Boeing Second-Quarter Financial Results to Reflect Charge; 2008 and 2009 EPS Guidance Unchanged

CHICAGO, July 10 /PRNewswire-FirstCall/ -- The Boeing Company (NYSE: BA) announced today that its second-quarter financial results will include a charge of approximately $0.22 per share on previously acknowledged delays on its Airborne Early Warning & Control (AEW&C) program.

Boeing continues to expect earnings per share of $5.70 to $5.85 in 2008, as company-wide performance and productivity are expected to offset the AEW&C charge by year-end. The company also continues to expect strong double-digit earnings growth in 2009 with earnings per share guidance unchanged at $6.80 to $7.00.

The pre-tax charge on the AEW&C program is estimated to be approximately $250 million and is primarily due to subsystem development issues on the electronic warfare and ground support systems as well as additional time required for integration testing. Significant progress has been made on radar development and overall mission system integration. Boeing expects to deliver the first two of Australia's six aircraft with interim capability in July 2009, four months later than previously scheduled. These two aircraft and the remaining four aircraft are expected to be delivered in 2010 with full capability. Boeing does not believe this delay will affect deliveries to any of its other AEW&C customers.

Boeing will provide second-quarter results and a more detailed update of financial guidance with its earnings release announcement on July 23.

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 Securities 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 in this press release include, among others, statements regarding future results as a result of our growth and productivity initiatives, our 2008 and 2009 financial outlook and the benefits of the IDS structure. 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 including our company-wide growth and productivity initiatives, production rate increases and decreases (including any reduction in or termination of an aircraft product), availability of raw materials, acquisition and divestiture plans, and other cost-reduction and productivity efforts; charges from any future SFAS No. 142 review; ability to meet development, production and certification schedules for the 787 program and the ability to meet scheduled deliveries of the 787 airplane; technical or quality issues in development programs (affecting schedule and cost estimates) or in the satellite industry; 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 uncertainty associated with the procurement of tankers by the U.S. Department of Defense (DoD) and funding of the C-17 program; 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; significant disruption to air travel worldwide (including future terrorist attacks); global trade policies; worldwide political stability; domestic and international economic conditions; price escalation; the outcome of political and legal processes, 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 and investigatory proceedings; tax settlements with the IRS and various states; U.S. Air Force review of previously awarded contracts; costs associated with the exit of the Connexion by Boeing business; 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, 2007 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2008.

SOURCE: The Boeing Company

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