

Boeing Board Approves Additional Funding of ShareValue Trust for "Heritage" McDonnell Douglas Employees

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Boeing Chairman and Chief Executive Officer Phil Condit announced today that the Board of Directors has approved an additional \$550 million in funding to the Boeing ShareValue Trust. This increase is for future participation of those Boeing employees who are on McDonnell Douglas heritage benefit plans. "Heritage" McDonnell Douglas employees become eligible to participate starting Jan. 1, 1998.

The participation of eligible subsidiary and represented McDonnell Douglas employees is contingent on the following actions: Participation of McDonnell Douglas subsidiaries needs approval by each subsidiary's board of directors and the ShareValue Committee; and participation of represented employees is contingent on negotiation with the respective labor unions. Employees on the executive payroll are not eligible to participate in the trust.

"The Board of Directors approved this increase to avoid diluting or reducing potential distributions to current trust participants, while adding heritage McDonnell Douglas employees as participants in the ShareValue Trust," said Condit. "The Board's decision reflects the ShareValue Trust's goal of employees working together to make this company successful over the long term and then becoming owners of Boeing stock."

On July 1, 1996, Boeing created the irrevocable, 12-year ShareValue Trust with \$1 billion in Boeing stock. In December 1996, \$150 million was added when Boeing North American employees became eligible to participate. The additional funding authorization will bring the company's total investment in the trust to \$1.7 billion. The ShareValue Trust is designed to give Boeing employees the opportunity to own Boeing stock through a trust distribution that is a result of their collective efforts to increase shareholder value over the long term.

The trust is managed by a bank trustee, independent of Boeing management control. The trustee will make a distribution to trust participants as often as every two years if the value of the trust's stock increases more than an average of three percent per year. The first possible distribution will be determined after the first investment period ends on June 30, 1998.

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