Boeing Commercial Airplanes

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Airline Business Environment

Strong passenger demand
Recovering cargo growth
Volatile fuel prices
Adequate financing and liquidity
Strategic airline partnerships continue to evolve

Healthy, growing market environment
BCA Strategy

- Differentiated products and services
- Aligned and disciplined airplane development
- Lean and responsive production system
- Execute on backlog
- Expand market leadership
- Enable and integrate services

Capturing market share while growing profitably
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<tr>
<th>Boeing</th>
<th>3-class seating</th>
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*single class seating configuration

Most comprehensive product lineup in the industry
787 Execution and Financial Performance

Production Stability
- Quality
- Part availability
- Traveled work
- Jobs behind schedule
- Cycle time
- Cost per job

Execution
- 787-9 ramp-up
- Everett final assembly consolidation
- Charleston ramp-up
- De-risk rate breaks, 787-10 incorporation
- Stabilize supply chain
- Dispatch reliability

Performance
- Unit cost progression
- Productivity projects
- Inventory management
- Revenue optimization
- Supply chain optimization

Financial Health
- Cash flow
- Improve profitability
- Improved PFS and CVQ
- Reduce infrastructure

Focused on enabling productivity to drive profitability
Productivity

787 Program (10 per month)
- >10% improved flow on 787-9
- 35% improved quality
- 20% improved unit hours on 787-9

737 Program (42 per month)
- >55% reduced factory flow time
- 49% improved quality
- 63% floor space reduction

777 Program (8.3 per month)
- 31% reduced factory flow time
- 55% improved quality
- 20% floor space reduction

First 787-9 in Charleston

737 automated wing panel assembly by PAL machine

777 Fuselage Automated Upright Build (FAUB) robots

Increasing productivity while meeting planned production rates
Development Update

737 MAX
- Meeting design and producibility commitments
- Recurring/non-recurring cost reductions on track
- Product development design efficiencies being realized

787-10
- Currently ~95% optimized for design commonality on 787-9/-10
- Recurring/non-recurring improvements continue to accelerate
- Engineering quality improvements continuing

777X
- Design simplicity continues to drive producibility
- Recurring/non-recurring costs meeting targets
- Performance, reliability, maintainability on track

Development programs meeting cost, schedule and performance
Services Strategy

- Provide 24/7 global support and entry-into-service for new products
- Increase parts portfolio and broaden distribution
- Enhance value-add maintenance and engineering capabilities
- Drive integrated information solutions for asset optimization
- Meet robust global demand for training
- Leverage One Boeing opportunities

Providing world-class support and expanding services market share
Summary

- Execute record backlog
- Expand market leadership
- Drive productivity and profitability
- Design for customer value, producibility, maintainability and reliability
- Maintain competitive advantage