



Third-Quarter 2014 Performance Review

Jim McNerney

Chairman and Chief Executive Officer

Greg Smith

Executive Vice President and Chief Financial Officer

October 22, 2014

Third-Quarter Summary

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- Results reflect continued strong operating performance
- Increased 2014 core EPS* guidance by \$0.20 to between \$8.10 and \$8.30
- Increased 2014 Operating Cash Flow before pension contributions* guidance to >\$7B
- Continued focus on cost reductions and productivity improvements
- Strong commercial airplane orders; key defense awards
- Proven product strategy; large diversified backlog at a record \$490 billion

* Non-GAAP measures. Definitions, reconciliations, and further disclosures regarding non-GAAP measures are provided in the company's earnings press release dated October 22, 2014.

Strong results... raising 2014 EPS & Cash Flow guidance

Business Environment

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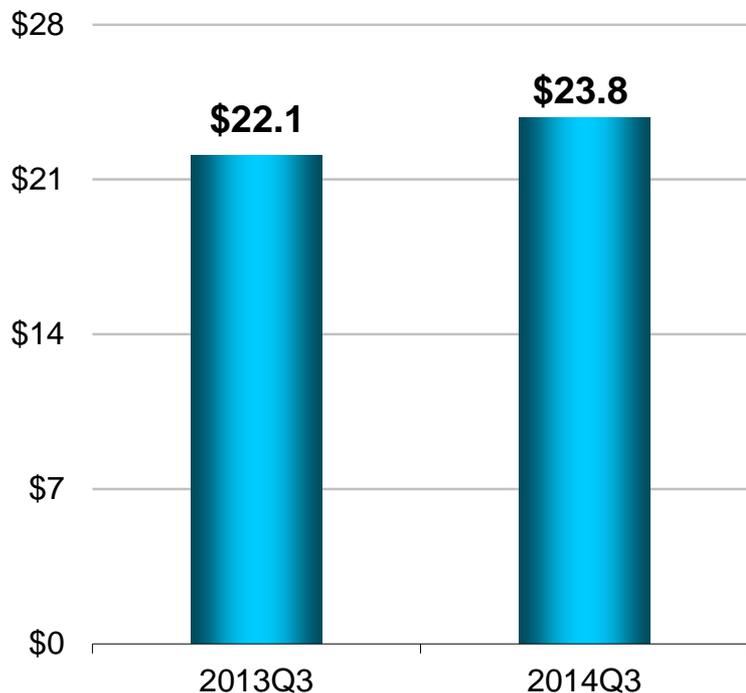
- Global economic growth continues at a moderate pace
- Strong passenger traffic; cargo traffic gradually improving
- Commercial aviation remains long-term growth industry
- International defense growth opportunities; defense budget pressures in U.S. and other developed markets
- Defense markets will trend with threat environment

Commercial up-cycle progressing; dynamic defense environment

Third-Quarter Revenue and Earnings

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Revenue (Billions)



Core Earnings per Share *



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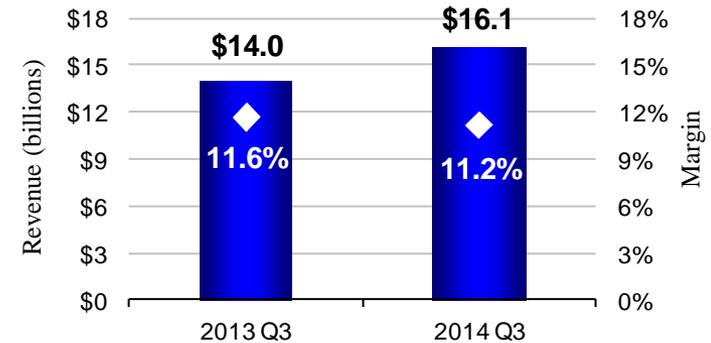
Strong operating performance on production and services programs

Commercial Airplanes

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- **Continued strong operating performance**
 - Record revenue and earnings
- **Delivered 186 airplanes in Q3**
- **Orders valued at \$69B; record backlog of \$430B**
 - Won 501 net orders in Q3; 1,011 orders year-to-date
 - Captured nearly 2,300 737 MAX firm orders since launch
- **Launched 737 MAX 200 with Ryanair**
- **Announced 737 rate increase to 52 per month in 2018**
- **Delivered the first 787-9 with GE powered engines**

