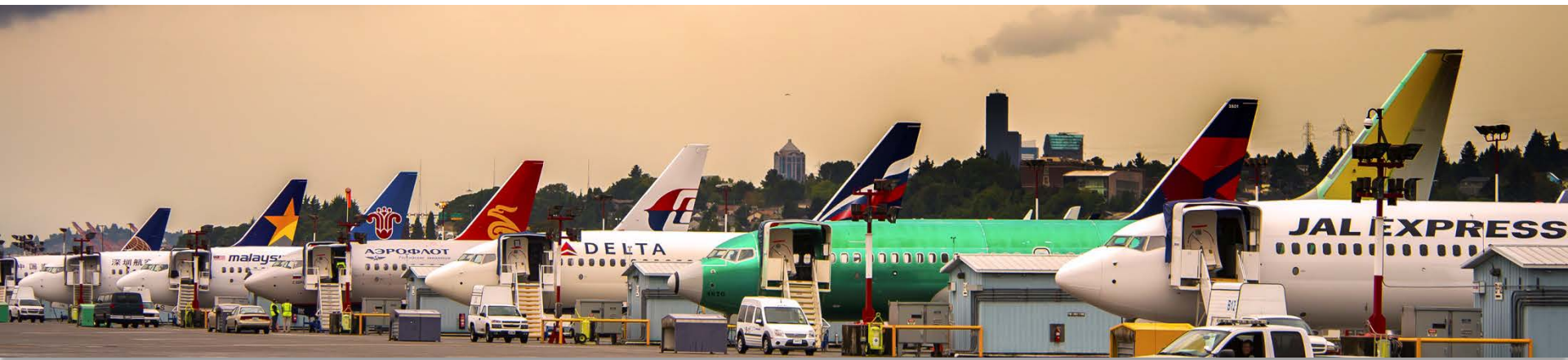


Near-term view
Long-term view
Meeting market requirements



Market realities – near-term view

Commercial aviation is an economic engine



**\$2.2
trillion**

of global
economic
impact

3.5%

of global
GDP
supported

**>50
million**

jobs supported
by aviation
worldwide

SOURCE: "Aviation: Benefits Beyond Borders" report, Air Transport Action Group (ATAG), March 2012

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Key commercial aviation trends



Outlook assumptions

- Global economic growth
- Stable fuel prices
- Passenger traffic growth outpaces economic growth



LCC's dominate short-haul markets

- Gaining market share and expanding geographically
- Continuing adaption of LCC business models



Fast growth for medium-haul LCCs

- Densely populated markets
- Price sensitive customers

Key commercial aviation trends



Network carriers restructure to restore profitability

- Consolidation continuing
- Premium traveler focus



Gulf 3 success: one stop to everywhere

- Prime location
- Efficient operations
- Strong brands



Continued growth in China

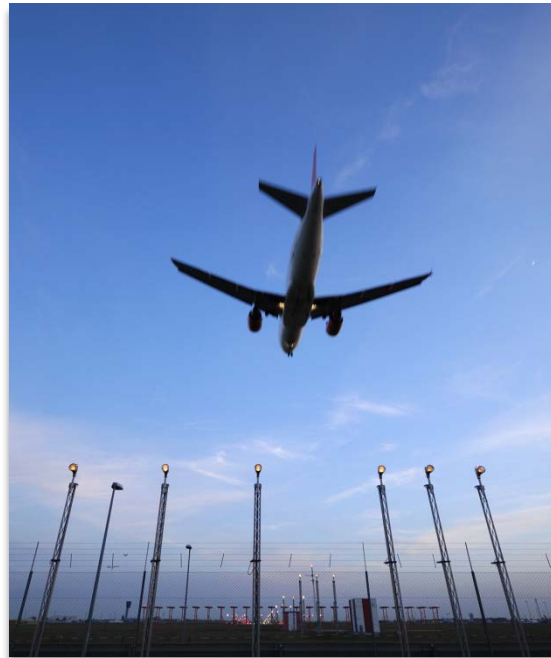
- China's Big 4 airlines seek int'l growth opportunities
- Start-ups including LCCs
- Continued gov't influence

Key commercial aviation trends



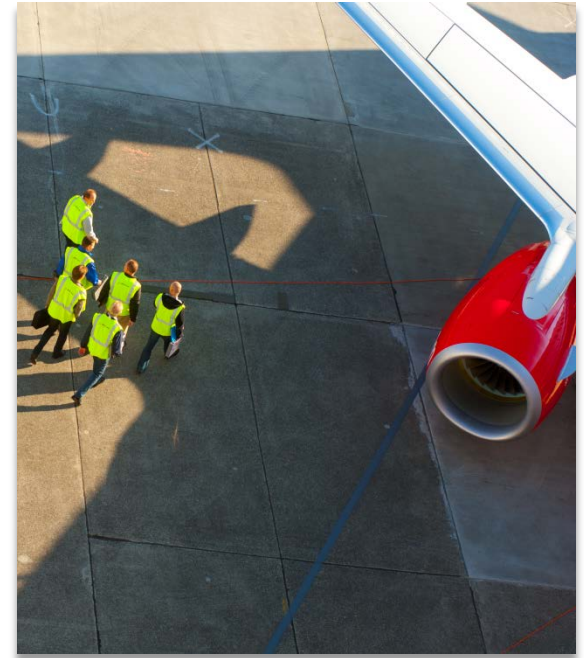
Cargo market rebound

- Keep pace with world trade growth
- Main deck 60% of RTKs
- Express carriers expand



Leasing market continues to grow

- Growth driven by airlines demand for flexibility
- Emergence of new lessors



Services market is large, growing

- Airlines' continued out-sourcing
- Out-sourcing closer to home
- BIG DATA

Robust market demand continues



Geographic
balance



Business model
balance



Replacement
requirements



Market realities – long-term view

Market forecast drivers and considerations



Why the Current Market Outlook (CMO)?



