



Fourth-Quarter and Full-Year 2015 Performance Review

Dennis Muilenburg

President and Chief Executive Officer

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and Chief Financial Officer

January 27, 2016

2015 Summary

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- Proven product strategy; converting backlog into profitable growth
- Continued focus on cost reductions and productivity improvements
- Results reflect record deliveries and solid core operating performance
- Strong operating cash of \$9.4 billion
- Raised repurchase authorization to \$14B; declared 20% dividend increase
- Healthy commercial airplane orders; key commercial and defense milestones

Delivering on our backlog and strengthening our business

Business Environment

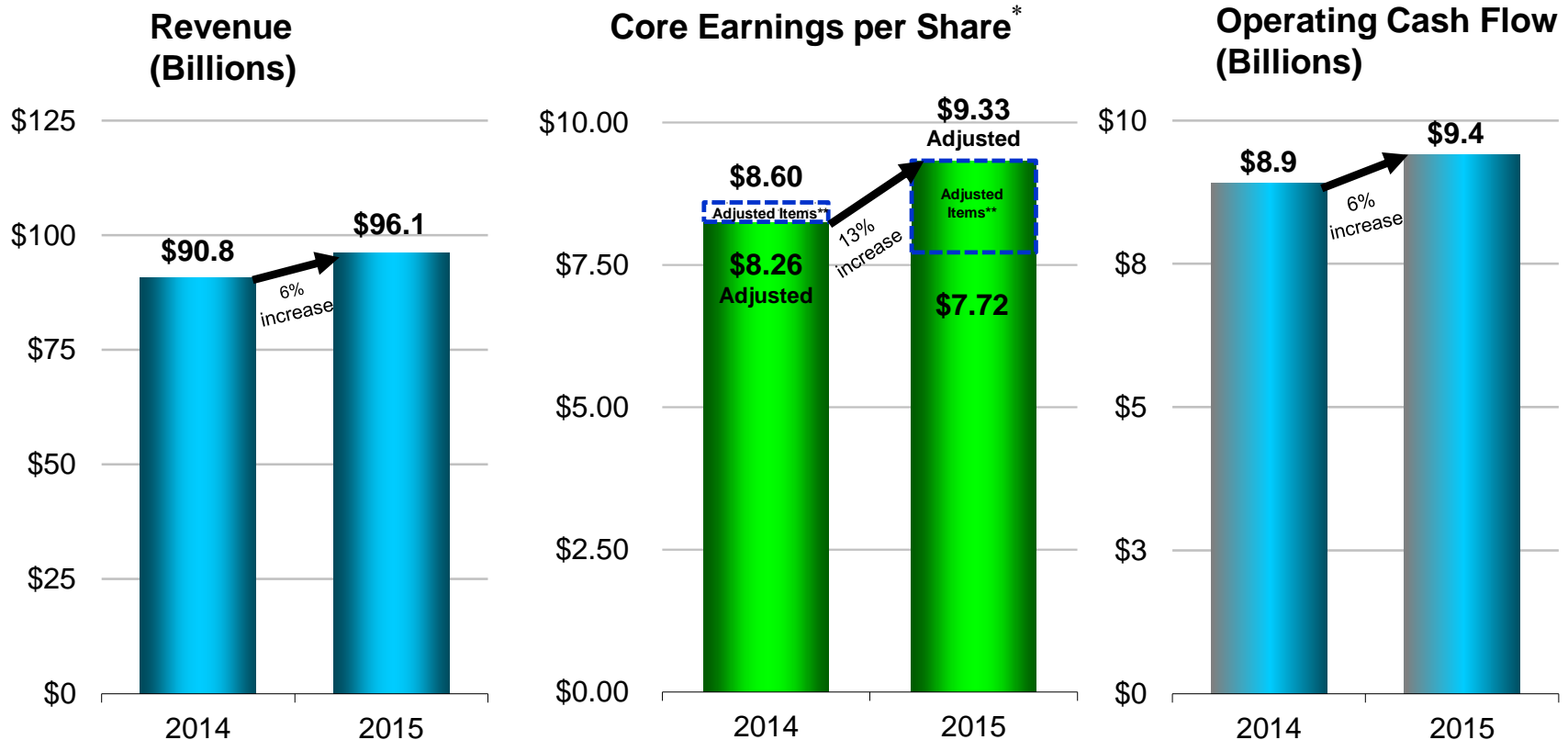
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- Global economic growth continues at a moderate pace
- Strong passenger traffic; slowing air cargo market recovery
- Robust airline profitability driving healthy demand for aircraft
- Commercial aviation remains long-term growth industry
- Stabilizing U.S. defense budgets; solid support for our major programs
- International defense growth opportunities

