Boeing Increases Cash Flow Guidance For 2000; Reaffirms Its Intention To Complete Ongoing Share Repurchase Program By Year

The Boeing Company [NYSE: BA] announced today that it is increasing its free cash flow guidance from its previous projection of $3.0-$4.0 billion to greater than $4.0 billion for full-year 2000. All other guidance issued by Boeing in its second quarter earnings release issued July 19 remains unchanged.

"Our cash position continues to improve," said Boeing Senior Vice President and Chief Financial Officer Mike Sears. "We are making extraordinary strides in our commercial production processes."

As a result of its strong cash position, the company has reaffirmed that it intends to complete its current share repurchase program by the end of 2000. The Boeing Board of Directors in August 1998 authorized the repurchase of up to 15 percent of the outstanding shares of company stock. To date, approximately 83 percent of the current board authorization has been repurchased.

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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 free cash flow, revenues, operating margins, improvements in commercial production processes, execution of asset utilization plan, completion of share repurchase, and other trend projections. This forward-looking information is based upon a number of assumptions including assumptions regarding demand; current and future markets for the company's products and services; internal performance; product performance; customer financing; customer, supplier and subcontractor performance; customer model selections; favorable outcomes of certain pending sales campaigns; supplier contract negotiations; price escalation; government policies and actions; successful negotiation of contracts with the company's labor unions; regulatory approvals; and successful execution of acquisition and divestiture plans. 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 continued research and development, production recovery, 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; actions by regulatory agencies in regard to the proposed acquisition of Hughes' space and communications business and other new ventures; 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 and the Company's Quarterly Report on Form 10Q for the quarter ended June 30, 2000.

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