Product strategy



Long-range business plan



Suppliers and airline customers

Boeing forecast accuracy

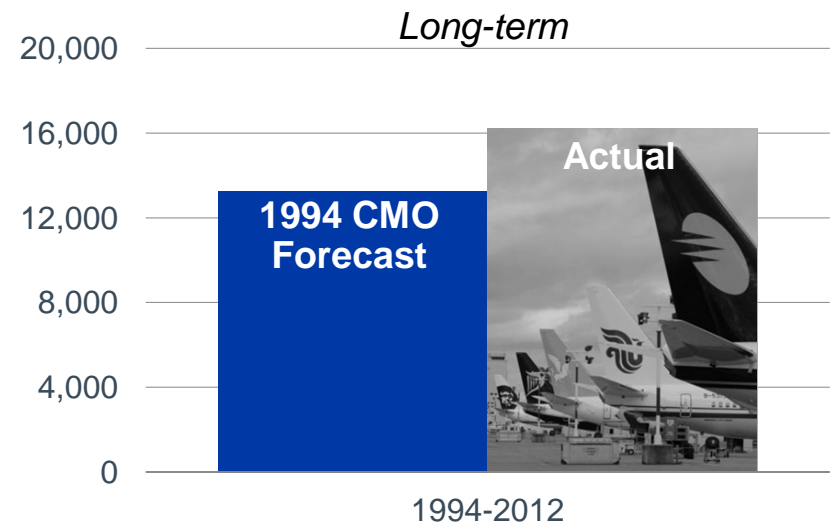
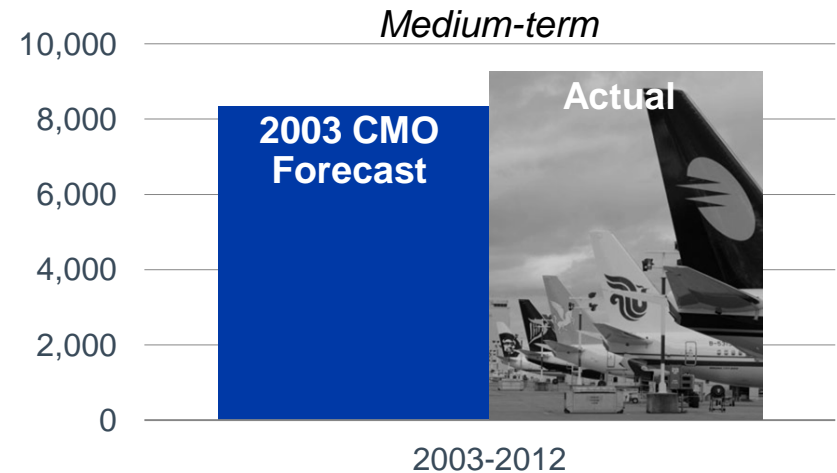
Fleet consists of all jet aircraft with at least 90 seats

Accurate

Conservative

Under-forecasted
single-aisles

Over-forecasted large
and regional jets

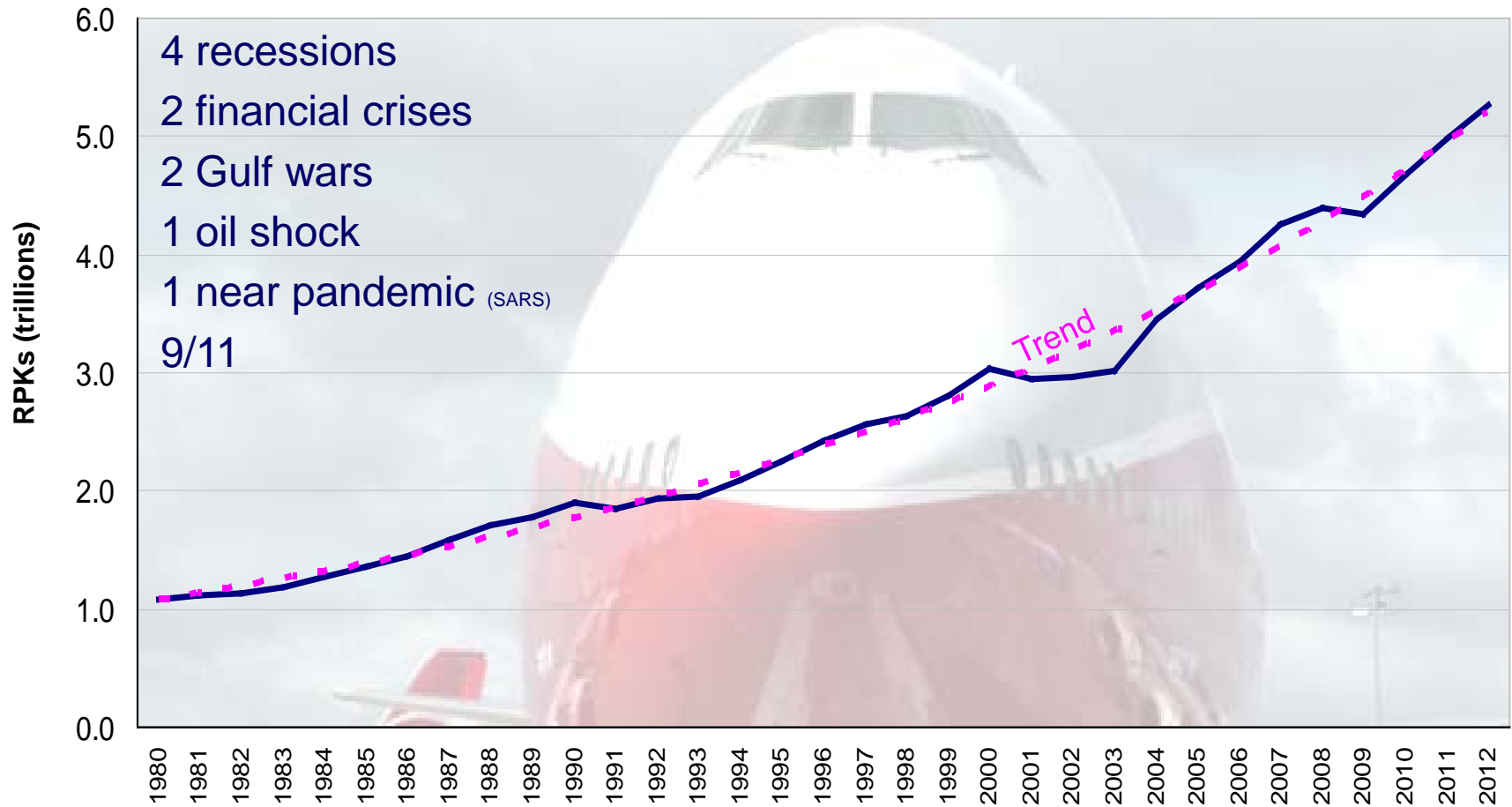


SOURCES: CMO 1994, CMO 2003, ASCEND

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World air travel has grown 5% per year since 1980

