Condit Announces Changes to Strengthen Boeing Leadership

Sears appointed chief financial officer

Daniels named president, Military Aircraft and Missile Systems

Stonecipher to stay extra year as president and chief operating officer

Phil Condit, chairman and chief executive officer, The Boeing Company (NYSE: BA), announced three actions, effective immediately, to strengthen the Boeing leadership team and continue to drive the change process ongoing at the company.

Sears becomes CFO

Michael M. Sears is named Boeing chief financial officer. Sears is a senior vice president of the company and a member of the executive council. He most recently served as president of the company's $13 billion Military Aircraft and Missile Systems unit.

"I'm very excited about the strength Mike brings to the CFO position," said Condit. "He has run our highest margin business for the past three years, has taken personal involvement in new opportunities to grow this business, and has a keen knowledge and understanding of our company and the aerospace industry. Mike knows how to run healthy businesses and under our Managing for Value effort will boost our momentum to continue to grow and change."

Sears, 52, is a 30-year veteran of the company who has held senior positions in each of its three major business areas – defense, space and commercial aircraft. He oversaw McDonnell Douglas' space and defense business as president of McDonnell Douglas Aerospace, ran that company's commercial airplane segment, Douglas Aircraft, and has led the Boeing military aircraft and missile business since the merger was completed in August 1997.

"Over the past year, we have brought together a world-class financial team, and Mike will bring fresh, operational thinking to the aggressive target-setting efforts we have put in place. He will also bring vital strategic thinking to the corporate office as we pursue growth initiatives and lead the customer-based solutions drive. He is the right person, with the right experience, at the right time," Condit said.

"This is a great opportunity for me personally, and I'm looking forward to continuing to serve this company, now as CFO," said Sears. "Our financial underpinnings are strong, and our future potential is unlimited."

Daniels to lead military group

Gerald E. Daniels is appointed president, Military Aircraft and Missile Systems, succeeding Sears. Daniels was vice president and general manager of the company's U.S. Navy and Marine Corps programs.

"Jerry has done an excellent job leading some of our key military programs – including the Collier Award-winning F/A-18E/F Super Hornet – and running our St. Louis operations. He has extensive customer knowledge and focus, is respected inside the Pentagon and by our suppliers, and has a strong business acumen," Condit said.

Daniels, 54, has been with the company for more than 20 years, following 12 years in the U.S. Navy submarine force. He has led a variety of aircraft and missile programs for the company, with responsibilities in his most recent assignment for the F/A-18, AV-8B, T-45 and V-22 programs.

"It's an honor to be selected to lead our military aircraft and missiles business," said Daniels. "We will continue to focus on running healthy, well-managed programs for our military customers, providing excellent returns to our shareholders and creating opportunities for our employees."

Stonecipher to stay an extra year

Harry C. Stonecipher, who turns 64 this month, will remain Boeing president and chief operating officer for an additional year beyond his anticipated normal retirement date of May 2001.

"I am delighted that Harry has agreed to stay for an additional year. His contributions to this company are far from over. We need his continued involvement as a change agent and strategist. This company is making important growth and new frontier decisions, and I personally will value Harry's solid judgement and unvarnished opinions as we embark on the next chapters of Boeing," Condit said.

"We will continue to move people to take advantage of our strategic leadership and intellectual capital advantages in the highly competitive industries in which we compete. The board of directors is enthusiastic and supportive of the energetic directions we

are taking to move the company forward," he said.

With headquarters in Seattle, The Boeing Company is the largest aerospace company in the world and the United States' leading exporter. The company's capabilities in aerospace include commercial jetliners, military aircraft, rotorcraft, electronic and defense systems, missiles, rocket engines, launch vehicles, and advanced information and communication systems. The company has an extensive global reach with customers in 145 countries and manufacturing operations throughout the United States, Canada and Australia.

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