

## Item 8. Financial Statements and Supplemental Data

### The Boeing Company and Subsidiaries Consolidated Statements of Operations

(Dollars in millions, except per share data)

| Years ended December 31,   | 2008            | 2007            | 2006            |
|--|-----------------|-----------------|-----------------|
| Sales of products  | \$ 50,180       | \$ 57,049       | \$ 52,644       |
| Sales of services  | 10,729          | 9,338           | 8,886           |
| <b>Total revenues</b>  | <b>60,909</b>   | <b>66,387</b>   | <b>61,530</b>   |
| Cost of products   | (41,662)        | (45,375)        | (42,490)        |
| Cost of services   | (8,467)         | (7,732)         | (7,594)         |
| Boeing Capital Corporation interest expense  | (223)           | (295)           | (353)           |
| <b>Total costs and expenses</b>  | <b>(50,352)</b> | <b>(53,402)</b> | <b>(50,437)</b> |
|  | <b>10,557</b>   | <b>12,985</b>   | <b>11,093</b>   |
| Income from operating investments, net   | 241             | 188             | 146             |
| General and administrative expense   | (3,084)         | (3,531)         | (4,171)         |
| Research and development expense, net of credits of \$50, \$130 and \$160          | (3,768)         | (3,850)         | (3,257)         |
| Gain/(loss) on dispositions/business shutdown, net                                 | 4               | 38              | (226)           |
| Settlement with U.S. Department of Justice, net of accruals                        |                 |                 | (571)           |
| <b>Earnings from operations</b>  | <b>3,950</b>    | <b>5,830</b>    | <b>3,014</b>    |
| Other income, net  | 247             | 484             | 420             |
| Interest and debt expense  | (202)           | (196)           | (240)           |
| <b>Earnings before income taxes</b>  | <b>3,995</b>    | <b>6,118</b>    | <b>3,194</b>    |
| Income tax expense   | (1,341)         | (2,060)         | (988)           |
| <b>Net earnings from continuing operations</b>                                     | <b>2,654</b>    | <b>4,058</b>    | <b>2,206</b>    |
| Net gain on disposal of discontinued operations, net of taxes of \$10, \$9 and \$5 | 18              | 16              | 9               |
| <b>Net earnings</b>  | <b>\$ 2,672</b> | <b>\$ 4,074</b> | <b>\$ 2,215</b> |
| <b>Basic earnings per share from continuing operations</b>                         | <b>\$ 3.68</b>  | <b>\$ 5.36</b>  | <b>\$ 2.88</b>  |
| Net gain on disposal of discontinued operations, net of taxes                      | 0.02            | 0.02            | 0.01            |
| <b>Basic earnings per share</b>  | <b>\$ 3.70</b>  | <b>\$ 5.38</b>  | <b>\$ 2.89</b>  |
| <b>Diluted earnings per share from continuing operations</b>                       | <b>\$ 3.65</b>  | <b>\$ 5.26</b>  | <b>\$ 2.84</b>  |
| Net gain on disposal of discontinued operations, net of taxes                      | 0.02            | 0.02            | 0.01            |
| <b>Diluted earnings per share</b>  | <b>\$ 3.67</b>  | <b>\$ 5.28</b>  | <b>\$ 2.85</b>  |

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