RPKs = Revenue Passenger Kilometers

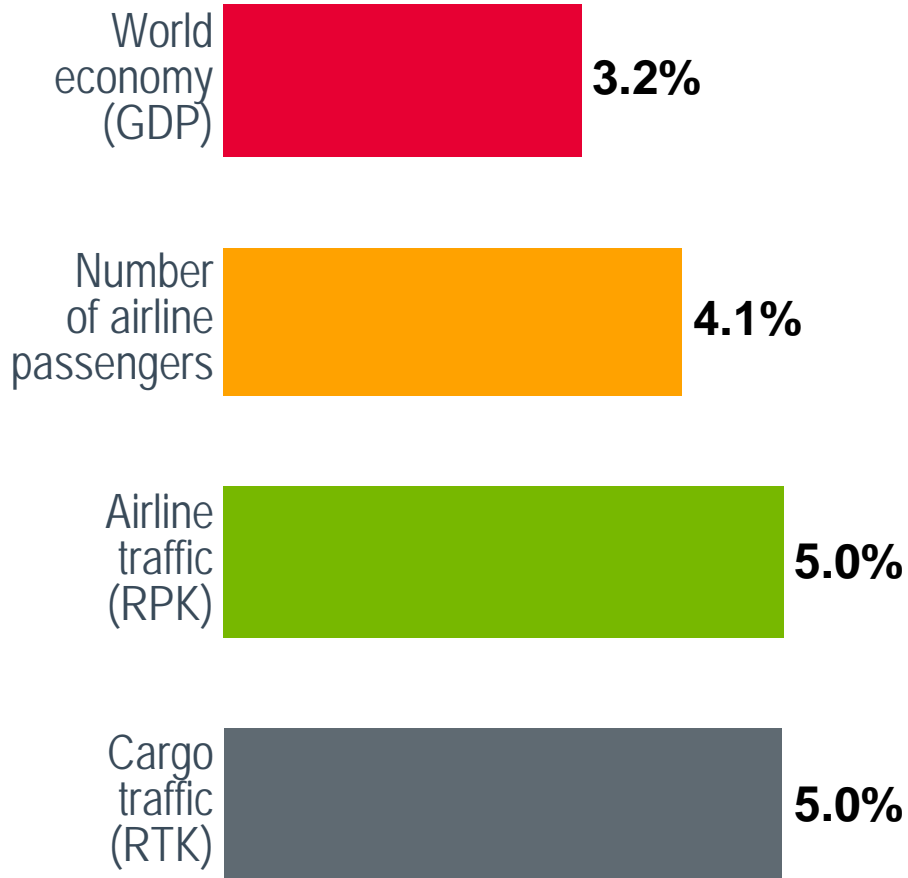


SOURCE: ICAO scheduled traffic

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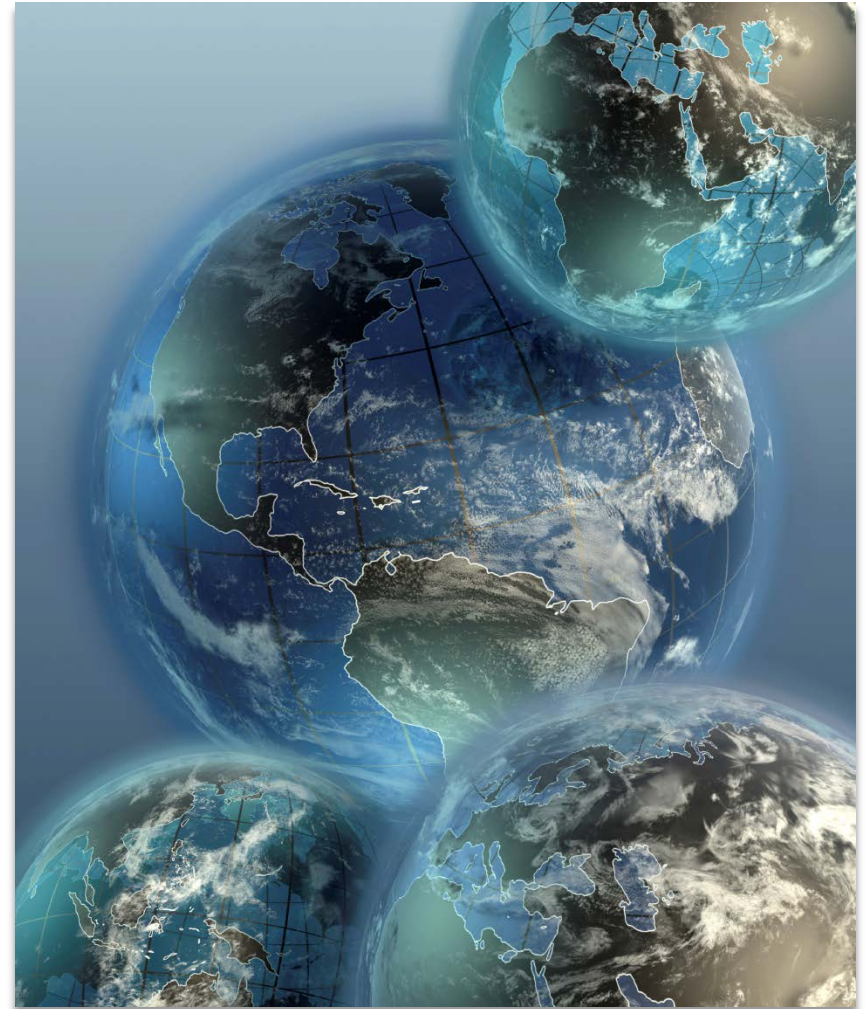
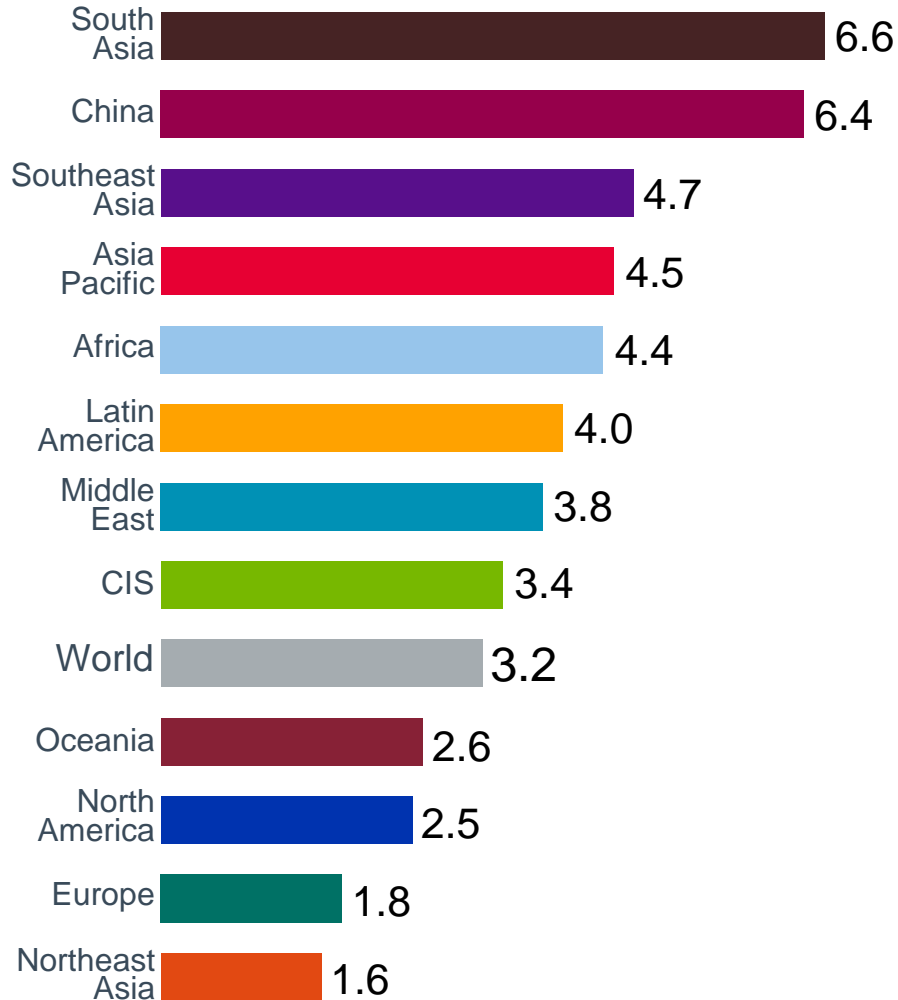
20-year forecast: strong long-term growth

