



Second-Quarter 2015 Performance Review

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July 22, 2015

Second-Quarter Summary

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- Results reflect strong core operating performance and record deliveries
- Earnings impacted by KC-46 Tanker charge
- Continued focus on cost reductions and productivity improvements
- Healthy commercial airplane orders; key defense awards
- Proven product strategy; large diversified backlog at \$489 billion
- Generated \$3.3B of operating cash; completed \$2B share repurchases

Strong cash flow; executing cash deployment strategy

Business Environment

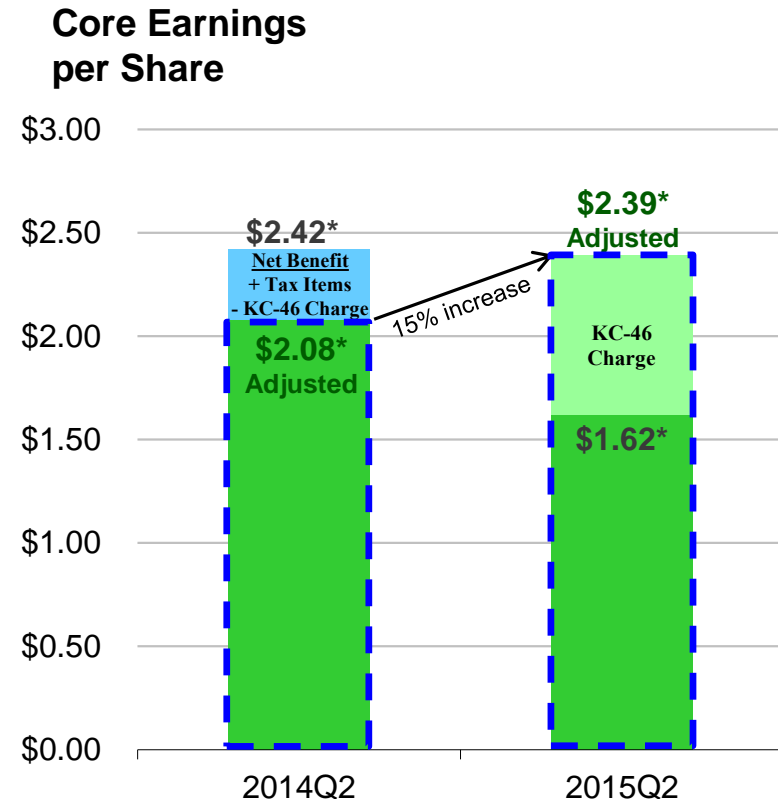
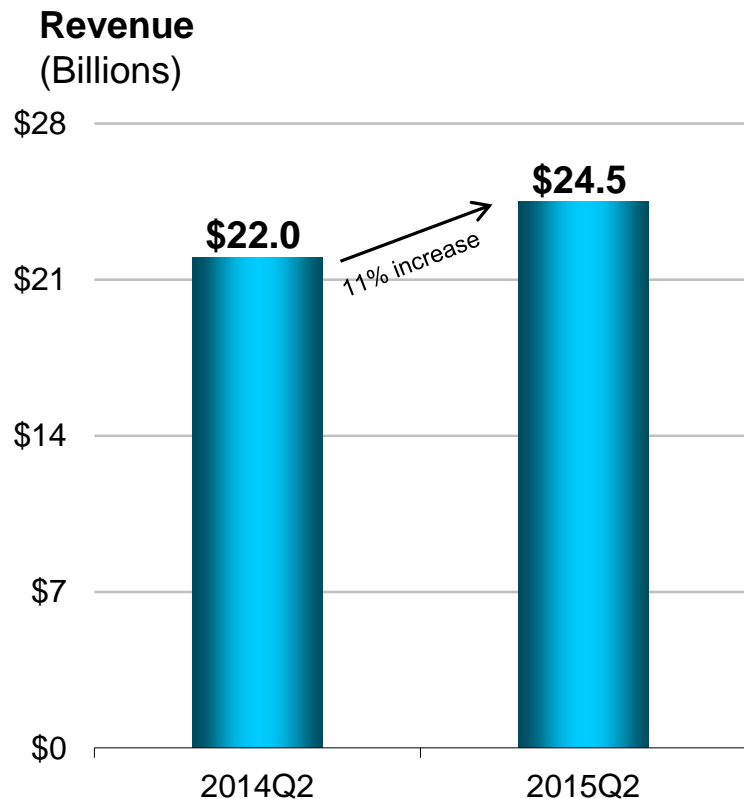
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- Global economic growth continues at a moderate pace
- Strong passenger traffic; cargo traffic continues to improve
- Robust airline profitability; driving healthy demand for aircraft
- Commercial aviation remains long-term growth industry
- International defense growth opportunities; defense budget pressures in U.S. and other developed markets

Commercial up-cycle progressing; dynamic defense environment

Second-Quarter Revenue and Earnings

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* Non-GAAP measures. Definitions, reconciliations, and further disclosures regarding non-GAAP measures is provided on slide 12

