

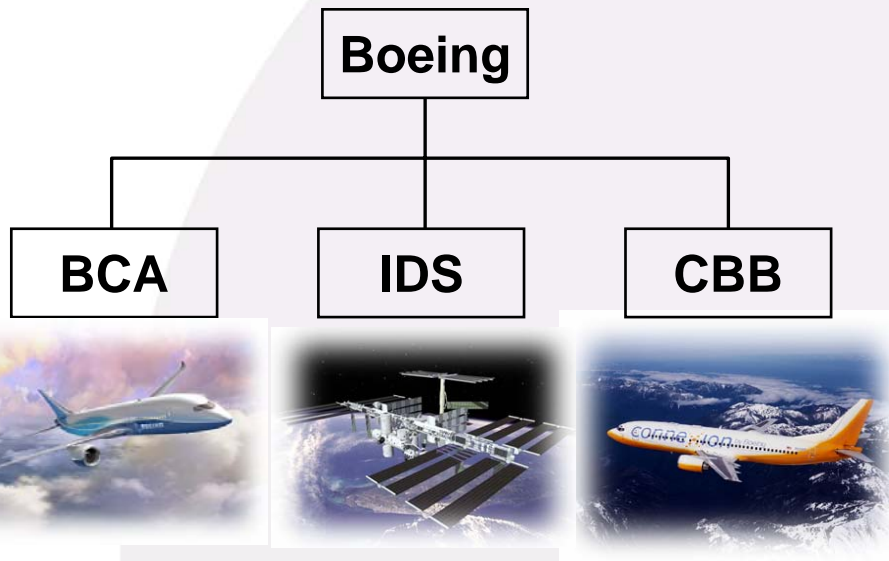
**Maritime Services**  
DigitalShip / Nor-Shipping  
Lillestrøm, 09-June-2005

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## Agenda

- **Connexion by Boeing Introduction**
- **Maritime Update**

## An Introduction



- Boeing – the world’s largest aerospace company
  - 2004 sales -- \$52 billion
  - Approximately 160,000 employees globally
  - 33 Global offices
- Connexion by Boeing -- CBB
  - A division formed in 2000
  - In service since 2002 with executive jets

