

## Boeing Releases Value Scorecard

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The Boeing Company [NYSE: BA] announced that as part of its Managing for Value program it will be releasing quarterly a Value Scorecard.

In outlining this key element of the program, Boeing Chief Financial Officer Debby Hopkins said, "In addition to traditional guidance on major value drivers, the Value Scorecard includes four metrics. These four metrics come out of a more comprehensive set of performance metrics that will be used internally. The four public metrics are inventory turns, facility consolidation, overhead cost management and supplier base consolidation."

#### The Boeing Company Value Scorecard - Second Quarter 1999

| Performance Initiatives              | 1999 Goal           | 2000 Goal           | Challenge*         |
|--------------------------------------|---------------------|---------------------|--------------------|
| Inventory turns                      | 2.9                 | 3.0                 | 4.0                |
| Facility consolidation (in millions) | 122 ft <sup>2</sup> | 109 ft <sup>2</sup> | 95 ft <sup>2</sup> |
| Overhead reduction (in millions)     | \$600               | \$1,600             | \$2,100            |
| Supplier base                        | 31,000              | 25,000              | 18,000             |
|                                      | <b>1999</b>         | <b>2000</b>         |                    |
|                                      | <b>Projections</b>  | <b>Projections</b>  | <b>Challenge*</b>  |
| Revenue (in billions)                | \$58                | \$48                |                    |
| Operating margins                    | 5%-5.5%             | 5%-6%               | > 10%              |
| Free cash flow (in billions)         | > \$2.5             | > \$2.0             |                    |

\*Challenge = longer term goal of the company

#### Editors' Note:

The Value Scorecard and a series of charts (which include segment data and projections) being used in analyst and media teleconferences today may be found, for a limited time, on Boeing's web site

**Forward-Looking Information Is Subject to Risk and Uncertainty** Certain statements in this value scorecard contain "forward-looking" information that involves risk and uncertainty, including projections for revenue, operating margins, free cash flow, inventory turns, facility consolidation, overhead reduction, supplier base consolidation and other trend projections. This forward-looking information is based upon a number of assumptions including assumptions regarding demand; internal performance; customer financing; customer, supplier and subcontractor performance; customer model selections; government policies and actions; price escalation; factors affecting the real estate market where company facilities are located; successful negotiation of contracts with the company's labor unions and favorable outcomes of certain pending sales campaigns, supplier contract negotiations and asset dispositions. Actual future results and trends may differ materially depending on a variety of factors, including the company's successful execution of internal performance plans including research and development, production recovery, production rate increases and decreases, production system initiatives, asset management plans, procurement plans, other cost-reduction efforts, and Y2K readiness plans; the cyclical nature of the company's business, volatility of the market for certain products, 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, subcontractors and customers; customer model selections; 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, particularly in Asia; real estate market fluctuations in areas where company facilities are located; price escalation trends; changing priorities or reductions in the U.S. government or foreign government defense and space budgets; termination of government contracts due to unilateral government action or failure to perform; and legal proceedings. Additional information regarding these factors is contained in the company's Annual Report on Form 10-K for the year ended 1998 and Form 10-Q for the quarterly period ended March 31, 1999.

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