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

FORM 10-K

(Mark One)	
☑ ANNUAL REPORT PURSUANT TO SECTION 13 OR 1	15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year	ended December 31, 2011
,	or
☐ TRANSITION REPORT PURSUANT TO SECTION 13 (OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
	• •
For the transition period from	
	on file number 1-442
THE BOE	ING COMPANY
(Exact name of regis	strant 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 Plaza, Chicago, IL	60606-1596
(Address of principal executive offices)	(Zip Code)
	er, including area code <u>(312) 544-2000</u>
	rsuant to Section 12(b) of the Act:
Common Stock, \$5 par value	New York Stock Exchange
(Title of each class)	(Name of each exchange on which registered)
Securities registered pursu	ant to Section 12(g) of the Act: None
Indicate by check mark if the registrant is a well-known seas $\hfill\Box$	soned issuer, as defined in Rule 405 of the Securities Act. Yes ⊠ 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 \square No
• • • • • • • • • • • • • • • • • • • •	Il reports required to be filed by Section 13 or 15(d) of the Securities or such shorter period that the registrant was required to file such as for the past 90 days. Yes \boxtimes No \square
Interactive Data File required to be submitted and posted pur	electronically and posted on its corporate Web site, if any, every rsuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during registrant was required to submit and post such files). Yes \boxtimes No \square
·	uant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not gistrant's knowledge, in definitive proxy or information statements y amendment to this Form 10-K. □
· · · · · · · · · · · · · · · · · · ·	elerated filer, accelerated filer, a non-accelerated filer, or a smaller filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2
Large accelerated filer ⊠	Accelerated filer □
Non-accelerated filer $\hfill\square$ (Do not check if a smaller reporting	company) Smaller reporting company □
Indicate by check mark whether the registrant is a shell com	pany (as defined in Rule 12b-2 of the Exchange Act). Yes □ No 区

As of June 30, 2011, there were 740,571,310 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

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of The Boeing Company Chicago, Illinois

We have audited the accompanying consolidated statements of financial position of The Boeing Company and subsidiaries (the "Company") as of December 31, 2011 and 2010, and the related consolidated statements of operations, equity, and cash flows for each of the three years in the period ended December 31, 2011. Our audits also included the financial statement schedule listed in the Index at Item 15(a) 2. The financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of The Boeing Company and subsidiaries as of December 31, 2011 and 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2011, based on the criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 9, 2012 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

Chicago, Illinois February 9, 2012

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of The Boeing Company Chicago, Illinois

We have audited the internal control over financial reporting of The Boeing Company and subsidiaries (the "Company") as of December 31, 2011, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in

Corporate	\$ 5		\$ (1)		\$ 4
Mortgage backed and					
asset backed	23	\$ (1)	15	(4)	33
Private equity	2,291	379	(44)		2,626
Real estate and real assets	1,337	157	324		1,818
Global strategies		(1)	70		69
Hedge funds	1,011	92	815		1,918
Total	\$ 4,667	\$ 626	\$ 1,179	\$ (4)	\$ 6,468

For the year ended December 31, 2010, the change in unrealized gain for Level 3 assets still held at December 31, 2010 were \$397 for private equity, \$136 for real estate and real assets and \$92 for hedge funds.

OPB Plan Assets The majority of OPB plan assets are invested in a balanced index fund which is comprised of approximately 60% equities and 40% debt securities. The index fund is valued using a market approach based on the quoted market price of an identical instrument (Level 1). The expected rate of return on these assets does not have a material effect on the net periodic benefit cost.

Cash Flows

Contributions Required pension contributions under the Employee Retirement Income Security Act (ERISA) as well as rules governing funding of our non-U.S. pension plans, are expected to be minimal in 2012. We expect to make discretionary contributions to our plans of approximately \$1,500 in 2012. We expect to contribute approximately \$15 to our OPB plans in 2012.

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Estimated Future Benefit Payments The table below reflects the total pension benefits expected to be paid from the plans or from our assets, including both our share of the benefit cost and the participants' share of the cost, which is funded by participant contributions. OPB payments reflect our portion only.

Year(s)	2012	2013	2014	2015	2016	201	17–2021
Pensions	\$2,829	\$2,979	\$3,140	\$3,313	\$3,448	\$	19,501
Other postretirement benefits:							
Gross benefits paid	498	520	545	570	599		3,351
Medicare Part D subsidy	(21)	(22)	(23)	(24)	(24)		(126)
Net other postretirement benefits	\$ 477	\$ 498	\$ 522	\$ 546	\$ 575	\$	3,225

Termination Provisions

Certain of the pension plans provide that, in the event there is a change in control of the Company which is not approved by the Board of Directors and the plans are terminated within five years thereafter, the assets in the plan first will be used to provide the level of retirement benefits required by ERISA, and then any surplus will be used to fund a trust to continue present and future payments under the postretirement medical and life insurance benefits in our group insurance benefit programs.