Commercial up-cycle progressing; stabilizing defense environment

Full Year Financial Results

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* Non-GAAP measures. Reconciliations and additional information regarding non-GAAP measures are provided on slide 13.

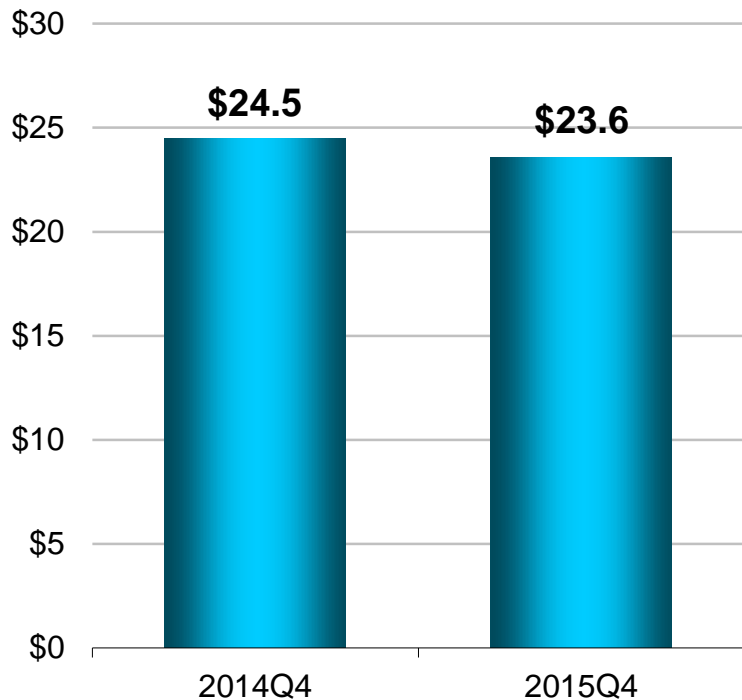
** 2014 Core EPS of \$8.60 adjusted for 2007-2010 tax settlement & basis restoration (\$0.71) and KC-46A Tanker charge \$0.37
 2015 Core EPS of \$7.72 adjusted for KC-46A Tanker charge \$0.77 and 747 charge \$0.84

Strong revenue growth...solid core operating performance

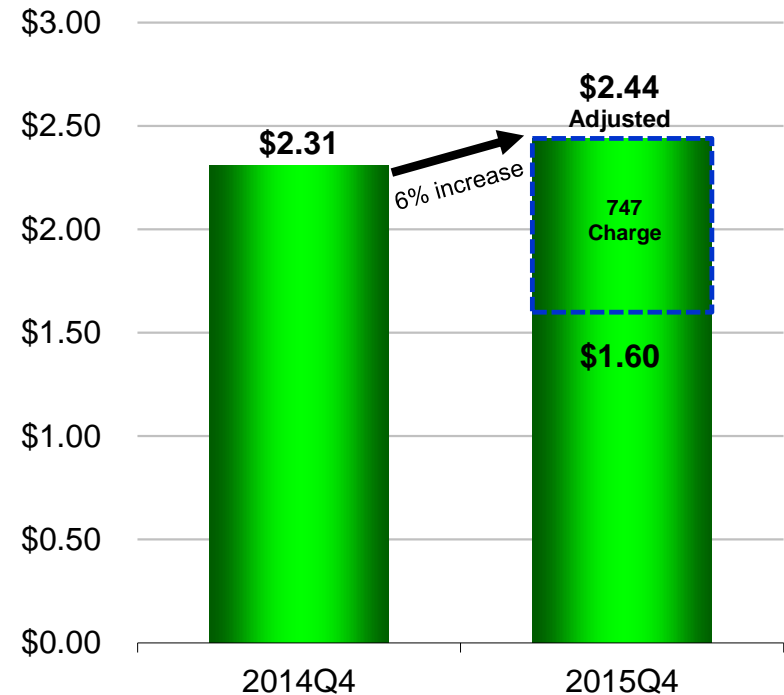
Fourth-Quarter Revenue and Earnings

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Revenue (Billions)



