



The Boeing Company
2008 Annual Report

VISION 2016: PEOPLE WORKING TOGETHER AS A GLOBAL ENTERPRISE FOR AEROSPACE LEADERSHIP

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2008 Financial Summary		U.S. dollars in millions except per share data				
	2008	2007	2006	2005	2004	
Revenues	60,909	66,387	61,530	53,621	51,400	
Net earnings	2,672	4,074	2,215	2,572	1,872	
Earnings per share*	3.65	5.26	2.84	3.19	2.24	
Operating margins	6.5%	8.8%	4.9%	5.2%	3.9%	
Contractual backlog	323,860	296,964	216,563	160,637	104,778	
Total backlog [†]	352,025	327,137	250,211	205,215	152,873	

*Before cumulative effect of accounting change and net gain (loss) from discontinued operations

[†]Total backlog includes contractual and unobligated backlog. See page 23 of the 10-K.

The Boeing Company

Boeing is the world's leading aerospace company and the largest manufacturer of commercial jetliners and military aircraft combined, providing products and tailored services to airlines and U.S. and allied armed forces around the world. Our capabilities include rotorcraft, electronic and defense systems, missiles, satellites, launch systems and advanced information and communication systems. Our reach extends to customers in more than 90 countries around the world, and we are a leading U.S. exporter in terms of sales. With corporate offices in Chicago, Boeing employs more than 162,000 people across the United States and in 70 countries. Our enterprise also leverages the talents of hundreds of thousands more people working for Boeing suppliers worldwide.

Operational Summary

- Earned \$2.7 billion on revenues of \$60.9 billion, both down from 2007 levels due to the strike that halted commercial airplane production for nearly 60 days, a 747 program charge and increased costs on an airborne early warning program.
- Increased our record order backlog to \$352 billion at year end, an eight percent increase over 2007, reflecting 662 net commercial orders and important new defense contracts won during the year.
- Returned value to shareholders by increasing our quarterly dividend by five percent to 42 cents a share, our sixth dividend increase since 2003, and by repurchasing 42.1 million shares.
- Added key new business, including 484 orders for 737s, 93 for the 787, 54 for the 777, NATO and Qatar orders for C-17s, a follow-on F-15 order from the Republic of Korea and U.S. contracts for CH-47, V-22 and C-17 support activities.
- Reached significant Integrated Defense Systems program execution milestones, including successfully completing the most challenging Ground-based Midcourse Defense system test to date; completing final assembly of the U.S. Navy's first P-8A; achieving the first on-board firing of the Airborne Laser's high-energy chemical laser; delivering the 200,000th Joint Direct Attack Munitions tail kit; rolling out the first F-15SG for Singapore; and finalizing several strategically important defense-related acquisitions.
- Also achieved major program milestones at Boeing Commercial Airplanes, including powering on the first 787 and testing the landing gear, horizontal stabilizers, wing box, and airframe pressurization for that program; flight testing the 777 Freighter; and delivering the 700th 777 and 1,400th 747.
- Broadened our environmental leadership with numerous accomplishments, including receiving ISO 14001 certification for all major manufacturing facilities; completing two biofuel demonstration flights with different airline, aircraft engine manufacturer and fuel refining technology development partners; and working with three airline partners to demonstrate significant reductions in fuel consumption and carbon-dioxide emissions made possible by using an innovative Air Traffic Management concept called "Tailored Arrivals."

2008 WAS A CHALLENGING YEAR FOR BOEING. FOR 2009 AND BEYOND, OUR FOCUS WILL BE ON IMPROVING EXECUTION, BOLSTERING PRODUCTIVITY AND PRESERVING OUR FINANCIAL STRENGTH AND COMPETITIVENESS THROUGH THIS DIFFICULT ECONOMIC ENVIRONMENT.

W. James McNerney, Jr.,
Chairman, President and
Chief Executive Officer



To the Shareholders and Employees of The Boeing Company:

Without a doubt, 2008 was a difficult year for Boeing. While the vast majority of our programs performed well and we made progress toward our goals in many areas, our overall results reflected the effects of both internal setbacks and a rapidly deteriorating economic environment.

We delivered double-digit margins from our defense business and solid results in production programs and services from our commercial airplanes business. However, the impact of a two-month strike and delays on key development programs outweighed that performance in our year-end numbers.

Our management team is addressing our challenges head-on and, as we enter an increasingly difficult 2009, I believe we are uniquely positioned to weather the current storm—and to emerge well equipped to deliver long-term growth and quality financial results.

The strategy we set in motion more than a decade ago—to create a highly capable, broadly diversified aerospace company with a healthy balance between the economically-sensitive commercial airplane business and the more stable, long-cycle defense business—remains our great strength, especially during challenging economic times like these.

Our near-term future depends on nothing more (or less) than solid execution and disciplined financial management. And we are taking extensive measures to deliver on both counts. Our long-term future holds as much promise as ever because of the inherent size and strength of the markets we serve, the innovation and efficiency of the technology we bring to our customers and the dedication, talent and inspiration of the people we employ.

The Boeing order book is the fullest it has ever been thanks to several exceptional years of commercial airplane orders and steady growth in defense contracts. At the end of 2008, our total backlog stood at \$352 billion, which is more than five times our annual revenues in 2008. While we anticipate fewer commercial airplane orders and greater numbers of cancellations and deferrals in 2009 than we saw in 2008, the size and diversity of our backlog gives us more flexibility than we have had in the past to accommodate “orders churn” without dramatic impact on our production rates. However, should bolder steps be required, we are prepared to act quickly and decisively to balance supply with demand and our costs with our revenues. Our defense backlog also ranks among the largest in the industry and is balanced across a range of new and mature production and large scale systems integration programs.

Given these factors and setting aside the risk of further economic weakness or larger-than-expected adjustments in defense spending, our biggest single task over the next few years is to execute. It is to do everything we say we are going to do—in designing, developing and delivering new airplanes and other products and services on schedule and within budget.

At the same time, we are focusing more fiercely than ever on the twin imperatives of growth and productivity—knowing that growth, in tough times, is even more dependent on accelerating efforts to improve productivity and maintain our competitiveness in support of our customers.

Beyond that, our fundamental product-and-services strategy remains intact. Our two core businesses—Boeing Commercial Airplanes and Integrated Defense Systems (IDS)—are world leaders in broad and important markets, each with a strong mix of products and services and with many opportunities for synergy between them. Together, these two core businesses are capable of defining the state of the art in major segments of the aerospace world for decades to come.

One of the great, enduring facts about commercial aviation is that more and more people want to fly—and more and more people *will* fly on the wings of continued economic growth. Over the past three decades, commercial airline travel has grown at an annual compounded rate of 5.3 percent—or nearly double world GDP growth. During that time, there have been only three periods of contraction in global air travel—in 1990–91 with the Gulf War, in 2001–02 following the 9/11 terror attacks in the United States, and today, with the global downturn that began in the second half of 2008. Air travel rebounded strongly the first two times and, if history is any guide, it will do so again, setting the stage for future commercial airplane orders.

Defense systems—our other core business—encompasses a huge marketplace of its own. And, even though it is subject to governmental budgetary constraints in the present economic environment, the defense marketplace offers a wide array of opportunities to *companies with an exceptionally broad range of technical capabilities*. There are very few companies that answer that description, but Boeing is certainly one of them. Last year, we further strengthened our position with strategic acquisitions that expand our capabilities in core and adjacent markets. In addition to being one of the largest U.S. defense contractors, Boeing has achieved strong growth and increasing success in recent years in international defense markets. Wins in 2008 and early 2009 included a C-17 sale to Qatar, a follow-on sale of F-15s to the Republic of Korea and the sale to India of the P-8I, a variant of the P-8A Poseidon, a long-range multimission maritime patrol aircraft that Boeing is developing for the U.S. Navy.

Industry-leading record Boeing backlog at five times annual revenues provides a solid foundation for future growth.

TOTAL COMPANY BACKLOG

**\$352
BILLION**

There is further substantial room for growth on both sides of the business in the provision of services. Though highly fragmented, the secondary markets in maintenance, repair and overhaul of commercial and military airplanes are at least as big as the primary markets of building and selling them.

All this is to say that our company is in a promising position to control its own destiny—both short term and long.

Business Review and Outlook

Boeing has hundreds of programs, and nearly all of them are performing well. These include proven production programs such as the Boeing 737 and 777 on the commercial side, and the C-17 airlifter and the F/A-18E/F strike fighter on the military side. They also include a long list of development programs, including the new freighter version of the 777, which was just recently certified by the FAA, and Future Combat Systems for the U.S. Army and the Ground-based Midcourse Defense program for the Missile Defense Agency—two programs through which we are successfully demonstrating our large-scale systems integration expertise.