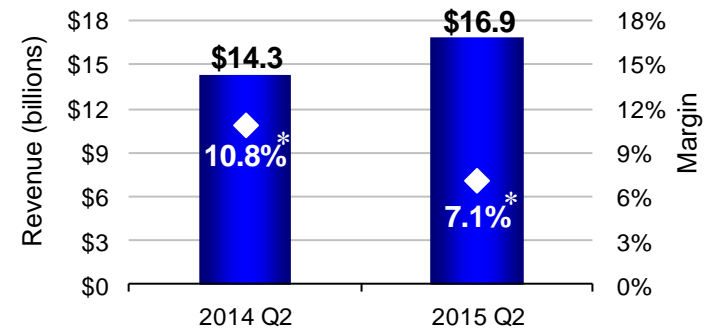
Strong underlying year-over-year core operating performance

Commercial Airplanes

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- **Delivered a record 197 airplanes**
 - Record 737 deliveries of 128
- **Orders valued at \$13B; robust backlog of \$431B**
 - Won 171 net orders
 - Over 2,800 737 MAX firm orders since launch
- **Started assembly of first 737 MAX test airplane**
- **Completed 787-10 critical design review**

Revenues & Operating Margins



First 737 MAX Test Airplane Assembly

*Both quarters impacted by KC-46 Tanker charges 2Q14: \$238M; 2Q15: \$513M

Record deliveries... executing on the backlog

Defense, Space & Security

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■ Capturing new and follow-on business

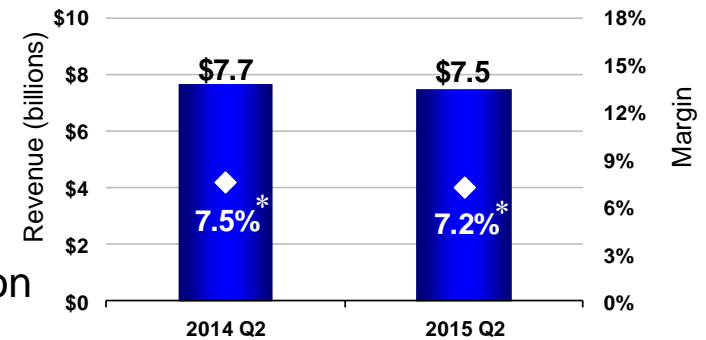
- Awarded contracts for 6 C-17 Globemaster aircraft
- Task order exercised for Commercial Crew PCM 1
- Awarded an F-15 international services contract extension
- Congressional committees support 12 additional F/A-18s

■ Executing balanced defense and space portfolio

- Delivered 54 aircraft¹ and two satellites

■ Orders valued at \$6B; Backlog of \$58B

Revenues & Operating Margins



C-17 Globemaster

¹Includes new, remanufactured and renewed aircraft

*Both quarters impacted by KC-46 Tanker charges 2Q14: \$187M; 2Q15: \$322M

Focused on execution & meeting customer's needs

Cash Flow

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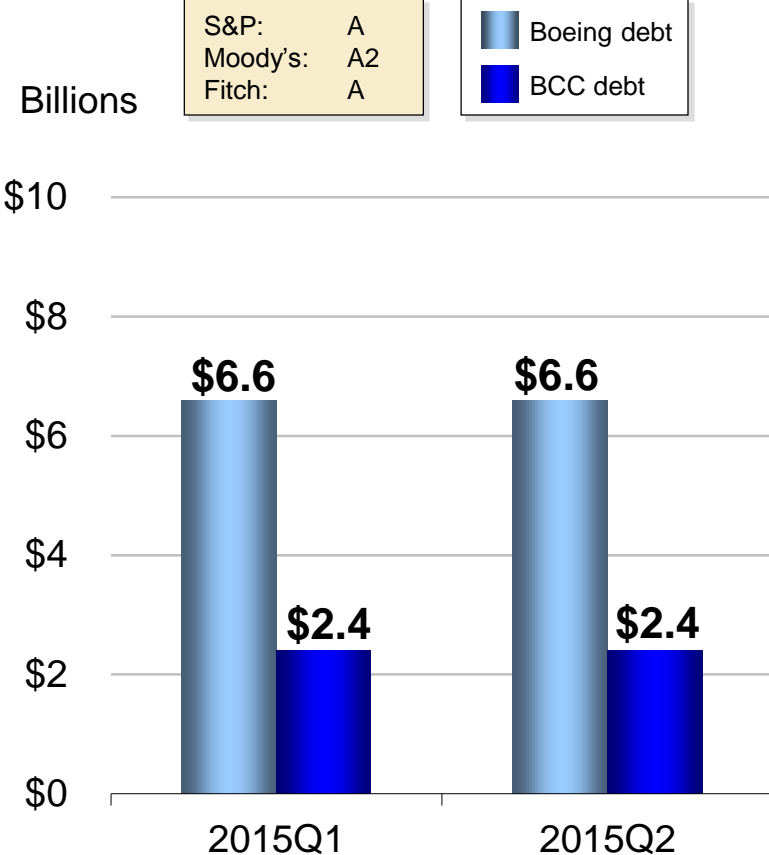
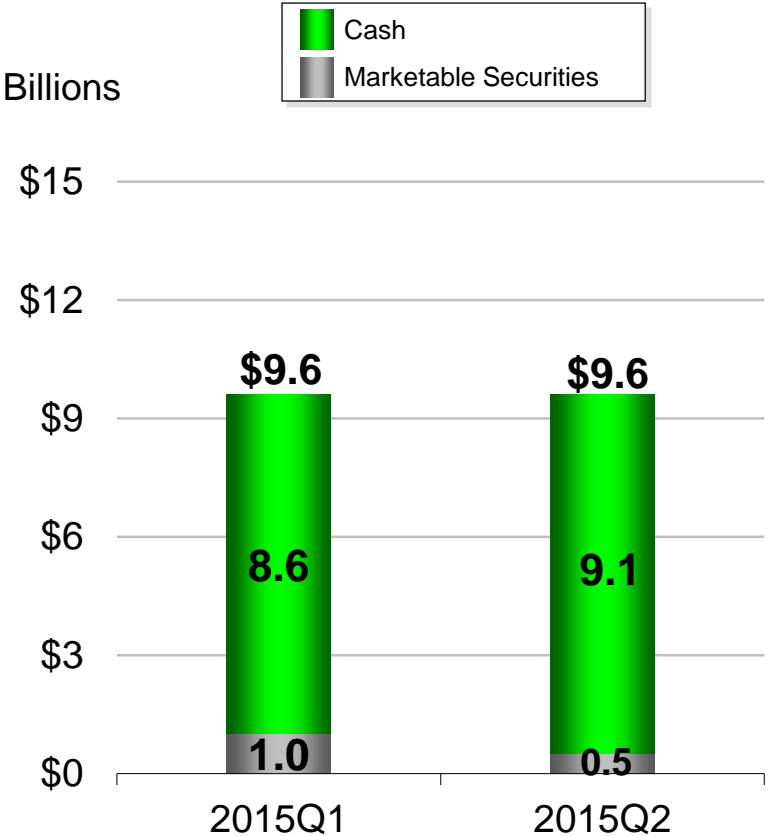
\$ Billions	2Q14	2Q15
Net Earnings	1.7	1.1
Depreciation/non-cash	0.5	0.6
Working Capital	(0.4)	1.6
Operating Cash Flow	1.8	3.3

