Wendy Sowers
Market Analysis

Boeing Commercial Airplanes
October 2010

CMO Process Outline

Top-Down

Traffic Forecast

-Liberalization-
-Environment-

GDP Growth & World Trade

-Geopolitics-
-Fuel Price-

-Travel Spend-

ASM Forecast – Regional Flows

-Growth Rates-

-OAG-
-Non Scheduled-
-Market Share-

Share Allocation by Airline

ASMs by Airline by Flow

Service Forecast

-Business Models-
-Airline Strategies-

-OAG-
-Non Scheduled-
-Known Plans-

Service Forecast By Airline

Traffic Forecast ASMs = Service Forecast ASMs?

Bottom-Up

Product Forecast

Service Forecast ASMs = Airline ASMs?

-Product Scenario-
-Airplane Characteristics-

Fleet Forecast By Airline

-Utilization-
-Current Fleet-

-Firm Orders-
-Retirements-
-Known Plans-
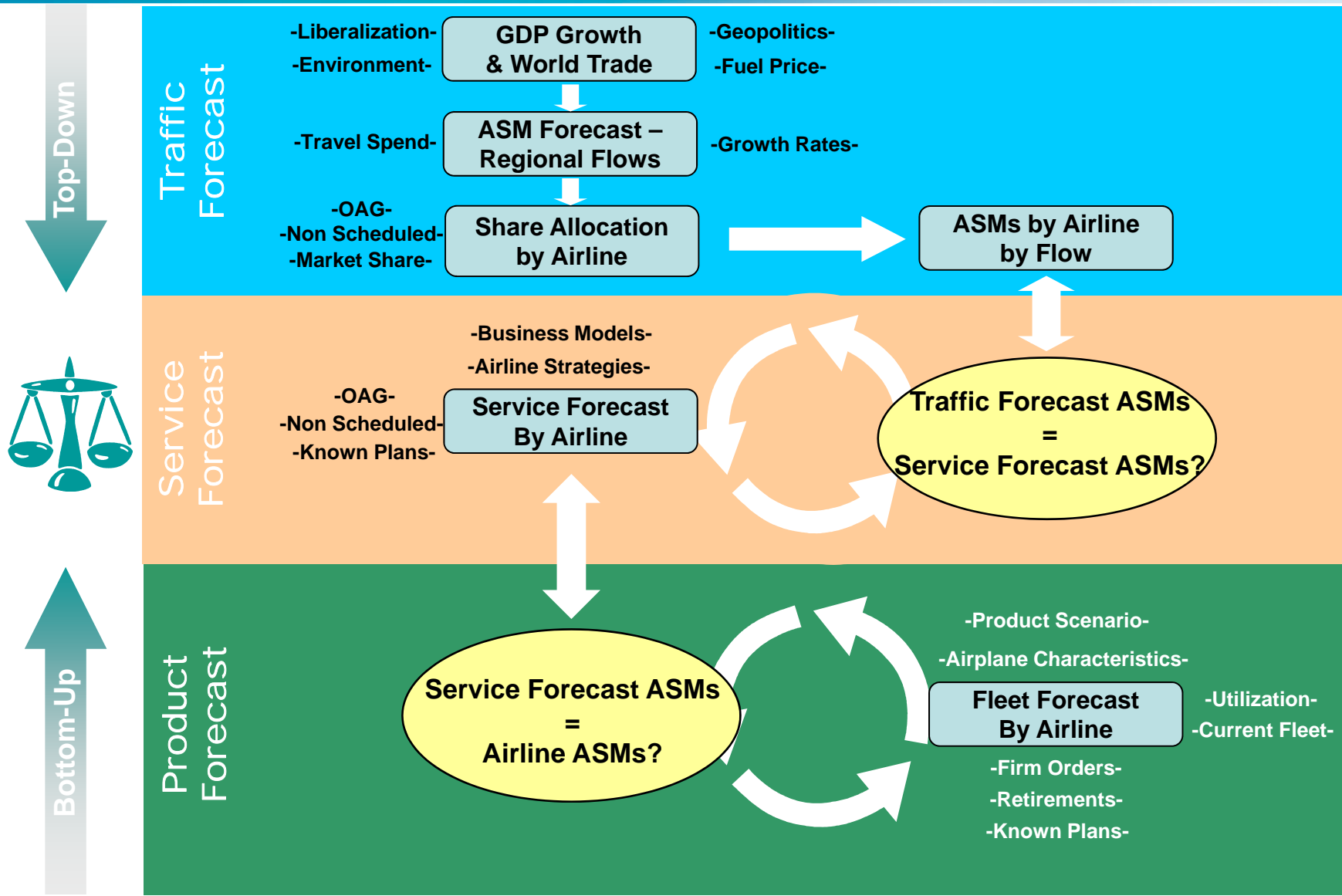
20-year forecast: strong long-term growth

