



Managing a Dynamic Global Supply Chain

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Global Boeing

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- Customers in more than 90 countries
- Manufacturing, service and technology partnerships with companies around the world
- Research, design and technology-development centers and programs in multiple countries
- More than 172,000 Boeing employees in 50 states and 70 countries

Partnering worldwide

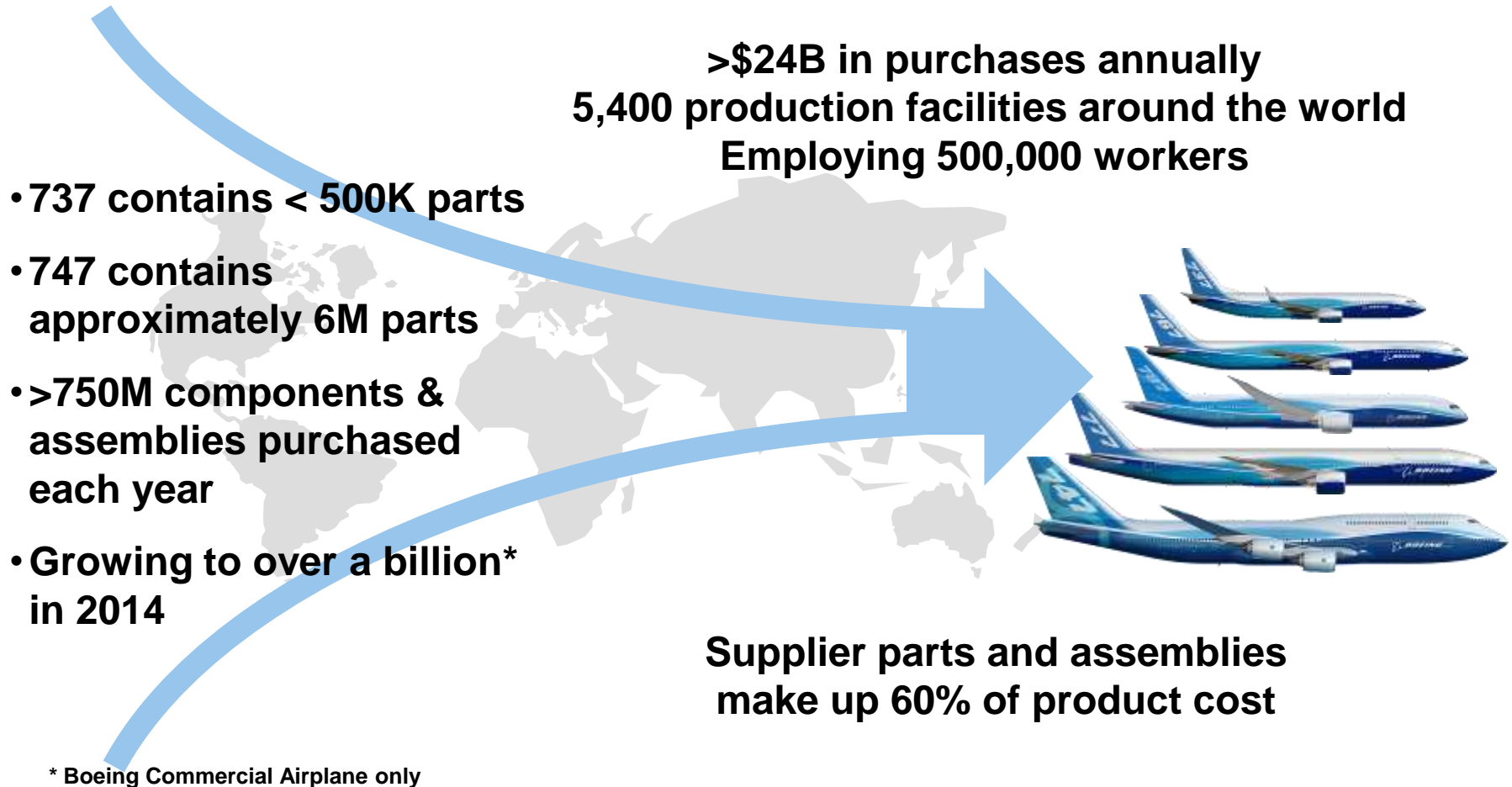


Enterprise Global Procurement (less U.S.) 12-months ending March 2012



The Boeing Commercial Airplane Extended Global Supply Chain

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High volume, complex business model

Supplier Management Mission and Strategy

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Mission

Supplier Management leads the development and continuous improvement of an extended supply chain that creates a sustainable competitive advantage

