Second-Quarter 2014 Performance Review

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Chairman and Chief Executive Officer

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July 23, 2014
Second-Quarter Summary

- Results reflect strong operating performance
- Increased 2014 core EPS guidance by $0.75 to between $7.90 and $8.10
- Earnings impacted by KC-46A Tanker charge and favorable tax items
- Continued focus on cost reductions and productivity improvements
- Strong commercial airplane orders; key defense awards
- Proven product strategy; large diversified backlog at $440 billion

Strong results... raising 2014 EPS guidance
Business Environment

- Global economic growth continues at a moderate pace

- Passenger traffic healthy; 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
Second-Quarter Revenue and Earnings

Revenue (Billions)

- 2013Q2: $21.8
- 2014Q2: $22.0

Core Earnings per Share *

- 2013Q2: $1.67
- 2014Q2: $2.42

* Non-GAAP measures. Definitions, reconciliations, and further disclosures regarding non-GAAP measures are provided in the company’s earnings press release dated July 23, 2014.

Strong operating performance on production and services programs
### Commercial Airplanes

- **Continued strong operating performance**
- **Delivered 181 airplanes in Q2**
  - Record 737 & 787 deliveries
- **Orders valued at $17B; record backlog of $377B**
  - Won 264 net orders in Q2; 783 year-to-date
  - Surpassed 2,100 737 MAX firm orders since launch
- **Delivered first 787-9 to Air New Zealand**
- **787 received 330-minute ETOPS certification**

### Revenues & Operating Margins

<table>
<thead>
<tr>
<th></th>
<th>2013 Q2</th>
<th>2014 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (billions)</td>
<td>$13.6</td>
<td>$14.3</td>
</tr>
<tr>
<td>Margin</td>
<td>10.7%</td>
<td>10.8%</td>
</tr>
</tbody>
</table>

170 basis point Tanker impact

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*Delivered first 787-9 to Air New Zealand*
Defense, Space & Security

- **Solid operating performance on production and services programs**
- **Capturing new and follow-on business**
  - U.S. Navy contract for 44 E/A-18 and F/A-18 aircraft including 12 E/A-18G aircraft for Australia
  - Australian contract for 5 year Airborne Early Warning & Control Support
- **Executing balanced defense and space portfolio**
  - Tanker systems installation challenges; met all contractual milestones to date
  - Delivered 45 aircraft; 2 satellites
  - Successful Missile Defense System intercept in flight test
  - Delivered 100th EA-18G Growler to US Navy
- Orders valued at $6B; Backlog of $63B

**Focused on execution and productivity... capturing opportunities**
Other Results

- **Boeing Capital Corporation**
  - Supporting business units while prudently managing portfolio and risk
  - Net financing portfolio of $3.4 billion at the end of the quarter, as portfolio run-off exceeded new volume

- **Other and Unallocated Expense**
  - Unallocated expenses decreased by $159 million primarily driven by lower pension expense
  - Lower effective income tax rate driven by the previously announced tax benefit of $116 million for the 2007-2008 tax settlement, as well as an additional tax benefit of $408 million

**Supporting businesses and managing risks**
## Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>2Q13</th>
<th>2Q14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Earnings</td>
<td>1.1</td>
<td>1.7</td>
</tr>
<tr>
<td>Depreciation/non-cash</td>
<td>0.4</td>
<td>0.5</td>
</tr>
<tr>
<td>Working Capital ¹</td>
<td>2.0</td>
<td>(0.4)</td>
</tr>
<tr>
<td><strong>Operating Cash Flow Before Pension Contributions</strong></td>
<td>3.5</td>
<td>1.8</td>
</tr>
<tr>
<td>Pension Contributions</td>
<td>(0.0)</td>
<td>(0.0)</td>
</tr>
<tr>
<td><strong>Operating Cash Flow</strong></td>
<td>3.5</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong> ²</td>
<td>3.0</td>
<td>1.4</td>
</tr>
</tbody>
</table>

¹ Excluding pension contributions

² Non-GAAP measures. Definitions, reconciliations, and further disclosures regarding non-GAAP measures are provided in the company’s earnings press release dated July 23, 2014.

- Increased production rates
- Strong operating performance
- Timing of receipts and expenditures
- Inventory build on the 787 program
- Disciplined cash management
- Repurchased 11.4 million shares for $1.5 billion and paid $0.5 billion in dividends

**Solid cash flow... continued capital deployment to shareholders**
Cash and Debt Balances

Billions

<table>
<thead>
<tr>
<th></th>
<th>2014Q1</th>
<th>2014Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$12.2</td>
<td>$11.3</td>
</tr>
<tr>
<td>Marketable Securities</td>
<td>$5.3</td>
<td>$3.8</td>
</tr>
</tbody>
</table>

Billions

<table>
<thead>
<tr>
<th></th>
<th>2014Q1</th>
<th>2014Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boeing debt</td>
<td>$6.3</td>
<td>$6.4</td>
</tr>
<tr>
<td>BCC debt</td>
<td>$2.6</td>
<td>$2.5</td>
</tr>
</tbody>
</table>

S&P: A
Moody's: A2
Fitch: A

Strong liquidity with manageable debt levels
Financial Guidance

Revenue

2014

$87.5 - 90.5B

Core EPS*

$7.90 - 8.10

$7.15 - 7.35

Operating Cash Flow Before Pension Contributions*

~ $7.0B

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Raising core EPS guidance by $0.75
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 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.