

A tumultuous period for Boeing

A look at the leadership changes, contracting problems and other turbulence since Boeing moved to Chicago in 2001

**Sept. 4
2001**

Boeing opens for business at its new downtown Chicago headquarters, less than six months after announcing its planned move from Seattle.



**Sept. 11
2001**

Four Boeing-made planes are hijacked by terrorists and crashed in attacks that kill nearly 3,000 people. Airline industry goes into deep slump; Boeing's stock loses more than 40 percent of its value within two weeks.

**Dec. 20
2002**

Boeing announces it is scrapping plans to build the Sonic Cruiser, a plane that would have traveled near the speed of sound, in favor of a more traditional, fuel-efficient jet.

**July 24
2003**

Pentagon bans Boeing from bidding on military satellite-launching contracts to punish it for stealing trade secrets from rival Lockheed Martin to help win rocket contracts.



Mike Sears



Darleen Druyun

**Sept. 17
2003**

Pentagon opens an investigation into allegations that former Air Force official Darleen Druyun improperly gave Boeing information about a competing bid on a widely criticized military contract to acquire 100 air-refueling tankers.

**Nov. 24
2003**

Boeing fires Chief Financial Officer Mike Sears and Druyun for unethical conduct, saying Sears negotiated Druyun's hiring at Boeing while she was still working for the Pentagon and in a position to influence Boeing contracts.

**Dec. 1
2003**

CEO Phil Condit resigns, hoping "to put the distractions and controversies of the past year behind us." Retired Boeing executive Harry Stonecipher succeeds him.



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Phil Condit

- Joined Boeing in 1965 as an aerodynamics engineer.
- Named CEO in April 1996.
- Added chairman of the board title in February 1997.
- Moved company to Chicago in 2001.
- Resigned Dec. 1, 2003, amid growing concerns about ethics problems in hiring of Druyun.
- Pay in 2002 - \$1.5 million salary, \$982,800 bonus, and \$169,879 in other income.
- Pension - \$3 million a year

**Dec. 16
2003**

Boeing begins taking orders for the 787, its first all-new airplane since the 777 in 1990.



**Jan. 15
2004**

Airbus officially overtakes Boeing as the world's largest commercial-jet maker, announcing it had delivered 305 airplanes in 2003 to Boeing's 281.

**Oct. 1
2004**

Druyun is sentenced to nine months in prison for conspiracy to violate federal conflict-of-interest regulations after admitting she helped Boeing on contracts as a "parting gift" before joining the company.

**Feb. 18
2005**

Sears is sentenced to four months in prison for aiding and abetting illegal employment negotiations.

**March 4
2005**

Air Force lifts its 20-month ban prohibiting Boeing from bidding on satellite-launch contracts.

**March 7
2005**

Boeing announces that Stonecipher resigned under pressure the previous day as a result of improper conduct related to an affair with a female Boeing executive. Chief Financial Officer James Bell is named interim CEO.



James Bell



STEVE RINGMAN / THE SEATTLE TIMES

Harry Stonecipher

- Served as CEO for 15 months, December 2003-March 2005
- Brought in after Phil Condit was ousted during ethics scandal.
- Ousted for poor judgment after disclosure he had an affair with a female company executive.
- Former president, chief operating officer and vice chairman of the Boeing board.
- Pay in 2004 - \$1.5 million salary, \$1.26 million bonus and \$819,542 in other income.
- Pension - \$681,000 a year
- Spent 27 years working his way up at General Electric under Jack Welch.

**June 30
2005**

James McNerney, CEO of 3M and former GE executive, is named chairman and CEO of Boeing.

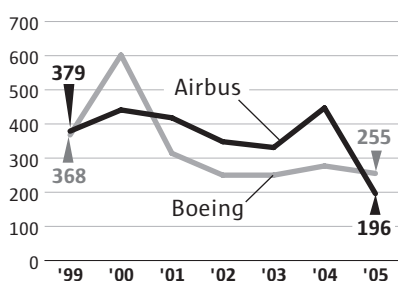


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James McNerney

- Joined Boeing's board in 2001, same year he took over 3M.
- Spent 19 years working at General Electric; left after being passed over to succeed Jack Welch.
- Was paid \$5.9 million in salary, bonus and other compensation last year.

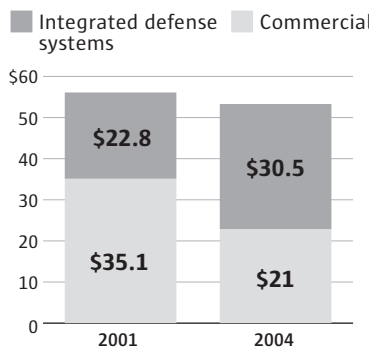
Net firm orders



Source: The Airclaims CASE Database; Boeing; Airbus

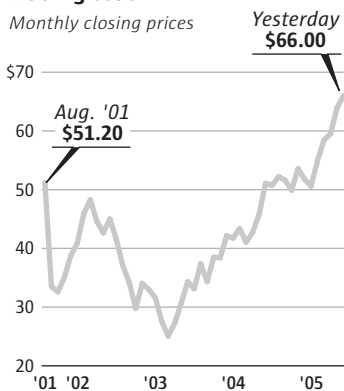
Boeing commercial vs. defense revenue

In billions of dollars



Boeing stock

Monthly closing prices



Source: Bloomberg News