Strategic Objectives

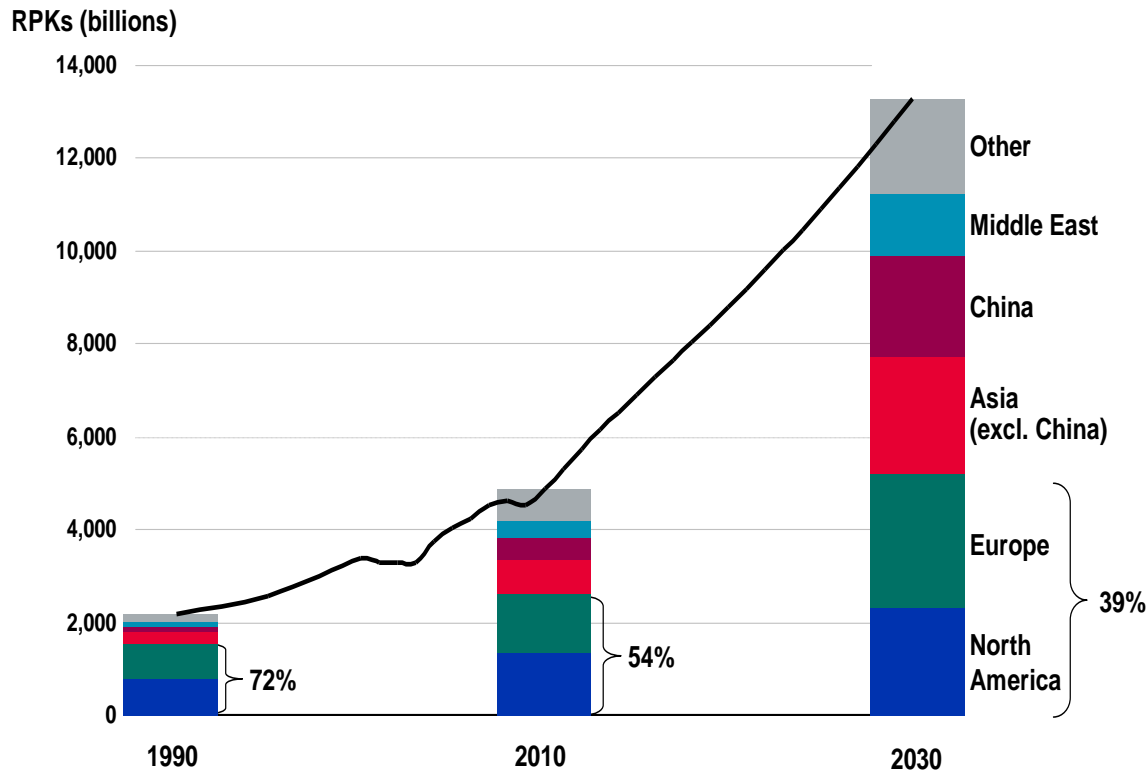
- Supply chain is optimized throughout the lifecycle of our products and services
- Continuous improvement is a shared culture
- Supply chain is engaged early in technology, product and services development
- Common processes and tools used throughout supply chain
- Suppliers prefer Boeing

