The Boeing Company

Overview
History

- Founded in 1916 in Puget Sound, Washington
- Became a leading producer of military and commercial aircraft
- Undertook a series of strategic mergers and acquisitions to become the world’s largest, most diversified aerospace company
  - Aerospace pioneers now part of the Boeing enterprise include:
    - North American Aviation
    - McDonnell Douglas
    - Rockwell International (space and defense business)
    - Hughes Space & Communications
    - Jeppesen

A heritage that mirrors the history of flight
What We Do Today

- Design, assemble and support commercial jetliners
  - Boeing 7-series family of airplanes lead the industry
  - Commercial Aviation Services (CAS) offers broad range of services to passenger and freight carriers
- Design, assemble and support defense systems
  - World’s largest designer and manufacturer of military transports, tankers, fighters and helicopters
  - Support Systems provides services to government customers worldwide
- Design and assemble satellites and launch vehicles
  - World’s largest provider of commercial and military satellites; largest NASA contractor
- Integrate large-scale systems; develop networking technology and network-centric solutions
- Provide financing solutions focused on customer requirements
- Develop advanced systems and technology to meet future customer needs

Connect and protect people globally
Vision 2016

People working together as a global enterprise for aerospace leadership

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Core competencies</th>
<th>Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Run healthy core businesses</td>
<td>Detailed customer knowledge and focus</td>
<td>Leadership</td>
</tr>
<tr>
<td>Leverage strengths into new products and services</td>
<td>Large-scale systems integration</td>
<td>Integrity</td>
</tr>
<tr>
<td>Open new frontiers</td>
<td>Lean enterprise</td>
<td>Quality</td>
</tr>
</tbody>
</table>

Leadership

Integrity

Quality

Customer satisfaction

People working together

A diverse and involved team

Good corporate citizenship

Enhancing shareholder value
Global Boeing

- Customers in more than 90 countries
  - Total revenue in 2006: $61.5 billion (37 percent from international sales)
  - 70 percent of commercial airplane revenue historically from customers outside the United States
- Manufacturing, service and technology partnerships with companies around the world
  - Contracts with 22,000 suppliers and partners globally
- Research, design and technology-development centers and programs in multiple countries
- More than 150,000 Boeing employees in 49 states and 70 countries

Partnering worldwide for mutual growth and prosperity
How We Are Organized

Corporate functions:

- Business Development and Strategy
- Communications
- Engineering, Operations and Technology
- Finance/Shared Services Group/Boeing Capital Corp.
- Human Resources/Administration
- International
- Law
- Office of Internal Governance
- Public Policy

Two businesses supported by nine corporate functions
Company Leadership

Executive Council*

Jim Albaugh
Executive Vice President, President and CEO, Integrated Defense Systems

James Bell
Executive Vice President, Chief Financial Officer

Scott Carson
Executive Vice President, President and CEO, Commercial Airplanes

Wanda Denson-Low
Senior Vice President, Internal Governance

Tom Downey
Senior Vice President, Communications

Shep Hill
Senior Vice President, Business Development and Strategy

Tod Hullin
Senior Vice President, Public Policy

Laurette Koellner
President, Boeing International

Michael Luttig
Senior Vice President, General Counsel

Rick Stephens
Senior Vice President, Human Resources and Administration

John Tracy
Senior Vice President, Engineering, Operations & Technology

* All members of the Executive Council are elected officers of The Boeing Company
Corporate Offices

- Headquartered in Chicago with presence in several other locations around the world

- Focused on:
  - Global growth strategies
  - Financial goals and performance
  - Sharing best practices, technologies and productivity improvements
  - Leadership development
  - Ethics and compliance

Driving long-term growth and value creation
Boeing Commercial Airplanes

- Headquartered in Puget Sound, Wash.
- 2006 revenues of $28.46 billion
- More than 55,000 employees
- Offering a family of airplanes and a broad portfolio of aviation services for passenger and cargo carriers worldwide
  - Boeing airplanes represent three quarters of the world’s fleet, with nearly 12,000 jetliners in service
  - Approximately 70 percent of Boeing commercial airplane sales (by value) go to customers outside of the United States

The industry’s source for customer-focused solutions
Integrated Defense Systems

- Headquartered in St. Louis, Mo., with global operations in 4 nations and 21 states
- Formed in 2002 integrating Boeing’s defense, space, intelligence and communications capabilities
- Designing, building and supporting net-enabled platforms and systems for government and commercial customers
- Balanced backlog across all markets including a strong mix of development, production and support contracts
- 2006 revenues of $32.4 billion
- More than 70,000 employees

