



Fourth-Quarter and Full-Year 2007 Performance Review

Jim McNerney

Chairman, President and Chief Executive Officer

James Bell

Chief Financial Officer

January 30, 2008

2007 Summary

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- **Significantly improved financial results... focused on growth and productivity**
 - Full-year revenues up 8% to \$66.4 billion
 - Reported EPS increased 85% to \$5.28
 - Adjusted EPS* grew 37% to \$5.26
- **Record year for revenue, earnings, cash flow, backlog, and airplane orders**
 - Cash flow climbed 28% to \$9.6 billion
 - Total backlog grew 31% to \$327 billion
 - Commercial airplane net orders totaled 1,413 (third consecutive record year)
 - Key defense program wins added to backlog
- **Invested in major growth areas (787, 747-8, Services, Tankers)**
- **Increased dividend 14% and approved \$7 billion share repurchase program**
- **Raising EPS guidance for 2008, forecasting strong EPS growth in 2009**

Strong financial results... significant growth ahead

*Adjusted EPS is a non-GAAP measure. Definitions, reconciliations and further disclosures regarding these non-GAAP measures are provided in the company's earnings press release dated January 30, 2008

2008 Business Environment

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- **Solid Global Economic Outlook**
- **Extended Commercial Aerospace Cycle**
- **Strong Defense Spending**
- **Boeing's Record Backlog... Well Diversified**
- **Boeing's Focus on Growth & Productivity**
Delivering Results

2007 Financial Results

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	<u>2006</u>	<u>2007</u>	<u>Change</u>
<i>Revenues</i>	\$61.5B	\$66.4B	8%
<i>Operating Income</i>	\$3.0B	\$5.8B	93%
<i>Reported EPS</i>	\$2.85	\$5.28	85%
<i>Adjusted EPS*</i>	\$3.83	\$5.26	37%
<i>Operating Cash Flow</i>	\$7.5B	\$9.6B	28%

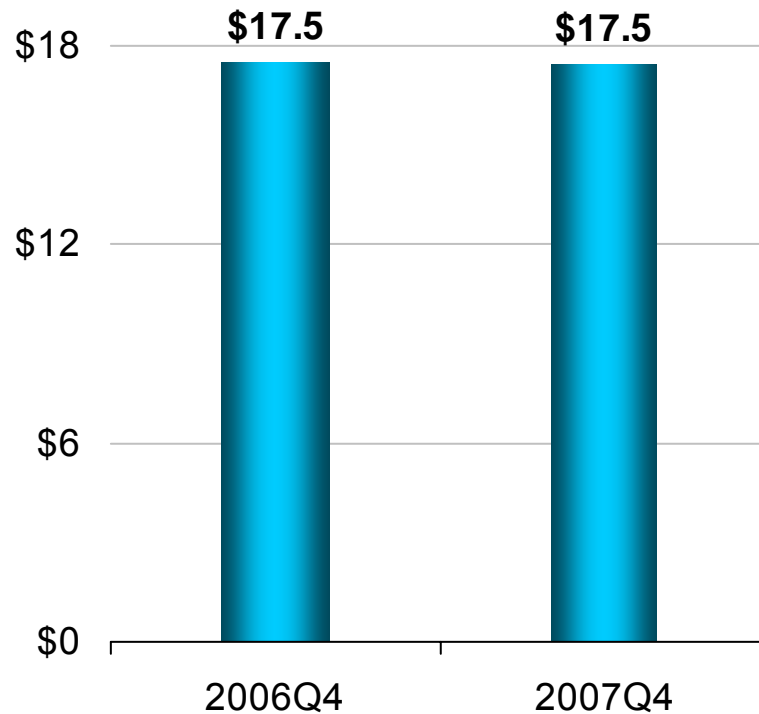
Strong core earnings growth and cash generation

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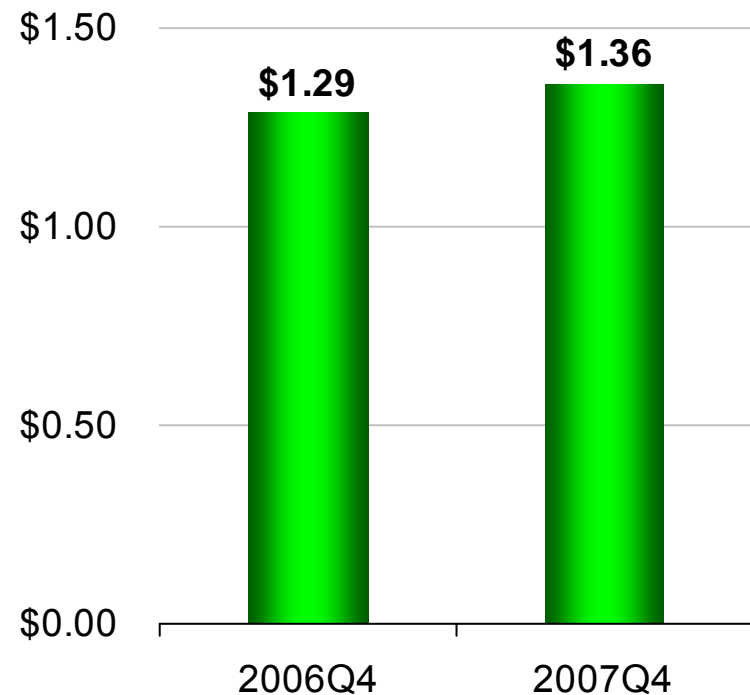
Fourth-Quarter Revenue and Earnings