But the reality is that problems in just a very few programs can severely impact the otherwise solid financial performance of the company. That was clearly and unfortunately the case in 2008. While the strike that halted all commercial and some military production for two months had a major impact on our results, unexpected cost growth and schedule delays in three key development programs—a new 747 derivative, an early warning and electronic-warfare aircraft for allied defense forces and the all-new 787 Dreamliner—further reduced earnings and cash flow and disappointed key customers and other stakeholders.

In addressing these matters, we have taken strong action to bolster our program management processes and functional oversight, applied additional resources and technical expertise and made leadership changes where we believed it was necessary to drive better performance from our teams.

By far the biggest of our challenging programs—and the most critical to our future growth—is the 787 Dreamliner. The growing pains that we have experienced with this airplane—the first large airliner made mostly with composites rather than metal, and the fastest-selling new airplane in aviation history—are not uncommon with game-changing innovations. During the later stages of development of a new program like this one, the

leading edge of innovation sometimes turns into the bleeding edge of innovation. But there is no doubt in our mind—and our order book would attest—that the 787 is the real deal: the biggest advance in commercial aviation since the Boeing 707 at the dawn of the Jet Age.

We have transferred some of our best leadership talent from across the company to help meet the challenge of execution in this program. Though it has taken longer than anticipated, we believe that we have made good progress in identifying and resolving key problems—especially in the area of managing the extended global supply chain.

To the credit of our global team, the critical technology of the 787 is proving to be sound. The structure is robust, with the big composite parts of the 787—the fuselage, wing and tail—testing even better than expected. While we face a series of critical milestones in the ground and flight testing scheduled to take place this year, we expect to field this remarkable new airplane in the first quarter of 2010.

Over the next 20 years, we estimate the addressable market for the 787 class of airplanes at 3,500 units with a total value of more than \$600 billion at list prices. Fuel efficient, less costly to maintain, more comfortable for passengers and able to fly long distances, the 787 will open economical, environmentally-friendly and convenient service between scores of city-pairs.

Cash, Currencies and Action in Response

Our plan for navigating 2009's headwinds begins with a dual recognition: First, the late-2008 global economic slump and financial-market meltdown have placed substantial pressure on our customers, both commercial and governmental; and second, we ourselves are subject to new challenges and pressures.

Cash and asset management present new issues for our team. From 2005 through 2007, our company was generating substantial amounts of cash in excess of our own immediate needs. That state of affairs ended due to the combination of factors: the two-month-long Machinists' strike and schedule slides on key development programs. We were cash-flow negative for 2008.

A more conservative allocation strategy for our pension assets paid off for us last year, with returns that were down only 15 percent compared to a 39-percent drop in the S&P 500 Index. We also made changes to our retirement plan for new hires that will reduce our long-term pension liabilities. However, we still face the

potential for increased pension-funding obligations unless markets rebound significantly — making it all the more important that we compensate by accelerating gains in productivity and aggressively seeking other ways to generate or conserve cash in every part of our business.

Another new challenge revolves around the renewed strength of the U.S. dollar, which declined almost continuously against the Euro and other currencies for six years. In the dollar-denominated world of commercial airplane and military aircraft sales, a weak dollar worked to our advantage — and it put Airbus and other overseas competitors under ever-increasing pressure to attack costs, drive productivity and increase their competitiveness. And so they have.

Now the pressure is on us. With a resurgent dollar, the situation has reversed itself. That is why we are taking bold measures to reassert our own competitiveness.

We are being ever more aggressive in managing both costs and investments. We have reduced our discretionary and capital-spending budgets. We have realigned our organizational structures to both streamline and strengthen them. We are eliminating what, in today's world, constitutes unnecessary work, and we are reducing staffing levels to support a trimmed-down infrastructure. At the same time, we have tightened the integration of our businesses and of the corporate functions that support them.

These steps are not easy, especially where they impact employment of our people, but they are necessary to preserve our financial strength in the midst of economic uncertainty, to continue investing in growth projects and to fund our commitments to our employees and our shareholders.

Energy and the Environment

Energy and concern for the environment continue to be huge factors in our business — and that of our customers, as well.

Regardless of the recent fall in oil prices, there is broad agreement that the long-term trend line in fossil fuel prices is upward and that resumed world economic growth will stimulate demand and cause oil prices to rise again. At the same time, there is a growing movement on the part of governments to use tax policies and regulatory powers to reduce emissions of greenhouse gases, caused by the burning of fossil fuels, including the roughly two percent of world carbon-dioxide emissions attributable to commercial aviation.

The most obvious ways to limit emissions — and to contain high and volatile fuel prices — is to use fuel more efficiently. The search for more fuel-efficient airplanes is a never-ending part of Boeing's business. Over the past 50 years, fuel-efficiency improvements have reduced carbon-dioxide emissions by Boeing airliners by about 70 percent, while also limiting noise emissions — another important environmental factor — by 90 percent. Boeing is committed to improving the fuel efficiency of each new generation of commercial airplane by 15 percent, in order to attain the International Air Transport Association's goal of a 25 percent overall improvement in fuel efficiency by 2020.

Working with other firms, Boeing has extensively researched and tested the development of advanced-generation biofuels, which could provide a truly sustainable substitute for today's jet fuel — "sustainable" meaning new fuels that do not adversely impact world food or water supplies or impede valuable land use. With airline partners, we have conducted demonstration flights on Boeing airplanes with jet fuel made from various sustainable biomass sources, all of which — unlike fossil fuels — consume carbon dioxide as they grow, helping commercial aviation achieve its target to reduce carbon-dioxide emissions on a life cycle basis. Tests show these sources can be blended with one another and with fossil-based fuel, thereby enhancing market readiness.

We also are committed to act as a good steward for the environment in our facilities. During 2008, we met our goal of achieving the ISO 14001 environmental management system standard at all of our major manufacturing sites, and we continued to make good progress in meeting other long-term environmental performance targets by improving energy efficiency, enhancing recycling rates and reducing waste.

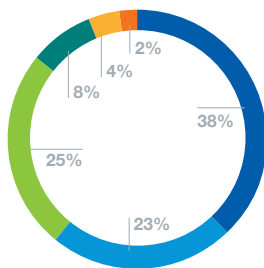
Leveraging Our Strengths

Many of our successes in international competitions have been due in part to our two core businesses increasingly acting as one. As appropriate in countries around the world, people from the two businesses work closely together on common strategies.

But it is not only in individual countries that we benefit from our integrated approach; it is almost everywhere within Boeing. Across the enterprise, we are slimming and streamlining our organization, and we are centralizing and consolidating more and more activities. For example, we are

The market value for commercial aviation is expected to grow to \$3.2 trillion over the next 20 years, providing long-term growth opportunities for Boeing Commercial Airplanes.

MARKET VALUE BY REGION
2008–2027



Region	\$B
Asia-Pacific	1,190
North America	740
Europe and CIS*	810
Middle East	260
Latin America	140
Africa	60
Total Market Value	\$3.2T

* Commonwealth of Independent States

consolidating our core technology development activities, including advanced manufacturing, into a single R&D organization that supports both our defense and commercial businesses; the same is true of our core test and evaluation capabilities.

In addition to collaboration that occurs in programs involving military derivatives of commercial airplanes such as Airborne Laser, a directed-energy weapon system carried aboard a modified 747-400F, and the P-8A Poseidon, a military derivative of the Next-Generation 737, there are many opportunities for sharing ideas, migrating the best technical and leadership talent to where it is most needed and apportioning work to the best possible location — even if that cuts across organizational lines.

For example, when the first commercial 787s come out of flight test, they will be sent to an IDS facility in San Antonio, Texas, to modify the airplanes and incorporate final changes or improvements prior to delivery to our commercial customers. Why this facility? Because it has had an outstanding record of success in doing this same kind of work in several military programs. And it also has become a shining example within Boeing of a site that has achieved extraordinary gains in productivity and quality through the application of Lean principles, one of our four enterprise initiatives aimed at accelerating growth and productivity through the replication and sharing of best ideas and practices. San Antonio has, therefore, earned the opportunity to provide the additional capacity we will need to meet the initial delivery schedule on the 787.

Everyone who is a part of Boeing is aware of leaders who have moved from one part of the business to another — and some not once but several times. The Boeing Leadership Center has helped to make that an increasingly common occurrence, serving both as the company business-integration lab and a kind of in-house university for teaching leadership skills. In addition, the Leadership Center plays a critical role in the cultivation in future leaders of our most important values and principles, beginning with the overriding importance of ethics and compliance in everything we do.

Difficult times such as those we are experiencing today also accentuate the need for responsible community engagement — for generosity of spirit

and concern for others outside the immediate circle of one's family, friends and teammates.

Within Boeing, we are very fortunate to have people who are not only world-class in their jobs, but exhibit an unrelenting generosity of spirit and willingness to give their time and money to helping others in need. Despite the financial uncertainty that touched everyone in 2008, total employee contributions plus the company match through our Employees Community Fund increased 17 percent. Our people also volunteered many hours of their time and expertise to organizations that strengthen education, health and human services, the environment, arts and culture and civic involvement.