We have an agreement with the U.S. government with respect to certain pension plans. Under the agreement, should we terminate any of the plans under conditions in which the plan's assets exceed that plan's obligations, the U.S. government will be entitled to a fair allocation of any of the plan's assets based on plan contributions that were reimbursed under U.S. government contracts.

Defined Contribution Plans

We provide certain defined contribution plans to all eligible employees. The principal plans are the Company-sponsored 401(k) plans. The expense for these defined contribution plans was \$658, \$614 and \$591 in 2011, 2010 and 2009, respectively.

Note 16 – Share-Based Compensation and Other Compensation Arrangements

Share-Based Compensation

Our 2003 Incentive Stock Plan, as amended and restated effective February 21, 2011, permits awards of incentive stock options, nonqualified stock options, restricted stock, stock units, performance shares, performance units and other incentives to our employees, officers, consultants and independent contractors. The aggregate number of shares of our stock available for issuance under the amended plan will not exceed 80,000,000 and no more than an aggregate of 16,000,000 shares are available for

issuance as restricted stock awards.

Shares issued as a result of stock option exercises or conversion of stock unit awards will be funded out of treasury shares, except to the extent there are insufficient treasury shares, in which case new shares will be issued. We believe we currently have adequate treasury shares to meet any requirements to issue shares during 2012.

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Share-based plans expense is primarily included in General and administrative expense since it is incentive compensation issued primarily to our executives. The share-based plans expense and related income tax benefit follow:

Years ended December 31,	2011	2010	2009
Stock options	\$ 88	\$ 96	\$111
Restricted stock units and other awards	98	83	56
ShareValue Trust		36	71
Share-based plans expense	\$186	\$215	\$238
Income tax benefit	\$ 73	\$ 83	\$ 89

Stock Options

In February 2011, 2010 and 2009, we granted to our executives 5,426,910, 5,932,806 and 7,423,242 options, respectively. The options have been granted with an exercise price equal to the fair market value of our stock on the date of grant and expire ten years after the date of grant. The stock options granted after 2005 vest over a period of three years, with 34% vesting after the first year, 33% vesting after the second year and the remaining 33% vesting after the third year. If an executive terminates employment for any reason, the non-vested portion of the stock option will not vest and all rights to the non-vested portion will terminate completely.

Stock option activity for the year ended December 31, 2011 is as follows:

	Weighted Average		Weighted Average			
		Ex	cercise	Remaining	Agg	regate
		Pri	ce Per	Contractual	Ir	ntrinsic
	Shares		Share	Life (Years)		Value
Number of shares under option:						
Outstanding at beginning of year	28,975,442	\$	65.96			
Granted	5,658,705		71.29			
Exercised	(2,447,099)		46.88			
Forfeited	(665,482)		61.11			
Expired	(90,171)		61.88			
Outstanding at end of year	31,431,395	\$	68.52	6.58	\$	290
Exercisable at end of year	20,488,535	\$	71.77	5.51	\$	170

The total intrinsic value of options exercised was \$67, \$59 and \$2 during the years ended December 31, 2011, 2010 and 2009, respectively. Cash received from options exercised for the years ended December 31, 2011, 2010 and 2009 was \$114, \$87 and \$10 with a related tax benefit of \$23, \$20 and \$1, respectively, derived from the compensation deductions resulting from these option exercises. At December 31, 2011, there was \$89 of total unrecognized compensation cost related to the Stock Option plan which is expected to be recognized over a weighted average period of 1.8 years. The grant date fair value of stock options vested during the years ended December 31, 2011, 2010 and 2009 was \$92, \$103 and \$114, respectively.

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The fair values of options were estimated using the Black-Scholes option-pricing model with the following assumptions:

	Grant	Expected	Expected	Dividend	Risk Free	•	ted-Average int Date Fair
Grant Year	Date	Life	Volatility	Yield	Interest Rate	Valu	e Per Share
2011	2/22/2011	6 years	29.8%	2.3%	2.5%	\$	17.96
2010	2/22/2010	6 years	31.5%	3.0%	2.9%	\$	15.70
2009	2/23/2009	6 years	39.0%	2.4%	2.0%	\$	11.12

The expected volatility of the stock options is based on a combination of our historical stock volatility and the volatility levels implied on the grant date by actively traded option contracts on our common stock. We determined the expected term of the stock option grants to be six years, calculated using the "simplified" method in accordance with the SEC Staff Accounting Bulletin 110. We use the "simplified" method since we changed the vesting terms, tax treatment and the recipients of our stock options beginning in 2006 such that we believe our historical data no longer provides a reasonable basis upon which to estimate expected term and we do not have enough option exercise data from our grants issued subsequent to 2006 to support our own estimate.