***A new business for Boeing***

## Markets Served

*Connexion by Boeing Network*

### Commercial Aviation



### Maritime



### Business & Executive Jets



### Government

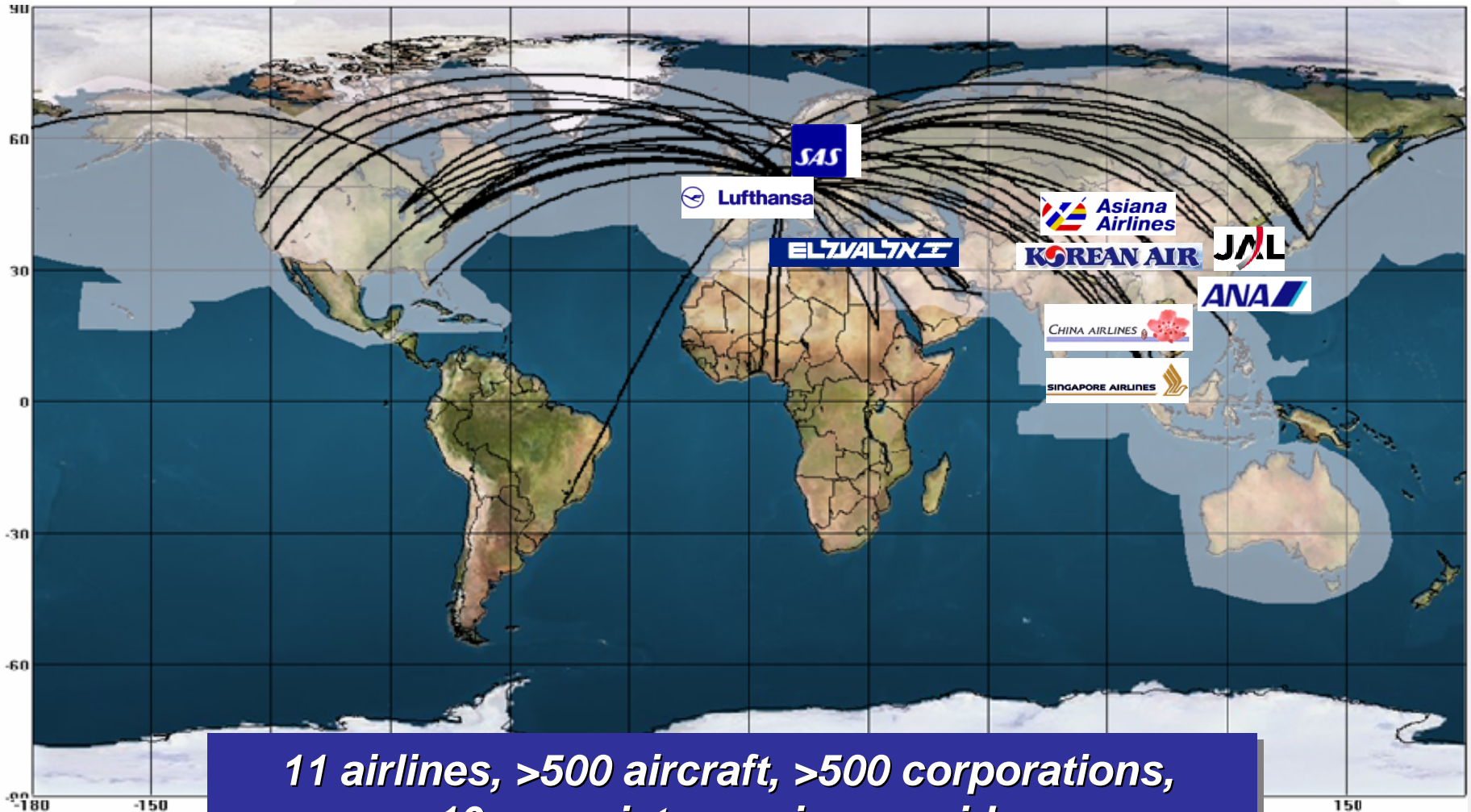


## Connexion is Off the Ground

The screenshot shows the Connexion by Boeing website interface. At the top left is the logo. A navigation bar includes a 'To Airline' button and language options for English, 汉语, Deutsch, and 日本語. A sidebar on the left contains a login form with fields for Username and Password, a 'Forgot Your Password?' link, and buttons for 'Sign In' and 'Not a Member? Sign Up Now!'. Below the login form is a vertical menu with links: Home, Pricing, My Account, About Us, Product Tour, Getting Access, FAQs, Help Options, and Live Chat Help. At the bottom of the sidebar is a 'TRUSTe' logo with 'EU reviewed by' and 'site privacy statement'. The main content area features a 'sign up now' banner for high-speed in-flight internet access, highlighting '2 easy ways to pay'. The first option is 'Internet Flight access for entire flight' for '\$29.95\* or less' with a 'Sign Up Now' button. The second option is 'Internet Minutes access by the minute' for '\$9.95\* first 30 minutes' with a 'Sign Up Now' button. A note states '\*All prices shown in US Dollars, based on flight length'. Below the banner are three promotional boxes: 'Need Help? Free Live Chat' with a 'Live Chat Help' button and an image of a customer care representative; 'Your Satisfaction Counts' with a 'Give us your feedback' button; and 'Send a free E-Mail Greeting Now!' with a 'Send an E-Card!' button and an image of an e-card. On the right side, a vertical banner reads 'First in the Sky with in-Flight High-Speed Internet Service' and features an image of an airplane in flight.