In Closing

Over the course of its nearly 100-year history, the people of Boeing have consistently defeated the toughest challenges through innovation, determination and a relentless focus on execution. These are the roots upon which we must rely given the steady flow of tough business challenges and market uncertainties we expect throughout 2009.

We know what we have to do to succeed. We have to execute well — in *all* of our programs. We must preserve our core financial and competitive strengths. And we have to stay in lock-step with our customers, anticipating their needs and making sure those needs are met. These actions, underpinned by our unrelenting commitment to integrity in everything that we do, will enable this company and its people to sow the seeds of long-term prosperity through even the most difficult of times.

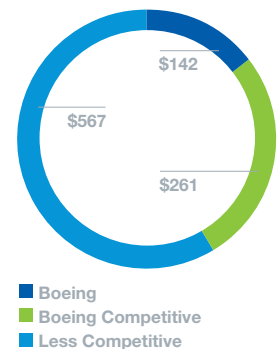
Boeing stands on the brink of almost unprecedented opportunity in a moment of unprecedented challenge. With our historic strengths and a collective will to succeed, we will move forward to fulfill our legacy as the global aerospace leader — today, tomorrow and far into the future.



Jim McNerney
Chairman, President and
Chief Executive Officer

By increasing productivity, positioning ourselves internationally and leveraging new opportunities to enhance our products and services, we are expanding Boeing's competitiveness to provide ample opportunity for future growth in IDS market share.

IDS SERVED MARKETS
Total market value \$970 billion



WE REMAIN OPTIMISTIC ABOUT OUR FUTURE. WE ARE WELL-POSITIONED COMPETITIVELY, WITH A COMMITTED, TALENTED WORKFORCE, AND AN INDUSTRY-LEADING AND DIVERSE BACKLOG. WE AIM TO BE — AND BE SEEN AS — THE WORLD’S STRONGEST, BEST AND BEST-INTEGRATED AEROSPACE COMPANY.



The Executive Council

Seated left to right:
James A. Bell
Executive Vice President;
Corporate President and
Chief Financial Officer

Scott E. Carson
Executive Vice President;
President and
Chief Executive Officer,
Commercial Airplanes

Wanda K. Denson-Low
Senior Vice President,
Office of Internal
Governance

John J. Tracy
Senior Vice President,
Engineering, Operations
and Technology, and
Chief Technology Officer

Standing left to right:
Thomas J. Downey
Senior Vice President,
Communications

Michael J. Cave
Senior Vice President,
Business Development
and Strategy

J. Michael Luttig
Senior Vice President
and General Counsel

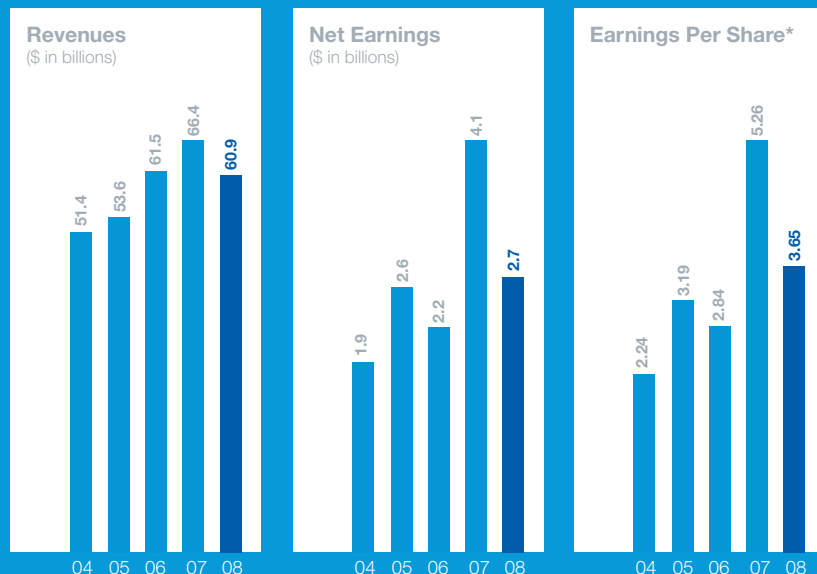
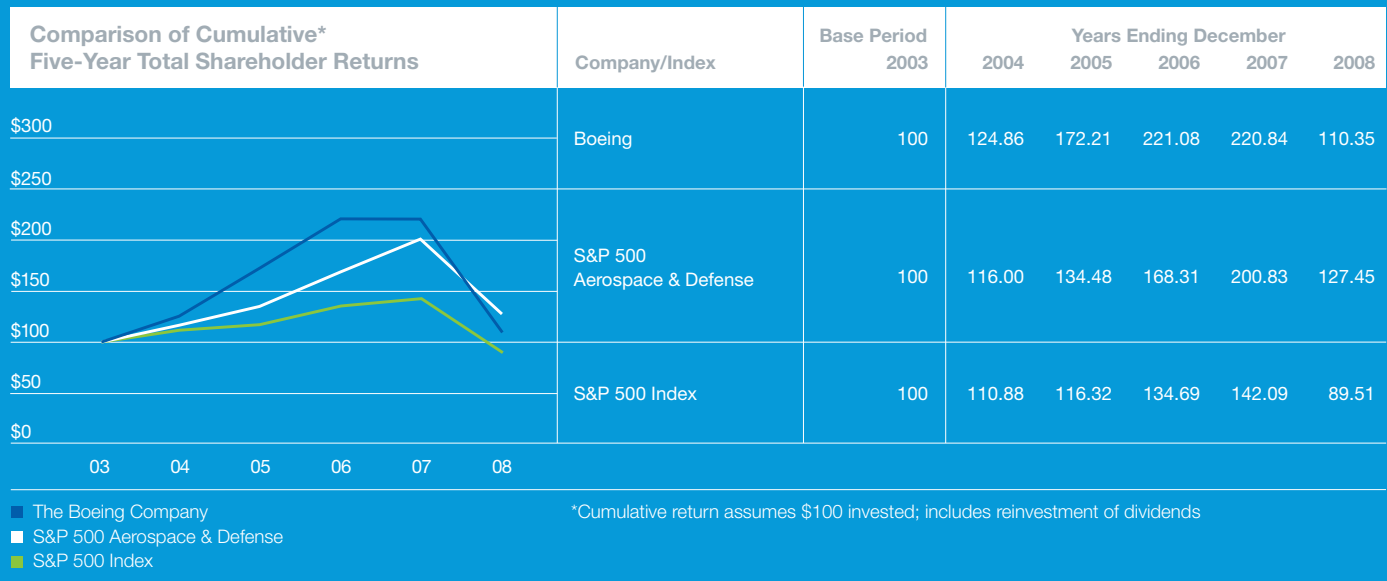
Shephard W. Hill
Senior Vice President,
President,
Boeing International

Timothy J. Keating
Senior Vice President,
Government Operations

James F. Albaugh
Executive Vice President;
President and
Chief Executive Officer,
Integrated Defense
Systems

Richard D. Stephens
Senior Vice President,
Human Resources and
Administration

OUR PEOPLE ARE FOCUSED ON SATISFYING OUR CUSTOMERS AND LEVERAGING GROWTH AND PRODUCTIVITY INITIATIVES INTO BETTER FINANCIAL RESULTS.



*Before cumulative effect of accounting change and net gain (loss) from discontinued operations



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2008

OR

[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission file number 1-442

THE BOEING COMPANY

(Exact name of registrant as specified in its charter)

Delaware

91-0425694

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

100 N. Riverside, Chicago, IL

60606-1596

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (312) 544-2000

Securities registered pursuant to Section 12(b) of the Act:

Table with 2 columns: Title of each class, Name of each exchange on which registered. Row 1: Common Stock, \$5 par value; New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [X] No []

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [] No [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No []

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer [X] Accelerated filer [] Non-accelerated filer [] (Do not check if a smaller reporting company) Smaller reporting company []

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [] No [X]

As of June 30, 2008, there were 711,728,898 common shares outstanding held by nonaffiliates of the registrant, and the aggregate market value of the common shares (based upon the closing price of these shares on the New York Stock Exchange) was approximately \$46.8 billion.

The number of shares of the registrant's common stock outstanding as of February 6, 2009 was 726,127,813.

(This number includes 28 million outstanding shares held by the ShareValue Trust which are not eligible to vote.)

DOCUMENTS INCORPORATED BY REFERENCE

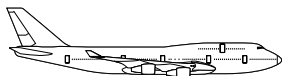
Part III incorporates information by reference to the registrant's definitive proxy statement, to be filed with the Securities and Exchange Commission within 120 days after the close of the fiscal year ended December 31, 2008.

SELECTED PROGRAMS, PRODUCTS AND SERVICES

Boeing Commercial Airplanes

Scott E. Carson, President and Chief Executive Officer, Renton, Washington, U.S.A.