2012 to 2032



Emerging markets are driving the economic growth

Annual GDP growth, 2012 – 2032

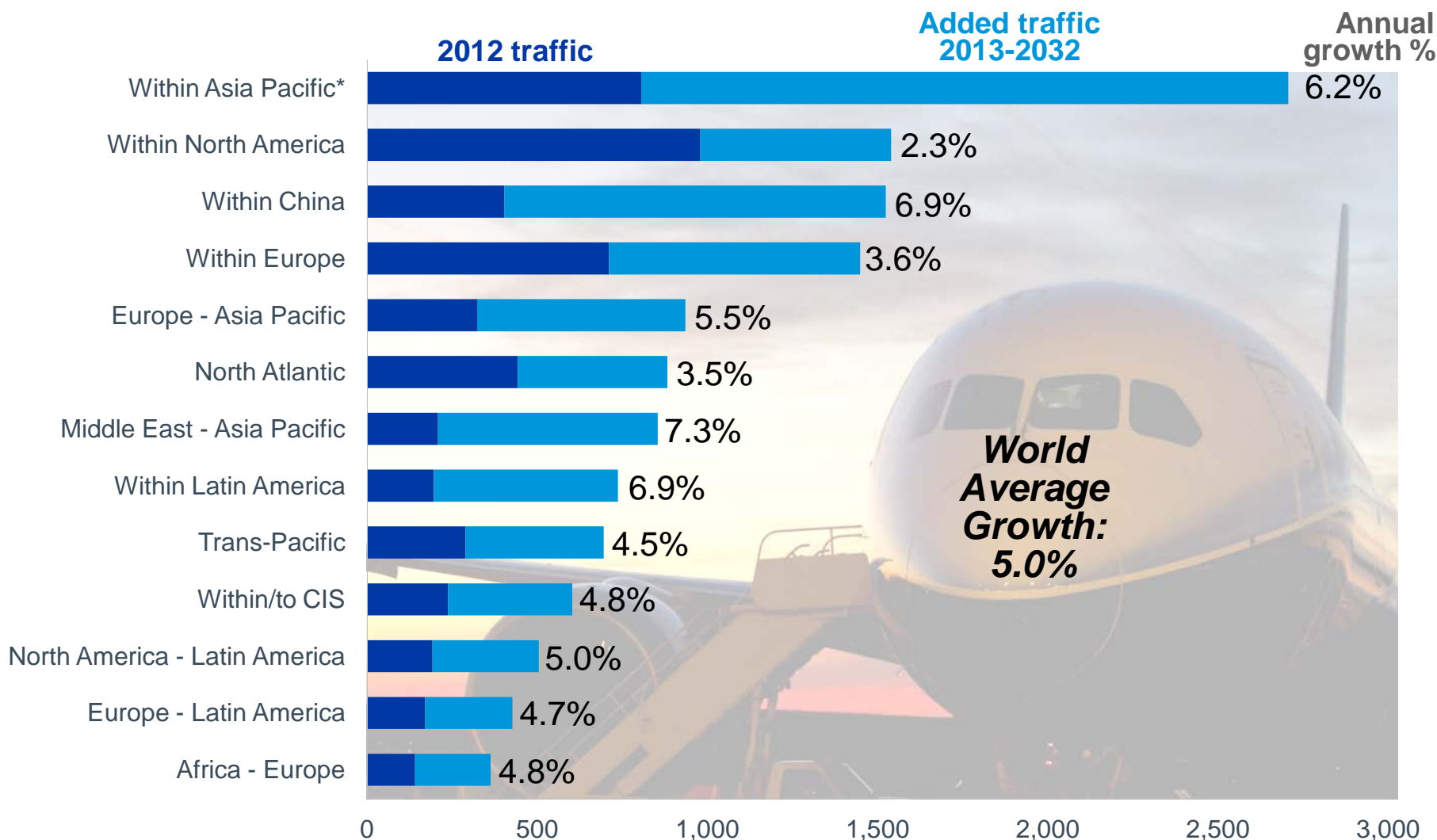


SOURCE: IHS Global Insight

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Air travel growth varies by market

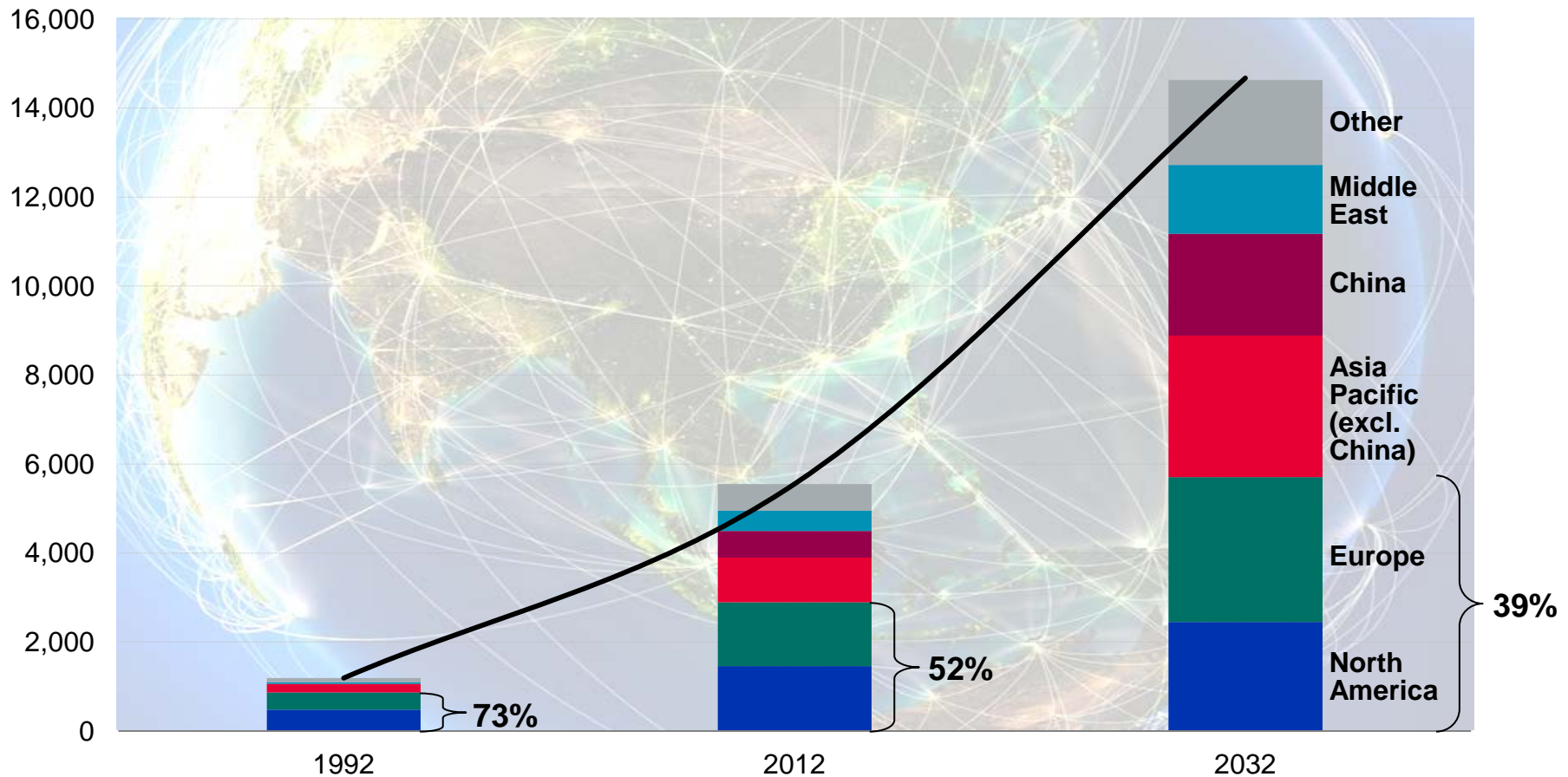
RPKs, billions



*Does NOT include within China

Air travel becoming more diverse geographically

Air traffic, RPKs (billions)



