



Second-Quarter 2007 Performance Review

Jim McNerney

Chairman, President and Chief Executive Officer

James Bell

Chief Financial Officer

July 25, 2007

Second Quarter Summary

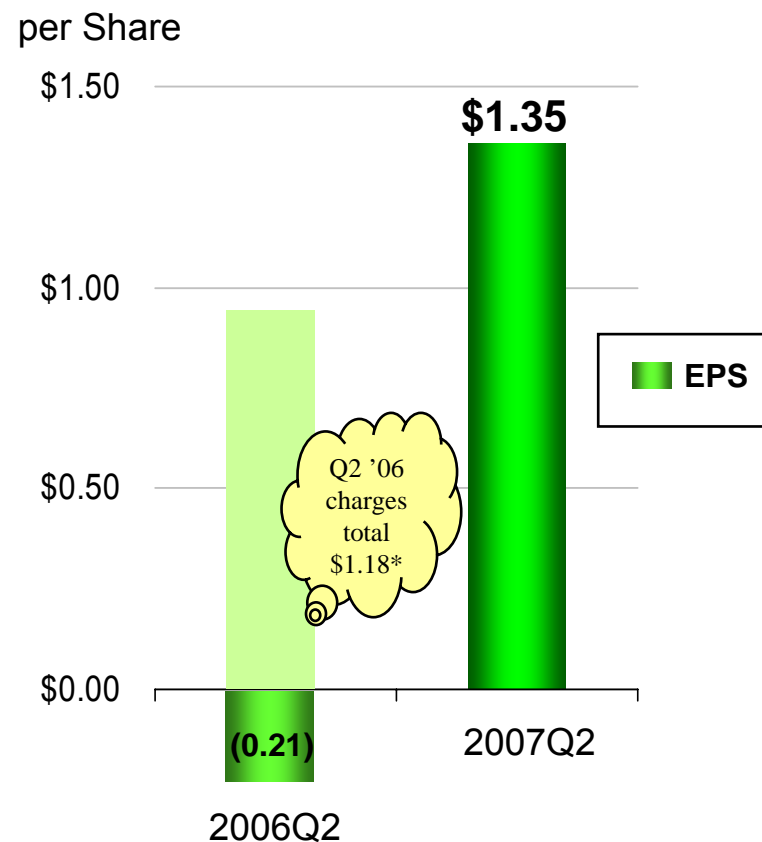
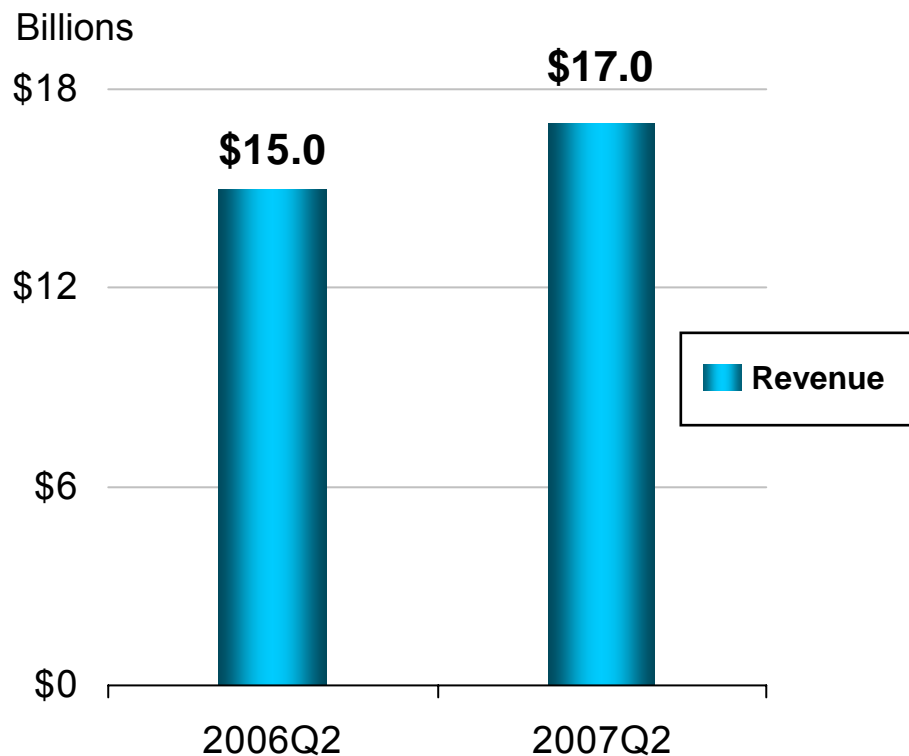
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- **Strong growth in revenues, operating earnings and EPS**
- **Excellent cash generation... effective cash deployment**
- **Backlog expanded to a record \$279 billion... more than four times current revenues**
- **Core businesses performing well... delivering growth and productivity**
- **Development programs progressing... additional R&D headwinds**
- **Guidance raised for 2007 on stronger commercial airplanes outlook and general productivity gains**