The Boeing 747-400



747-8



Boeing launched the 747-8 program, including the 747-8 Intercontinental passenger airplane and the 747-8 Freighter, in late 2005. The Freighter will enter service in third quarter 2010, followed by the Intercontinental in second quarter 2011. The 747-8 will be the only airplane in the 400- to 500-seat market, seating 467 passengers in a typical three-class configuration (51 more than the 747-400). The Freighter will carry 16 percent more revenue cargo volume than the 747-400 Freighter, and will be the industry's only nose-cargo-loading jet. Both the passenger and freighter variants of the 747-8 have an increased maximum takeoff

weight of 442,252 kilograms (975,000 pounds) and represent a new benchmark in fuel efficiency and noise reduction, allowing airlines to lower fuel costs and fly into more airports at more times of the day. Production of the 747-400 will end in 2009; the 747-8 family will enter service in 2010. The 747-8 family also includes a VIP version, which provides 4,786 square feet of cabin space.

*Orders: 1,524**

*Deliveries: 1,410**

The Boeing 777-200ER



777-200LR



777-300ER



The 777 family of airplanes is the market leader in the 300- to 400-seat segment. The 777 is preferred by airlines around the world because of its fuel efficiency, reliability and spacious passenger cabin. The 777—the world's largest and longest range twinjet—seats from 301 up to 368 passengers in a three-class configuration with a range of 5,240 nautical miles for the 777-200 and 9,395 nautical miles for the 777-200LR Worldliner (longer range). The 777 family started with the 777-200;

the 777-200ER (extended range); a larger 777-300; the capabilities of the family was later extended with the introduction of the longer-range models, the 777-300ER and the 777-200LR; and the new 777 Freighter.

*Orders: 1,098**

*Deliveries: 748**

The Boeing 767-200ER



767-300ER



767-400ER



The 767 is the first widebody jetliner to be stretched twice. The 767-300ER is 6.43 meters (21 feet) longer than the original 767-200ER, and the 767-400ER is 6.43 meters (21 feet) longer than the 767-300ER. The 767 is the favorite airplane on Atlantic routes, crossing the Atlantic more frequently than any other airplane. The 767 has the lowest operating costs of any existing twin-aisle airplane. The 767-200ER will typically fly 181 to 224 passengers up to 6,600 nautical miles, while the 767-300ER offers 20 percent more passenger seating than the 767-200ER

and has a range of almost 6,000 nautical miles. A freighter version based on the 767-300ER fuselage is available. Boeing also offers the 767-400ER, which seats 245 to 304 passengers and has a range of 5,625 nautical miles. In a high-density inclusive-tour arrangement, the 767-400ER can carry up to 375 passengers.

*Orders: 1,039**

*Deliveries: 969**

The Boeing 737-600



737-800



737-700



737-900ER



The Boeing 737 is the best-selling family of commercial jetliners of all time. The Next-Generation 737s (-600/-700/-700ER/-800/-900ER) incorporate advanced technology and design features that translate into cost-efficient, high-reliability operations and superior passenger satisfaction. The 737 spans the entire 110- to 220-seat market with ranges of more than 3,000 nautical miles. This flexibility gives operators the ability to effectively respond to

market needs. The 737 family also includes three business jets, called BBJs—derivatives of the 737-700, 737-800 and the 737-900ER.

Orders: 8,160 (total for all 737s)
5,026 (Next-Generation)**

Deliveries: 5,890 (total for all 737s)
2,756 (Next-Generation)**

The Boeing 787



Boeing is focusing its new airplane development efforts on the Boeing 787 Dreamliner, a super-efficient commercial airplane that applies the latest technologies in aerospace. The airplane will carry 210 to 330 passengers and fly 2,500 to 8,500 nautical miles, while providing dramatic savings in fuel use and operating costs. Its exceptional performance will come from improvements in engine technology, aerodynamics, materials and systems. It will be the most advanced and efficient

commercial airplane in its class and will set new standards for environmental performance and passenger comfort. The 787 family also includes VIP versions, which provide more than 2,400 square feet of cabin space and can fly its owners almost anywhere in the world nonstop.

*Orders: 910**

First delivery scheduled for 2010

Boeing Commercial Aviation Services



Boeing Commercial Aviation Services provides Lifecycle Solutions, the industry's most complete range of products and services, aimed at bringing superior value to our customers throughout the lives of their Boeing fleets. This organization is committed to the success of the air transport industry through a comprehensive worldwide customer support network, E-enabled systems for greater maintenance and operational efficiency,

freighter conversions, spare parts, airplane modification and engineering support. Altheon, the Boeing training component, is a Boeing Commercial Airplanes business unit reporting through Commercial Aviation Services. Additionally, Commercial Aviation Services oversees the Jeppesen and Aviall subsidiaries, and joint ventures such as Aviation Partners Boeing and Boeing Shanghai Aviation Services.

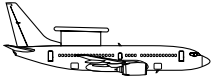
*Orders and deliveries are as of December 31, 2008.

SELECTED PROGRAMS, PRODUCTS AND SERVICES

Boeing Integrated Defense Systems

James F. Albaugh, President and Chief Executive Officer, St. Louis, Missouri, U.S.A.

737-700 Airborne Early Warning and Control (AEW&C) System



The 737 AEW&C system encompasses the Boeing 737-700 aircraft platform and a variety of aircraft control and advanced radar systems. The 737 AEW&C is the standard for future airborne early warning systems. Boeing continued to make progress on the Australian Wedgetail AEW&C system in 2008 and is planning to provide Initial Training Capability on two aircraft in late 2009, with

full operational capability in early 2010. The first of four aircraft was modified for the Republic of Turkey's Peach Eagle program in 2008 and is supporting mission system flight tests. Three other aircraft are undergoing modification in Ankara, Turkey. The AEW&C program for the Republic of Korea continues to progress through the initial customer requirements and design phases.

A-10 Wing Replacement Program



In 2007, the U.S. Air Force awarded Boeing a contract for engineering services and the manufacture of 242 wing sets for the A-10 fleet. The A-10 Wing Replacement Program will be executed over two five-year periods. The Air Force also awarded Boeing a contract for systems engineering

and computer-aided design in support of the A-10 program. The award was based on Boeing's expertise with converting legacy two-dimensional drawings to three-dimensional environments and experience with aircraft wing structures.

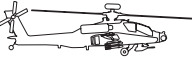
A160 Turbine (A160T) Hummingbird



The A160T Hummingbird is an unmanned rotorcraft system that offers increased performance capabilities to reach higher altitudes, hover for longer periods of time, fly greater distances and operate more quietly than current rotorcraft. Its unique Optimum Speed-Rotor system allows blade revolutions-per-minute to be tailored to flight

conditions to improve engine efficiency. The A160T is being developed to operate autonomously at sea, in austere land environments and on complex urban terrain. Its missions include intelligence, surveillance and reconnaissance; communications relay; precision re-supply and direct attack.

AH-64D Apache Longbow

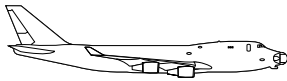


The AH-64D Apache Longbow is the most capable, survivable, deployable and maintainable multi-mission combat helicopter in the world. After Boeing completed U.S. government multiyear contracts for 501 Apache Longbows, the U.S. Army contracted with Boeing for 52 new and 96 remanufactured Apaches. Boeing will begin deliveries of the AH-64D Apache Block III to the Army in mid-2011. This newest version of the Apache Longbow features enhanced aircraft performance, joint digital operability, survivability and cognitive decision aiding, while reducing operations and

support costs. Boeing has delivered, is under contract for or has been selected to produce advanced Apaches for Egypt, Greece, Israel, Japan, Kuwait, Singapore, the Netherlands, the United Arab Emirates and the United Kingdom. Boeing also provides performance-based logistics sustainment services for the Army's Apache fleet, as well as a full suite of Apache training devices for domestic and international customers.

2008 deliveries: 3 new, 51 remanufactured & kits

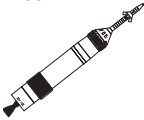
Airborne Laser (ABL)



Boeing is the prime contractor for ABL, a directed-energy weapon system using speed-of-light lethality to detect, track and destroy ballistic missiles in the boost phase, when they are most vulnerable. The ABL aircraft is a modified Boeing 747-400F. The team completed installation of the high-energy laser in the aircraft in July 2008 and

began firing the laser onboard the aircraft in ground testing in September. In November, the ABL program completed the first ground test of the entire weapon system integrated aboard the aircraft. ABL is on track to demonstrate a shootdown of a boosting ballistic missile in 2009.

Ares I



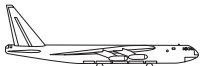
Ares I is a two-stage rocket that will carry the Orion crew exploration vehicle to low-Earth orbit. This rocket will replace the space shuttle as NASA's primary vehicle for human space exploration. Boeing is the prime contractor for the avionics and the production of the upper stage, including

installation of the avionics system and design support for NASA. Both contracts have a combined value of almost \$2 billion and mark the first major contracts that Boeing has earned under NASA's Constellation program. The first test flight is scheduled for 2009.