SOURCE: Boeing 2013 CMO

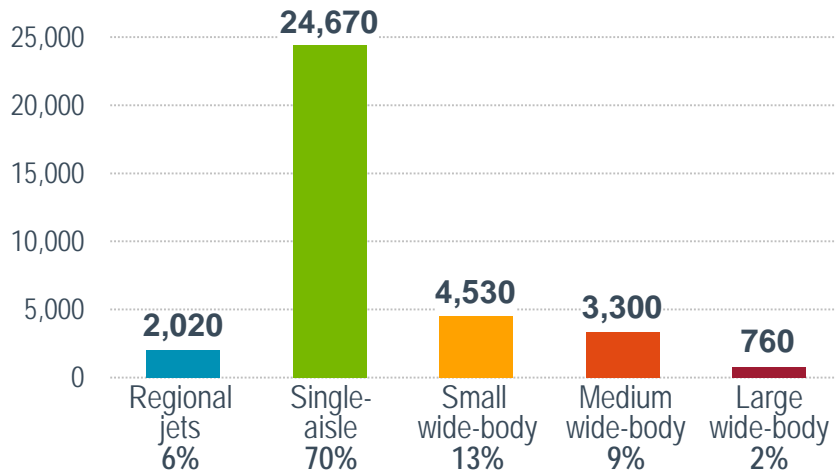
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Airlines will need more than 35,000 new airplanes valued at \$4.8 trillion



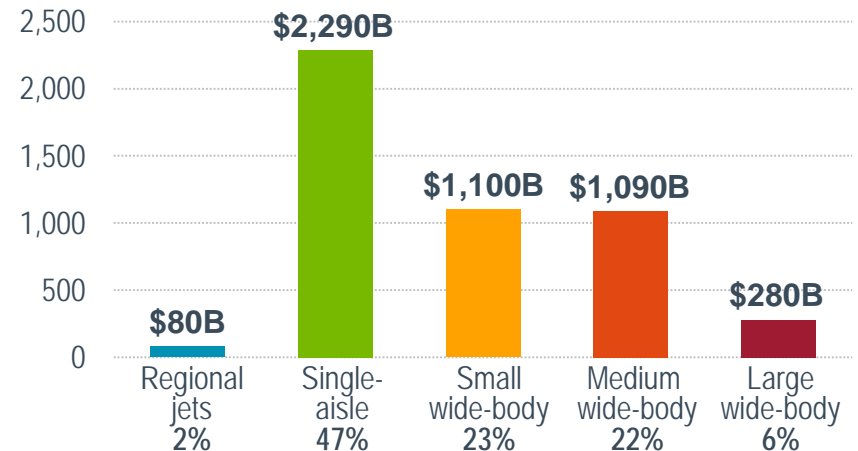
Airplane deliveries: 35,280

2013 - 2032



Market value: \$4.8T

2013 - 2032



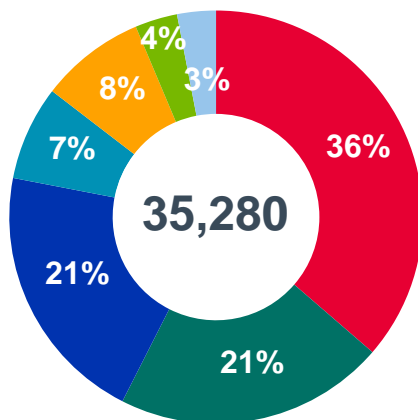
Market for new airplanes to become even more geographically balanced



New airplane deliveries by region

2013–2032

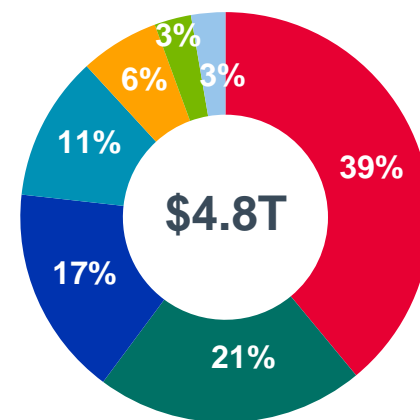
Region	Airplanes
● Asia Pacific	12,820
● Europe	7,460
● North America	7,250
● Middle East	2,610
● Latin America	2,900
● C.I.S.	1,170
● Africa	1,070
World Total	35,280



Market value by region

2013–2032

Region	\$B
● Asia Pacific	1,890
● Europe	1,020
● North America	810
● Middle East	550
● Latin America	300
● C.I.S.	140
● Africa	130
World Total	\$4,840B