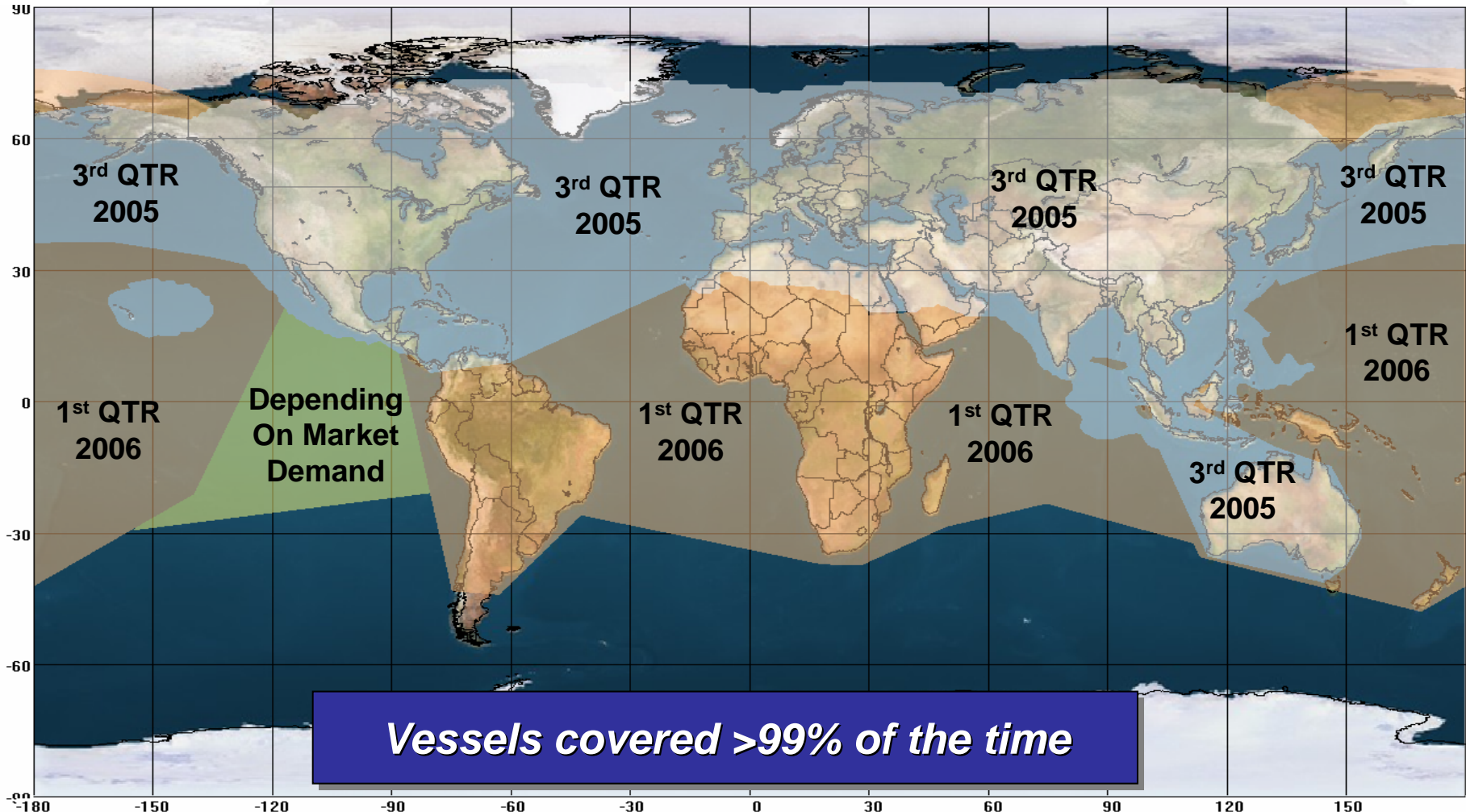
*A wi-fi hotspot in the air*

## Current Coverage and Customers



**11 airlines, >500 aircraft, >500 corporations,  
>10 associate service providers**

## Connexion by Boeing<sup>SM</sup> Maritime Coverage



Notes: Based on 5 degrees minimum elevation angle

Coverage is approximate. Actual contours will vary based upon final transponder selection

## The Year Ahead – 2005

**Q1**

**Q2**

**Q3**

**Q4**

Suppliers selection

Launch customer(s)

Retail pricing announcement(s)

Distribution partners

Installation/Product Support partners

Regulatory progress

***Service launch***

***On plan***

## The Year Ahead – 2005

**Q1**

**Q2**

**Q3**

**Q4**

Suppliers selection



Launch customer(s)

Retail pricing announcement(s)

Distribution partners

Installation/Product Support partners

Regulatory progress

***Service launch***

***On plan***

## Key Suppliers

### Terminal



### CBB TV



*Global suppliers and quality entertainment*

## TV Content

Region	US	Europe	Asia
Channel			
1	CNBC US 	CNBC Europe 	CNBC Asia 
2	EuroSport News 	EuroSport News 	EuroSport News 
3	BBC World – America 	BBC World – Europe 	BBC World – Asia 
4	MSNBC 	EuroNews 	EuroNews 

*Available to aviation 3Q 2005  
Planned for maritime 2006*

## The Year Ahead – 2005

Q1

Q2

Q3

Q4

Suppliers selection



Launch customer(s) **Discussions with global firms are underway**

Retail pricing announcement(s)

Distribution partners

Installation/Product Support partners

Regulatory progress

***Service launch***

***On plan***

## The Year Ahead – 2005

Q1

Q2

Q3

Q4

Suppliers selection

Launch customer(s)

→ Retail pricing announcement(s)

Distribution partners

Installation/Product Support partners

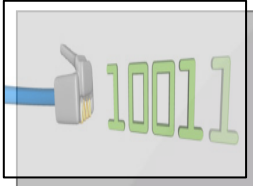
Regulatory progress

*Service launch*

*On plan*

## Our March 2005 Price Announcement

DATA



- 2,000 minutes per month
- > 2,000 minutes incremental fee of \$1.25 USD/min.
- Multiple users & sessions supported

VOICE/  
FAX



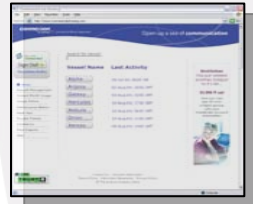
- Standard voice-over-IP hardware
- 100 minutes per month of calls made or received in international waters, no charge
- > 100 minutes incremental fee of \$1.25 USD/min.

