View of the airline industry

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The Boeing Company
September 2013
Agenda

airline industry today

products & competition
2013: 3 billion passengers...
So...

What is driving growth?
Emerging markets

- ATL 95M
- LHR 70M
- +100M per yr
Low-cost carriers are known for their fast-growing market success, low fares, and innovative business models. They operate with a focus on simplicity, low operating costs, and no frills, offering budget-friendly travel options. Ancillary revenue streams and commonality of services contribute to their profitability. Bag fees and discount fares are common practices within this sector.
Low Cost Carriers -- 1990

Source: Aug 1990 OAG
replacement
Are OEMs over supplying?

It’s at historical average...

Total Deliveries as % Fleet

Source: Flight Global Ascend Online Data, all Western-built jets in airline service
Agenda

airline industry today

products & competition
It’s safer, it’s greener and it’s still a bargain

Source: IATA

* 5-year moving average fatal accidents per passenger departure
Source: Constructed from worldwide data from ICAO and IATA
<table>
<thead>
<tr>
<th>Category</th>
<th>Models</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large 400+ Seats</td>
<td>747, A380</td>
</tr>
<tr>
<td>Twin-Aisle 230-399 Seats</td>
<td>777, 787, A350, A330</td>
</tr>
<tr>
<td>Single-Aisle 126-200+ Seats</td>
<td>737, Russian MS-21, Chinese 919, A320</td>
</tr>
<tr>
<td>Small Single-Aisle 90-125 Seats</td>
<td>Mitsubishi MRJ100, Bombardier CRJ1000, Embraer 190/195, Russian (Sukhoi) SSJ 110/120</td>
</tr>
<tr>
<td>Regional 30-89 Seats</td>
<td>Mitsubishi MRJ70/90, Bombardier CRJ 700/900, Embraer 170/175, Russian (Sukhoi) Superjet 100, Chinese (AVIC1) ARJ21</td>
</tr>
</tbody>
</table>
The MAX Advantage

13% lower fuel burn

400-500 nmi more range

40% smaller noise footprint
### 1,567 firm orders for the MAX

<table>
<thead>
<tr>
<th>Company</th>
<th>Orders</th>
</tr>
</thead>
<tbody>
<tr>
<td>United</td>
<td>100</td>
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<tr>
<td>Southwest.com</td>
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<tr>
<td>Lion Air</td>
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<td>Norwegian.com</td>
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<td>Virgin Australia</td>
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<td>Air Lease Corporation</td>
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<td>Avolon</td>
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<tr>
<td>GE Capital Aviation</td>
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<td>GOL</td>
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<td>Alaska Airlines</td>
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<td>SALACO</td>
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<td>AeroMexico</td>
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<td>SilkAir</td>
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<td>TUI</td>
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<td>Travel Service</td>
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<tr>
<td>WestJet</td>
<td>65</td>
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<tr>
<td><strong>UNIDENTIFIED CUSTOMERS</strong></td>
<td><strong>197</strong></td>
</tr>
</tbody>
</table>

*As of September 26, 2013*
737 MAX schedule

- **Firm concept**: 2012
- **Firm configuration**: 2013
- **Design**: 2014
- **Build**: 2015
- **First flight**: 2016
- **Entry into service**: 2017
200+ seat gap to the A380
No reasonable growth step

A350-1000 (344)
A350-900 (299)
A330-300 (262)
A350-800 (256)
A330-200 (241)

Seats

475
425
375
325
275
225

747-8 (467)
777-300ER (365-386)
787-10 (323)
777-200ER (301-314)
787-9 (280)
787-8 (242)
787-8 (210-250 seats)  
84 delivered  
Production system maturing

787-9 (250-290 seats)  
First flight on Sept 17th  
Enteres service in 2014

787-10 (300-330 seats)  
Program launched in June  
Enteres service in 2018
New non-stop routes opened by the 787:

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

As of September 10, 2013

(new route coming soon)
777 is the market leader

1,468 firm orders
1,128 delivered
The 777X – the world’s next great airplane

- New interior, improved passenger experience
- Larger, fourth-generation composite wing
- Lower community noise
- New advanced GE engine with Laminar Flow Nacelles
- Advanced flight deck, 777 & 787 commonality

Flexible, 10-abreast seating
350-400 passengers