Meeting our customers' needs

More value to our customers in all markets

Efficiency designed-in from the start



Environmentally progressive

Long-range, fast, reliable

Operational commonality

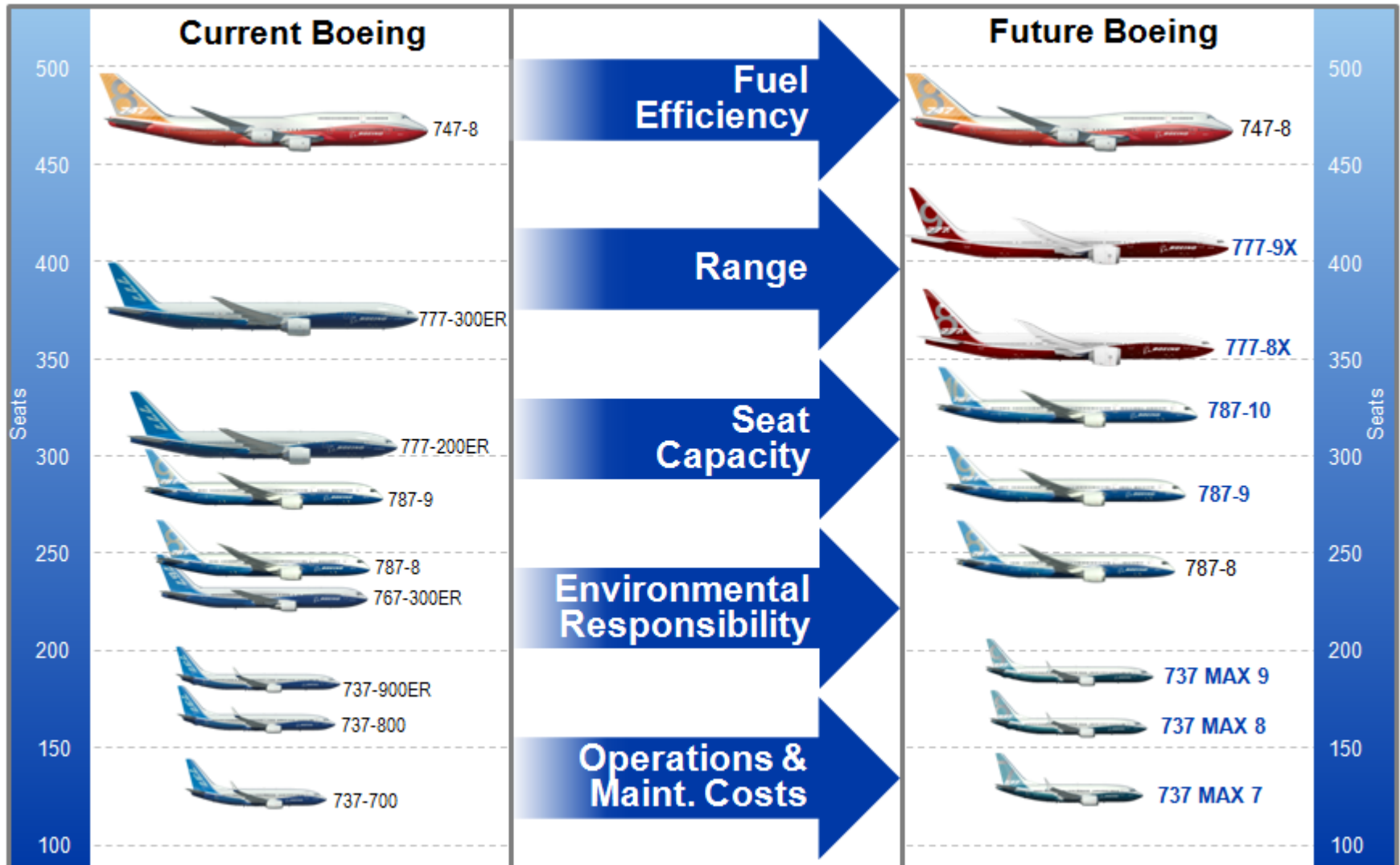
Passenger experience

Low operating cost

Standardization

Boeing product line-up

Superior value, efficient market coverage



787 innovation delivers the most value



787-10

323 passengers

13,000 km (7,000 nmi)

EIS 2018

787-9

280 passengers

15,370 km (8,300 nmi)

EIS 2014

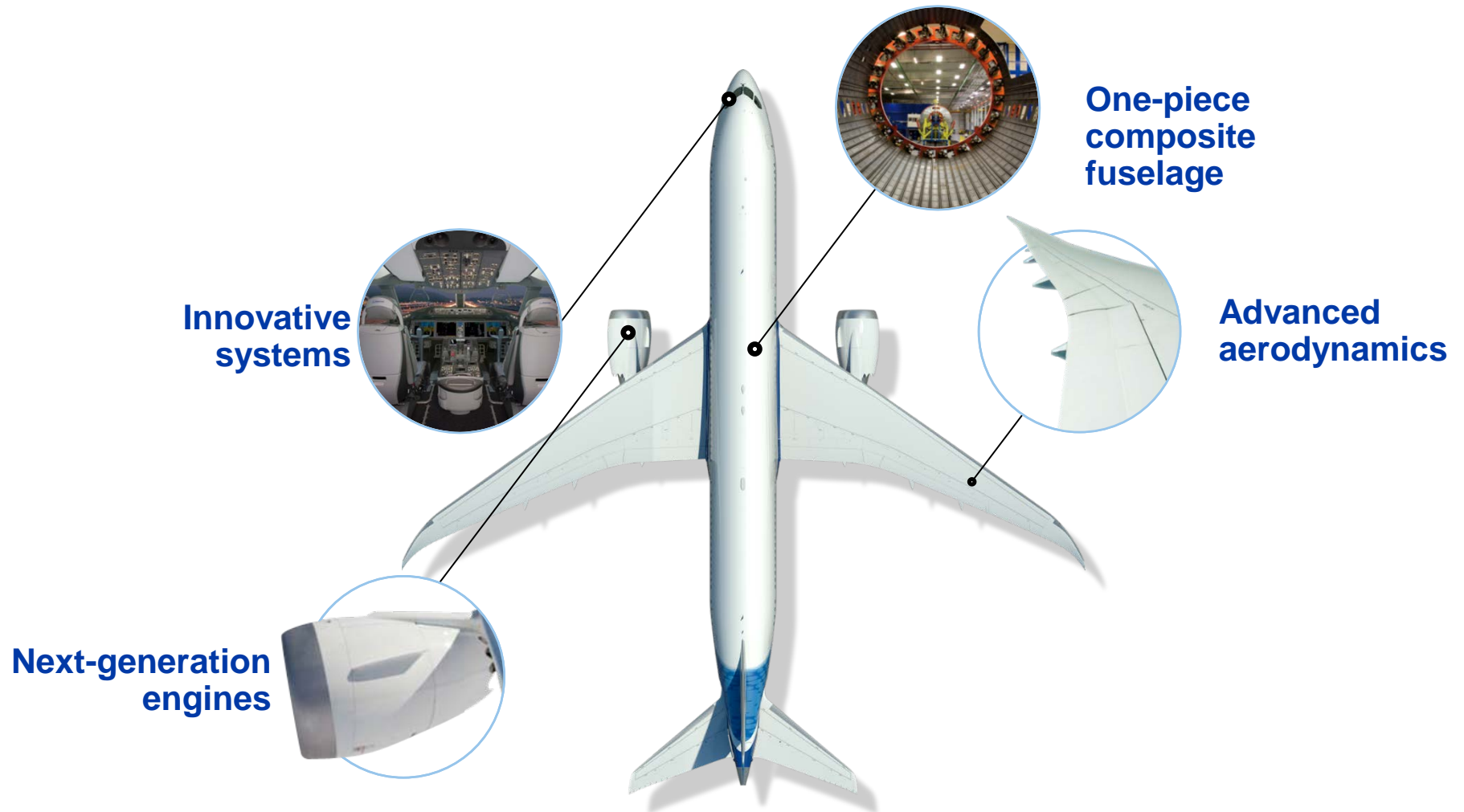
787-8

242 passengers

14,530 km (7,850 nmi)

In-service

Technology and innovation deliver the 787 vision



787 Dreamliner opening new markets around the world

As of April 2014

Current new nonstop routes flown with the 787:

Delhi-Birmingham (AI)	Houston-Lagos (UA)	Tokyo-San Jose (NH)	Stockholm-Fort Lauderdale (DY)
Delhi-Melbourne (AI)	Tokyo-San Diego (JL)	Addis Ababa-Dulles (ET)	Stockholm-Bangkok (DY)
Delhi-Sydney (AI)	Tokyo-Boston (JL)	Oslo-Bangkok (DY)	Oslo-New York (DY)
Denver-Tokyo (UA)	Tokyo-Helsinki (JL)	Stockholm-New York (DY)	Oslo-Fort Lauderdale (DY)
			London-Austin (BA)