- Strong operating performance
- Higher commercial deliveries
- Continuing to drive disciplined cash management
- Repurchased 14 million shares in 2Q15 for \$2.0 billion and paid \$0.6 billion in dividends

Strong cash flow; maintained balanced capital deployment strategy

Cash and Debt Balances

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Strong liquidity with manageable debt levels

Financial Guidance

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	<u>2015</u>
Revenue	\$94.5 – 96.5B
* Core EPS	\$8.20 – 8.40 \$7.70 – 7.90
Operating Cash Flow	>\$9B

* Non-GAAP measures. Definitions, reconciliations, and further disclosures regarding non-GAAP measures are provided in the company's earnings press release dated July 22, 2015.

EPS guidance updated for KC-46 charge and strong performance

Caution Concerning Forward-Looking Statements

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, epidemics, sanctions 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.



Non-GAAP Measure Disclosure

The Boeing Company and Subsidiaries
Reconciliation of Non-GAAP Measures
Increase in Core EPS Excluding Tanker Charges and Tax Items
(Unaudited)

The tables provided below reconcile (i) core earnings per share, (ii) core earnings per share excluding tanker charges and tax items and (iii) the increase in core earnings per share excluding tanker charges and tax items, in each case with the most directly comparable GAAP financial measure. See page 7 of the company's press release dated July 22, 2015 for additional information on the use of core earnings per share as a non-GAAP financial measure. Management uses core earnings per share excluding tanker charges and tax items for purposes of evaluating and forecasting underlying business performance. Management believes that core earnings per share excluding tanker charges and tax items provides investors with additional insight into operational and year over year performance trends.

	<u>Second Quarter</u>	<u>Second Quarter</u>
	<u>2015</u>	<u>2014</u>
GAAP Diluted Earnings Per Share	\$1.59	\$2.24
Unallocated Pension/Postretirement Expense ¹	\$0.03	\$0.18
Core Earnings Per Share (non-GAAP)	\$1.62	\$2.42
Tanker charges ²	\$0.77	\$0.37
Tax Items ³		(\$0.71)
Core EPS Excluding Tanker charges and Tax Items	\$2.39	\$2.08
Weighted Average Diluted Shares (in millions)	698.9	740.1
Increase/(Decrease) in GAAP Earnings Per Share	(29%)	
Increase/(Decrease) in Core EPS Excluding Tanker charges and Tax Items	15%	

¹ Earnings per share impact is presented net of the federal statutory tax rate of 35.0 percent.

² Represents the earnings per share impact of the second-quarter 2015 Tanker charge of \$835 million (\$536 million after-tax) and the second-quarter 2014 Tanker charge of \$425 million (\$272 million after-tax).

³ Represents the earnings per share impact of tax benefits recorded in the second quarter of 2014 related to tax basis adjustments and the settlement of the 2007-2008 and 2009-2010 federal tax audits of \$524 million.