Boeing Statement on $1.1B Partial Tax Settlement

The Boeing Company has received a federal income tax refund and related interest totaling approximately $1.1 billion. The refund and interest are related to a partial settlement of tax years 1992 to 1997 with the Internal Revenue Service and further strengthen the Company's cash balances.

Based upon a preliminary analysis, the Company estimates the partial settlement will favorably impact fourth quarter 2003 net income by approximately $700 million, or $0.87 per share. The partial settlement will increase fourth quarter 2003 operating cash flow by approximately $1.1 billion.

The 2003 earnings per share and cash flow guidance issued by the Company on October 29, 2003, does not reflect this tax settlement. The Company will disclose its final determination of the period financial impact when it releases fourth quarter and full-year 2003 financial results in January 2004.