The 737 MAX advantage

737 MAX 8 vs. 737-800, typical configuration and rules, 500nmi trip



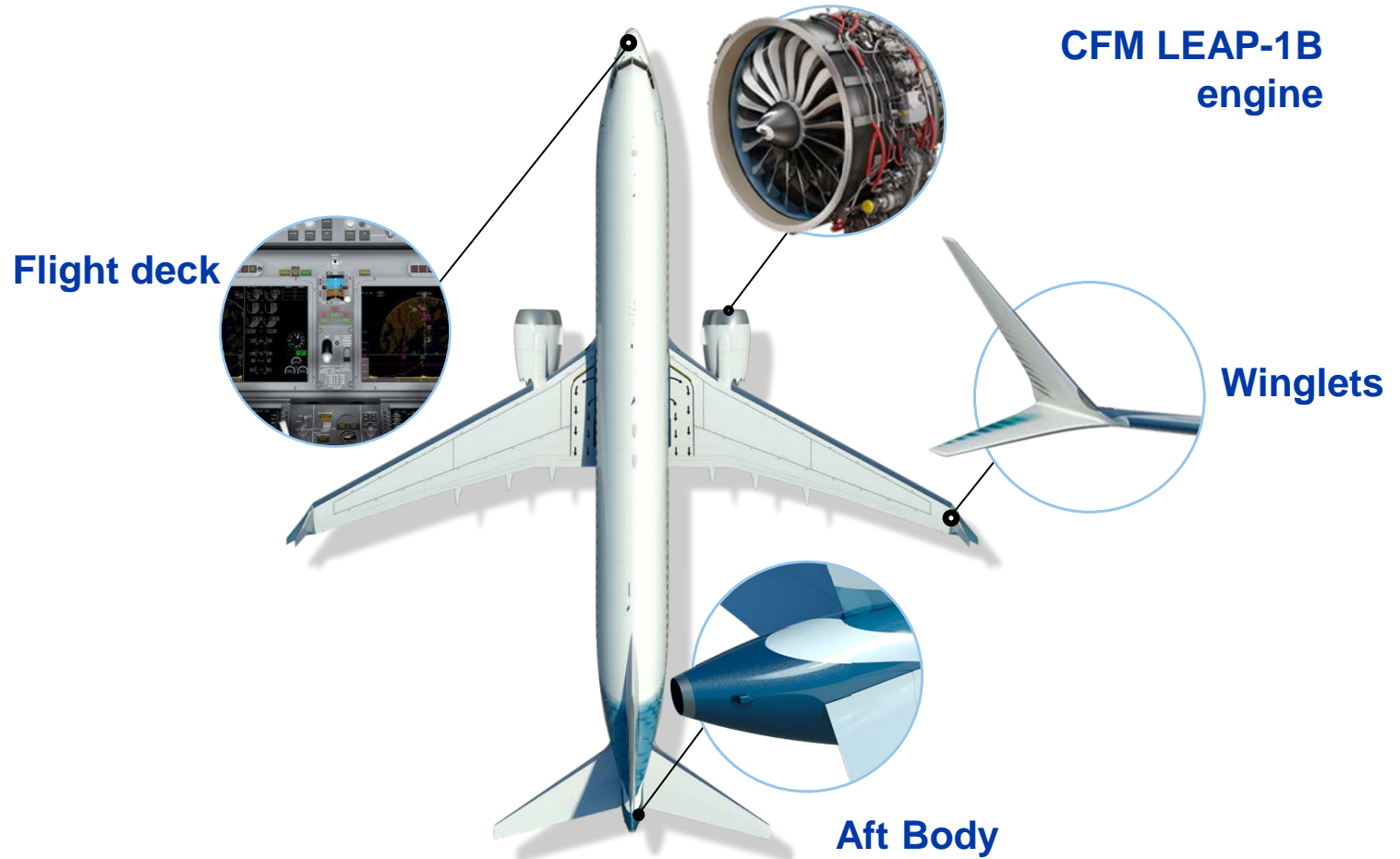
Boeing Sky Interior

14%
lower
fuel use

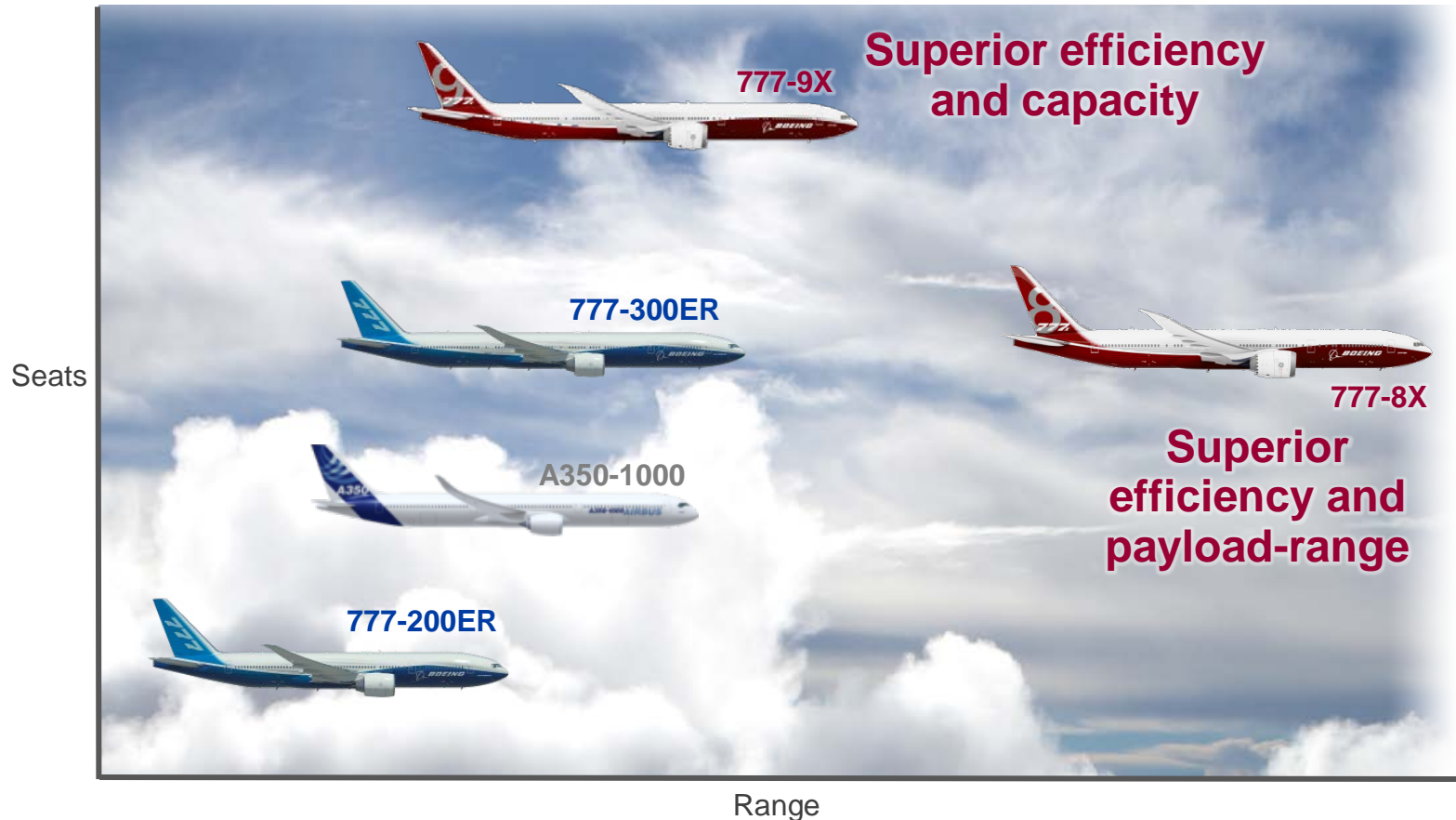
400-500nmi
more range

40%
smaller
noise
footprint

737 MAX designed for maximum advantage



777X provides growth opportunity from current 777



More payload-range for market coverage and network flexibility

Twin-engine, twin-aisle success, redefined

New interior, improved
passenger experience

Flexible, 10-abreast seating
350 to 400+ passengers

Largest
composite wing



Lower emissions and
community noise

Advanced flight
deck displays

New advanced GE engine with
Laminar Flow Nacelles

Boeing environmental goals

Build new generation of airplanes to reduce fuel use and CO₂ by as much as **20%**

