

[Table of Contents](#)

The Boeing Company and Subsidiaries
Consolidated Statements of Operations

(Dollars in millions, except per share data)

Years ended December 31,	2017	2016	2015
Sales of products	\$83,204	\$84,399	\$85,255
Sales of services	10,188	10,172	10,859
Total revenues	93,392	94,571	96,114
Cost of products	(68,365)	(72,713)	(73,446)
Cost of services	(7,631)	(8,018)	(8,578)
Boeing Capital interest expense	(70)	(59)	(64)
Total costs and expenses	(76,066)	(80,790)	(82,088)
	17,326	13,781	14,026
Income from operating investments, net	204	303	274
General and administrative expense	(4,094)	(3,616)	(3,525)
Research and development expense, net	(3,179)	(4,627)	(3,331)
Gain/(loss) on dispositions, net	21	(7)	(1)
Earnings from operations	10,278	5,834	7,443
Other income/(loss), net	129	40	(13)
Interest and debt expense	(360)	(306)	(275)
Earnings before income taxes	10,047	5,568	7,155
Income tax expense	(1,850)	(673)	(1,979)
Net earnings	\$8,197	\$4,895	\$5,176
Basic earnings per share	\$13.60	\$7.70	\$7.52
Diluted earnings per share	\$13.43	\$7.61	\$7.44

See Notes to the Consolidated Financial Statements on pages 55 – 106.

[Table of Contents](#)

The Boeing Company and Subsidiaries
Consolidated Statements of Comprehensive Income

(Dollars in millions)

Years ended December 31,	2017	2016	2015
Net earnings	\$8,197	\$4,895	\$5,176
Other comprehensive income/(loss), net of tax:			
Currency translation adjustments	128	(104)	(92)
Unrealized gain/(loss) on certain investments, net of tax of (\$1), \$1 and (\$5)	1	(2)	8
Unrealized gain/(loss) on derivative instruments:			
Unrealized gain/(loss) arising during period, net of tax of (\$66), \$4 and \$77	119	(8)	(140)
Reclassification adjustment for loss included in net earnings, net of tax of (\$28), (\$43) and (\$43)	52	78	79
Total unrealized gain/(loss) on derivative instruments, net of tax	171	70	(61)
Defined benefit pension plans & other postretirement benefits:			
Net actuarial loss arising during the period, net of tax of \$248, \$752 and \$402	(495)	(1,365)	(732)
Amortization of actuarial losses included in net periodic pension cost, net of tax of (\$272), (\$288) and (\$570)	542	524	1,038
Settlements and curtailments included in net income, net of tax of \$0, (\$7) and (\$27)		14	51
Pension and postretirement (cost)/benefit related to our equity method investments, net of tax \$5, (\$7) and (\$2)	(11)	12	3
Amortization of prior service (credits)/cost included in net periodic pension cost, net of tax of \$59, \$31 and (\$22)	(117)	(57)	38
Prior service cost arising during the period, net of tax of (\$14), (\$18) and (\$496)	28	33	902
Total defined benefit pension plans & other postretirement benefits, net of tax	(53)	(839)	1,300
Other comprehensive income/(loss), net of tax	247	(875)	1,155
Comprehensive loss related to noncontrolling interests	(2)	(1)	(3)
Comprehensive income, net of tax	\$8,442	\$4,019	\$6,328

See Notes to the Consolidated Financial Statements on pages 55 – 106.