Sustainable competitive advantage through collaboration

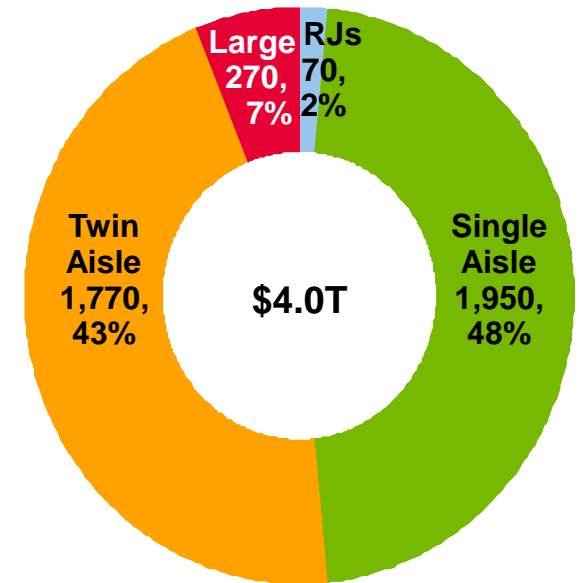
Current Market Outlook

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Passenger Traffic



Airplane Deliveries 2011-2030 \$ in Billions



Traffic expanding . . . long-term growth market

BCA Production Rate Challenge

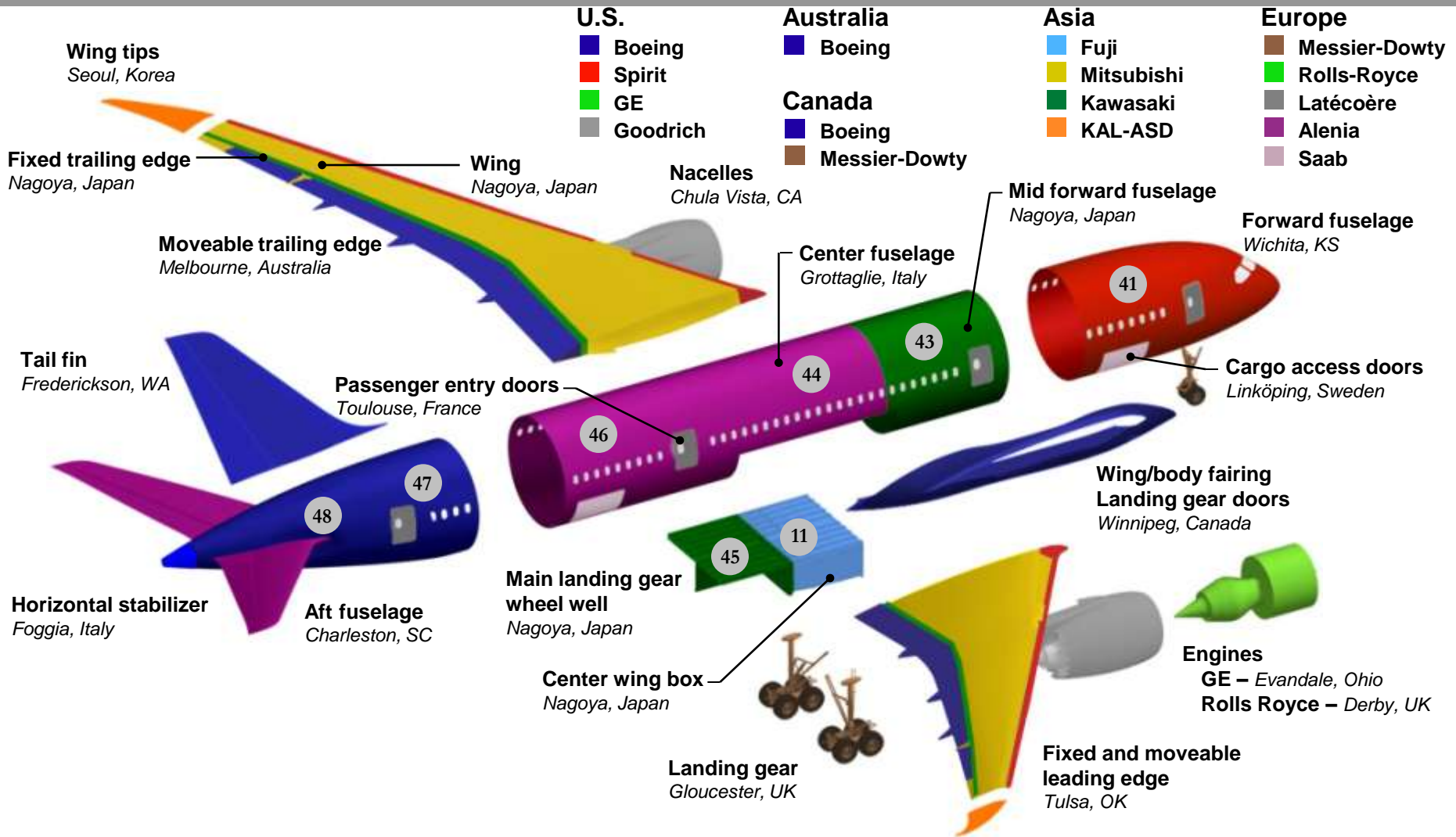
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- 48 to >63 airplanes/month
- Multiple rate increases in the production system
- Nearly one billion parts/year
- Simultaneously designing and introducing new airplanes
- \$300 billion order backlog



Partners Across the Globe are Bringing the 787 Together

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Dreamlifter Route Structure

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Worldwide operations, less work in process

787 Structure from Asia

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International partners providing key 787 structure

787 Structure from Europe

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International partners providing key 787 structure

