Boeing Expects to Meet Financial Projections

The Boeing Company confirmed today its previously issued financial guidance for the year 2000 for revenues, operating margins and free cash flow. The confirmation of guidance was based upon a preliminary assessment of the recent 40-day work stoppage by members of the Society of Professional Engineering Employees in Aerospace. The company's guidance estimated full year revenues at approximately $50 billion, operating margins at 7% +/-, and free cash flow at approximately $2.5 billion.

"Commercial airplane deliveries in the first quarter will be affected, as will deliveries in the second quarter. However, with the full support of returning employees, we expect these declines to be offset by increased commercial deliveries in both the third and fourth quarters." Boeing Chief Financial Officer, Debby Hopkins said. "We believe that with our team together, along with the performance bonuses tied directly to meeting our airplane delivery goals for 2000, we can still achieve targeted revenues," Hopkins stated.

"Our goal has been to achieve earnings in 2000 equal to 1999's in spite of losing $8 billion in revenues. This remains our target and our margin guidance is still appropriate," Hopkins added. "At this point, there is some added uncertainty that a preliminary assessment cannot capture, which we would hope to mitigate and eliminate as we proceed through our recovery plan. At this point, it would be appropriate to focus on the conservative side of our margin guidance."

Boeing expects to deliver about 490 commercial airplanes in 2000. Prior financial guidance regarding 2001 has not changed.

Forward-Looking Information Is Subject to Risk and Uncertainty
Certain statements in this release contain "forward-looking" information that involves risk and uncertainty, including projections for deliveries, sales, revenues, operating margins, earnings, free cash flow and other trend projections. This forward-looking information is based upon a number of assumptions including assumptions regarding internal performance; productivity of employees returning from the recent SPEEA strike; demand; current and future markets for the company's products and services; product performance; customer financing; customer, supplier and subcontractor performance; price escalation; government policies and actions; successful negotiation of contracts with the company's other labor unions; and successful execution of acquisition and divestiture plans. Actual future results and trends may differ materially depending on a variety of factors, including the productivity of employees returning from the recent SPEEA strike; the Company's successful execution of internal performance plans, including continued research and development, production rate increases and decreases, production system initiatives, timing of product deliveries and launches, supplier contract negotiations, asset management plans, acquisition and divestiture plans, procurement plans, and other cost-reduction efforts; acceptance of new products and services; product performance risks; the cyclical nature of some of the Company's businesses; volatility of the market for certain products and services; domestic and international competition in the defense, space and commercial areas; continued integration of acquired businesses; uncertainties 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; 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; the outcome of political and legal processes, including uncertainty regarding government funding of certain programs; 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; legal, financial and governmental risks related to international transactions; legal proceedings; and other economic, political and technological risks and uncertainties. Additional information regarding these factors is contained in the Company's SEC filings, including, without limitation, the Company's Annual Report on Form 10-K for the year ended 1999 .

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