



Third-Quarter 2007 Performance Review

Jim McNerney

Chairman, President and Chief Executive Officer

James Bell

Chief Financial Officer

October 24, 2007

Third Quarter Summary

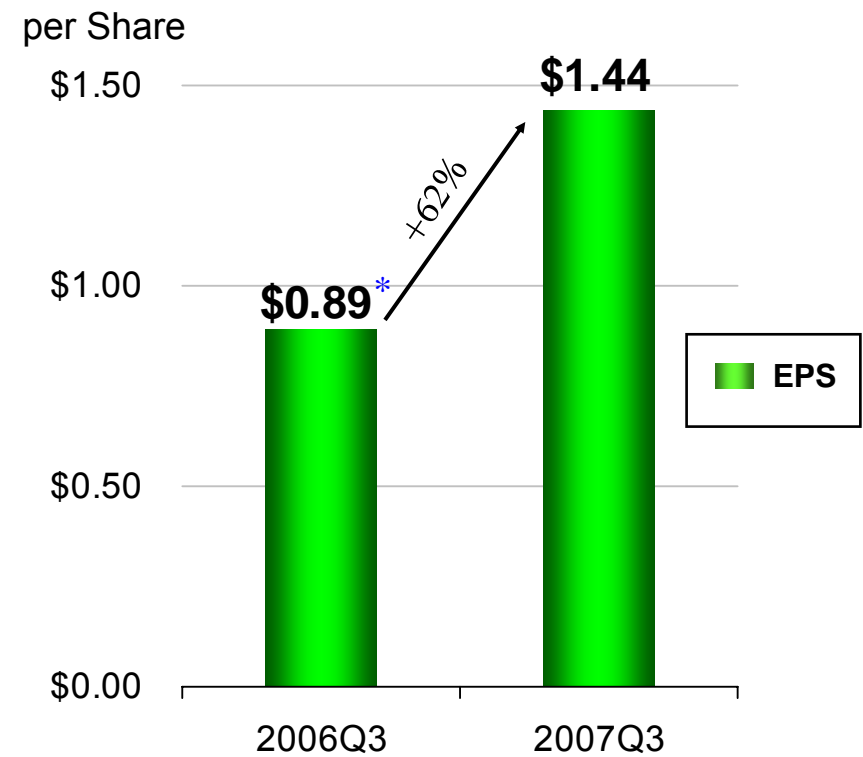
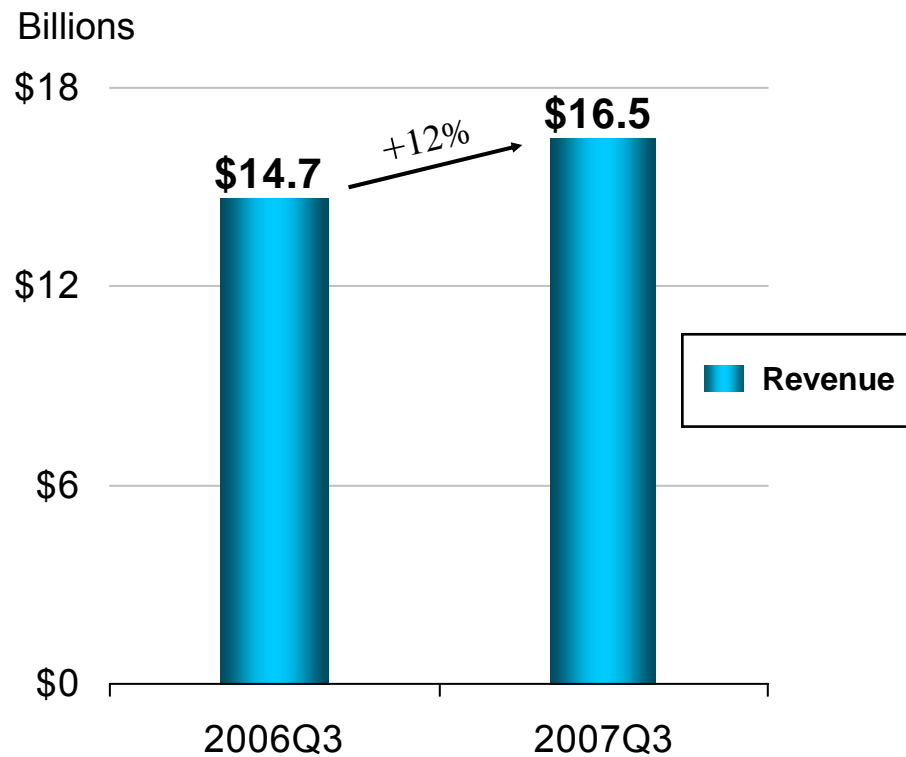
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- **Strong growth in revenues, operating earnings and EPS**
 - Revenue +12%, operating earnings +58%, EPS +62%
- **Core businesses performing well... delivering growth and productivity... advancing development programs**
- **Excellent cash generation... effective cash deployment**
- **Backlog expanded to a record \$295 billion... more than four times current revenues**
- **Guidance raised for 2007 revenues, earnings and cash flow; 2008 guidance adjusted for revised 787 schedule**

