



BOEING BOUNCES 10,000 WORKERS

Boeing plans to cut 10,000 jobs, or about 6% of its workforce, after a strike and program delays led to a Q4 loss, and the global economic meltdown began to erode demand for aircraft. The job reductions include 4,500 that were previously announced in the commercial plane unit. The 5,500 new job cuts announced today will be spread out over the year, with an emphasis on the first half, and will come from support services, corporate functions and the defense side of the business. Boeing faces an increase in canceled or deferred orders this year, as airlines cope with a drop in travel demand and tight credit. Almost a third of the world's carriers are likely to defer deliveries this year, up from 8% three months ago. The planemaker also must carry development costs on the delayed 787 Dreamliner, which is now due to reach the first customer in early 2010, about two years later than planned. An eight-week machinists strike that ended November 2nd added to the delays and stripped \$1.8 billion from full-year earnings. The company delivered 50 aircraft in the quarter, 70 fewer than planned, hurting revenue by \$4.3 billion and setting it further behind rival Airbus SAS, the only larger commercial-plane maker. Boeing is also the second-largest defense contractor. Boeing said today it plans to deliver 480 to 485 planes this year, less than its July estimate of 500 to 505, and may have to provide \$1 billion in financing to customers. It shipped 375 planes last year, below its earlier plan of at least 475.

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