Improve fleet operations to support annual **1.5%** industry-wide gains

Sustainable aviation biofuel will reach **1%** of the global jet fuel supply by 2016

Enable **90%** recyclability of every retired Boeing airplane



More efficient, quieter family of new airplanes

787

- 20%*** reduction in fuel and CO₂
- 28%** below 2008 industry limits for NOx
- 60%*** smaller noise footprint

777X

- 12%** lower fuel consumption and CO₂
- 10%** lower operating costs
- Largest** and **most efficient** twin-engine jet



737 MAX

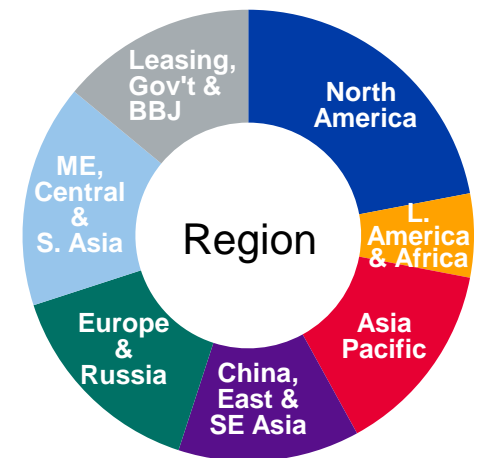
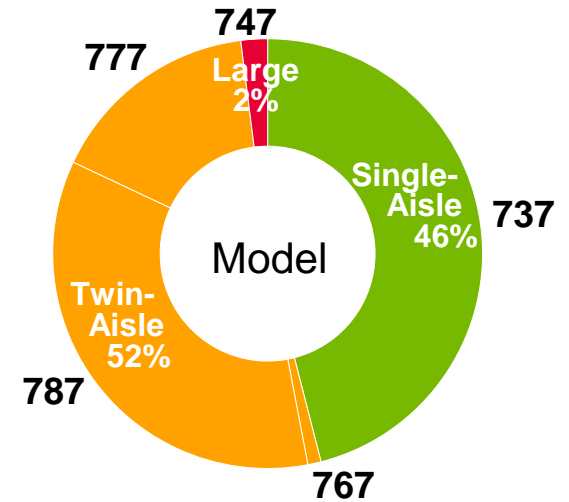
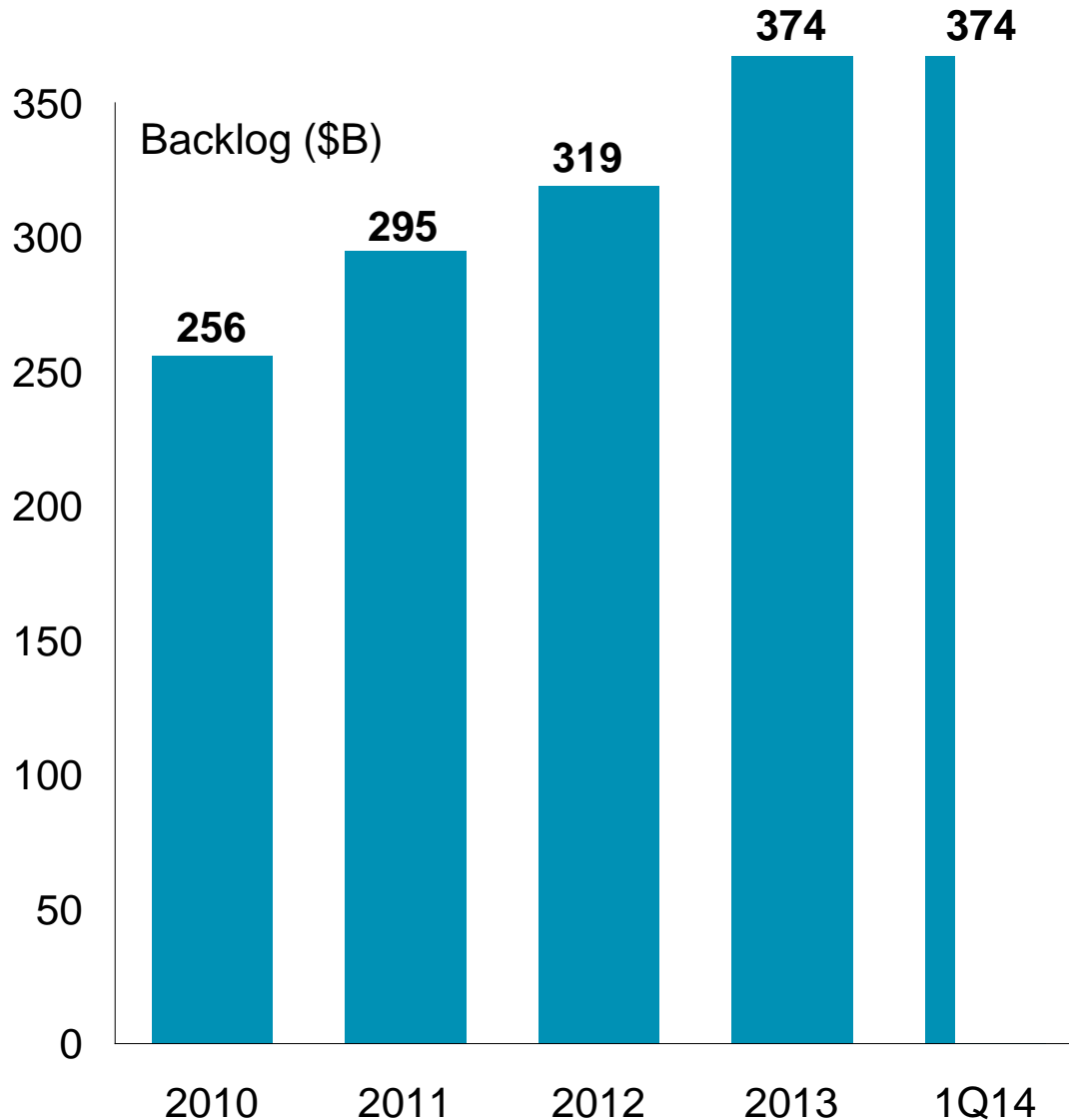
- 14%** overall reduction in fuel and CO₂
- 1.5%** efficiency from AT Winglet
- 40%** smaller noise footprint

747-8

- 16%** reduction in fuel and CO₂
- 28%** below 2008 industry limits for NOx
- 30%** smaller noise footprint

*Compared to 767

Boeing backlog validates our product strategy



Boeing production rates are rising



....in conclusion



Global aviation market is good and getting better

Strong demand for new, efficient aircraft; emerging economies leading growth

Boeing will continue investing in future products, and ensuring more value to our customers in all markets