Strong Q3 results

Revenue and Earnings

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* 2006Q3 includes \$0.22 EPS charge to exit Connexion business

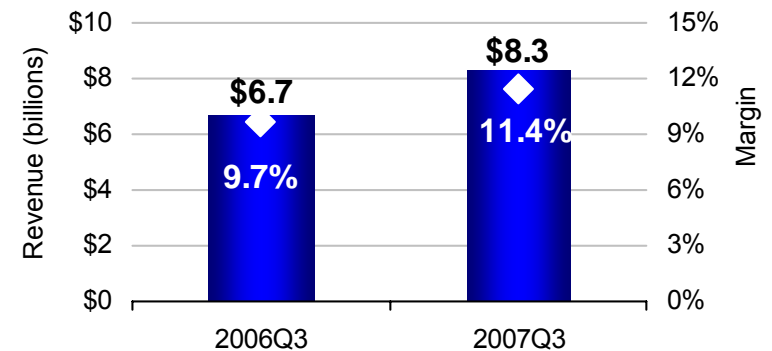
Double-digit growth in revenue and earnings

Commercial Airplanes

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- **Continued strong performance**
 - Delivered 109 airplanes in third quarter
 - Produced double-digit margins on 23% revenue growth
- **Continued backlog growth to record \$224B**
 - Captured 354 gross airplane orders in 3Q07 and 903 orders in first nine months
- **787 success and challenges**
 - Won 710 firm orders since launch from 50 customers
 - Rescheduled first flight and initial deliveries
- **777 program surpassed 1,000 orders**

Revenues & Operating Margins



787 surpasses 700 customer orders



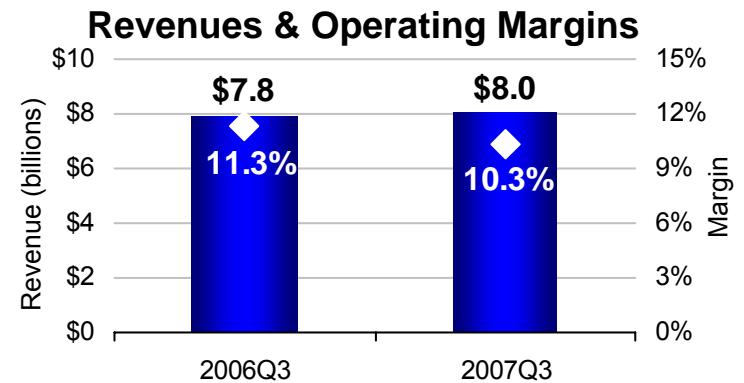
Brazil's TAM pushes 777 orders to over 1,000

Focused on customers, productivity and growth

Integrated Defense Systems

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- **Strong operating performance**
- **Executing well balanced defense portfolio**
 - GMD successful flight test and target intercept
 - FCS low-rate initial production planning authorized
 - First production EA-18G delivered to U.S. Navy
 - First Canadian C-17 delivered
- **Awarded new and follow-on business**
 - Ares I upper stage contract
 - KC-135 program depot maintenance
 - Future Rapid Effect System preferred bidder
 - Joint Cargo Aircraft award upheld
- **Robust backlog of \$70 billion**



