

Boeing Commercial Airplanes Plans Additional Employment Reductions

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Boeing Commercial Airplanes today announced it will reduce employment by an additional 4,000 to 5,000 people by the end of 2003 due to continued weakness in the commercial airline industry. The reductions will be accomplished through layoffs and attrition.

These are in addition to the 5,000 employment reductions for this year Commercial Airplanes forecast in November 2002. Commercial Airplanes estimates that its year-end 2003 employment total will be between 55,000 and 56,000 people. This total includes approximately 800 employees who left the company with the recent divestiture of a facility in Corinth, Texas.

"This is an unprecedented and very difficult time for all of us in the commercial aviation business," said Alan Mulally, Boeing Commercial Airplanes president and CEO. "While we are optimistic about the long-term outlook for the industry, many of our airline customers continue to face significant challenges as they struggle to recover their financial health and regain the ability to order new airplanes and related services. These actions are extremely painful for all of us at Boeing. We recognize and appreciate everything that employees affected by this decision have done for our company."

The company also said today that its next round of 60-day notices will be issued tomorrow to 660 employees. The effective layoff date for those receiving 60-day notices tomorrow is Sept. 19, 2003.

Boeing will continue to provide a variety of services through career transition centers, and organizational and individual counseling to help all of its employees deal with this transition.

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