Core Earnings per Share *



* Non-GAAP measures. Reconciliations and additional information regarding non-GAAP measures are provided on slide 14.

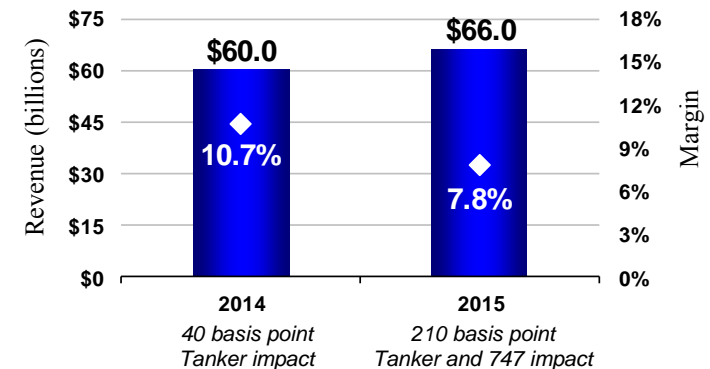
Solid core operating performance on production & services

Commercial Airplanes

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- **Continued solid core operating performance**
 - Record annual revenue
- **Delivered 182 airplanes in Q4; 762 in 2015**
 - Record annual deliveries
- **Orders valued at \$21B in Q4; robust backlog of \$432B**
 - Won 321 net orders in Q4; 768 orders in 2015
 - Captured nearly 3,100 737 MAX orders since launch
- **Rolled out first 737 MAX airplane**
- **Completed 787-10 detailed design**

Revenues & Operating Margins



First 737 MAX Rollout Ceremony

Focusing on execution, quality and productivity

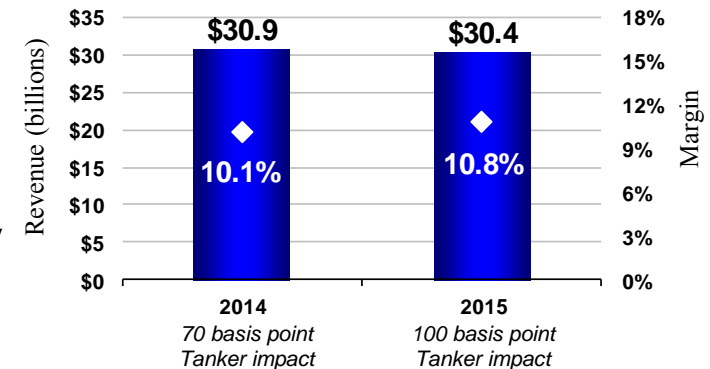
Defense, Space & Security

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- **Continued strong operating performance**
- **Capturing new and follow-on business**
 - Awarded second commercial human spaceflight mission
 - Awarded contract for 15 EA-18G Growlers for U.S. Navy
 - Japan selects KC-46 tanker
- **Executing balanced defense and space portfolio**
 - Delivered 42 aircraft* and 2 satellites in Q4
 - Delivered first AH-64E to Republic of Korea
- **Orders valued at \$7B in Q4; Backlog of \$58B**

