Boeing Reports Second-Quarter Financial Results

- -- Second-quarter revenue rose 1 percent to \$17.2 billion
- -- Earnings per share of \$1.41 rose 22 percent
- -- Operating cash flow increased to \$1.0 billion
- -- Backlog at \$328 billion nearly five times current annual revenues
- -- 787 side-of-body technical solution identified; schedule assessment ongoing

PRNewswire CHICAGO (NYSE:BA)

CHICAGO, July 22 <u>PRNewswire-FirstCall</u>/ --The Boeing Company's (NYSE: BA) second-quarter earnings per share increased 22 percent to \$1.41 per share, as revenues rose 1 percent to \$17.2 billion, driven by growth in defense programs and strong performance in defense and commercial airplanes (Table 1). Year-ago results included a \$0.22 per share charge on the Airborne Early Warning & Control (AEW&C) program.

Table 1. Summary Financial Results

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Second Quarter
                            First Half
(Millions, except -----
                            -----
per share data) 2009 2008 Change 2009 2008 Change
            $17,154 $16,962 1% $33,656 $32,952
                                                  2%
Revenues
Earnings From
Operations $1,529 $1,247 23% $2,554 $3,046 (16%)
Operating Margin 8.9% 7.4% 1.5Pts 7.6% 9.2% (1.6)Pts
Reported Net Income $998 $852 17% $1,608 $2,063
Reported Earnings
per Share
            $1.41 $1.16 22% $2.27 $2.79 (19%)
Operating Cash Flow $1,001 ($251) NA $1,194 $1,682
                                                  (29\%)
```

Revenues for the first six months of 2009 rose 2 percent to \$33.7 billion. Earnings for the first half declined to \$2.27 per share, including a \$0.38 first-quarter impact from reductions to future twin-aisle production rates and delivery price escalation forecasts.

Earnings guidance for 2009 remains unchanged between \$4.70 and \$5.00 per share. The 787 program is currently assessing schedule and financial implications from the previously announced requirement to reinforce an area within the side-of-body joint. The company expects to issue a new 787 schedule during the third quarter, at which time earnings guidance will be reevaluated.

"Our continued focus on productivity improvements and disciplined cash management drove solid overall results for the quarter," said Boeing Chairman, President and Chief Executive Officer Jim McNerney. "While market and development program execution challenges remain with us, we are doing what's necessary to emerge from the current economic environment as a stronger company that's better positioned to grow and improve its financial performance over time."

Boeing's quarterly operating cash flow was \$1.0 billion, which includes continued investment in development programs and lower advances from commercial airplane orders (Table 2). For the first half of 2009, operating cash flow was \$1.2 billion. Free cash flow* was \$0.7 billion in the quarter and \$0.5 billion in the first half.

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Table 2. Cash Flow
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Second Quarter First Half
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(Millions) 2009 2008 2009 2008
------
Operating Cash Flow (1) $1,001 ($251) $1,194 $1,682
Less Additions to Property, Plant &
Equipment ($294) ($398) ($736) ($807)
```

(1) Operating cash flow for the first half of 2008 includes a \$517 million contribution to pension plans.

Total company backlog at quarter-end was \$328 billion, down 3 percent in the quarter, as the value of deliveries exceeded net orders during the period.

Cash and investments in marketable securities totaled \$5.0 billion at quarter-end, up 6 percent from the end of the first quarter (Table 3). Debt declined modestly due to maturities of Boeing Capital Corporation debt. The company did not acquire any of its shares in the second quarter.

Table 3. Cash, Marketable Securities and Debt Balances

	Quarter-End				
(Billions)	2Q09 1Q09				
Cash	\$4.6 \$4.2				
Marketable Securities (1) \$0.4 \$0.5				
Total	\$5.0 \$4.7				
Debt Balances:	A5 7 A5 7				
The Boeing Company	\$5.7 \$5.7				
Boeing Capital Corpora	tion \$3.4 \$3.6				
Total Consolidated De	ebt \$9.1 \$9.3				

⁽¹⁾ Marketable securities consists primarily of investment-grade instruments classified as "short-term investments" and "investments."

