

## **Jetliner Deliveries Bring Boeing Commercial Airplanes' 2000 Total To 489; Deliveries Expected To Remain Stable**

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777 sets order record for single year

Boeing Commercial Airplanes today announced 489 commercial airplane deliveries in 2000, almost matching the 490-airplane delivery estimate made earlier in the year.

Commercial Airplanes President Alan Mulally noted operating margins improved throughout the year, even while deliveries decreased -- as expected -- from 1999's record-breaking 620 airplanes. "Our focus on improving the health of our core airplane production business has paid off rapidly," Mulally said. "And that's benefiting everyone -- our customers, employees and shareholders -- even sooner than we expected."

Boeing continues to estimate 2001 and 2002 commercial deliveries to be in the range of 530 jetliners each year.

"We are seeing a solid period of sustained strength in our delivery stream," Mulally said. "This unprecedented period of stability will allow us to improve the productivity and responsiveness of our production systems."

On the order side, Commercial Airplanes announced definitive agreements during the year for 611 airplanes, increasing the announced unfilled order backlog to 1,612. Continued economic recovery in Asia, along with strong economic performance in the U.S. and Europe, has fueled a strong market for air travel, and airlines continue to turn to Boeing airplanes to meet that demand.

"Our sales and marketing teams continue to strengthen our order book through their focus on understanding and anticipating the needs of our airline customers and their passengers," Mulally said. He noted that the demand for convenient, point-to-point service was reflected in the success of the 777 airplane family, which saw a record 117 orders for the year.

"The 777's remarkable success in 2000 clearly demonstrates the trend toward more point-to-point service that enables passengers to go where they want to go, when they want to go, safely and conveniently," Mulally said.

Highlights in 2000 also included first orders for several new airplanes: longer-range versions of the 777-200, 777-300, 767-400ER and 747-400.

Commercial Airplanes' orders for the year are valued at over \$50 billion, part of which came from its growing Commercial Aviation Services unit. Looking ahead, Commercial Airplanes expects to realize increasing revenue from this unit as it enters new markets and new business segments.

Boeing's emergence as a provider of total solutions -- developing and packaging services to meet customer requirements -- will be demonstrated early in 2001, when the first 757 Special Freighter is delivered to DHL. Boeing acquired and will modify the airplanes for DHL and also will be involved in maintenance support and fleet management.

"We're excited about how we're developing these new businesses to help our airline customers continuously improve the quality and efficiency of their services," Mulally said.

#### **Forward-Looking Information Is Subject to Risk and Uncertainty**

Certain statements in this presentation contain "forward-looking" information that involves risk and uncertainty, including projections for deliveries, orders, new business and new business opportunities, current and future markets for the Company's products and services, opportunities for total customer solutions, opportunities for efficiency and productivity gains, and other trend projections. This forward-looking information is based upon a number of assumptions including assumptions regarding economic performance, airline profitability, passenger growth, cargo growth, demand; current and future markets for the Company's products and services; internal performance; product performance; customer financing; customer, supplier and subcontractor performance; favorable outcomes of certain pending sales campaigns; supplier contract negotiations; government policies and actions; successful negotiation of contracts with the Company's labor unions; and regulatory approvals. 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 rate increases and decreases, production system initiatives, timing of product deliveries, supplier contract negotiations, asset management plans; 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 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; 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 10-Q for the quarter ended September 30, 2000.

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