

The Boeing Company and Subsidiaries
Consolidated Statements of Cash Flows

(Dollars in millions)

Years ended December 31,	2008	2007	2006
Cash flows – operating activities:			
Net earnings	\$ 2,672	\$ 4,074	\$ 2,215
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Non-cash items –			
Share-based plans expense	209	287	743
Depreciation	1,325	1,334	1,445
Amortization of other acquired intangibles	166	152	100
Amortization of debt discount/premium and issuance costs	11	(1)	14
Investment/asset impairment charges, net	50	51	118
Customer financing valuation provision/(benefit)	84	(60)	32
Gain on disposal of discontinued operations	(28)	(25)	(14)
Gain on dispositions/business shutdown, net	(4)	(38)	226
Other charges and credits, net	116	197	82
Excess tax benefits from share-based payment arrangements	(100)	(144)	(395)
Changes in assets and liabilities –			
Accounts receivable	564	(392)	(244)
Inventories, net of advances and progress billings	(6,168)	(1,577)	140
Accounts payable and other liabilities	872	928	(744)
Advances and billings in excess of related costs	(1,120)	2,369	1,739
Income taxes receivable, payable and deferred	744	1,290	933
Other long-term liabilities	(211)	71	(62)
Pension and other postretirement plans	14	(143)	642
Customer financing, net	432	1,458	718
Other	(29)	(247)	(189)
Net cash (used)/provided by operating activities	(401)	9,584	7,499
Cash flows – investing activities:			
Property, plant and equipment additions	(1,674)	(1,731)	(1,681)
Property, plant and equipment reductions	34	59	225
Acquisitions, net of cash acquired	(964)	(75)	(1,854)
Proceeds from dispositions			123
Contributions to investments	(6,673)	(5,710)	(2,815)
Proceeds from investments	11,343	3,817	2,850
Purchase of distribution rights	(178)	(182)	(34)
Net cash provided/(used) by investing activities	1,888	(3,822)	(3,186)
Cash flows – financing activities:			
New borrowings	13	40	1
Debt repayments	(738)	(1,406)	(1,681)
Repayments of distribution rights financing	(357)		
Stock options exercised, other	44	209	294
Excess tax benefits from share-based payment arrangements	100	144	395
Employee taxes on certain share-based payment arrangements	(135)		
Common shares repurchased	(2,937)	(2,775)	(1,698)
Dividends paid	(1,192)	(1,096)	(956)
Net cash used by financing activities	(5,202)	(4,884)	(3,645)
Effect of exchange rate changes on cash and cash equivalents	(59)	46	38
Net (decrease)/increase in cash and cash equivalents	(3,774)	924	706
Cash and cash equivalents at beginning of year	7,042	6,118	5,412
Cash and cash equivalents at end of year	\$ 3,268	\$ 7,042	\$ 6,118

See notes to consolidated financial statements on pages 57 – 110.