Segment Results

Commercial Airplanes

Boeing Commercial Airplanes (BCA) second-quarter revenues decreased 2 percent to \$8.4 billion on slightly lower airplane deliveries and lower volume in services. Operating earnings increased 5 percent and margins rose to 9.7 percent due to lower research and development expense partially offset by the lower services volume (Table 4).

For the first half of 2009, revenues rose to \$17.0 billion on increased airplane deliveries, partially offset by lower volume in services. Operating earnings fell by 30 percent to \$1.2 billion while margins contracted to 7.3 percent, driven by the first-quarter charge on the 747 program related to pending reduction in twin-aisle production rates and unfavorable delivery price escalation forecasts.

Table 4. Commercial Airplanes Operating Results

(Millions, except deliveries & mar		Second Quarter		First	First Half		
percent)	2009 	2008	Change	2009	2008	Chang	е
Commercial Airp Deliveries	lanes 125	126	(1%)	246	241	2%	
Revenues Earnings from	\$8,43		`	, , ,	85 \$16,		2%
Operations Operating Margin	\$817 ne 0	,	' 5%).1% 0.6F	, ,	\$1,760 3% 10.) (30%).5% (3.2°	,
						J.J /6 (J.Z	,, 13

^{*} Non-GAAP measure. A complete definition and reconciliation of Boeing's use of non-GAAP measures, identified by an asterisk (*), is found on page 8, "Non-GAAP Measure Disclosure."

BCA booked 57 gross orders during the quarter while 52 others were removed from its order book. Contractual backlog was \$257 billion, more than seven times BCA's expected 2009 revenues.

The 787 program has identified a technical solution to the previously announced requirement to reinforce an area within the side-of-body joint, and is currently evaluating alternative ways to implement that solution. The company expects to complete its assessment of the schedule and financial implications during the third quarter. Recent milestones include completion of gauntlet and low-speed taxi tests on the first flight test aircraft. The company also recently announced its agreement to acquire Vought's South Carolina facility which supports the 787 program. Included in gross inventory for the company is approximately \$7.9 billion of 787 work-in-process inventory, cash advances made to suppliers and tooling costs. The program had new orders for 13 airplanes during the quarter and cancelled orders for 41 others. Total firm orders are now 850 airplanes from 56 customers.

Integrated Defense Systems

Boeing Integrated Defense Systems (IDS) second-quarter revenues rose 9 percent to \$8.7 billion. Operating margins of 10.1 percent reflect strong performance across all defense segments (Table 5).

For the first half of 2009, IDS revenues increased by 6 percent to \$16.4 billion and earnings increased 6 percent, bringing operating margins to 9.7 percent.

Table 5. Integrated Defense Systems Operating Results

Second Quarter First Half (Millions, except
Revenues Boeing Military Aircraft \$3,363 \$3,265 3% \$6,373 \$6,467 (1%) Network & Space Systems \$3,103 \$2,804 11% \$5,781 \$5,498 5%
Global Services & Support \$2,184 \$1,865 17% \$4,216 \$3,544 19%
Total IDS Revenues \$8,650 \$7,934 9% \$16,370 \$15,509 6% Earnings from Operations Boeing Military
Aircraft \$392 \$157 150% \$674 \$541 25% Network & Space Systems \$239 \$237 1% \$446 \$504 (12%) Global Services & Support \$245 \$243 1% \$465 \$452 3%
Total IDS Earnings from Operations \$876 \$637 38% \$1,585 \$1,497 6%
Operating Margins 10.1% 8.0% 2.1Pts 9.7% 9.7% - Pts

Boeing Military Aircraft second-quarter revenue rose 3 percent to \$3.4 billion and operating margin was 11.7 percent, reflecting higher rotorcraft volume and strong execution across its programs. The year-ago quarter included a charge on the AEW&C program. During the quarter the P-8A had its first flight, the KC-767 tanker achieved initial operational capability in Japan, and the Apache Block III manned aircraft demonstrated control of an unmanned aircraft system. On June 24, the Fiscal Year 2009 Supplemental Defense Spending bill was signed, authorizing funding for an additional eight C-17s for the U.S. Air Force.

