

Boeing Clarifies Media Reports

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In response to media inquiries regarding wire service reports from Europe yesterday, The Boeing Company has issued the following statement:

While the Boeing Commercial Airplane Group's production-recovery plan continues to show encouraging gains, management's focus remains on ensuring production health across all of the Group's programs and divisions.

"Achieving near-term rate increases on the 747 and Next-Generation 737 will present challenges, and managing the production situation is the daily focus of our entire organization," said Ron Woodard, president of Boeing Commercial Airplane Group. "Our task is to methodically manage the entire supply chain to make sure we have no more setbacks to our production schedules."

Woodard added that he believed the Commercial Airplane Group's factories would be back on track in 1998, although process inefficiencies and work-arounds will continue until the entire production system is in balance.

Regarding write-offs related to the merger with McDonnell Douglas, the Company believes that there will be no further charges related to the termination of the MD-80 and MD-90 jetliner programs. However, the possibility of other charges related to the merger will depend on the timing and scope of any decisions the Company may make as a result of its ongoing review of its facilities and assets. No decisions have been made.

Forward-looking Information Is Subject to Risk and Uncertainty

Certain statements in the financial discussion and analysis by management contain "forward-looking" information that involves risk and uncertainty, including projections for deliveries, sales, research and development expense, and other trend projections. Actual future results and trends may differ materially depending on a variety of factors, including the Company's successful execution of internal performance plans; continued integration of McDonnell Douglas Corporation; product performance risks associated with regulatory certifications of the Company's commercial aircraft by the U.S. Government and foreign governments; other regulatory uncertainties; collective bargaining labor disputes; performance issues with key suppliers and subcontractors; governmental export and import policies; factors that result in significant and prolonged disruption to air travel worldwide; global trade policies; worldwide political stability and economic conditions; changing priorities or reductions in the U.S. Government defense and space budgets; termination of government contracts due to unilateral government action or failure to perform; and legal proceedings.