B-1/B-52 Bombers



B-1 Bomber



B-52 Bomber

The B-1B Lancer is a long-range bomber in service with the U.S. Air Force since 1984. In operation, its wings sweep forward for takeoff and landing from smaller airfields with large loads and sweep aft for efficient cruise and improved maneuverability at high speeds. The B-1 is capable of rapidly delivering large quantities of precision munitions through any weather, anywhere in the world,

anytime. The B-52 Stratofortress is in its fourth decade of operational service. Its primary mission is to provide the United States with immediate nuclear and conventional global power. Due to its high mission-capable rate, long range, persistence and ability to employ accurate standoff weapons and Joint Direct Attack Munitions, the B-52 continues to be a major contributor to the U.S. allied forces.

Boeing Launch Services

Commercial Delta II

Commercial Delta IV



Medium Medium Plus Heavy

Boeing continues to offer the Delta family of launch vehicles to commercial customers through launch services contracted with the United Launch Alliance (ULA). Commercial Delta launches are conducted from ULA's launch facilities at Cape Canaveral Air Force Station, Florida, and at Vandenberg Air Force Base, California. Delta rockets provide Boeing's commercial customers with a wide range of

payload capabilities and vehicle configuration options to reliably deliver missions to virtually any destination in space.

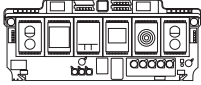
*2008 launches:
2 successful Delta II commercial missions*

SELECTED PROGRAMS, PRODUCTS AND SERVICES

Boeing Integrated Defense Systems

continued

C-130 Avionics Modernization Program (AMP)



The C-130 AMP modernizes, standardizes and reduces total ownership costs for the U.S. Air Force C-130 fleet. The new digital glass cockpit and software results in a common core avionics suite and gives the crew more situational awareness and improved mission execution while simplifying tasks and decreasing workload. The central element of Boeing's AMP configuration is

Communication, Navigation and Surveillance/Air Traffic Management (CNS/ATM) compliance to continue worldwide operations. Simplified fleet-wide training and logistics and a reduced operational footprint allow a reduced crew size if required. A flexible architecture was also designed to accommodate future technology insertion(s).

C-17 Globemaster III



The C-17 Globemaster III is the most advanced, versatile airlifter ever produced. Capable of long-range transport of equipment, supplies and troops with a maximum payload of 74,818 kilograms (164,900 pounds), the C-17 can operate from short, austere—even dirt—runways close to the front lines. As the world's premier airlifter, the C-17 is being used extensively to support combat operations in Iraq and Afghanistan. C-17s also play an integral role in global humanitarian relief efforts. Through 2008, Boeing had delivered 182 of the 190 C-17s the U.S. Air Force currently had on order. Early in 2009, Boeing was awarded a contract for 15 additional C-17s, bringing the total U.S. Air Force C-17 program of record to 205 aircraft. There are 14 C-17s in service internationally—the Royal Air Force has six C-17s, the Royal Australian

Air Force has four, and Canadian Forces has four. In July 2008, the government of Qatar became the first Middle East customer to order C-17s, with delivery in 2009. In October 2008, an international consortium of 10 NATO members—joined by Partnership for Peace nations, Sweden and Finland—announced the signing of a Memorandum of Understanding to acquire three Boeing C-17 Globemaster III long-range cargo jets in 2009. Boeing also manages the C-17 Globemaster III Sustainment Partnership, through which it is responsible for all C-17 sustainment activities, including material management and depot maintenance support.

2008 deliveries: 16

C-32A Executive Transport

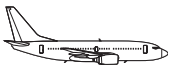


The C-32A is a Boeing 757-200 specially configured for the U.S. Air Force to provide safe, reliable worldwide airlift for the vice president, first lady and members of the Cabinet and Congress. Four C-32As currently are in service. Boeing recently

upgraded them with an advanced communications suite. The company also is installing winglets and an auxiliary fuel system that will enhance the aircraft's range and performance.

C-40 Clipper

C-40A



C-40B



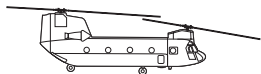
C-40C



The C-40A Military Transport is a modified 737-700C providing airlift of cargo and passengers to U.S. Navy fleet commanders. It can be configured as an all-passenger, all-cargo or combination passenger-cargo transport. The U.S. Naval Reserve contracted for nine aircraft, and Boeing delivered the last of these in May 2006. Boeing is currently upgrading the fleet with winglets to improve performance and range. The U.S. Navy contracted for two more C-40As in December 2008, with delivery scheduled in 2010.

The C-40B and C40C are modified Boeing Business Jets (BBJ) that provide airlift for combatant commanders, senior government leaders and distinguished visitors worldwide. Both aircraft have advanced communications systems allowing users to send, receive and monitor real-time communications worldwide. Four C-40Bs are currently in service with the U.S. Air Force. Boeing is enhancing these aircraft with a defensive system that detects, tracks and defeats incoming infrared-seeking missiles. The Air National Guard operates three C-40Cs, all delivered by Boeing between 2002 and 2004, and the Air Force Reserve Command took delivery of three aircraft during 2007.

CH/MH/HH-47 Chinook



Boeing is modernizing the U.S. Army's fleet of CH/MH-47 Chinook helicopters. In 2008, Boeing received a multiyear contract from the Army for 191 CH-47F Chinooks. The new CH-47F and MH-47G feature a variety of improvements, including an advanced common architecture cockpit. Under the modernization program, Chinooks will remain in Army service through 2035 and achieve an unprecedented service life of more than 75 years. Boeing is offering a low-risk Chinook

derivative called HH-47 for the U.S. Air Force's Combat Search and Rescue helicopter competition. Boeing also provides performance-based logistics sustainment services to the United Kingdom's Chinook fleet. This program has increased the fleet's flight hours more than 30 percent and reduced depot turnaround time by more than 40 percent.

2008 deliveries: 12 new, 18 remanufactured & kits

Defense & Government Services (D&GS)



Intelligence, Surveillance & Reconnaissance (ISR) Services

D&GS, launched to sustain and expand Boeing business and better serve customers in the vast services sector, began operations in 2008. Its market includes services for infrastructure support, aviation and logistics, information, support operations, managed networks and communications,

and a broad array of other technical services. D&GS focuses on services growth with a competitive cost structure, a key step in Boeing's strategy to win new, innovative opportunities that are non-traditional (and, in some cases, not related to aircraft platforms) for Boeing.

E-4B



The E-4B Advanced Airborne Command Post is used by the National Command Authority as a survivable command post for control of U.S. forces in all conflicts including nuclear war. In addition to its primary mission, secondary missions include VIP travel support and Federal Emergency Management Agency support, providing communications to relief efforts

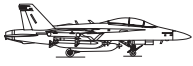
following natural disasters. The U.S. Air Force awarded Boeing a five-year contract to support the E-4B in December 2005. The Boeing-led industry team is focused on modernizing the E-4B fleet of aircraft with major communication upgrades (Mod Block 1) and providing contractor logistics support to the fleet at Offutt Air Force Base in Nebraska.

SELECTED PROGRAMS, PRODUCTS AND SERVICES

Boeing Integrated Defense Systems

continued

EA-18G Growler

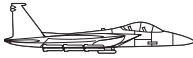


A variant of the U.S. Navy F/A-18F two-crew strike fighter, the EA-18G combines the combat-proven Block II Super Hornet with an enhanced version of the Improved Capability III Airborne Electronic Attack avionics suite. The EA-18G is the U.S. Navy's choice to replace its existing Airborne Electronic Attack platform. Boeing and the U.S. Navy signed a five-year System Development and Demonstration (SDD) contract on Dec. 29, 2003. The SDD contract runs from 2004 through the third quarter of 2009 and

encompasses all laboratory, ground and flight tests. Boeing delivered two flight test aircraft to the Navy in 2006, the first two production aircraft in 2007 and an additional five in 2008. Also in 2008, the first EA-18G aircraft joined the Navy's fleet and began sea trials and operational evaluation. Initial operational capability for the EA-18G is expected in 2009. The Navy currently plans to buy 88 Growlers.

2008 deliveries: 5

F-15E Strike Eagle



The F-15E Strike Eagle is the world's most capable multirole fighter. Its unparalleled range, payload and persistence make it the backbone of the U.S. Air Force fleet. The F-15E carries payloads larger than those of any other tactical fighter, and it retains the air-to-air capability and air superiority of the F-15C. It can operate around the clock and in any weather. Since entering operational service, the F-15 has logged a perfect air combat record, with more than 100 victories and no losses. Four other nations fly the F-15—Japan, Israel, Saudi Arabia and the Republic of Korea. In 2008, Boeing delivered the final 10 aircraft to complete delivery of 40 F-15Ks to the Republic of Korea Air Force and was awarded a contract for an additional 21 F-15Ks for its Next Fighter II Program. The

Republic of Singapore selected the Boeing F-15SG for its Next Fighter Replacement Program in December 2005 and, in 2007, exercised an option for eight F-15SGs plus an additional four; the roll-out ceremony for the first of these aircraft was held in November 2008. The F-15 is an extremely capable, supportable and affordable option to fill multirole force structure requirements around the world. Boeing also provides support for domestic and international F-15 operators, including technical data sustainment, field services, support and test equipment, training systems and a wide range of supply chain services.