Network & Space Systems second-quarter revenues increased 11 percent primarily driven by growth in the Space and Intelligence Systems business. Operating margin was 7.7 percent reflecting strong performance across the segment's array of programs, partially offset by a previously announced \$35 million charge related to the Sea Launch bankruptcy filing. During the quarter, key flight milestones were achieved on Directed Energy programs as the Airborne Laser tracking system engaged an accelerating target and the Advanced Tactical Laser fired a high power laser successfully hitting a ground target. Also, the Joint Tactical Radio Station Ground Mobile Radio network demonstrated its scalability in a fielded environment.

Global Services & Support (GS&S) revenues increased 17 percent on higher volume across its broad portfolio of services and logistics products. During the quarter, GS&S continued to generate double-digit operating margins of 11.2 percent. In this segment, the company was awarded contracts for unmanned Intelligence Surveillance Reconnaissance services, an armored-vehicle recovery system, and B-52 sustainment, modernization and upgrades.

IDS' backlog is \$70.0 billion, more than two times expected 2009 revenues. New orders during the guarter included Chinooks

for an international customer, A-10 sustainment and modernization, and multiple support and proprietary contracts.

Boeing Capital Corporation

Boeing Capital Corporation (BCC) reported second-quarter pre-tax earnings of \$36 million compared to \$45 million in the same period last year due to higher reserves and impairments (Table 6). During the quarter, BCC's portfolio balance rose to \$6.3 billion (up from \$6.0 billion at the end of the first quarter) on \$429 million in new aircraft financings and other volume, partially offset by normal portfolio run-off through customer payments and depreciation. BCC contributed \$10 million in cash dividends to the company during the quarter. BCC's debt-to-equity ratio was unchanged at 5.0-to-1.

Table 6. Boeing Capital Corporation Operating Results

	Second Quarter	First Half	
(Millions)	2009 2008	 Change 2009 200 	08 Change
Revenues	\$167 \$179	9 (7%) \$330 \$30	64 (9%)
Earnings from (Operations \$36	\$45 (20%) \$73	\$106 (31%)

Additional Information

The "Other" segment consists primarily of Boeing Engineering, Operations and Technology, as well as certain results related to the consolidation of all business units. Other segment expense was \$46 million in the second quarter, reduced from \$135 million of expense in the same period last year which included \$82 million for increased aircraft financing reserves that were recorded at the consolidated level.

Unallocated expense was \$154 million, up from \$77 million in the same quarter last year driven by higher deferred compensation and share-based plans expenses, partially offset by lower unallocated pension expense.

Total pension expense for the quarter was \$207 million, as compared to \$216 million in the same period last year. A total of \$229 million was recognized in the operating segments in the quarter (up from \$140 million in the same period last year), partially offset by a \$22 million contribution to earnings in unallocated items.

Outlook

The 2009 financial guidance continues to reflect a challenging market environment as well as company plans to reduce discretionary spending and restructure various internal organizations to improve productivity. The company will reevaluate financial guidance upon completion of the 787 schedule assessment, and expects to issue 2010 financial guidance later in the year.

Boeing's 2009 revenue guidance is reaffirmed at \$68 billion to \$69 billion (Table 7). Earnings-per-share guidance for 2009 remains at \$4.70 to \$5.00 per share. Operating cash flow is still expected to be greater than \$2.5 billion, including discretionary pension contributions of approximately \$0.5 billion and an assumption of \$1 billion for new commercial airplane financings.

Commercial Airplanes' 2009 delivery guidance remains at between 480 and 485 airplanes and is sold out. BCA's 2009 revenue is unchanged at between \$34 billion and \$35 billion, and operating margin remains at between 8 percent and 8.5 percent.

IDS guidance for 2009 remains unchanged with revenue between \$33 billion and \$34 billion and operating margins of approximately 10 percent.