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Revenue, Billions



Earnings per Share



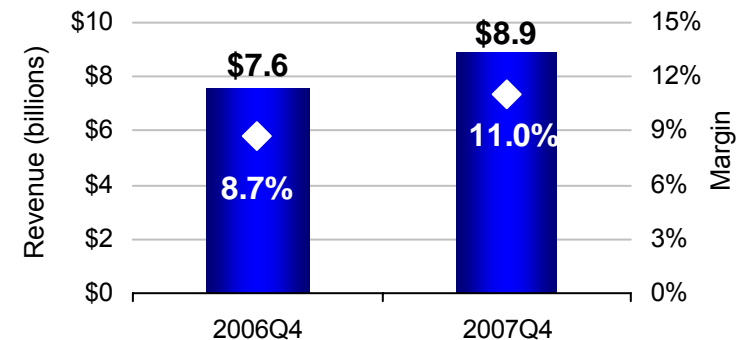
Solid EPS growth

Commercial Airplanes

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- **Continued strong performance**
 - Delivered 441 airplanes in 2007... 112 in fourth quarter
 - Margin expansion to 10.7% for 2007... 11.0% for 4Q
- **Outstanding sales success**
 - Won record 1,423 gross orders in 2007
 - Grew backlog 46% to record \$255 billion
- **787 successes and challenges**
 - Won 857 firm orders since launch
 - Revised first flight schedule... assessing delivery impact
- **Continued Services growth**
 - Organic growth complemented by successful integration of strategic acquisitions
- **747-8 Intercontinental completed firm configuration**

Revenues & Operating Margins



787 program surpasses 800 orders



747-8 Intercontinental

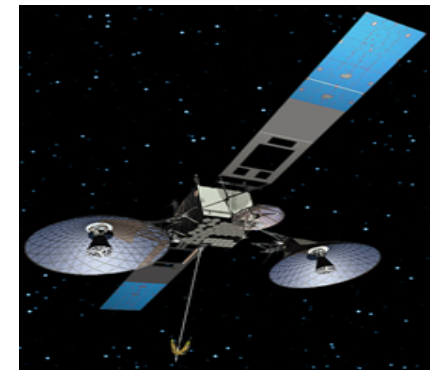
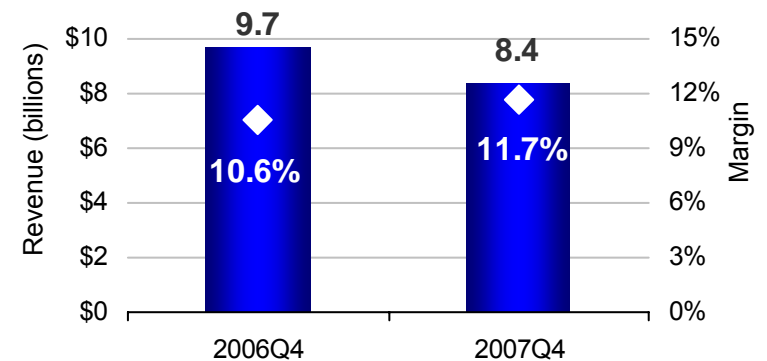
Focused on customers, productivity and growth

Integrated Defense Systems

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- **Outstanding operating performance... delivered double digit margins**
- **Capturing new and follow-on business**
 - Tracking and Data Relay Satellites award
 - Ares I instrument unit avionics contract
 - Singapore orders additional F-15SGs
- **Executing well-balanced defense portfolio**
 - Executing on key milestones in network and space
 - Outstanding performance on production and support programs
 - Capturing Award Fees
 - Focused on development programs
- **Robust backlog of \$72 Billion**