Growth outlook strengthening

Revenue and Earnings

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* \$0.77/sh for legal settlement and \$0.41/sh for AEW&C

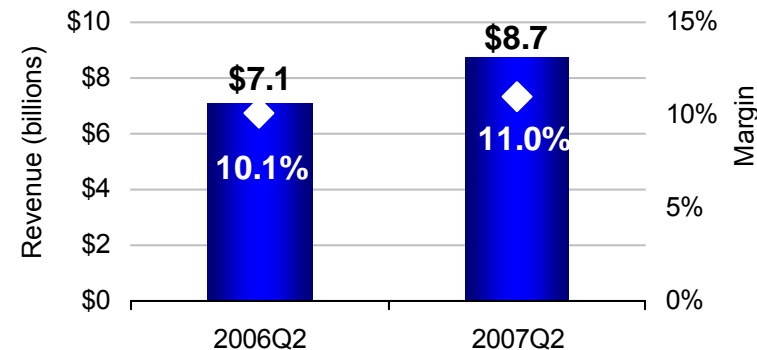
Strong growth in revenue and earnings

Commercial Airplanes

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- **Continued strong performance**
 - Delivered 114 airplanes in second quarter
 - Strong margins with R&D increase
- **Continued backlog growth to record \$208 billion... more than 6 times current revenues**
 - Captured 360 gross airplane orders in 2Q07
- **787 continues to make progress**
 - Won 683 firm orders since launch
 - Premiered first 787 Dreamliner
 - Certified the Dreamlifter airplane
 - Managing weight and schedule challenges
 - Targeting first flight by the end of September
 - On track to make first delivery in May 2008
- **Delivered first 737-900ER to Lion Air**

Revenues & Operating Margins



First 787 Dreamliner rolls out of factory



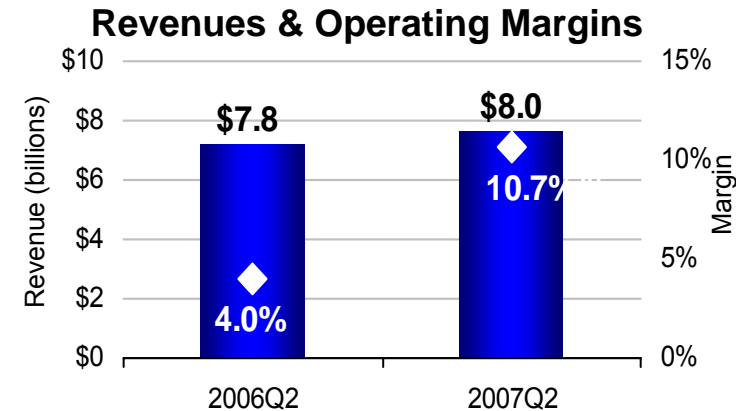
First 737-900ER delivered to Lion Air

Focused on customers, productivity and growth

Integrated Defense Systems

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- **Strong operating performance**
 - Growing revenue and double-digit margins
 - Delivered 27 production aircraft and 1 satellite
- **Capturing new business**
 - U.S. Air Force awards A-10 wing replacement contract
 - C-27J selected for new joint cargo aircraft
 - Republic of Korea plans to proceed with 20 F-15Ks
 - Significant proprietary contract win
- **Achieving major milestones**
 - P-8A successfully completes program critical design review
 - FCS completes Spin Out 1 critical design review
 - TSAT demonstrates capabilities during design review
 - SDB II completes first flight



P-8A Poseidon

Focused on execution...capturing opportunities

Other Results

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■ Boeing Capital Corporation