*Includes new, remanufactured and renewed aircraft

Revenues & Operating Margins



EA-18G Growler

Focused on execution and meeting customers' needs

Cash Flow

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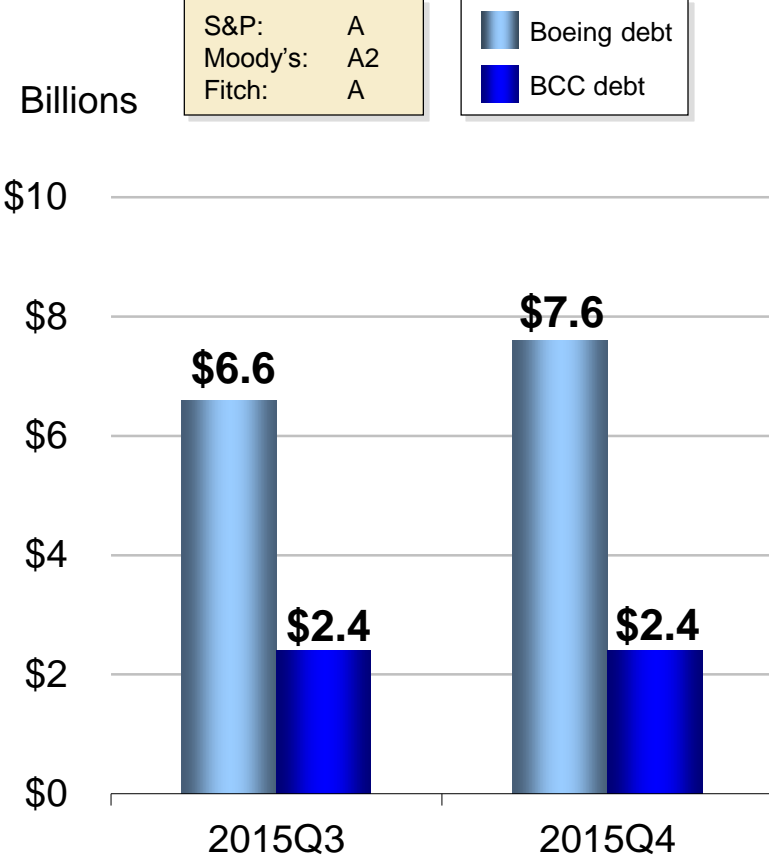
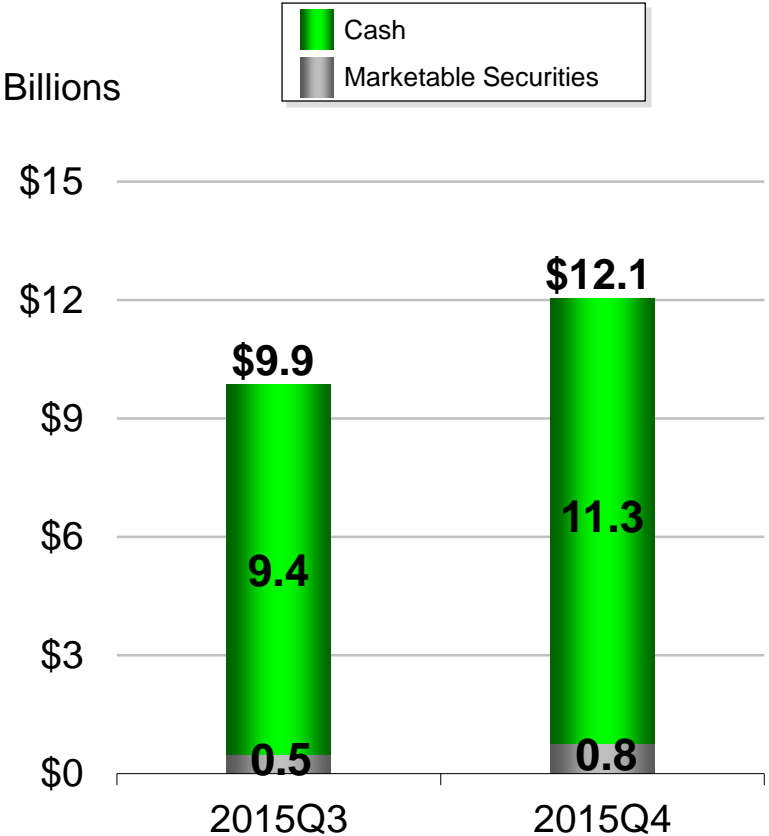
\$ Billions	2014	2015	4Q14	4Q15
Net Earnings	5.5	5.2	1.5	1.0
Depreciation/non-cash	2.5	2.4	0.8	0.7
Working Capital	0.9	1.8	2.7	1.4
Operating Cash Flow	8.9	9.4	5.0	3.1

