

The Boeing Company and Subsidiaries
Consolidated Statements of Cash Flows

(Dollars in millions)

Years ended December 31,

	2010	2009	2008
Cash flows – operating activities:			
Net earnings	\$ 3,307	\$ 1,312	\$ 2,672
Adjustments to reconcile net earnings to net cash provided/(used)by operating activities:			
Non-cash items –			
Share-based plans expense	215	238	209
Depreciation	1,510	1,459	1,325
Amortization of other acquired intangibles	217	207	166
Amortization of debt discount/premium and issuance costs	19	12	11
Investment/asset impairment charges, net	174	151	50
Customer financing valuation provision	51	45	84
Loss on disposal of discontinued operations	6	36	(28)
(Gain)/loss on dispositions, net	(6)	24	(4)
Other charges and credits, net	512	214	116
Excess tax benefits from share-based payment arrangements	(19)	(5)	(100)
Changes in assets and liabilities –			
Accounts receivable	8	(391)	564
Inventories, net of advances and progress billings	(7,387)	(1,525)	(6,168)
Accounts payable	313	1,141	318
Other accrued liabilities	668	1,327	554
Advances and billings in excess of related costs	238	(680)	(1,120)
Income taxes receivable, payable and deferred	822	607	744
Other long-term liabilities	328	(12)	(211)
Pension and other postretirement plans	1,335	1,140	14
Customer financing, net	717	104	432
Other	(76)	199	(29)
Net cash provided/(used) by operating activities	2,952	5,603	(401)
Cash flows – investing activities:			
Property, plant and equipment additions	(1,125)	(1,186)	(1,674)
Property, plant and equipment reductions	63	27	34
Acquisitions, net of cash acquired	(932)	(639)	(964)
Contributions to investments	(15,548)	(2,629)	(6,673)
Proceeds from investments	12,425	1,041	11,343
Payments on Sea Launch guarantees		(448)	
Reimbursement of Sea Launch guarantee payments	82	40	
Receipt of economic development program funds	206		
Purchase of distribution rights	(2)		(178)
Net cash (used)/provided by investing activities	(4,831)	(3,794)	1,888
Cash flows – financing activities:			
New borrowings	41	5,961	13
Debt repayments	(689)	(551)	(738)
Payments to noncontrolling interests		(40)	
Repayments of distribution rights financing	(137)		(357)
Stock options exercised, other	87	10	44
Excess tax benefits from share-based payment arrangements	19	5	100
Employee taxes on certain share-based payment arrangements	(30)	(21)	(135)
Common shares repurchased		(50)	(2,937)
Dividends paid	(1,253)	(1,220)	(1,192)
Net cash (used)/provided by financing activities	(1,962)	4,094	(5,202)
Effect of exchange rate changes on cash and cash equivalents	(15)	44	(59)
Net (decrease)/increase in cash and cash equivalents	(3,856)	5,947	(3,774)
Cash and cash equivalents at beginning of year	9,215	3,268	7,042
Cash and cash equivalents at end of year	\$ 5,359	\$ 9,215	\$ 3,268

See notes to the consolidated financial statements on pages 55 – 108.