Revenues & Operating Margins



Launched 737 MAX 200

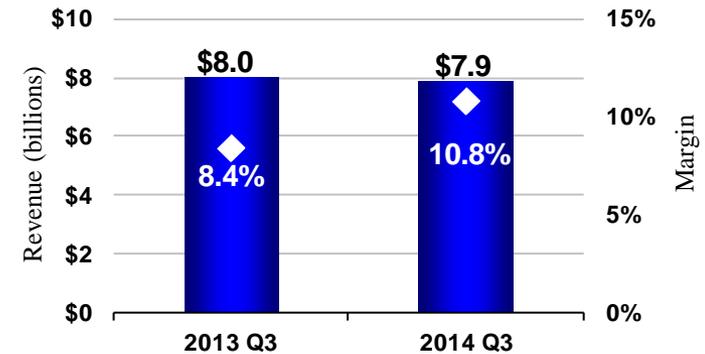
Focusing on execution, quality and productivity

Defense, Space & Security

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- **Continued strong operating performance**
- **Capturing new and follow-on business**
 - Awarded contract for NASA's Commercial Crew program
 - First order for 502 Phoenix small satellite
- **Executing balanced defense and space portfolio**
 - Delivered 47 aircraft; 1 satellite
 - Delivered 1st U.S. Army multiyear II configured Chinook
 - Delivered 1st upgraded French AWACS aircraft
- **Orders valued at \$4B; Backlog of \$60B**

Revenues & Operating Margins



Boeing CST-100
(Commercial Crew)

Focused on execution and productivity... capturing opportunities

Other Results

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- **Boeing Capital Corporation**

- Supporting business units while prudently managing portfolio and risk
- Net financing portfolio increased slightly to \$3.5 billion as new volume was partially offset by normal portfolio run-off

- **Earnings from Unallocated items, eliminations and other**

- Unallocated earnings were relatively unchanged during the quarter

Supporting businesses and managing risks

Cash Flow

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\$ Billions	3Q13	3Q14
Net Earnings	1.2	1.4
Depreciation/non-cash	0.5	0.7
Working Capital ¹	2.6	(0.4)
Operating Cash Flow Before Pension Contributions*	<u>4.3</u>	<u>1.7</u>
Pension Contributions	(1.5)	(0.8)
Operating Cash Flow	<u>2.8</u>	<u>0.9</u>
Free Cash Flow*	2.3	0.3

- Increased production rates
- Strong operating performance
- Timing of receipts and expenditures
- Inventory build on the 787-9
- Disciplined cash management
- Repurchased 8 million shares for \$1.0 billion and paid \$0.5 billion in dividends

