The Boeing Company
History

- Founded in 1916 in Puget Sound, Washington
- Became the world’s largest producer of commercial jetliners
- Undertook a series of strategic acquisitions to broaden its portfolio that included McDonnell Douglas, the space and defense business of Rockwell Intl., and Hughes Space & Communications, among others
- Today positioned as a broad, balanced and global enterprise defining the future of aerospace

Company’s heritage mirrors the history of flight
What We Do Today

- Manufacture commercial jetliners
  - World’s largest manufacturer of commercial aircraft
- Focus on airline passengers’ experience, safety and security
- Produce defense platforms
  - World’s largest manufacturer of military aircraft
- Provide satellites and launch vehicles
  - World’s largest provider of commercial and military satellites; leading rocket manufacturer; and NASA’s largest contractor
- Integrate large-scale systems
- Offer full-service financing with a focus on Boeing customers
- Develop advanced technology projects that are defining the future of aerospace

As a company we connect and protect people
Operating Philosophy

- Run Healthy Core Business
- Leverage Strengths Into New Products and Services
- Open New Frontiers

Actively seeking growth opportunities
Global Scope

- 2002 sales were $54.1 billion from customers in 145 countries
  - International sales are more than 33 percent
- More than 156,000 employees in 38 states in the U.S. and 70 countries
- Nearly 11,350 suppliers in 66 countries
- Research, design and technology development centers and programs in multiple countries
- Manufacturing partnerships with companies around the world

Companies that change and adapt in a rapidly changing global economy will survive, grow and prosper
Revenue by Market Segment
Year-end 2002

Total = $54.1 billion

Commercial Airplanes

- Integrated Defense Systems
- Air Traffic Management
- Boeing Capital Corporation
- Connexion by Boeing\textsuperscript{SM}
- Other

53%

47%
Company Leadership

Office of the Chairman

President and Chief Executive Officer
Harry Stonecipher

Non-executive Chairman
Lewis Platt

Business Unit Leaders

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

Senior Vice President, President, Conexión by Boeing (ITM)
Scott Carson

Senior Vice President, President, Air Traffic Management
John Hayhurst

President, Phantom Works
Bob Krieger

Executive Vice President, President and CEO, Commercial Airplanes
Alan Mulally

President, Boeing Capital Corporation
Walt Skowronski

President, Shared Services Group
Rick Stephens

Functional Leaders

Senior Vice President, Chief Legal Counsel
Doug Bain

Senior Vice President, Washington, D.C. Operations
Rudy de Leon

Executive Vice President, Chief People and Administration Officer
Laurette Koellner

Senior Vice President, Communications
Tod Hullin

Senior Vice President, International Relations
Tom Pickering

Chief Financial Officer
James Bell

Senior Vice President, Chief Technology Officer
James Jamieson
Company Culture

- Boeing's strength and competitive advantage comes from its employees.
- The company strives for continuous quality improvement and invests in the workforce through its benefits programs and by encouraging a balanced work/life culture.
- One such program is Boeing's Lifelong Learning program, which facilitates advance learning and career development opportunities for employees at all levels.
  - Every 24 hours, approximately 12,000 employees attend leadership programs, higher education courses and other business related workshops.
  - In 2002, nearly 23,000 employees participated in the Learning Together program and earned more than 1,500 degrees. The company pays 100 percent of tuition cost for higher education.
Corporate Citizenship

- Boeing is committed to improve the quality of life in the communities where it does business.

- Elements of citizenship include cash donations, in-kind services and employee involvement.

- Last year, Boeing employees volunteered more than 250,000 hours, equal to $3.8 million in free labor given to the community.

Corporate citizenship is a key value of Boeing and an integral part of the way it does business.
Boeing Leadership Center

- State-of-the-art campus providing continuous learning opportunities
- Integrated business and leadership curriculum
- Supports company-wide integration and strategic alignment

15,000 graduates since 1999
Business Units

- Boeing World Headquarters
- Commercial Airplanes
- Integrated Defense Systems
- Boeing Capital Corporation
- Connexion by Boeing
- Air Traffic Management
World Headquarters

Focused On:

- Global growth strategies
- Financial goals and performance
- Sharing best practices and technologies across businesses

Long-term growth and value creation
Air Traffic Management

- Formed in late 2000 to increase the efficiency, safety and capacity of the air transportation system
- Developing a secure, globally integrated system that will link all elements of the air transportation system into one common network to provide real-time information to all users
- Collaborating with governments, business communities and private organizations throughout the world

Working together to transform air traffic management
Boeing Capital Corporation

- A global provider of financial solutions
- Focused on assets that are critical to the core operations of its customers
- Customers include: companies and governments that are acquiring Boeing products and services, companies seeking creative, competitive financing for other capital equipment
- Portfolio of more than $11.7 billion

Providing premier financial services and solutions
Connexion by Boeing℠

- Formed in April of 2000 to develop technologies that can provide high-speed broadband data communications to air travelers
- Enables broadband access to the Internet, Company Intranets, entertainment and television
- Customers include air travelers, airlines and executive aircraft operators, including those in government and the private sector
- Airline service demonstrations have begun on limited trans-Atlantic routes, with commercial service commencing in 2004

A new avenue of growth in emerging markets
Shared Services Group

- Provides infrastructure services and support to the company’s business units worldwide
  - More than 100 kinds of services including computer networking operations, real estate and facilities services, benefits, security, training, etc.
- Employs common processes and services throughout the enterprise
- Leverages economy-of-scale opportunities to deliver bottom-line results

Common services provided in an innovative and cost-effective manner
Integrated Defense Systems

- Formed in 2002 with the integration of Boeing’s defense, space, intelligence and communications capabilities into one single unit
- A $25 billion business with more than 76,000 employees
- Capabilities include the development and advancement of defense, intelligence, communications and space-based platforms, and an emphasis on network-centric solutions
- Customers include military, commercial and governments worldwide

Inventing the future
Boeing Phantom Works

- Company’s advanced research and development unit
- Integrates its developed technology and knowledge throughout the company
- Headquartered in St. Louis but operates as a virtual department with approximately 4,500 engineers working together enterprise wide
- Currently there are more than 500 advanced research and development projects in process

The catalyst of innovation
Boeing Commercial Airplanes Group

- Headquartered in Puget Sound, Wash., BCA generated 2002 revenues of $28 billion
- Offers a broad portfolio of airplanes and aviation services for its passenger and freighter airline customers worldwide
- Boeing airplanes represents three quarters of the world’s fleet with more than 11,700 jetliners in service
- Approximately seven out of every 10 BCA deliveries go to customers outside of the U.S.

The industry's source for customer-focused solutions
Advanced Materials for Best Value

Cost

Weight

Advanced Composites
Low-Cost Processes
Innovative Structural Concepts
Target
Advanced Alloys
Today’s Aluminum
Materials
Manufacturing

Overview.ppt
1/18/2005
Advanced Composite Materials

Concept Trade Studies

- Toughened Carbon/Epoxy (Ti Frames)
- Toughened Carbon/Epoxy & TiGr
- Carbon/Epoxy
- Carbon Honeycomb
- Fiberglass Honeycomb
Advanced Materials Development Underway

- Lighter
- Lower cost
- Reduced maintenance and repair
Composites Repair Technologies

- Reduced lifecycle costs
  - Standard, low cost repairs
- Increased availability
  - Improved inspection techniques
  - Rapid field repairs

Rapid In-Service Inspection

Improved Bonded Repair Processes
Forever New Frontiers

Please visit our web site www.boeing.com