Revenues & Operating Margins

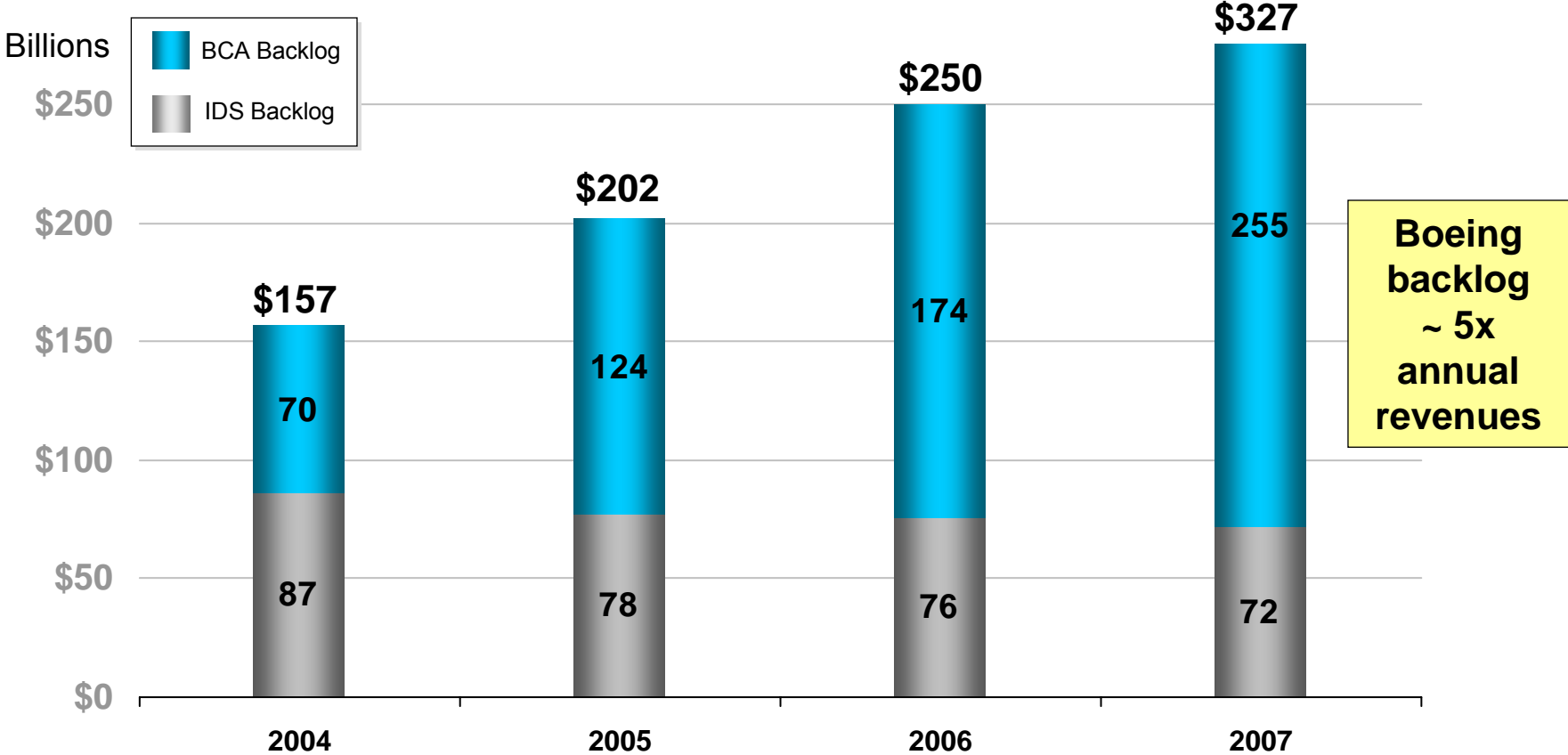


Tracking and Data Relay Satellites

Focused on execution... capturing opportunities

Backlog Expanding to Record Level

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Future growth driven by industry-leading backlog of \$327 billion

Other Businesses

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- **Boeing Capital Corporation**

- Delivered \$234 million in pre-tax profits on \$815 million in full-year revenue
- Reduced debt \$1.3 billion and returned \$408 million in cash to Boeing during 2007
- Global aircraft financing market holding steady
- Maintaining a conservative financial position focused on risk retirement

- **Other and Unallocated Expense**

- Centralized costs declining as planned

Boeing Capital on track; managing centralized costs lower

Cash Flow

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\$ Billions	2006	2007
Net Earnings	2.2	4.1
Depreciation/non-cash	3.1	2.8
Working Capital	2.7	3.3
Pension Contributions	<u>(0.5)</u>	<u>(0.6)</u>
Operating cash flow	7.5	9.6
Capital Expenditures	<u>(1.7)</u>	<u>(1.7)</u>
Free cash flow*	5.8	7.9

* Non-GAAP measure. Definitions, reconciliations, and further disclosures regarding these non-GAAP measures are provided in the company's earnings press release dated January 30, 2008.