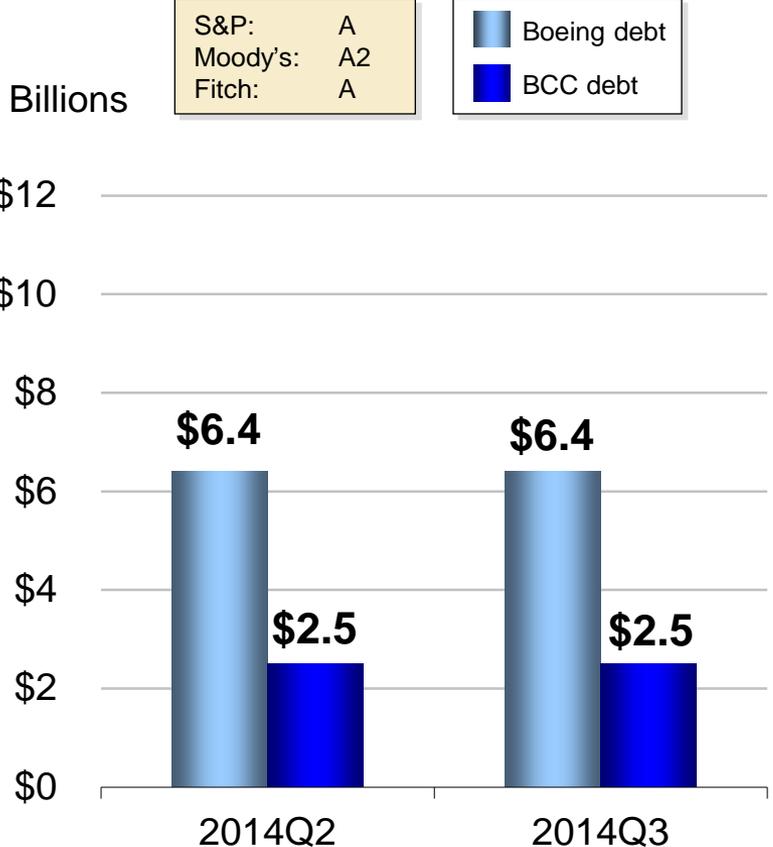
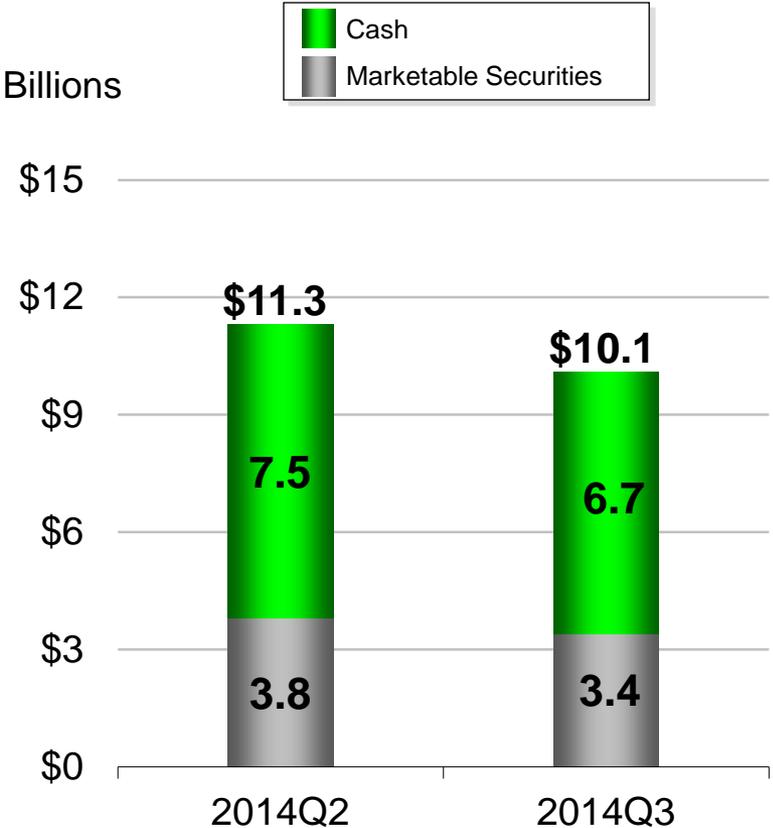
¹ Excluding pension contributions

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Solid cash flow... continued capital deployment to shareholders

Cash and Debt Balances

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Strong liquidity with manageable debt levels

Financial Guidance

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2014

Revenue

\$87.5 - 90.5B

Core EPS*

\$8.10 - 8.30

~~\$7.90 - 8.10~~

Operating Cash Flow Before
Pension Contributions*

>\$7.0B

~~~ \$7.0B~~

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***Raising core EPS and Op Cash guidance***

# Caution Concerning Forward-Looking Statements

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This document contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “may,” “should,” “expects,” “intends,” “projects,” “plans,” “believes,” “estimates,” “targets,” “anticipates,” and similar expressions are used to identify these forward-looking statements. Examples of forward-looking statements include statements relating to our future financial condition and operating results, 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 risks related to: (1) general conditions in the economy and our industry, including those due to regulatory changes; (2) our reliance on our commercial airline customers; (3) the overall health of our aircraft production system, planned production rate increases across multiple commercial airline programs, our commercial development and derivative aircraft programs, and our aircraft being subject to stringent performance and reliability standards; (4) changing budget and appropriation levels and acquisition priorities of the U.S. government; (5) our dependence on U.S. government contracts; (6) our reliance on fixed-price contracts; (7) our reliance on cost-type contracts; (8) uncertainties concerning contracts that include in-orbit incentive payments; (9) our dependence on our subcontractors and suppliers, as well as the availability of raw materials, (10) changes in accounting estimates; (11) changes in the competitive landscape in our markets; (12) our non-U.S. operations, including sales to non-U.S. customers; (13) potential adverse developments in new or pending litigation and/or government investigations; (14) customer and aircraft concentration in Boeing Capital’s customer financing portfolio; (15) changes in our ability to obtain debt on commercially reasonable terms and at competitive rates in order to fund our operations and contractual commitments; (16) realizing the anticipated benefits of mergers, acquisitions, joint ventures/strategic alliances or divestitures; (17) the adequacy of our insurance coverage to cover significant risk exposures; (18) potential business disruptions, including those related to physical security threats, information technology or cyber-attacks or natural disasters; (19) work stoppages or other labor disruptions; (20) significant changes in discount rates and actual investment return on pension assets; (21) potential environmental liabilities; and (22) threats to the security of our or our customers’ information.

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 update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.