Restricted Stock Units

In February 2011, 2010 and 2009, we granted to our executives 1,364,440, 1,459,256 and 2,144,501 restricted stock units (RSUs) as part of our long-term incentive program with grant date fair values of \$71.44, \$63.83 and \$35.57 per share, respectively. The RSUs vest on the third anniversary of the grant date. If an executive terminates employment because of retirement, involuntary layoff, disability, or death, the employee (or beneficiary) will immediately vest on a proration of stock units based on active employment during the three-year service period. In all other cases, the RSUs will not vest and all rights to the stock units will terminate completely.

In addition to RSUs awarded under our long-term incentive program, we grant RSUs to certain executives and employees to encourage retention or to reward various achievements. These RSUs are labeled other restricted stock units in the table below. The fair values of all RSUs are estimated using the average stock price on the date of grant. Stock units settle in common stock on a one-for-one basis and are not contingent upon stock price.

Stock unit activity for the year ended December 31, 2011 is as follows:

	Ince	entive Program	Other	Restricted Stock
	Restrict	ted Stock Units		Units
Number of units:				
Outstanding at beginning of year		3,425,800		1,701,951
Granted		1,421,906		197,526
Dividends		104,895		37,848
Forfeited		(152,608)		(32,721)
Distributed		(112,759)		(410,436)
Outstanding at end of year		4,687,234		1,494,168
Unrecognized compensation cost	\$	98	\$	23
Weighted average remaining contractual life				
(years)		1.8		1.9
				-

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Other Compensation Arrangements

Performance Awards

Performance Awards are cash units that pay out based on the achievement of long-term financial goals at the end of a three-year period. Each unit has an initial value of \$100 dollars per unit. The amount payable at the end of the three-year performance period may be anywhere from \$0 to \$200 dollars per unit, depending on the Company's performance against plan for a three-year period. The Compensation Committee has the discretion to pay these awards in cash, stock, or a combination of both after the three-year performance period. Compensation expense, based on the estimated performance payout, is recognized ratably over the performance period.

During 2011, 2010 and 2009, we granted Performance Awards to our executives with the payout based on the achievement of financial goals for each three-year period following the grant date. The minimum payout amount is \$0 and the maximum amount we could be required to pay out for the 2011, 2010 and 2009 Performance Awards is \$265, \$246 and \$285, respectively. The 2009

grant is expected to be paid out in cash in March 2012.

Deferred Compensation

The Company has a deferred compensation plan which permits executives to defer receipt of a portion of their salary, bonus, and certain other incentive awards. Participants can diversify deferred compensation among 19 investment funds including a Boeing stock unit account.

Total expense related to deferred compensation was \$59, \$112 and \$158 in 2011, 2010 and 2009, respectively. As of December 31, 2011 and 2010, the deferred compensation liability which is being marked to market was \$1,093 and \$1,149.

ShareValue Trust

The ShareValue Trust, established July 1, 1996, was a 14-year irrevocable trust that held shares of our common stock, received dividends, and distributed to employees the appreciation in value above a 3% per annum threshold rate of return at the end of each period. The trust was terminated effective July 1, 2010 with the 29,948,920 undistributed shares returned to the Company.

Note 17 - Shareholders' Equity

On October 29, 2007, the Board approved the repurchase of up to \$7,000 of common stock (the Program). Unless terminated earlier by a Board resolution, the Program will expire when we have used all authorized funds for repurchase. At December 31, 2011, \$3,610 in shares may still be purchased under the Program.

As of December 31, 2011 and 2010, there were 1,200,000,000 shares of common stock and 20,000,000 shares of preferred stock authorized. No preferred stock has been issued.

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Changes in Share Balances

The following table shows changes in each class of shares:

	Common	Treasury	ShareValue
	Stock	Stock	Trust
Balance January 1, 2009	1,012,261,159	285,661,944	28,460,769
Issued		(30,428,387)	_
Acquired		1,173,152	1,102,555
Balance December 31, 2009	1,012,261,159	256,406,709	29,563,324
Issued		(9,353,570)	
Acquired			385,596
ShareValue Trust termination		29,948,920	(29,948,920)
Balance December 31, 2010	1,012,261,159	277,002,059	
Issued		(9,445,671)	
Acquired			
Balance December 31, 2011	1,012,261,159	267,556,388	

Accumulated Other Comprehensive Loss

The components of Accumulated other comprehensive loss at December 31 were as follows:

	2011	2010
Pension and postretirement adjustments	\$(16,755)	\$(14,079)
Unrealized gains on derivative instruments, net of reclassification adjustments	66	95
Unrealized losses on certain investments, net of reclassification adjustments	(8)	(6)
Foreign currency translation adjustments	197	232
Accumulated other comprehensive loss	\$(16,500)	\$(13,758)

Note 18 - Derivative Financial Instruments

Cash Flow Hedges