2008 deliveries: 14

F-22 Raptor



Boeing produces the U.S. Air Force's F-22 Raptor in partnership with Lockheed Martin and Pratt & Whitney. Boeing builds the aircraft's wings and aft fuselage, integrates avionics and software, leads pilot and maintenance training, and provides a third of its modernization and sustainment. The fighter is designed to overcome all known threats and quickly establish air dominance using its revolutionary combination of stealth, super-cruise, advanced integrated avionics and unmatched

maneuverability. In mid-2007, Congress approved a multiyear procurement of the final 60 of 183 Raptors. The Raptor surpassed all expectations during the U.S. Air Force evaluations of its performance, lethality and supportability during major exercises. Also in 2007, Boeing opened a state-of-the-art Raptor maintenance-training "schoolhouse" at Sheppard Air Force Base, Texas.

2008 deliveries: 23

F/A-18E/F Super Hornet

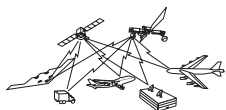


The combat-proven F/A-18E/F Super Hornet is the cornerstone of U.S. naval aviation and the United States' most advanced multirole strike fighter in production today. Designed to perform both fighter (air-to-air) and attack (air-to-surface or strike) missions, the Super Hornet provides the capability, flexibility and performance necessary to modernize the air or naval aviation forces of any country. Boeing has delivered more than 380 Super Hornets to the U.S. Navy—all ahead of schedule. Active Electronically Scanned Array (AESA) radar equipped Block II Super Hornets are currently being delivered to fleet squadrons. In December 2008, final assembly began on the first of 24

F/A-18F Super Hornets for the Commonwealth of Australia, the first international Super Hornet customer. Production orders currently extend through 2014, and additional domestic and international opportunities would further extend production. Boeing is offering the F/A-18E/F Super Hornet to a number of countries including India, Japan, Brazil and Denmark. Boeing provides support to the Navy's Super Hornet fleet through a performance-based logistics program that oversees supply chain management, in-service engineering and integrated information systems.

2008 deliveries: 40

Family of Advanced Beyond Line-of-Sight Terminals (FAB-T)



FAB-T is a key military program that enables users to harness the power of information technology to accelerate command-and-control decision support with speed, security and precision. Boeing is under contract with the U.S. Air Force to design and develop a family of multimission-capable satellite communications terminals to enable information exchange among ground, air and space platforms. In 2008, Boeing successfully completed a critical

design review, demonstrating interoperability with a MILSTAR satellite and secure interoperability between two of its software-defined terminals. A next-generation FAB-T prototype was delivered to the Massachusetts Institute of Technology's Lincoln Laboratory. This delivery completes a key hardware and software risk reduction requirement for FAB-T.

SELECTED PROGRAMS, PRODUCTS AND SERVICES

Boeing Integrated Defense Systems

continued

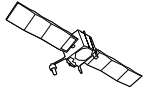
Future Combat Systems (FCS)



FCS, the U.S. Army's premier modernization program, is a networked, fully integrated system-of-systems that includes a new family of manned and unmanned ground and air vehicles and sensors. FCS provides soldiers and military leaders with leading-edge technologies and capabilities that dramatically increase their survivability and lethality in complex environments. Boeing and partner

Science Applications International Corporation function as the lead systems integrator for FCS, managing a best-of-industry team of more than 550 suppliers. They are working together to deliver the first fully equipped FCS Brigade Combat Team in 2015 and to accelerate the delivery of select FCS technologies to the Army's Infantry Brigade Combat Teams beginning in 2011.

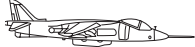
Global Positioning System (GPS)



Boeing has built a total of 40 GPS satellites and is under contract to build 12 follow-on Block IIF satellites, the first of which is scheduled to launch in 2009. The new GPS ground control system, delivered by Boeing to the U.S. Air Force in September 2007, began operations in May 2008.

In July 2008, Boeing instituted a streamlined manufacturing process specifically for the GPS IIF fleet. The "pulse line" manufacturing process will increase efficiency while maintaining Boeing's high quality standards.

Global Services & Support



Global Services & Support provides best-value mission readiness to its customers through total support solutions. The global business sustains aircraft and systems with a full spectrum of products and services, including aircraft maintenance, modification and upgrades; supply chain management; engineering and logistics support; pilot and maintenance training; and other defense

and government services. Its advanced division explores emerging markets and logical adjacencies to bring service and support capabilities to new markets such as tactical wheeled vehicle support. Global Services & Support's international division serves the militaries of America's allies, including major operations in Australia, the United Kingdom and Saudi Arabia.

Ground-based Midcourse Defense (GMD)



GMD Interceptor

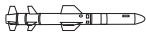


SBX Radar

Boeing is the prime contractor for GMD, the United States' only defense against long-range ballistic missiles. GMD has more than 20 interceptors deployed in underground silos at Vandenberg Air Force Base, California, and Fort Greely, Alaska. An integral element of the global ballistic missile defense system, GMD also consists of radars, other sensors, command-and-control facilities, communications terminals and a 20,000-mile fiber-optic communications network. The U.S.

government has signed agreements with the Czech Republic and Poland to extend this capability to Europe. In December 2008, the GMD team successfully completed a flight test that resulted in the intercept of a target warhead. This end-to-end test of the GMD system was the most realistic and comprehensive to date. The test, GMD's eighth intercept overall, was the third using an interceptor with the same design and capabilities as those protecting the United States.

Harpoon

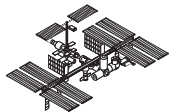


Harpoon Block II expands the capabilities of the Harpoon anti-ship weapon. Harpoon, the world's most successful anti-ship missile, features autonomous, all-weather, over-the-horizon capability. Harpoon Block II can execute both land-strike and anti-ship missions. To strike targets, the missile uses GPS-aided inertial navigation to hit a designated target. The 226.8-kilogram (500-pound)

blast warhead delivers lethal firepower against a wide variety of land-based targets, including coastal defense sites, surface-to-air missile sites, exposed aircraft, port or industrial facilities and ships in port. Currently, 28 U.S. allied armed forces deploy Harpoon missiles; 11 have Block II capability.

2008 deliveries: 59

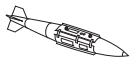
International Space Station (ISS)



The first two modules of ISS were launched and joined in orbit in 1998. The station has been inhabited continuously since the first crew arrived in 2000. When completed in 2010, ISS will weigh almost a million pounds and will have a habitable volume of 425 cubic meters (15,000 cubic feet), about the size of a five-bedroom home. ISS crews conduct research to support human exploration of

space and to take advantage of space as a laboratory for scientific, technological and commercial research. As prime contractor, Boeing built all major U.S. elements. Today, Boeing provides sustaining engineering support. The ISS is the largest, most complex international scientific project in history and humankind's largest adventure in space to date.

Joint Direct Attack Munition (JDAM)

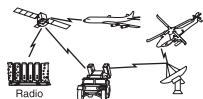


JDAM guidance kits convert existing unguided warheads into the most capable, cost-effective and combat-proven air-to-surface weapons, revolutionizing warfare. JDAM gives U.S. and allied forces the capability to reliably defeat

multiple high-value targets in a single pass, in any weather, with minimal risk to the aircraft. More than 200,000 JDAMs have been delivered.

2008 deliveries: 14,319

Joint Tactical Radio System Ground Mobile Radios (JTRS GMR)



The JTRS GMR program is a joint service initiative to develop software-programmable tactical radios that will allow complete battlespace awareness to provide secure, wireless voice, data, video and Internet-like capabilities for mobile forces. In 2008, Boeing demonstrated multichannel wideband operations and capability to communicate with current force communication systems. During

continuous field testing, the systems have logged more than 100,000 operating hours, including 20,000 hours in field tests and demonstrations. The first GMR Engineering Development Models began program testing and integration in September 2008 in preparation for delivery to the Future Combat Systems program in early 2009.

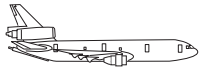
SELECTED PROGRAMS, PRODUCTS AND SERVICES

Boeing Integrated Defense Systems

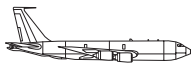
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KC-10 and KC-135

KC-10



KC-135

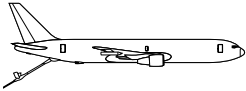


The Boeing KC-10 Extender provides strategic aerial refueling capability, enabling rapid worldwide force projection for the United States and its allies. Boeing provides contractor logistics support services to the KC-10 tanker and also supports the Royal Netherlands Air Force's fleet of KDC-10s. Boeing has been providing programmed depot

maintenance for the U.S. Air Force's KC-135 Stratotanker fleet since 1998. These services include KC-135 depot level inspections, repairs, maintenance, modifications and supply chain services.