[Table of Contents](#)

The Boeing Company and Subsidiaries
Consolidated Statements of Financial Position

(Dollars in millions, except per share data)

December 31,	2017	2016
Assets		
Cash and cash equivalents	\$8,813	\$8,801
Short-term and other investments	1,179	1,228
Accounts receivable, net	10,516	8,832
Current portion of customer financing, net	309	428
Inventories, net of advances and progress billings	44,344	43,199
Total current assets	65,161	62,488
Customer financing, net	2,740	3,773
Property, plant and equipment, net	12,672	12,807
Goodwill	5,559	5,324
Acquired intangible assets, net	2,573	2,540
Deferred income taxes	341	332
Investments	1,260	1,317
Other assets, net of accumulated amortization of \$482 and \$497	2,027	1,416
Total assets	\$92,333	\$89,997
Liabilities and equity		
Accounts payable	\$12,202	\$11,190
Accrued liabilities	15,292	14,691
Advances and billings in excess of related costs	27,440	23,869
Short-term debt and current portion of long-term debt	1,335	384
Total current liabilities	56,269	50,134
Deferred income taxes	1,839	1,338
Accrued retiree health care	5,545	5,916
Accrued pension plan liability, net	16,471	19,943
Other long-term liabilities	2,015	2,221
Long-term debt	9,782	9,568
Shareholders' equity:		
Common stock, par value \$5.00 – 1,200,000,000 shares authorized; 1,012,261,159 shares issued	5,061	5,061
Additional paid-in capital	6,804	4,762
Treasury stock, at cost	(43,454)	(36,097)
Retained earnings	45,320	40,714
Accumulated other comprehensive loss	(13,376)	(13,623)
Total shareholders' equity	355	817
Noncontrolling interests	57	60
Total equity	412	877
Total liabilities and equity	\$92,333	\$89,997

See Notes to the Consolidated Financial Statements on pages 55 – 106.

[Table of Contents](#)

The Boeing Company and Subsidiaries
Consolidated Statements of Cash Flows

(Dollars in millions)

Years ended December 31,	2017	2016	2015
Cash flows – operating activities:			
Net earnings	\$8,197	\$4,895	\$5,176
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Non-cash items –			
Share-based plans expense	202	190	189
Depreciation and amortization	2,069	1,910	1,833
Investment/asset impairment charges, net	113	90	167
Customer financing valuation cost/(benefit)	2	(7)	(5)
(Gain)/Loss on dispositions, net	(21)	7	1
Other charges and credits, net	287	369	364
Excess tax benefits from share-based payment arrangements			(157)
Changes in assets and liabilities –			
Accounts receivable	(1,821)	112	(1,069)
Inventories, net of advances and progress billings	(1,085)	3,755	(1,110)
Accounts payable	130	622	(238)
Accrued liabilities	573	726	2
Advances and billings in excess of related costs	3,570	(493)	1,192
Income taxes receivable, payable and deferred	857	(810)	477
Other long-term liabilities	94	(68)	46
Pension and other postretirement plans	(582)	153	2,470
Customer financing, net	1,017	(696)	167
Other	(258)	(256)	(142)
Net cash provided by operating activities	13,344	10,499	9,363
Cash flows – investing activities:			
Property, plant and equipment additions	(1,739)	(2,613)	(2,450)
Property, plant and equipment reductions	92	38	42
Acquisitions, net of cash acquired	(324)	(297)	(31)
Contributions to investments	(3,601)	(1,719)	(2,036)
Proceeds from investments	3,639	1,209	2,590
Purchase of distribution rights	(131)		
Other	2	2	39
Net cash used by investing activities	(2,062)	(3,380)	(1,846)
Cash flows – financing activities:			
New borrowings	2,077	1,325	1,746
Debt repayments	(953)	(1,359)	(885)
Repayments of distribution rights and other asset financing		(24)	
Stock options exercised	311	321	399
Excess tax benefits from share-based payment arrangements			157
Employee taxes on certain share-based payment arrangements	(132)	(93)	(96)
Common shares repurchased	(9,236)	(7,001)	(6,751)
Dividends paid	(3,417)	(2,756)	(2,490)
Net cash used by financing activities	(11,350)	(9,587)	(7,920)

Effect of exchange rate changes on cash and cash equivalents	80	(33)	(28)
Net decrease in cash and cash equivalents	12	—	(2,501) —
Cash and cash equivalents at beginning of year	8,801	11,302	11,733
Cash and cash equivalents at end of year	\$8,813	\$8,801	\$11,302

See Notes to the Consolidated Financial Statements on pages 55 – 106.