■ Outstanding Cash Generation

■ Balanced Cash Deployment

- Invested in organic growth (787, 747-8)
- Increased dividend 14%
- Returned \$2.8B to shareholders via share repurchase (29.0 million shares)

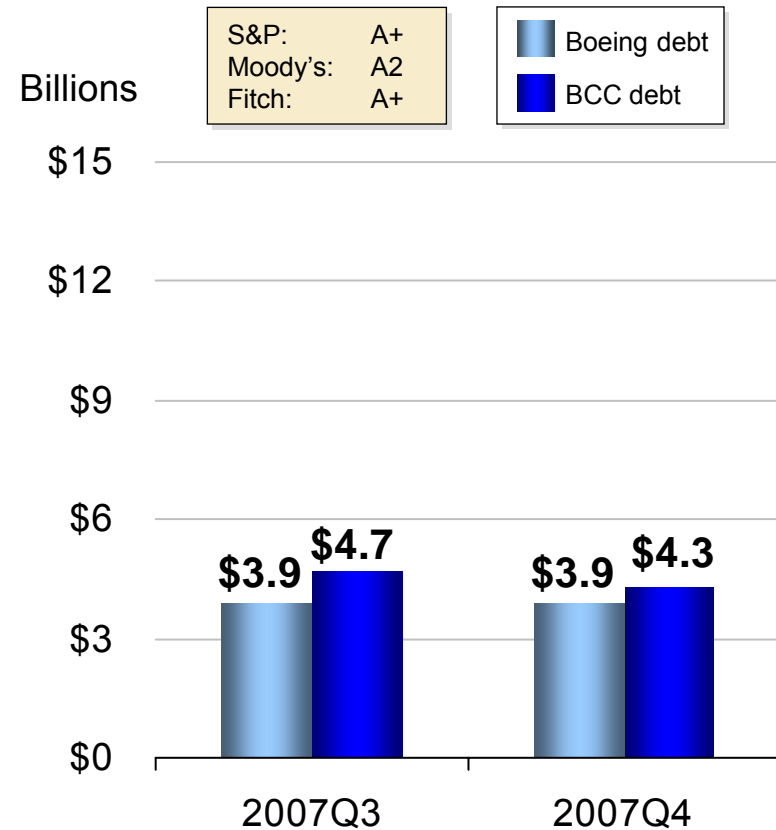
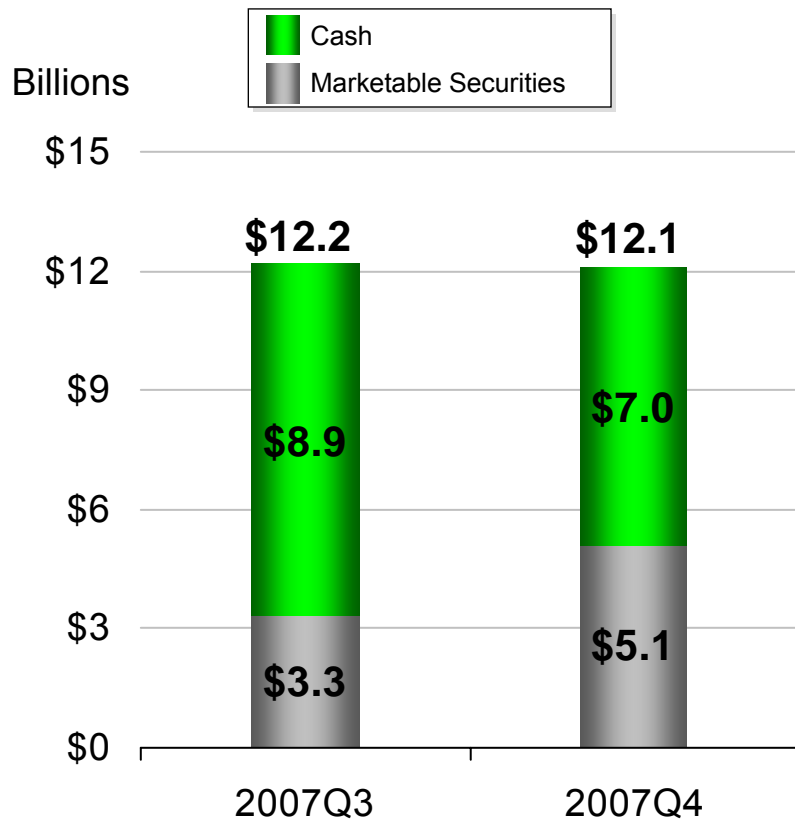
■ Pension Plan Strengthened

- More than fully funded (110% of PBO)
- Pension expense declining

Generated record \$9.6 billion of operating cash flow

Cash and Debt Balances

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Outstanding liquidity... debt levels declining

Financial Guidance

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	<u>2008</u>
Revenues	\$67B - \$68B
Earnings Per Share	\$5.70 - \$5.85
Operating Cash Flow	> \$2.5B

Forecasting growth

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, June 30, 2007 and September 30, 2007.

