Boeing Announces 25-Percent Dividend Increase

-- Reflects strong cash flows, balanced cash deployment strategy

The Boeing Company [NYSE: BA] announced today that the company's Board of Directors has approved an increase of 25 percent to the company's quarterly dividend. It is the second dividend increase announced in 2004 for shareholders of the world's largest aerospace company.

The increase lifts the company's quarterly dividend to 25 cents per share from its current level of 20 cents per share, and its annual dividend to $1.00 per share.

On May 3, Boeing announced a quarterly dividend increase of 17.5 percent and said that it would resume a share repurchase program. Also during 2004 the company has contributed $3.6 billion to its pension plans, funded growth initiatives such as the game-changing 7E7 Dreamliner and continued to strengthen cash balances.

"Increasing the dividend is part of our balanced cash deployment strategy and reflects strong operating performance, an improving outlook, excellent cash generation and our commitment to deliver value to shareholders," said Harry Stonecipher, President and Chief Executive Officer.

The increased dividend is payable March 4, 2005, to shareholders of record at the close of business on February 11, 2005.

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