- Solid core operating performance
- Continuing to drive disciplined cash management
- Timing of receipts and expenditures in 4Q14
- Repurchased 47 million shares in 2015 for \$6.8 billion and paid \$2.5 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>2016</u>
Revenue	\$93.0 – 95.0B
Core EPS [*]	\$8.15 – 8.35
Operating Cash Flow	~\$10B

* Non-GAAP measure. Definitions, reconciliations, and further disclosures regarding this non-GAAP measure are provided in the company's earnings press release dated January 27, 2016.

Strong operating cash flow generation in 2016

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.



Non-GAAP Measure Disclosure

The Boeing Company and Subsidiaries
Reconciliation of Non-GAAP Measures
Increase/(Decrease) in Adjusted Core EPS
(Unaudited)

The tables provided below reconcile (i) core earnings per share, (ii) core earnings per share excluding tanker charges, the 747 charge, and tax items ("Adjusted Core EPS") and (iii) the increase/(decrease) in Adjusted Core EPS, in each case with the most directly comparable GAAP financial measure. See page 7 of the company's press release dated January 27, 2016 for additional information on the use of core earnings per share as a non-GAAP financial measure. Management uses Adjusted Core EPS, as well as the increase/(decrease) in Adjusted Core EPS, for the purpose of evaluating underlying business performance. Management believes that these items also help investors assess overall trends in our operational performance and provide additional context for year over year financial results.

	2015	2014
GAAP Diluted Earnings Per Share	\$7.44	\$7.38
Unallocated Pension/Postretirement Expense ¹	\$0.28	\$1.22
Core Earnings Per Share (Non-GAAP)	\$7.72	\$8.60
747 charge ²	\$0.84	
Tanker charges ³	\$0.77	\$0.37
Tax Items ⁴		(\$0.71)
	\$9.33	\$8.26
Adjusted Core EPS (Non-GAAP)	\$9.33	\$8.26
Weighted Average Diluted Shares (in millions)	696.1	738.0
Increase/(Decrease) in GAAP Earnings Per Share	1%	
Increase/(Decrease) in Adjusted Core EPS (Non-GAAP)	13%	

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 fourth-quarter 2015 charge of \$885 million (\$569 million after-tax).

³ 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).

⁴ 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.

Non-GAAP Measure Disclosure

The Boeing Company and Subsidiaries
Reconciliation of Non-GAAP Measures
Increase/(Decrease) in Core Earnings Per Share Excluding the 747 Charge
(Unaudited)

The tables provided below reconcile (i) core earnings per share, (ii) core earnings per share excluding the 747 charge and (iii) the increase/(decrease) in core earnings per share excluding the 747 charge, in each case with the most directly comparable GAAP financial measure. See page 7 of the company's press release dated January 27, 2016 for additional information on the use of core earnings per share as a non-GAAP financial measure. Management uses core earnings per share excluding the 747 charge, as well as the increase/(decrease) in core earnings per share excluding the 747 charge, for the purpose of evaluating underlying business performance. Management believes that these items also help investors assess overall trends in our operational performance and provide additional context for year over year financial results.

	<u>Fourth Quarter</u>	<u>Fourth Quarter</u>
	<u>2015</u>	<u>2014</u>
GAAP Diluted Earnings Per Share	\$1.51	\$2.02
Unallocated Pension/Postretirement Expense ¹	\$0.09	\$0.29
Core Earnings Per Share (Non-GAAP)	\$1.60	\$2.31
747 charge ²	\$0.84	
Core EPS Excluding the 747 charge (Non-GAAP)	\$2.44	\$2.31
Weighted Average Diluted Shares (in millions)	681.2	724.8
Increase/(Decrease) in GAAP Earnings Per Share	(25%)	
Increase/(Decrease) in Core EPS Excluding the 747 charge (Non-GAAP)	6%	

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 fourth-quarter 2015 747 charge of \$885 million (\$569 million after-tax).