- Delivered increased earnings on smaller portfolio
- Pre-tax income rose 13 percent to \$70 million
- Aircraft financing market strength continues

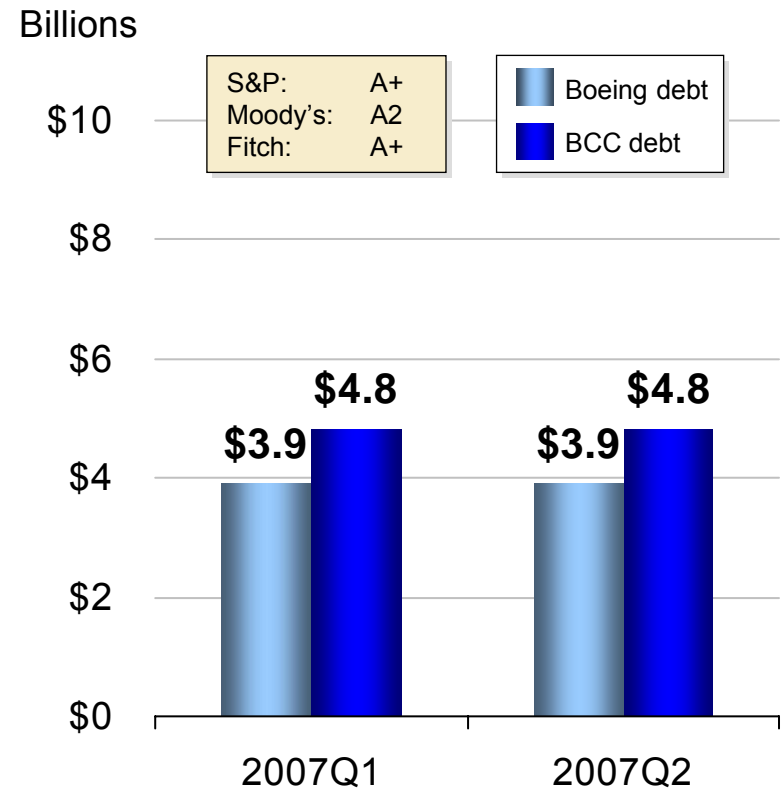
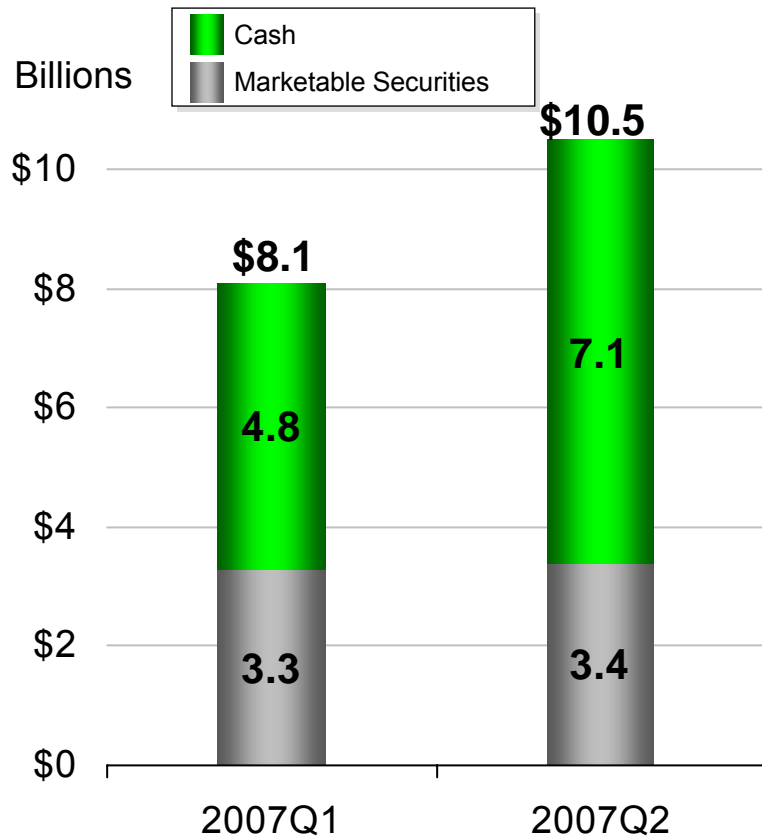
■ Other and Unallocated Expense