Ares I

Focused on execution...meeting customers' needs

Other Results

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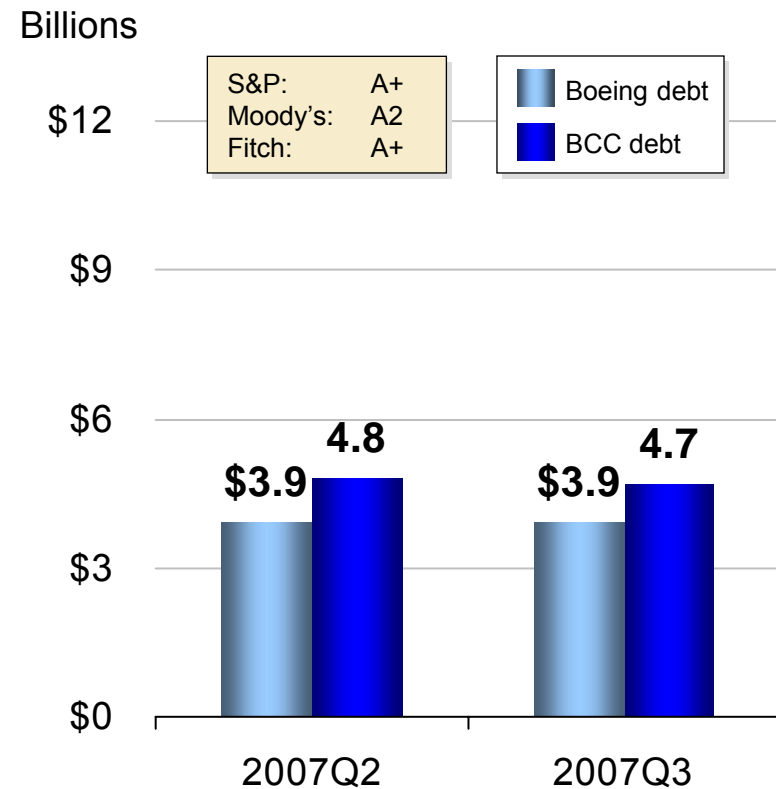
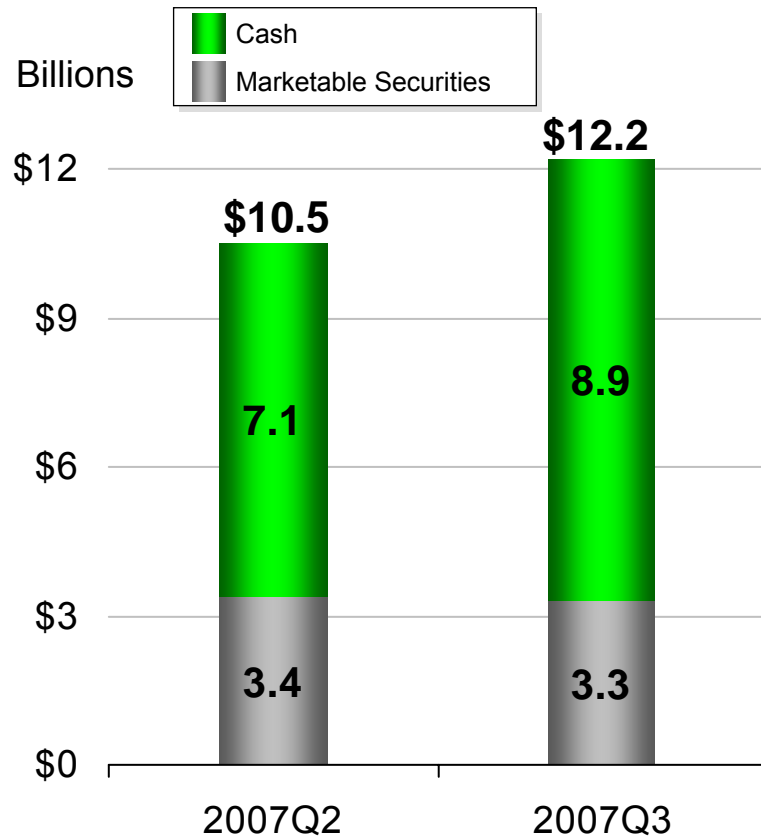
- **Boeing Capital Corporation**
 - Delivered \$61 million in pre-tax income on smaller portfolio
 - Aircraft financing market strength continues
 - Supporting Boeing core business success

- **Other and Unallocated Expense**
 - Other expense declined to \$46 million after Connexion exit
 - Unallocated share-based expenses declined 40 percent to \$58 million
 - Pre-tax (non-cash) pension expense increased as expected

Boeing Capital on track; unallocated costs continue to decline

Cash and Debt Balances

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Outstanding liquidity... stable debt levels

Cash Flow

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\$ Billions	2006Q3	2007Q3
Net Earnings	0.7	1.0
Depreciation/non-cash	1.0	0.8
Working Capital	(1.1)	1.5
Pension Contributions	<u>(0.0)</u>	<u>(0.0)</u>
Operating cash flow	0.6	3.3
Capital Expenditures	<u>(0.3)</u>	<u>(0.4)</u>
Free cash flow*	0.3	2.9

Increased Share Repurchase in Q3

- Repurchased 9.1 million shares for \$905 million

Pension Plans Strengthened

- 2007 asset returns ~14%
- Fully funded on PBO basis
- Assumptions for 2008 rate of return likely stable at 8.25%; discount rate likely increasing to ~6.2%

*Non-GAAP measure. Definitions, reconciliations, and further disclosures regarding these non-GAAP measures are provided in the company's earnings press release dated October 24, 2007.

Generated \$3.3 billion in cash flow... pensions fully funded

Financial Guidance

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	<u>2007</u>	<u>2008</u>
Revenues	\$65B ~\$66B	\$71B - \$72B \$67.5B - \$68.5B
Earnings Per Share	\$4.80 - \$4.95 \$5.05 - \$5.15	\$5.55 - \$5.75
Operating Cash Flow	>\$6B >\$9B	>\$7B >\$3B

***Raising 2007 guidance on strong core business performance;
Adjusting 2008 forecast for 787 schedule***

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 and the ability to meet scheduled deliveries of the 787 airplane; 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 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 our Quarterly Report on Form 10-Q for the quarters ended March 31, 2007 and June 30, 2007.