Boeing Capital Corporation continues to expect that the aircraft finance portfolio will increase modestly as the amount of new aircraft financing in 2009 will exceed normal portfolio runoff due to customer payments and depreciation.

Boeing's 2009 R&D forecast is between \$3.6 billion and \$3.8 billion. 2009 capital expenditures are expected to be approximately \$1.4 billion. The company's non-cash pension expense is expected to be approximately \$0.9 billion in 2009.

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Table 7. Financial Outlook (1)
(Billions, except per share data) 2009

The Boeing Company
Revenues $68 - $69
Earnings Per Share (GAAP) $4.70 - $5.00
Operating Cash Flow (2) > $2.5

Boeing Commercial Airplanes
Deliveries 480 - 485
Revenues $34 - $35
```

Operating Margin 8% - 8.5%

Integrated Defense Systems

Revenues

Boeing Military Aircraft ~ \$14.0 Network & Space Systems ~ \$11.5 Global Services & Support ~ \$8.0

Total IDS Revenues \$33 - \$34

Operating Margin

Boeing Military Aircraft ~ 10% Network & Space Systems ~ 9% Global Services & Support ~ 11.5%

Total IDS Operating Margin ~ 10%

Boeing Capital Corporation

Portfolio Size Modest increase Revenue ~ \$0.6
Return on Assets > 1.0%

Research & Development \$3.6 - \$3.8 Capital Expenditures ~ \$1.4

- (1) The company will re-evaluate financial guidance upon completion of the 787 schedule assessment.
- (2) After pension contributions of \$0.5 billion and assumed
- \$1 billion for new aircraft financings in 2009.

Non-GAAP Measure Disclosure

Management believes that the non-GAAP (Generally Accepted Accounting Principles) measures (indicated by an asterisk *) used in this report provide investors with important perspectives into the company's ongoing business performance. The company does not intend for the information to be considered in isolation or as a substitute for the related GAAP measures. Other companies may define the measures differently. The following definitions are provided:

Free Cash Flow

Free cash flow is defined as GAAP operating cash flow less capital expenditures for property, plant and equipment additions. Management believes free cash flow provides investors with an important perspective on the cash available for shareholders, debt repayment, and acquisitions after making the capital investments required to support ongoing business operations and long term value creation. Free cash flow does not represent the residual cash flow available for discretionary expenditures as it excludes certain mandatory expenditures such as repayment of maturing debt. Management uses free cash flow internally to assess both business performance and overall liquidity. Table 2 provides a reconciliation between GAAP operating cash flow and free cash flow.

Forward-Looking Information Is Subject to Risk and Uncertainty

Certain statements in this report may be "forward-looking" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "expects," "intends," "plans," "projects," "believes," "estimates," "targets," "anticipates," and similar expressions are used to identify these forward-looking statements. Forward-looking statements are based upon assumptions about future events that may not prove to be accurate. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from what is expressed or forecasted in these forward-looking statements. As a result, these statements speak to events only as of the date they are 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, except as required by federal securities laws. Specific factors that could cause actual results to differ materially from forward-looking statements include, but are not limited to, those set forth below and other important factors disclosed previously and from time to time in our other filings with the Securities and Exchange Commission: the effect of economic conditions in the United States and globally; the impact on our accounts receivable, customer financing portfolios and allowance for losses of customer defaults and changes in customer credit ratings, credit default rates and collateral values; the impact on our revenues and operating results of changes to indices included in indexed price escalation clauses included in our contracts with commercial airplane and defense customers; the successful execution of our Commercial Airplanes and Integrated Defense Systems backlog; the effects of customers canceling, modifying and/or rescheduling contractual orders; the timing and effects of any decisions to increase or decrease the rate of commercial airplane production; the timing and effects of decisions to complete or launch a Commercial Airplanes program; the ability to successfully develop and timely produce the 787 and 747-8 aircraft; the ability of our suppliers and, as applicable, subcontractors to successfully and timely perform their obligations; the effect on our revenues of political and legal processes; changing defense priorities; and