Delivering the future
Boeing Capital Corporation

- Headquartered in Puget Sound, Wash.
- Financing subsidiary of The Boeing Company
- Focused on assets that are critical to the core operations of Boeing customers
- Arranging and/or providing financing for customers of Boeing products
- Year-end 2006 portfolio of $8.0 billion

Providing financial services in support of Boeing sales
Engineering, Operations & Technology

- Phantom Works
  - Providing advanced systems and technologies for business units

- Information Technology
  - Leading IT development that drives common processes and systems across the enterprise

- Intellectual Property Management
  - Protecting and leveraging intellectual property through enhanced patent and licensing initiatives

Providing technology leadership across the enterprise
How We Operate: Boeing Management Model

Driving performance through growth and productivity and leadership development
Financial Performance

Year-end 2006

- Integrated Defense Systems: 53%
- Commercial Airplanes: 46%
- BCC/Other 1%

Total revenue = $61.5 billion

Revenue Growth

- 2003: $49.3 billion
- 2004: $51.4 billion
- 2005: $53.6 billion
- 2006: $61.5 billion

8% Compound Annual Growth Rate

EPS Growth

- 2003: $0.89
- 2004: $2.30
- 2005: $3.20
- 2006: $3.62

Backlog Growth

- 2004: $152 billion
- 2005: $205 billion
- 2006: $250 billion
- 2007Q3: $295 billion

>4X revenue

*Adjusted EPS is a non-GAAP measure. Definitions, reconciliations and further disclosures regarding this non-GAAP measure are provided in the company’s earnings press release dated January 31, 2007.
Leadership Development

Boeing utilizes a high-quality, integrated leadership development approach that:

- Reinforces Boeing values and “one-company” culture
- Focuses on business and leadership skills, utilizing a Leaders Teaching Leaders methodology
- Supports the company's strategic business objectives through education, training, mentoring and candid performance assessments
- Tackles real business challenges and gathers candid feedback at a state-of-the-art leadership center

Boeing Leadership Center
St. Louis, Mo.

As our leaders grow, Boeing grows
Corporate Citizenship

- Boeing is committed to being a good corporate citizen.
- The company and its employees work in partnership with communities globally.
- Currently, we are partnering with community organizations in 26 states, 14 countries and six regions outside the U.S.
  - In 2006 Boeing contributed $51.6 million to organizations in communities where employees work and live.
  - Boeing employees gave an additional $31.5 million through the Employees Community Fund, one of the largest employee-owned funds in the world.
  - Employees also contributed more than $10 million through a company gift-matching program, and volunteered thousands of hours of personal service.

Giving back to our communities – a Boeing core value
Environmental Focus

- Boeing has been improving the fuel efficiency and environmental performance of its commercial airplane products for decades.
  - Today's product line is as fuel efficient (and CO2 efficient) as the average train, and more efficient than the average car.
  - We have improved airplane fuel efficiency by 70% over the past 40 years, with a corresponding reduction in CO2 emissions. Current models also are 75% quieter than airplanes 40 years ago.
  - Our newest models, the 787 and 747-8, will be 20% and 15% more fuel efficient, respectively, than the models they are replacing, and their “noise footprint” will be 60% and 30% smaller.

- Aviation accounts for just two percent of global carbon emissions, but with travel growing we are fully committed to continued progress on the environmental front.
  - Improved fuel efficiency and lower emissions are goals of every airplane program.
  - We are exploring alternatives to carbon-based fuels (bio-fuels, fuel cell technologies).
  - Concepts for more efficient air traffic management and ground operations are being developed that could lower airplane fuel burn and carbon emissions by as much as 18% per trip.
  - We have established the Aircraft Fleet Recycling Association to recycle old airplanes.

Working responsibly to protect the global environment
Our Employees

Recognizing the talent and commitment of the people behind the amazing things we do, Boeing features employees in its new TV ads.

- Theme: “That’s Why We’re Here”
- Creative Concept:
  - Use employees to tell the Boeing story
  - Capture the character, values, commitment of our people—along with the excitement of our products and technologies
  - Strengthen the Boeing brand
- 200 employees auditioned companywide; 16 selected for four new ads

Click here to see the ads!