



May 2014 Investor Conference

# Boeing Defense, Space & Security



**Chris Chadwick**  
President and Chief Executive Officer

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# Boeing Defense, Space & Security

- Balanced portfolio; strong execution
- Robust backlog; growing globally
- Driving cost structure & productivity
- Investing in core and enhancements
- Engaging workforce & developing talent

2013 Revenue



Total \$33.2B

	1Q14	2014 Guidance
Revenue	\$7.6B	\$30.0-\$31.0
Margins	10.2%	>9.5%
Earnings	\$778M	
Backlog	\$66B	

*Success in a challenging Environment*

# Markets Served

- Global defense, space, and security markets endure amid budget challenges
- Market and customer dynamics evolving
- Leverage Information Age as competitive advantage

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## 10 Year Outlook

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**\$3.0 Trillion Market**

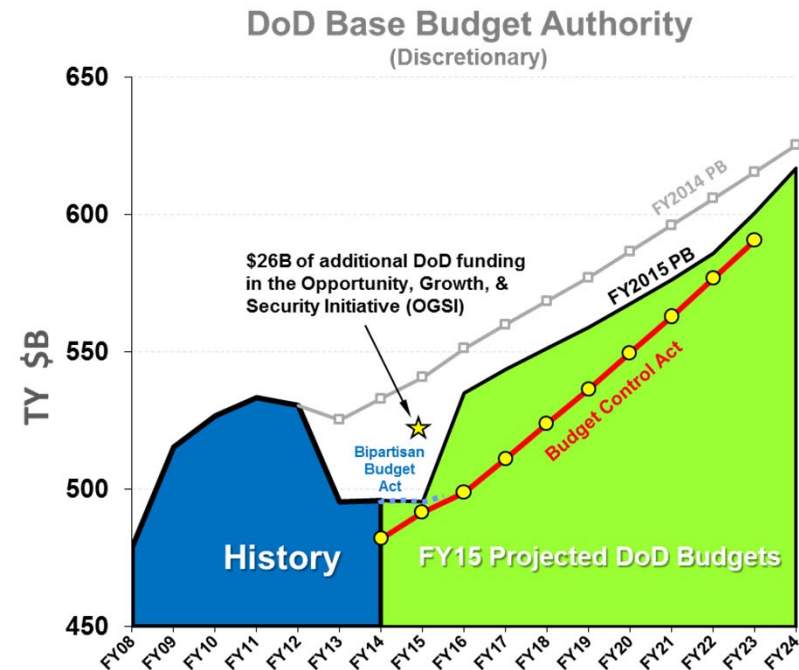
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***Significant global opportunities across portfolio***

# Environment

## U.S. DoD Trends

- Sequestration impacts starting, more coming
- “More for Less” customer mindset
- Decreased op tempo and force structure
- Fewer, but critical, new starts



## Global Trends

- Growing, diversifying threats & security needs
- Financial challenges & market shifts
- International budget growth, modernization
- Industry restructuring

**Well positioned in the tumultuous environment**

# Market Based Affordability

- Essential in more-for-less environment

- Achieved ~\$4B reduction

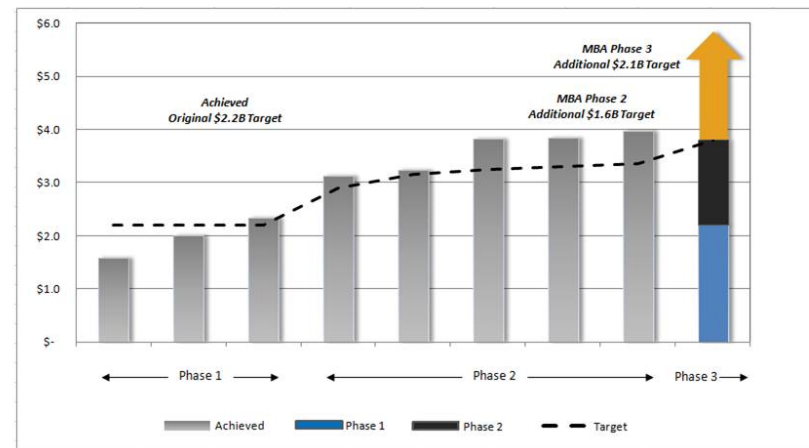
- Pursuing another \$2.1B

- Partnering for Success

- Resourcing for the future

- Focus on breaking the cost curve

## BDS Market Based Affordability



*Persistent pursuit of affordability*

# Investing in the Future

- R&D strategy differentiates Boeing
- Positioning to win our future
- Investing to stay ahead of customer requirements



*Now is the time to invest*

# One Boeing

- Collaborate on future franchises
- Leverage activities across Boeing to win new business
- Increase services synergies
- Provide customers uniquely Boeing solutions



***One Boeing benefits customers world-wide***

# KC-46 Tanker

- First flight of fully provisioned KC-46A Q1 2015
- On track to deliver 18 in 2017
- Will deliver 179 to USAF through 2027
- Well positioned for global opportunities, future USAF programs



*Addressing challenges, progressing well*



# Differentiating BDS

- Partner with customers to define the future
- Best of Boeing, best of industry approach
- Enhance valued sustainment & service solutions
- Grow international partnerships



***Affordable, capable solutions for customers requirements***

# Right Capability, Right Time, Right Cost

- Maintain deep customer insights – needs, requirements, and challenges
- Evolve core portfolio as develop capable, affordable solutions for new franchises
- Innovate while pursuing productivity
- Sustain focus on execution, growth, people



***Build something better***