associated budget reductions by U.S. and international government customers affecting Boeing defense programs; our relationship with our union-represented workforce and the negotiation of collective bargaining agreements; the continuation of long-term trends in passenger and cargo traffic and revenue yields in the airline industry; the impact of volatile fuel prices and the airline industry's response; the effect of declines in aircraft valuations; the impact on our revenues or operating results of airline bankruptcies; the availability of commercial and government financing and the extent to which we are called upon to fund outstanding financing commitments or satisfy other financing requests, and our ability to satisfy those requirements; the continuation of historical costs for fleet support services; the receipt of estimated award and incentive fees on U.S. government contracts: the future demand for commercial satellites and projections of future order flow; the potential for technical or quality issues on development programs, including the Airborne Early Warning and Control program. International KC-767 Tanker. other fixed-price development programs, or commercial satellite programs, to affect schedule and cost estimates, or cause us to incur a material charge or experience a termination for default; the outcome of any litigation and/or government investigation in which we are a party, and other contingencies; returns on pension fund assets, impacts of future interest rate changes on pension obligations and rising healthcare costs; our ability to access external capital resources to fund our operations; the amounts and effects of underinsured operations, including satellite launches; our ability to recover the proportionate amounts owed to us from the other Sea Launch partners; and the scope, nature or impact of acquisition or disposition activity and investment in any joint ventures/strategic alliances, including Sea Launch and United Launch Alliance, and indemnifications and guarantees related thereto.

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Second-quarter financial presentation: http://www.boeing.com/companyoffices/financial/2009q2/2009q2.pdf

The Boeing Company and Subsidiaries Consolidated Statements of Operations (Unaudited)

Six months ended Three months ended (Dollars in millions except per June 30 June 30 share data) 2009 2008 2009 2008
Sales of products \$28,131 \$27,986 \$14,296 \$14,298 Sales of services 5,525 4,966 2,858 2,664
Total revenues 33,656 32,952 17,154 16,962
Cost of products (23,159) (22,425) (11,580) (11,637) Cost of services (4,303) (4,003) (2,184) (2,248) Boeing Capital Corporation interest expense (90) (119) (43) (57)
Total costs and expenses (27,552) (26,547) (13,807) (13,942)
6,104 6,405 3,347 3,020 Income from operating investments, net 102 123 70 65 General and administrative expense (1,716) (1,610) (925) (835) Research and development expense, net (1,930) (1,874) (960) (1,005) (Loss)/gain on dispositions, net (6) 2 (3) 2
Earnings from operations 2,554 3,046 1,529 1,247 Other income, net 11 202 47 102 Interest and debt expense (137) (96) (80) (50)
Earnings before income taxes 2,428 3,152 1,496 1,299 Income tax expense (816) (1,095) (499) (448)
Net earnings from continuing operations 1,612 2,057 997 851 Net (loss)/gain on disposal of

discontinued operations, net of taxes of (\$3), \$4, \$0, and \$1 (4) 6 1 1
Net earnings \$1,608 \$2,063 \$998 \$852
Basic earnings per share from continuing operations \$2.29 \$2.82 \$1.42 \$1.18 Net (loss)/gain on disposal of discontinued operations, net of taxes (0.01) 0.01
Basic earnings per share \$2.28 \$2.83 \$1.42 \$1.18
Diluted earnings per share from continuing operations \$2.28 \$2.78 \$1.41 \$1.16 Net (loss)/gain on disposal of discontinued operations, net of taxes (0.01) 0.01
Diluted earnings per share \$2.27 \$2.79 \$1.41 \$1.16
Cash dividends paid per share \$0.84 \$0.80 \$0.42 \$0.40
Weighted average diluted shares (millions) 707.8 740.0 707.4 732.8

The Boeing Company and Subsidiaries Consolidated Statements of Financial Position (Unaudited)

June 3 (Dollars in millions except per share da	•
Assets Cash and cash equivalents Short-term investments Accounts receivable, net Current portion of customer financing, in Deferred income taxes Inventories, net of advances and progress billings	\$4,599 \$3,268 171 11 6,588 5,602 net 463 425 1,099 1,046
Total current assets Customer financing, net Property, plant and equipment, net of a depreciation of \$12,534 and \$12,280 Goodwill 3, Other acquired intangibles, net Deferred income taxes Investments Pension plan assets, net Other assets, net of accumulated amor of \$474 and \$400	30,120 25,964 5,969 5,857 ccumulated 8,808 8,762 688 3,647 2,727 2,685 3,858 4,114 1,188 1,328 21 16 tization 1,333 1,406
\$57,71	2 \$53,779
Liabilities and Shareholders' Equity Accounts payable Other accrued liabilities Advances and billings in excess of rela Income taxes payable Short-term debt and current portion of long-term debt	\$6,664 \$5,871 11,821 11,564 ted costs 11,717 12,737 654 41 416 560
Total current liabilities Accrued retiree health care Accrued pension plan liability, net Non-current income taxes payable Other long-term liabilities Long-term debt	31,272 30,773 7,336 7,322