2009 to 2029

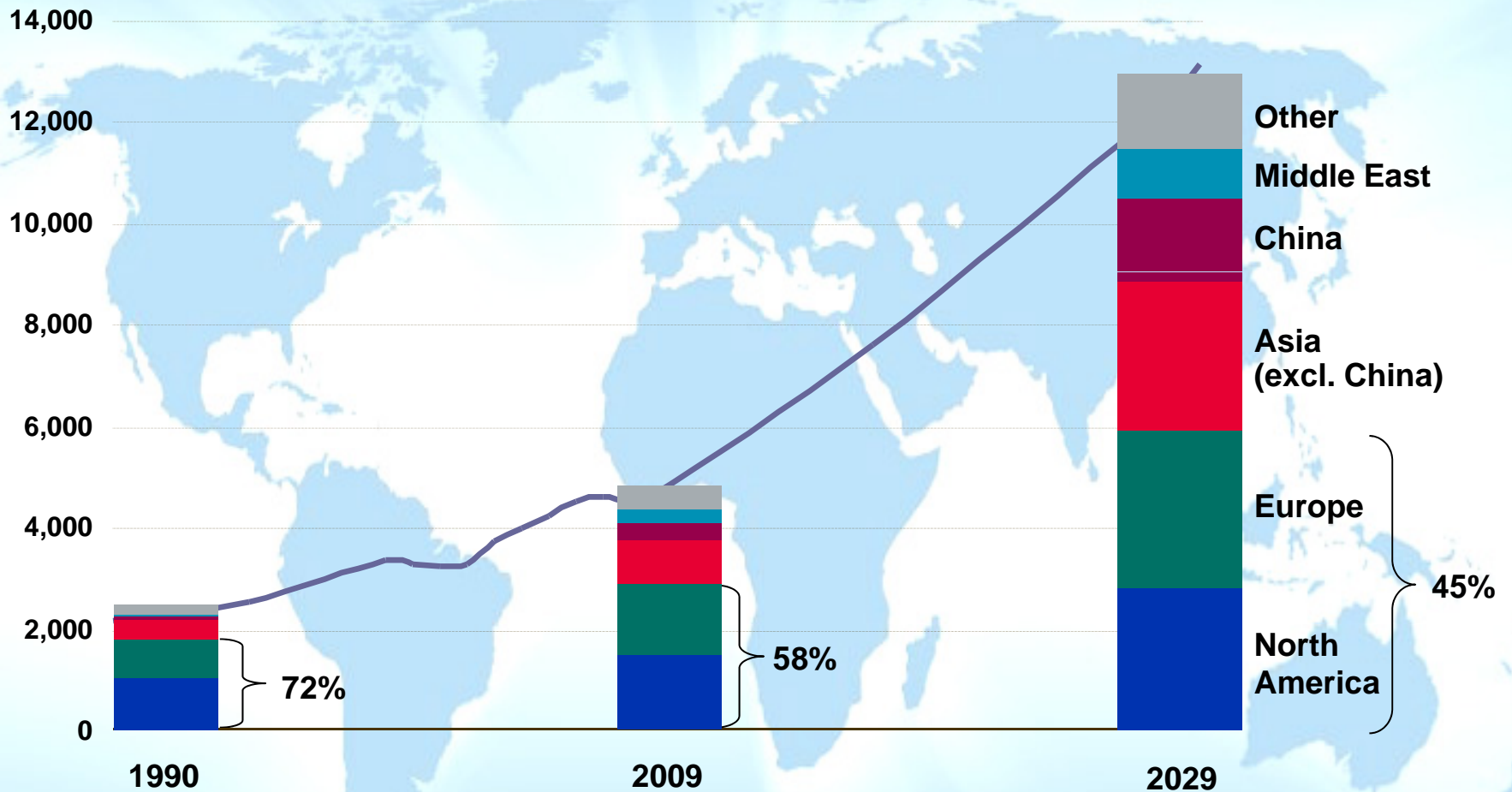|	
World economy (GDP)	3.2%
Airplane fleet	3.3%
Number of airline passengers	4.2%
Airline traffic (RPK)	▽4.9% 5.3%
Cargo traffic (RTK)	▽5.4% 5.9%
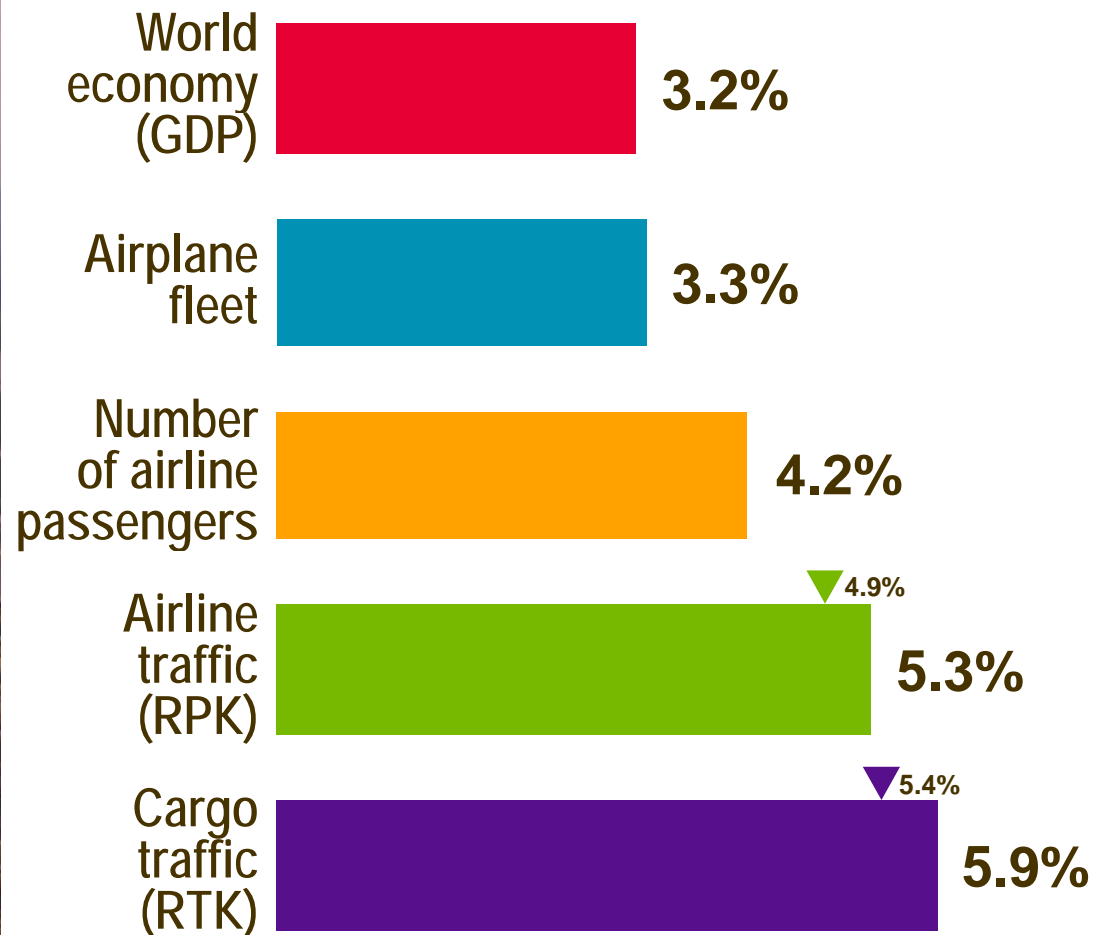
▽ *20-year traffic growth rates are higher than last year's forecast because they are calculated off a lower base year*