TV/Video



- 4 channels of news, sports, finance
- 2006 availability
- Display on PC or flat panel display

MGMT



- Web-based system management tools
  - Every ship, always available
  - Up-to-date usage and billing information
- Fleet sharing program for data and voice minutes

EQPT



- Included in monthly fee
- 1 meter antenna and a below deck equipment set

***\$2,800 USD per month/vessel***

## The Year Ahead – 2005



- Digital Ship comment, published April 2005  
*“To buy 2,000 minutes of 128 kbps satellite communication time, at current rates of around \$9.00 a minute for 128 kbps Inmarsat fleet, would cost \$ 18,000, when you can get it for \$ 2,800 with Connexion by Boeing.”*



- Lloyd's List, comment published March 22, 2003  
*“Connexion by Boeing comes up with aggressive on-demand price package”*

**Data: \$ 1.40 / minute (1<sup>st</sup> 2,000 mins) - Incremental \$ 1.25 / min.  
Voice: \$ 0.00 / minute (1<sup>st</sup> 100 mins.) – Incremental \$ 1.25 / min.  
Billing in 15 second increments**

## The Year Ahead – 2005

**Q1**

**Q2**

**Q3**

**Q4**

Suppliers selection

Launch customer(s)

Retail pricing announcement(s)

→ Distribution partners

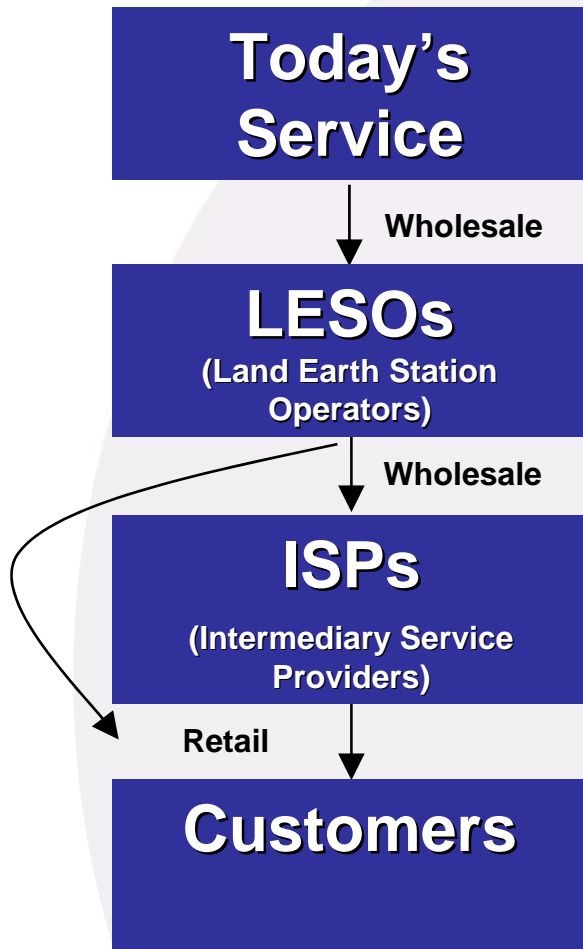
Installation/Product Support partners

Regulatory progress

***Service launch***

***On plan***

## The Year Ahead – 2005



- **Complex**
  - Multi-level
  - Duplication
  - Confusion in VAR marketing
  
- **Costly**
  - Wholesale to retail markup: 2.5x to 3.0x
  
- **Conflicted**
  - LESOs can sell direct
  - ISPs can have relationships with multiple LESOs
  - LESOs being cut from new product distribution

*Simplicity keeps prices lower*

## The Year Ahead – 2005

**Q1**

**Q2**

**Q3**

**Q4**

Suppliers selection

Launch customer(s)

Retail pricing announcement(s)

Distribution partners

Installation/Product Support partners

Regulatory progress

***Service launch***

***On plan***

## The Year Ahead – 2005

### Functions of Global Support Provider



- Request For Quote (RFP) is issued (May 2005)
- GSP selection characteristics
  - Global presence (major ports)
  - Expertise in maritime electronics
  - International technical staff
  - Known to the market
  - Chain supply management experience
  - Process and quality control certified

***Single thread of responsibility!***

## The Year Ahead – 2005

**Q1**

**Q2**

**Q3**

**Q4**

Suppliers selection

Launch customer(s)

Retail pricing announcement(s)

Distribution partners

Installation/Product Support partners

Regulatory progress



***Service launch***

***On plan***

## The Year Ahead – 2005

Q1

Q2

Q3

Q4

Regulatory progress

### Connexion by Boeing:

- Established regulatory relationships in 217 countries
- Authorized to operate aviation Ku band in 147 countries
- Submitting applications for authorization with those administrations having significant maritime activity

*Does your provider meet international requirements?*

The Year Ahead – 2005

**Q1**

**Q2**

**Q3**

**Q4**



***Service launch***

***We Launch in 2005 – “On Plan”***