Boeing Production Rate Increases Accelerated to Meet Customer Demand

SEATTLE, March 19 /PRNewswire-FirstCall/ -- Boeing (NYSE: BA) today announced that it will accelerate planned rate increases on both the 777 and 747 programs. The accelerated rate increases will support increasing customer demand in the recovering airplane market.

"Our customers recognize the great capability and value of the 777 and 747-8," said Boeing Commercial Airplanes President and CEO Jim Albaugh. "Market improvement and our conservatively managed approach to production have put us in a position where we see it necessary to raise aircraft output. Increasing our rate is the right thing to do to support our customers."

The company will accelerate the 777 program's rate increase to seven airplanes per month (from five per month) by approximately six months, from early 2012 to mid-2011. The 747 program's planned production rate increase to two airplanes per month (from 1.5 per month) will move from mid-2013 to mid-2012. Suppliers for both the 777 and 747 will be prepared to support the accelerated rate increases.

"We see 2010 as the year of overall economic recovery within the industry and 2011 a year where airlines return to profitability," said Randy Tinseth, vice president of Marketing for Boeing Commercial Airplanes. "As a result, we anticipate an increase in demand for airplanes in 2012 and beyond."

The current production rate decisions are not expected to have a material impact on 2010 financial results. The company will provide a complete guidance update when it releases first-quarter financial results.

Forward-Looking Information is Subject to Risk and Uncertainty

This document contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "may," "will," "should," "expects," "intends," "projects," "believes," "estimates," "targets," "anticipates," and similar expressions are used to identify these forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements we make regarding our guidance relating to 2010 and 2011 financial and operating performance, as well as any other statement that does not directly relate to any historical or current fact. Forward-looking statements are based on our current expectations and assumptions, which may not prove to be accurate. These statements are not guarantees and are subject to risks, uncertainties, and changes in circumstances that are difficult to predict. Many factors could cause actual results to differ materially and adversely from these forward-looking statements. Among these factors are: (1) general conditions in the economy and our industry, including those due to regulatory changes; (2) risks attributable to our reliance on our commercial customers, our suppliers and the worldwide market; (3) risks related to our dependence on U.S. government contracts; (4) our reliance on fixed-price contracts, which could subject us to losses in the event of cost overruns; (5) risks related to cost-type contracts; (6) uncertainties concerning contracts that include in-orbit incentive payments; (7) changes in accounting estimates; (8) significant changes in discount rates and actual investment return on pension assets; (9) work stoppages or other labor disruptions; (10) changes in the competitive landscape in the markets in which we operate; (11) risks related to our doing business in other countries, including sales to non-U.S. customers; (12) potential adverse developments in new or pending litigation and/or government investigations; (13) changes in the financial condition or regulatory landscape of the commercial airline industry as they relate to Boeing Capital Corporation; (14) changes in our ability to obtain debt on commercially reasonable terms and at competitive rates in order to fund our operations and contractual commitments; (15) risks related to realizing the anticipated benefits of merger, acquisitions, joint ventures/strategic alliance or divestitures; (16) adequacy of our insurance coverage to cover significant risk exposures; and (17) potential business disruptions related to physical security threats, IT attacks or natural disasters.

Additional information concerning these and other factors can be found in our filings with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Any forward-looking statement speaks only as of the date on which it is made, and we assume no obligation to publicly update any forward-looking statement, except as required by law.

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