

## **Boeing Employees to Receive Stock Awards in First Payout of ShareValue Trust**

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More than 200,000 current and former Boeing employees will receive a stock or cash award from the company's ShareValue Trust, The Boeing Company [NYSE: BA] said today.

ShareValue Trust was created as a long-term commitment to broad-based employee ownership. It was created in 1996 to give employees a direct financial stake in The Boeing Company and to align employee interests with those of the Boeing shareholders. When the value of Boeing stock in the Trust grows above a minimum threshold at the end of four years (on June 30, 2004 for period 4), eligible participants receive a distribution from the trust.

Under the trust's rules, a payout could have occurred only if the average of Boeing's high and low stock price on June 30, 2004, exceeded a threshold of approximately \$44.00. Yesterday's average was \$50.825, so each employee with full participation (all 48 months of the trust's Period 4) will receive a distribution worth approximately \$900 before taxes. The estimated total amount of the distribution is more than \$142.5 million.

"This just shows what we can do -- as individuals and as a team working together -- to increase the value of our company," Boeing President and CEO Harry Stonecipher said. "ShareValue Trust was created to focus the attention of Boeing people on executing our business plans with integrity and helping the company perform. When we do that, the people of Boeing share directly in the success they help create?as this shows."

When the trust was created in July 1996, the company invested \$1 billion in Boeing stock for 12 years. Later, after an acquisition and a merger, Boeing added \$150 million of stock for eligible Boeing North American employees and another \$550 million for eligible McDonnell Douglas employees. In 1998, the Board of Directors extended the trust to 14 years and added an investment period ending in June 2010.

Boeing stock will be distributed to U.S. employees in late July. Also, non-U.S. employees will receive a cash distribution in late July. Employees of eligible U.S. Boeing subsidiaries will receive their stock in mid-August, and employees of eligible non-U.S. Boeing subsidiaries will receive cash in late July.

Employees who worked for Boeing only a portion of the period will receive prorated awards determined by the number of months they worked. Boeing executives are not eligible.

In total, ShareValue Trust provides three more opportunities for possible distributions, with the next (fifth) investment period ending on June 30, 2006.

The Trust investments consist mainly of Boeing stock. The appreciation of the Trust investments in the company's stock above an annual 3-percent threshold are distributed to qualifying participants based on overlapping four-year investment periods. Potential distributions occur every two years.

With a heritage that mirrors the first 100 years of flight, The Boeing Company provides products and services to customers in 145 countries. Boeing has been the premier manufacturer of commercial jetliners for more than 40 years, and is a global market leader in military aircraft, satellites, missile defense, human space flight, and launch systems and services. Total company revenues for 2003 were \$50.5 billion.

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