2008 deliveries: Serviced and delivered 33 KC-10 and 11 KC-135 aircraft.

KC-767 International Tanker



The KC-767 International Tanker provides unrivaled tanker capability and operational flexibility. Technology advances include a sixth-generation boom, second-generation remote vision system, new wing air refueling pods and hose drum unit, and a digital cockpit. Leveraging more than 1,000 hours of flight testing, Boeing delivered the first two KC-767Js to Japan in 2008, with delivery of the third aircraft scheduled for 2009 and the final aircraft in 2010. Boeing continues flight test and

certification activity for Italy's KC-767A program, with the first two aircraft scheduled to begin acceptance in 2009. Boeing is establishing KC-767 support capability through the KC-767 Italian Tanker performance-based logistics program, which includes training, service engineering, field service representatives, aircraft maintenance, support equipment, spares, repairs and warehousing.

2008 deliveries: 2

Mobile Satellite Ventures (MSV)



Boeing is under contract to build two geo-mobile satellites for SkyTerra, formerly known as Mobile Satellite Ventures. Using space and terrestrial elements, the satellites will create the world's first commercial mobile satellite service. The network, based on MSV's patented Ancillary Terrestrial Component (ATC) technology, combines the best of satellite and cellular technology. It will deliver

reliable, advanced and widespread voice and data coverage throughout North America. In addition, Boeing will develop ground-based systems to provide advanced beam forming flexibility and interference cancellation unprecedented in commercial satellite systems. The first satellite is expected to launch in 2009.

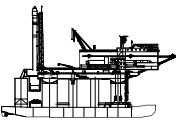
P-8A Poseidon



The P-8A Poseidon is a military derivative of the Boeing Next-Generation 737-800 designed to replace the U.S. Navy's fleet of P-3C aircraft. The P-8A will significantly improve the Navy's anti-submarine and anti-surface warfare capabilities, as well as armed intelligence, surveillance and reconnaissance. The Navy awarded Boeing a System Development and Demonstration contract for the aircraft in June 2004. As part of the contract, Boeing is building three flight-test and two ground-test aircraft at its facility in Renton,

Washington. Boeing began final assembly and testing of the first P-8A in early 2008 and completed assembly of the first two aircraft before the end of the year. The first P-8A is scheduled to begin flight testing at Naval Air Station Patuxent River, Maryland, in 2009. The Navy anticipates achieving initial operational capability in 2013. Boeing also supports the Navy by providing front-end analysis, as well as flight and maintenance training devices and coursework.

Sea Launch Company, LLC



Odyssey Launch Platform

Sea Launch is an international company in which Boeing is a 40 percent partner with companies in Russia, Ukraine and Norway. Sea Launch offers heavy-lift commercial launch services in the 4,000- to 6,100-kilogram (8,818- to 13,420-pound) payload class from an ocean-based platform positioned on the equator. With the advantage of a launch site on the equator, the Zenit-3SL rocket can lift a heavier mass or provide longer life on orbit. Sea Launch has completed 27 successful

missions since its inaugural launch in March 1999. Sea Launch also offers land-based commercial launch services for medium-weight satellites up to 3,500 kilograms (7,716 pounds) from the Baikonur Space Center in Kazakhstan, in collaboration with International Space Services of Moscow. Sea Launch World Headquarters and Home Port are located in Long Beach, California.

2008 launches: Five successful missions

Small Diameter Bomb (SDB)

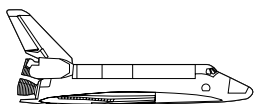


The SDB system is capable of delivering a 113.4-kilogram (250-pound) precision standoff guided munition from a distance of 60 nautical miles in all weather, day or night. In addition to the munitions, the SDB system includes a four-place smart pneumatic carriage system, accuracy support infrastructure, a mission-planning system and a logistics system. Boeing successfully completed development and operational testing of the SDB on schedule, and the U.S. Air Force deployed the system in September 2006. The Air Force approved SDB for full-rate production and awarded Boeing

an \$80 million contract for the third production lot in December 2006. The SDB's miniaturized size allows each aircraft to carry more weapons per sortie, and its precision accuracy and effective warhead provide war planners with greater target effectiveness and reduced collateral damage around the target. SDB is deployed in combat on the F-15E, and integration is expected on most other U.S. Air Force delivery platforms, including the F-22A Raptor and F-35 Joint Strike Fighter.

2008 deliveries: 1,586 weapons and 302 carriages

Space Shuttle



The space shuttle is the world's only operational, reusable launch vehicle capable of supporting human space flight mission requirements. Boeing is a major subcontractor to NASA's space program operations contractor, United Space Alliance. As the original developer and manufacturer of the

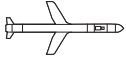
space shuttle Orbiter, Boeing is responsible for orbiter engineering, major modification design, engineering support to operations (including launch), and overall shuttle systems and payload integration services.

SELECTED PROGRAMS, PRODUCTS AND SERVICES

Boeing Integrated Defense Systems

continued

Standoff Land Attack Missile Expanded Response (SLAM ER) Missile



The SLAM ER missile provides over-the-horizon, precision strike capability for the U.S. Navy day or night and in adverse weather conditions. It is the only air-to-surface weapon that can engage fixed or moving targets on land and at sea. SLAM ER extends the weapon system's combat effectiveness,

providing an effective, long-range, precision-strike option for both preplanned and target-of-opportunity missions against land and ship targets. The Republic of Korea also is a customer.

2008 deliveries: 54

T-45 Training System

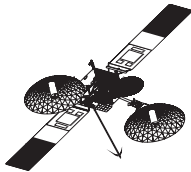


Boeing produces the two-seat T-45 Goshawk as part of a fully integrated training system used by the U.S. Navy to prepare pilots to operate the fleet's carrier-based jets. The system includes advanced flight and instrument simulators, computer-assisted classroom instruction and a computerized tracking and record-keeping system. More than 3,500 U.S. Navy, Marine Corps and international student naval aviators have

earned their Wings of Gold in the T-45A and C. The reliable, cost-effective Goshawk recently logged its 850,000th flight hour since entering service in 1992. Boeing is under contract to produce 221 aircraft, with production expected to run through late 2009. Boeing also plays a role on the T-45's industry support team.

2008 deliveries: 7

Tracking and Data Relay Satellite (TDRS) System



Boeing is building the newest TDRS spacecraft for NASA under a contract awarded at the end of 2007. TDRS-K and TDRS-L will become part of the Tracking and Data Relay Satellite System, which is the primary source of voice, data and telemetry for the space shuttle and the International Space Station. TDRS also provides satellite communication and science data relay services for low-Earth orbiting spacecraft,

including the Hubble Space Telescope. The two new satellites are scheduled for launch in 2012 and 2013. Boeing built three of the previous-generation spacecraft, designated TDRS-H, -I and -J, which were launched in 2000 and 2002. All three Boeing-built TDRS spacecraft are part of a nine-satellite constellation in operation today, providing vital services to NASA and the United States' space programs.

Training Systems & Services (TS&S)



Full-Motion Simulators

TS&S delivers comprehensive training systems, support services and mission planning solutions for Integrated Defense Systems, as well as for non-Boeing programs and systems. Award-winning training solutions encompass software, hardware,

networked systems, and training centers for customized programs that enable students to train like they fight. More than 1,000 on-site instructors, training support specialists and courseware developers train warfighters for maximum readiness.

United Launch Alliance

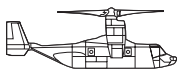


Boeing and Lockheed Martin marked the second anniversary of the United Launch Alliance joint venture on Dec. 1, 2008. Using the combined assets of the Boeing Delta and Lockheed Martin Atlas launch vehicle programs, including mission management, support, engineering, vehicle production, test and launch operations and people, ULA's primary mission is to provide satellite launch

services to the U.S. government, but the joint venture launches commercial missions on behalf of Boeing Launch Services.

*2008 U.S. government Delta launches:
3 successful Delta II missions
2008 U.S. government Atlas V launches:
1 successful Atlas mission*

V-22 Osprey

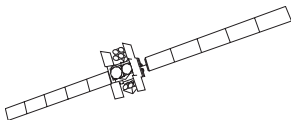


Produced jointly by Boeing and Bell Helicopter, a Textron Company, the V-22 Osprey combines the speed and range of a fixed-wing aircraft with the vertical flight performance of a helicopter. In 2008, Boeing received a multiyear contract for 167 aircraft (141 MV-22s for the U.S. Marine Corps and 26 CV-22s for the Air Force Special Operations Command) over five years. Two U.S. Marine Corps tiltrotor operational squadrons and one U.S. Air

Force Special Operations squadron are active, and more will stand up as V-22 deliveries increase to full-rate production around 2010. Boeing field service representatives help the Marine Corps maintain the V-22 in the extreme conditions of Iraq through a performance-based logistics program.