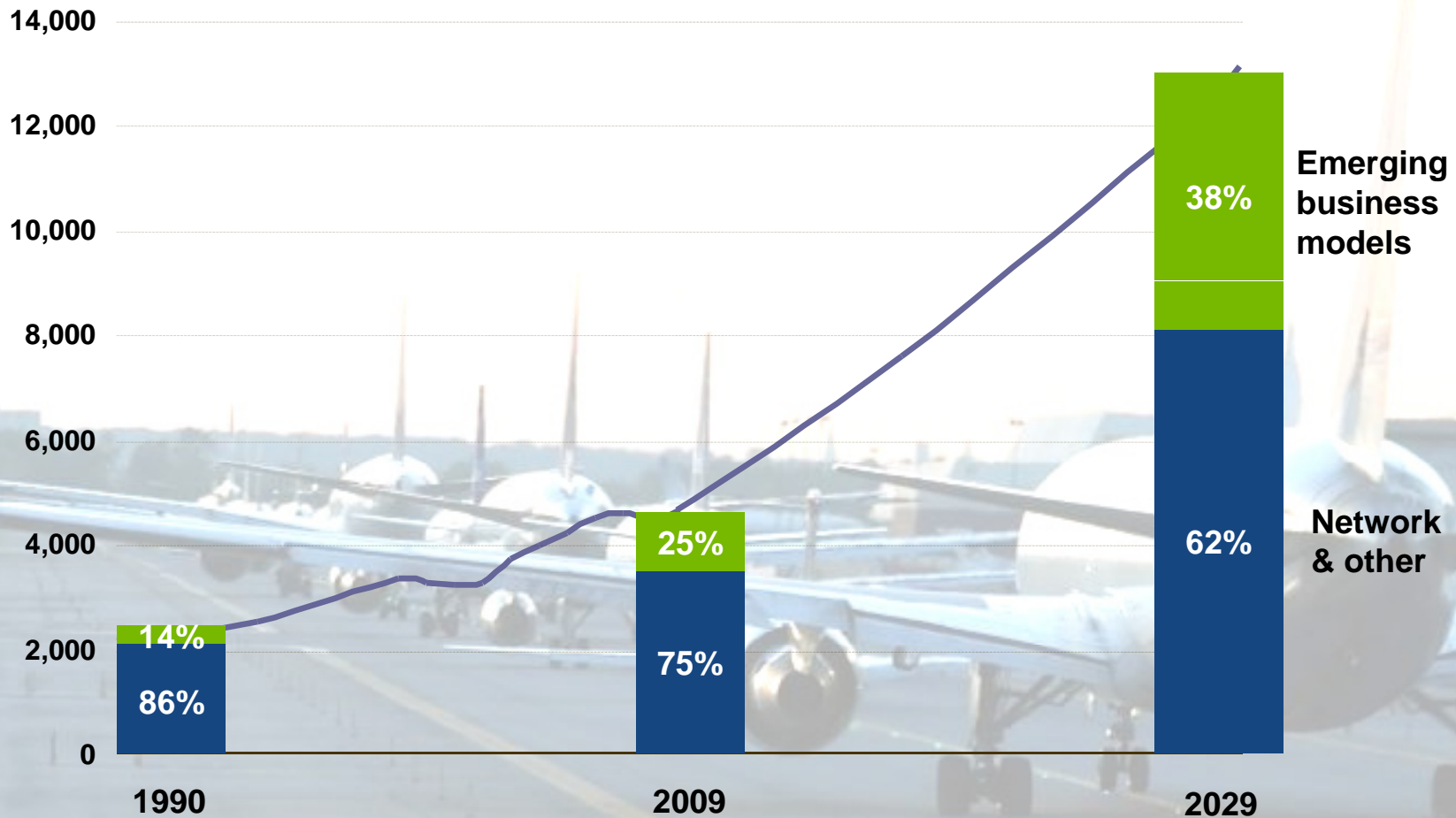# Air travel becoming more diverse geographically