```
Common shares, par value $5.00 - 1,200,000,000
  shares authorized; 1,012,261,159 and
  1,012,261,159 shares issued
                                           5,061
                                                     5,061
  Additional paid-in capital
                                       3,561
                                                 3,456
  Treasury shares, at cost - 285,882,820
  and 285,661,944
                                      (17,741)
                                                 (17,758)
  Retained earnings
                                      23,668
                                                 22,675
  Accumulated other comprehensive loss
                                              (13,120) (13,525)
  ShareValue Trust shares - 29,089,996
                                     (1,249)
                                               (1,203)
  and 28,460,769
  Total Boeing shareholders' equity
                                             180
                                                    (1,294)
Noncontrolling interest
                                        154
                                                  152
    Total shareholders' equity
                                          334
                                                 (1,142)
                              $57,712
                                          $53,779
        The Boeing Company and Subsidiaries
        Consolidated Statements of Cash Flows
                (Unaudited)
                             Six months ended
                                June 30
(Dollars in millions)
                                    2009 2008
Cash flows - operating activities:
  Net earnings
                                   $1,608 $2,063
  Adjustments to reconcile net earnings to net
  cash provided by operating activities:
   Non-cash items
      Share-based plans expense
                                           121
                                                   98
      Depreciation
                                    666
                                           643
      Amortization of other acquired
       intangibles
                                    99
                                          81
      Amortization of debt discount/
                                                  4
       premium and issuance costs
      Investment/asset impairment
                                     50
       charges, net
      Customer financing valuation
       provision
                                   12
                                         80
      Loss/(gain) on disposal of
                                              (10)
                                          7
       discontinued operations
      Loss/(gain) on dispositions, net
                                                (2)
      Other charges and credits, net
                                           78
                                                 78
      Excess tax benefits from share-based
       payment arrangements
                                          (5) (45)
    Changes in assets and liabilities -
      Accounts receivable
                                      (1,215) (129)
      Inventories, net of advances and
                                   (1,593) (649)
       progress billings
      Accounts payable
                                       804 1,022
      Other accrued liabilities
                                       262 (406)
      Advances and billings in excess of
       related costs
                                  (1,030) (1,166)
      Income taxes receivable, payable
                                    921 275
       and deferred
      Other long-term liabilities
                                       (20) (149)
      Pension and other
       postretirement plans
                                       586 (281)
      Customer financing, net
                                        (262) 278
                                  95
                                      (103)
      Other