2008 deliveries: 14

Wideband Global SATCOM (WGS)



Boeing is under contract for six WGS military communications satellites. The WGS satellites are based on Boeing's 702 model and are designed to provide a vast improvement in communications capability for U.S. warfighters. WGS Space Vehicle 1 was successfully launched Oct. 10, 2007, went into service over the Pacific in April 2008, and is now providing more than 10 times the bandwidth

of the Defense Satellite Communications System (DSCS) satellites that it replaced. The second and third WGS satellites are scheduled for launch in 2009. WGS Block II (satellites 4 through 6) will include a radio frequency bypass capability designed to support the additional bandwidth required by airborne intelligence, surveillance and reconnaissance platforms.

Boeing Capital Corporation

Walter E. Skowronski, President, Renton, Washington, U.S.A.



Boeing Capital is a global provider of financial solutions. Drawing on its comprehensive expertise, Boeing Capital arranges, structures and, where appropriate, provides innovative financing solutions for commercial and government customers around the world. Working with Boeing's business units, Boeing Capital is committed to helping customers obtain efficient financing for Boeing products and services. To ensure adequate availability

of capital funding, Boeing Capital is leading efforts to improve the international financing infrastructure and engaging financiers in a comprehensive investor outreach program. With four decades of experience in structured financing, leasing, complex restructuring and trading, Boeing Capital's team brings opportunity and value to its financial partners. Boeing Capital manages a \$6 billion portfolio of approximately 325 airplanes.

BOARD OF DIRECTORS

John H. Biggs, 72

Former Chairman, President and Chief Executive Officer, Teachers Insurance and Annuity Association—College Retirement Equities Fund (TIAA-CREF) (national teachers' pension fund)

Boeing director since 1997

Committees: Audit (Chair); Finance

John E. Bryson, 65

Senior Advisor, Kohlberg Kravis Roberts & Co. (KKR); retired Chairman of the Board, President and Chief Executive Officer, Edison International (electric power generator and distributor)

Boeing director since 1995

Committees: Compensation (Chair); Governance, Organization and Nominating

Arthur D. Collins, Jr., 61

Retired Chairman of the Board, Medtronic, Inc. (medical device and technology company)

Boeing director since 2007

Committees: Audit; Finance

Linda Z. Cook, 50

Executive Director Gas & Power of Royal Dutch Shell plc. (oil, gas and petroleum)

Boeing director since 2003

Committees: Audit; Finance

William M. Daley, 60

Head of the Office of Corporate Social Responsibility and Chairman of the Midwest Region for JPMorgan Chase & Co. (banking and financial services)

Boeing director since 2006

Committees: Finance; Special Programs

Kenneth M. Duberstein, 64

Chairman and Chief Executive Officer, The Duberstein Group (consulting firm)

Boeing Lead Director since 2005

Boeing director since 1997

Committees: Compensation; Governance, Organization and Nominating (Chair)

John F. McDonnell, 71

Retired Chairman, McDonnell Douglas Corporation (aerospace)
Boeing director since 1997

Committees: Compensation; Governance, Organization and Nominating

W. James McNerney, Jr., 59

Chairman, President and Chief Executive Officer, The Boeing Company

Boeing director since 2001

Committee: Special Programs (Chair)

Mike S. Zafirovski, 55

Director, President and Chief Executive Officer, Nortel Networks Corporation (telecommunications)

Boeing director since 2004

Committees: Audit; Finance (Chair)

COMPANY OFFICERS

James F. Albaugh

Executive Vice President, President and Chief Executive Officer, Integrated Defense Systems

James A. Bell

Executive Vice President, Corporate President and Chief Financial Officer

Scott E. Carson

Executive Vice President, President and Chief Executive Officer, Commercial Airplanes

Michael J. Cave

Senior Vice President, Business Development and Strategy

Wanda K. Denson-Low

Senior Vice President, Office of Internal Governance

David A. Dohnalek*

Vice President, Finance and Treasurer

Thomas J. Downey

Senior Vice President, Communications

Shephard W. Hill

Senior Vice President, President, Boeing International

Timothy J. Keating

Senior Vice President, Government Operations

Michael F. Lohr*

Vice President, Corporate Secretary and Assistant General Counsel

J. Michael Luttig

Senior Vice President and General Counsel

Robert J. Pasterick*

Vice President, Finance and Corporate Controller

W. James McNerney, Jr.

Chairman, President and Chief Executive Officer

Richard D. Stephens

Senior Vice President, Human Resources and Administration

John J. Tracy

Senior Vice President, Engineering, Operations and Technology, and Chief Technology Officer

*Appointed Officer

SHAREHOLDER INFORMATION

The Boeing Company

100 North Riverside Plaza
Chicago, IL 60606-1596
U.S.A.
312-544-2000

Transfer Agent, Registrar, Dividend Paying Agent and Plan Administrator

The transfer agent is responsible for shareholder records, issuance of stock, distribution of dividends and IRS Form 1099. Requests concerning these or other related shareholder matters are most efficiently answered by contacting Computershare Trust Company, N.A.

Computershare

P.O. Box 43078
Providence, RI 02940-3078
U.S.A.
888-777-0923
(toll-free for domestic U.S. callers)
781-575-3400
(non-U.S. callers may call collect)

Boeing registered shareholders can also obtain answers to frequently asked questions on such topics as transfer instructions, the replacement of lost certificates, consolidation of accounts and book entry shares through Computershare's home page on the Internet at www.computershare.com/investor.

Registered shareholders also have secure Internet access to their own accounts through Computershare's home page (see above Web site address). They can view their account history, change their address, certify their tax identification number, replace checks, request duplicate statements, consent to receive their proxy voting materials and other shareholder communications electronically, make additional investments and download a variety of forms related to stock transactions.

If you are a registered shareholder and want Internet access and either need a password or have lost your password, please click on Computershare's Internet home page (see above Web site address) and then, as appropriate, either click on "Login" or "Forgotten Password?" or "Create Login" on the left panel of the page.

Duplicate Shareholder Accounts

Registered shareholders with duplicate accounts may contact Computershare for instructions regarding the consolidation of those accounts. The Company recommends that registered shareholders always use the same form of their names in all stock transactions to be handled in the same account. Registered shareholders may also ask Computershare to eliminate excess mailings of annual reports going to shareholders in the same household.

Change of Address

For Boeing registered shareholders: Call Computershare at 888-777-0923, or log onto your account at www.computershare.com/investor or write to Computershare P.O. Box 43078 Providence, RI 02940-3078 U.S.A.

For Boeing beneficial owners: Contact your brokerage firm or bank to give notice of your change of address.

Annual Meeting

The annual meeting of Boeing shareholders is scheduled to be held on Monday, April 27, 2009. Details are provided in the proxy statement.

Written Inquiries May Be Sent To:

Shareholder Services
The Boeing Company
Mail Code 5003-1001
100 North Riverside Plaza
Chicago, IL 60606-1596
U.S.A.

Investor Relations

The Boeing Company
Mail Code 5003-5016
100 North Riverside Plaza
Chicago, IL 60606-1596
U.S.A.

Company Shareholder Services

Prerecorded shareholder information is available toll-free from Boeing Shareholder Services at 800-457-7723. You may also speak to a Boeing Shareholder Services representative at 312-544-2660 between 8:00 a.m. and 4:30 p.m. U.S. Central Time.

To Request an Annual Report, Proxy Statement, Form 10-K or Form 10-Q, Contact:

Mail Services
The Boeing Company
Mail Code 3T-06
P.O. Box 3707
Seattle, WA 98124-2207
U.S.A.
or call 425-965-4408 or
800-457-7723

You may also view electronic versions of the annual report, proxy statement, Form 10-K or Form 10-Q at www.boeing.com.

Boeing on the Internet

The Boeing home page at www.boeing.com is your entry point for viewing the latest Company information.

Stock Exchanges

The Company's common stock is traded principally on the New York Stock Exchange; the trading symbol is BA. Boeing common stock is also listed on Euronext Amsterdam, Euronext Brussels, SWX Swiss Exchange and the London stock exchanges. Additionally, the stock is traded without being listed on the Boston, Chicago, Cincinnati, Pacific and Philadelphia exchanges. As of February 27, 2009, Boeing had approximately 912,000 registered and beneficial shareholders.

Independent Auditors

Deloitte & Touche LLP
111 South Wacker Drive
Chicago, IL 60606-4301
U.S.A.
312-486-1000

Equal Opportunity Employer

Boeing is an equal opportunity employer and seeks to attract and retain the best-qualified people regardless of race, color, religion, national origin, gender, sexual orientation, age, disability or status as a disabled or Vietnam Era Veteran.



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