

Boeing Increases Quarterly Dividend; Resumes Share Repurchase Program

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The Boeing Company [NYSE: BA] announced today that the company's Board of Directors approved a quarterly dividend increase of more than 17.5 percent and said the company will resume its authorized share repurchase program. Additionally, the company reconfirmed that it is considering a near-term contribution of up to an additional \$1 billion to its pension plan.

The dividend increase of 3 cents per share lifts the company's quarterly dividend to 20 cents per share, from its current level of 17 cents per share. The increased dividend is payable June 11, 2004, to shareholders of record at the close of business on May 21, 2004.

The share repurchase program was authorized by the company's Board of Directors on December 11, 2000. Boeing halted the program after September 11, 2001. Of the 85 million authorized shares, 44 million remain available for repurchase.

The number of shares to be repurchased and the timing of such purchases will be based on the level of cash balances, general business conditions and other factors, including alternative investment activities.

Forward-Looking Information Is Subject to Risk and Uncertainty

Certain statements in this report may constitute "forward-looking" statements within the meaning of the Private Litigation Reform Act of 1995. Words such as "expects," "intends," "plans," "projects," "believes," "estimates," and similar expressions are used to identify these forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. Actual outcomes and results may differ materially from what is expressed or forecasted in these forward-looking statements. As a result, these statements speak only as of the date they were made and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Our actual results and future trends may differ materially depending on a variety of factors, including the continued operation, viability and growth of major airline customers and non-airline customers (such as the U.S. Government); adverse developments in the value of collateral securing customer and other financings; the occurrence of any significant collective bargaining labor dispute; our successful execution of internal performance plans, price escalation, production rate increases and decreases (including any reduction in or termination of an aircraft product), acquisition and divestiture plans, and other cost-reduction and productivity efforts; charges from any future SFAS No. 142 review; an adverse development in rating agency credit ratings or assessments; the actual outcomes of certain pending sales campaigns and U.S. and foreign government procurement activities, including the timing of procurement of tankers by the U.S. Department of Defense (DoD); the cyclical nature of some of our businesses; unanticipated financial market changes which may impact pension plan assumptions; domestic and international competition in the defense, space and commercial areas; continued integration of acquired businesses; performance issues with key suppliers, subcontractors and customers; factors that could result in significant and prolonged disruption to air travel worldwide (including future terrorist attacks); any additional impacts from the attacks of September 11, 2001; global trade policies; worldwide political stability; domestic and international economic conditions; price escalation; 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 or commercial contracts due to unilateral government or customer action or failure to perform; legal, financial and governmental risks related to international transactions; legal proceedings; tax settlements with the IRS; and other economic, political and technological risks and uncertainties. Additional information regarding these factors is contained in our SEC filings, including, without limitation, our Annual Report on Form 10-K

for the year ended December 31, 2003.

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For further information:

Dave Dohnalek

Investor Relations

(312) 544-2140

Bob Kurtz

Investor Relations

(312) 544-2140

John Dern

Communications

(312) 544-2002

Anne Eisele

Communications

(312) 544-2002