[Table of Contents](#)

The Boeing Company and Subsidiaries
Consolidated Statements of Equity

	Boeing shareholders						Non-controlling Interest	Total
	Common Stock	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss			
<i>(Dollars in millions, except per share data)</i>								
Balance at January 1, 2015	\$5,061	\$4,625	(\$23,298)	\$36,180	(\$13,903)	\$125		\$8,790
Net earnings				5,176		(3)		5,173
Other comprehensive income, net of tax of (\$686)					1,155			1,155
Share-based compensation and related dividend equivalents		214		(25)				189
Excess tax pools		158						158
Treasury shares issued for stock options exercised, net		(29)	428					399
Treasury shares issued for other share-based plans, net		(134)	53					(81)
Common shares repurchased			(6,751)					(6,751)
Cash dividends declared (\$3.82 per share)				(2,575)				(2,575)
Changes in noncontrolling interests						(60)		(60)
Balance at December 31, 2015	\$5,061	\$4,834	(\$29,568)	\$38,756	(\$12,748)	\$62		\$6,397
Net earnings				4,895		(1)		4,894
Other comprehensive loss, net of tax of \$425					(875)			(875)
Share-based compensation and related dividend equivalents		244		(35)				209
Excess tax pools		(84)						(84)
Treasury shares issued for stock options exercised, net		(63)	383					320
Treasury shares issued for other share-based plans, net		(169)	89					(80)
Common shares repurchased			(7,001)					(7,001)
Cash dividends declared (\$4.69 per share)				(2,902)				(2,902)
Changes in noncontrolling interests						(1)		(1)
Balance at December 31, 2016	\$5,061	\$4,762	(\$36,097)	\$40,714	(\$13,623)	\$60		\$877
Net earnings				8,197		(2)		8,195
Other comprehensive income, net of tax of (\$69)					247			247
Share-based compensation and related dividend equivalents		238		(35)				203
Treasury shares issued for stock options exercised, net		(88)	399					311
Treasury shares issued for other share-based plans, net		(190)	62					(128)
Treasury shares contributed to pension plans		2,082	1,418					3,500
Common shares repurchased			(9,236)					(9,236)
Cash dividends declared (\$5.97 per share)				(3,556)				(3,556)
Changes in noncontrolling interests						(1)		(1)
Balance at December 31, 2017	\$5,061	\$6,804	(\$43,454)	\$45,320	(\$13,376)	\$57		\$412

See Notes to the Consolidated Financial Statements on pages 55 – 106.

[Table of Contents](#)

The Boeing Company and Subsidiaries
Notes to the Consolidated Financial Statements
Summary of Business Segment Data

(Dollars in millions)

Years ended December 31,	2017	2016	2015
Revenues:			
Commercial Airplanes	\$56,729	\$58,012	\$59,399
Defense, Space & Security	21,057	22,563	23,708
Global Services	14,639	13,925	13,293
Boeing Capital	307	298	413
Unallocated items, eliminations and other	660	(227)	(699)
Total revenues	\$93,392	\$94,571	\$96,114
Earnings from operations:			
Commercial Airplanes	\$5,432	\$1,995	\$4,284
Defense, Space & Security	2,223	1,966	2,312
Global Services	2,256	2,177	1,835
Boeing Capital	114	59	50
Segment operating profit	10,025	6,197	8,481
Unallocated items, eliminations and other	253	(363)	(1,038)
Earnings from operations	10,278	5,834	7,443
Other income/(loss), net	129	40	(13)
Interest and debt expense	(360)	(306)	(275)
Earnings before income taxes	10,047	5,568	7,155
Income tax expense	(1,850)	(673)	(1,979)
Net earnings	\$8,197	\$4,895	\$5,176

This information is an integral part of the Notes to the Consolidated Financial Statements. See Note 21 for further segment results.