787 Structure from North America

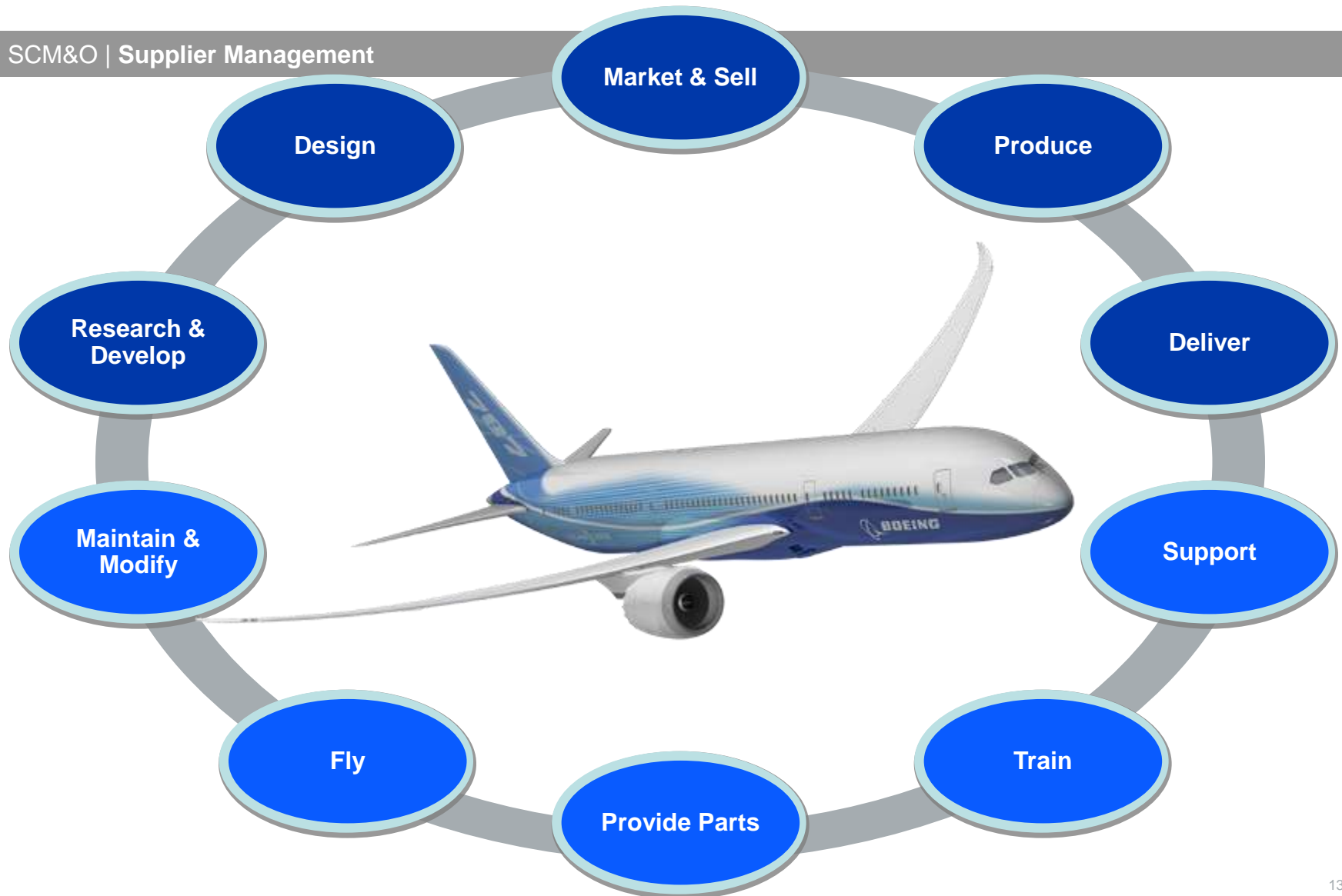
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International partners providing key 787 structure

Providing Value throughout the Lifecycle

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Global supply chain challenges & risks

Distinct supply chain architectures

Actively managing supply chain for all Boeing programs

Managing over **26,000** global suppliers

Developing international suppliers

Supplier annual spend exceeding \$40B

Enhancing supply chain functional excellence

Risk

Business relationships

Consolidation / change of ownership

Supplier performance

Rate increase risk

Financial health

Technology readiness

Business continuity

Supply network security

Effective risk management requires partnerships

Summary

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- **Innovative talent is global**
- **Industrial cooperation is imperative**
- **Risk management is critical**
- **Opportunities are tremendous**
- **Thank you!**