         Net cash provided by operating
                                1,194 1,682
          activities
Cash flows - investing activities:
  Property, plant and equipment additions
                                              (736) (807)
  Property, plant and equipment reductions
                                                23
                                           (47) (94)
  Acquisitions, net of cash acquired
  Contributions to investments
                                          (372) (5,606)
```

Proceeds from investments

286 6,238

Shareholders' equity:

Purchase of distribution	
Net cash used b activities	y investing (846) (401)
Cash flows - financing active New borrowings Debt repayments Stock options exercised Excess tax benefits from payment arrangements Employee taxes on certapayment arrangements Common shares repurch Dividends paid	vities: 1,843 5 (218) (154) , other 7 41 n share-based 5 45 ain share-based (17)
Net cash provide financing activiti	ed/(used) by
Effect of exchange rate ch cash equivalents	anges on cash and 23 29
Net increase/(decrease) in cash equivalents Cash and cash equivalents	cash and 1,331 (1,423) s at beginning of year 3,268 7,042
Cash and cash equivalents	s at end of period \$4,599 \$5,619
(Únaud Six (Dollars in millions)	months ended Three months ended June 30 June 30 2009 2008 2009 2008
Integrated Defense System Boeing Military Aircraft Network and Space Systems	\$16,985 \$16,728 \$8,431 \$8,567 ems: 6,373 6,467 3,363 3,265 rstems 5,781 5,498 3,103 2,804 upport 4,216 3,544 2,184 1,865
Total Integrated Defense Systems Boeing Capital Corporati Other Unallocated items and eliminations	16,370 15,509 8,650 7,934
Total revenues	\$33,656 \$32,952 \$17,154 \$16,962 ======= =============================
Earnings from operations: Commercial Airplanes Integrated Defense Syst Boeing Military Aircraft Network and Space Sy Global Services and Si	674 541 392 157
Total Integrated Defense Systems Boeing Capital Corporati Other Unallocated items and eliminations	1,585 1,497 876 637 100 73 106 36 45 109 (185) (46) (135) (269) (132) (154) (77)
Earnings from operations Other income, net Interest and debt expens	

Earnings before income taxes 2,428 3,152 1,496 1,299

income tax expense	(816) (1,095) (499) (448)
Net earnings from con	1,612 2,057 997 851 posal of
taxes of (\$3), \$4, \$0,	
	\$1,608 \$2,063 \$998 \$852 ====== ===== ====
Integrated Defense Sy Boeing Military Aircra Network and Space Global Services and	\$1,370 \$1,403 \$659 \$770 vstems: aft 287 240 157 115 Systems 185 154 99 78 Support 84 75 50 41
Total Integrated Defen Systems Other	
Total research and de expense	\$1,930 \$1,874 \$960 \$1,005
Inallocated items and e Share-based plans ex	
Deferred compensatio Pension Post-retirement Capitalized interest Other	45 (143) 22 (76) (44) (40) (21) (20) (27) (27) (12) (14) (81) 42 (15) 28

The Boeing Company and Subsidiaries Operating and Financial Data (Unaudited)

				ended
	2009	2008	2009	2008
n	190	187	99	100
6	9	2	5	
6	6	3	3	
44	39	21	18	
246	241	125	126	
=	== =	== =	=== =	===
	Jur n 6 6 44	June 30	June 30 Ju	n 190 187 99 6 9 2 5 6 6 3 3 44 39 21 18

Integrated Defense Systems

Boeing Military Aircraft				
F/A-18 Models	23	21	13	11
F-15E Eagle	6	4	2	
C-17 Globemaster	7	8	4	5
KC-767 Tanker	1	2		
CH-47 Chinook	1	4	1	2
T-45TS Goshawk	4	3	2	2
AH-64 Apache	13	1	8	1

Network and Space Systems
Delta IV - Commercial/International 1 Commercial and Civil Satellites 2 1 2 Military Satellites 1

Contractual backlog (Dollars in billions) 2009 2009 2008 Commercial Airplanes \$257.4 \$266.0 \$278.6 Integrated Defense Systems: ns: 28.2 28.2 25.7 Boeing Military Aircraft 8.0 8.9 8.9 Network and Space Systems Global Services and Support 11.7 11.6 Total Integrated Defense Systems 47.9 48.7 45.3 Total contractual backlog \$305.3 \$314.7 \$323.9 Unobligated backlog \$22.5 \$24.7 \$28.2 ====== ====== Total backlog \$327.8 \$339.4 \$352.1 ===== ===== Total backlog
=======
Workforce _____ 158,700 160,900 162,200

SOURCE The Boeing Company

SOURCE: The Boeing Company

Web site: http://www.boeing.com/