Air traffic, RPKs (billions)

Legend (top to bottom):
- Other
- Middle East
- China
- Asia (excl. China)
- Europe
- North America

1990: 72%
2009: 58%
2029: 45%

Emerging business models are growing and gaining market share

Air traffic, RPKs (billions)

Chart axis values: 0, 2,000, 4,000, 6,000, 8,000, 10,000, 12,000, 14,000

1990
- 86%
- 14%

2009
- 75%
- 25%

2029
- 62%
- 38%

Emerging business models

Network & other
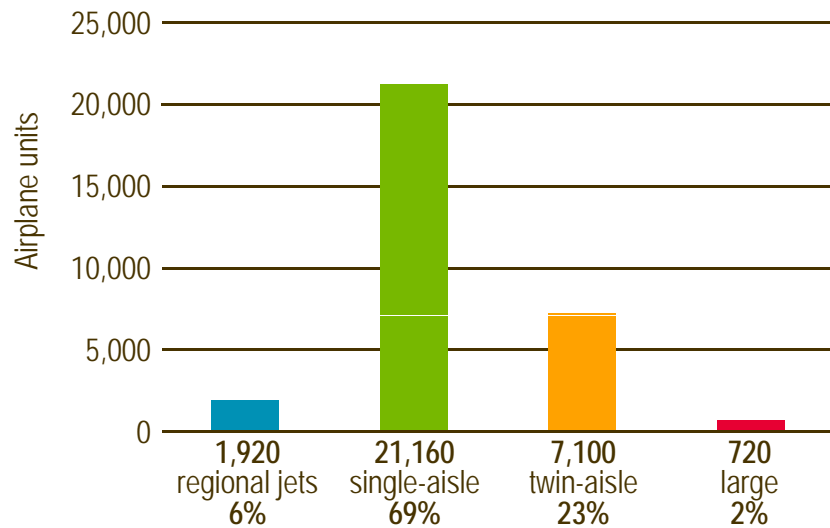
Emerging business models include LCCs, 6th Freedom Gulf carriers and Chinese carriers