- Other expense declined by \$60 million after Connexion exit
- Unallocated share-based expenses declined by \$115 million
- Pre-tax (non-cash) pension expense increased as expected

Strong financing results and declining unallocated costs

Cash and Debt Balances

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Outstanding liquidity... stable debt levels

Cash Flow

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\$ Billions	2006Q2	2007Q2
Net Earnings	(0.2)	1.1
Depreciation/non-cash	0.7	0.7
Working Capital	1.9	1.8
Pension Contributions	<u>(0.0)</u>	<u>(0.0)</u>
Operating cash flow	2.4	3.6
Capital Expenditures	<u>(0.3)</u>	<u>(0.4)</u>
Free cash flow*	2.1	3.2

- **Cash flow grew 49 percent**
 - Strong working capital performance
 - Outstanding order flow
- **Balanced cash deployment**
 - Investment in growth programs (e.g., 787, 747-8, services)
 - Repurchased 6.5 million shares for \$620 million

*Non-GAAP measure. Definitions, reconciliations, and further disclosures regarding these non-GAAP measures are provided in the company's earnings press release dated July 25, 2007.

Generated over \$3.6 billion in cash flow

Financial Guidance

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	<u>2007</u>	<u>2008</u>
Revenues	\$64.5B - \$65B ~ \$65B	\$71B - \$72B
Earnings Per Share	\$4.55 - \$4.75 \$4.80 - \$4.95	\$5.55 - \$5.75
Operating Cash Flow¹	>\$4B >\$6B	>\$7B

¹After \$0.5 billion in pension-plan contributions in each of 2007 and 2008.

Raising financial guidance for 2007 revenue, EPS and cash flow due to higher BCA growth / productivity

Forward-Looking Information Is Subject to Risk and Uncertainty

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Certain statements in this report may constitute “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “expects,” “intends,” “plans,” “projects,” “believes,” “estimates,” and similar expressions are used to identify these forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Forward-looking statements in this press release include, among others, statements regarding future results as a result of our growth and productivity initiatives, our 2007 and 2008 financial outlook and the benefits of the IDS structure. Forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. Actual outcomes and results may differ materially from what is expressed or forecasted in these forward-looking statements. As a result, these statements speak only as of the date they were made and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Our actual results and future trends may differ materially depending on a variety of factors, including the continued operation, viability and growth of major airline customers and non-airline customers (such as the U.S. Government); adverse developments in the value of collateral securing customer and other financings; the occurrence of any significant collective bargaining labor dispute; our successful execution of internal performance plans including our company-wide growth and productivity initiatives, production rate increases and decreases (including any reduction in or termination of an aircraft product), availability of raw materials, acquisition and divestiture plans, and other cost-reduction and productivity efforts; charges from any future SFAS No. 142 review; ability to meet development, production and certification schedules for the 787 program; technical or quality issues in development programs (affecting schedule and cost estimates) or in the satellite industry; an adverse development in rating agency credit ratings or assessments; the actual outcomes of certain pending sales campaigns and the timely launch of the 787 program and U.S. and foreign government procurement activities, including the uncertainty associated with the procurement of tankers by the U.S. Department of Defense (DoD) and funding of the C-17 program; the cyclical nature of some of our businesses; unanticipated financial market changes which may impact pension plan assumptions; domestic and international competition in the defense, space and commercial areas; continued integration of acquired businesses; performance issues with key suppliers, subcontractors and customers; significant disruption to air travel worldwide (including future terrorist attacks); global trade policies; worldwide political stability; domestic and international economic conditions; price escalation; the outcome of political and legal processes, changing priorities or reductions in the U.S. Government or foreign government defense and space budgets; termination of government or commercial contracts due to unilateral government or customer action or failure to perform; legal, financial and governmental risks related to international transactions; legal and investigatory proceedings; tax settlements with the IRS and various states; U.S. Air Force review of previously awarded contracts; costs associated with the exit of the Connexion by Boeing business; and other economic, political and technological risks and uncertainties. Additional information regarding these factors is contained in our SEC filings, including, without limitation, our Annual Report on Form 10-K for the year ended December 31, 2006 and its Quarterly Report on Form 10-Q for the quarter ended March 31, 2007.