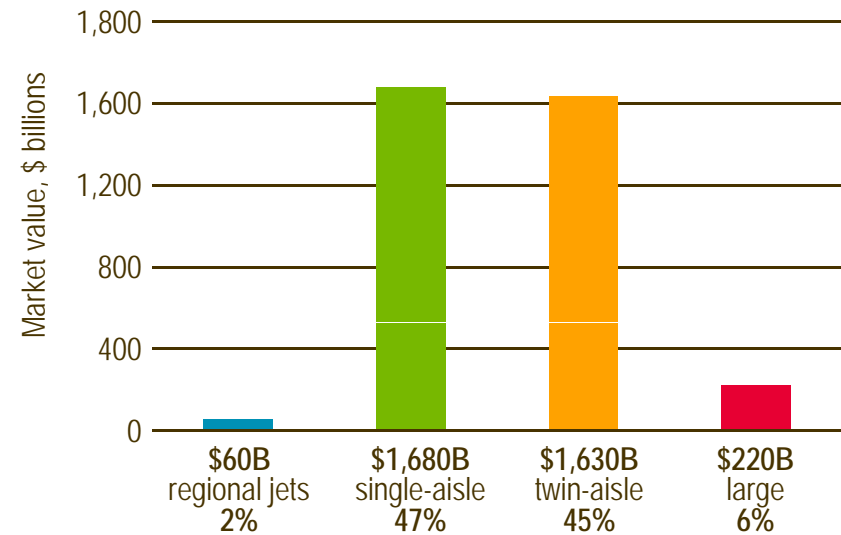# Airlines will need 30,900 new airplanes valued at $3.6 trillion

Airplane deliveries: 30,900
2010 - 2029

Airplane units

| | 1,920 regional jets 6% | 21,160 single-aisle 69% | 7,100 twin-aisle 23% | 720 large 2% |

Market value: $3.6T
2010 - 2029

Market value, $ billions

| | $60B regional jets 2% | $1,680B single-aisle 47% | $1,630B twin-aisle 45% | $220B large 6% |

Market for new airplanes set to become considerably more geographically balanced

New airplane deliveries by region

2010–2029

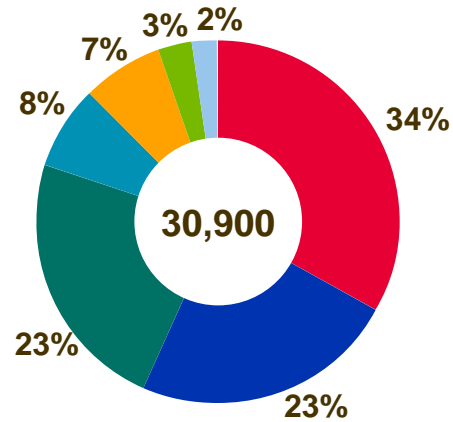| Region	Airplanes
🔴 Asia Pacific	10,320
🔵 North America	7,200
🟢 Europe	7,190
🔵 Middle East	2,340
🟠 Latin America	2,180
🟢 C.I.S.	960
🔵 Africa	710
World Total	**30,900**

Center: **30,900**

34%, 23%, 23%, 8%, 7%, 3%, 2%

Market value by region

2010–2029

Region	$B
🔴 Asia Pacific	1,320
🔵 North America	700
🟢 Europe	800
🔵 Middle East	390
🟠 Latin America	210
🟢 C.I.S.	90
🔵 Africa	80
World Total	**$3,590B**

Center: **$3.6T**

37%, 22%, 19%, 11%, 6%, 3%, 2%
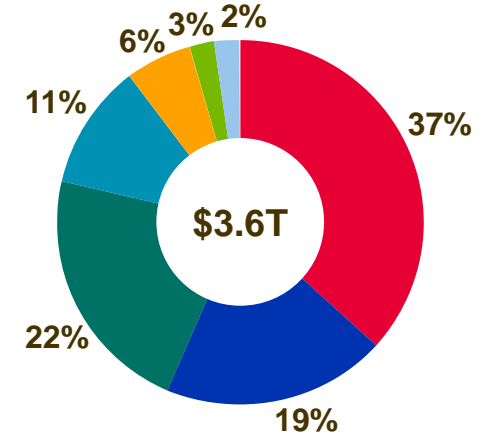
For more information, please visit our CMO website:
boeing.com/cmo