



Quarterly Compliance Report based on AAOIFI Shariah Mandate (Q1-2011)

The Boeing Company

Description

The Boeing Company (Boeing) is an aerospace company. Boeing is engaged in the design, development, manufacture, sale and support of commercial jetliners, military aircraft, satellites, missile defense, human space flight, and launch systems and services. The Company operates in five segments: Commercial Airplanes, Boeing Military Aircraft, Network & Space Systems, Global Services & Support, and Boeing Capital Corporation. Boeing's Other segment includes the activities of engineering, operations and technology, and shared services group, as well as intercompany guarantees provided to BCC.

Company Status

IdealRatings analysts have issued a new report regarding the company:

Name:	The Boeing Company
Ticker:	BA US
Country:	United States
Core Business Activity:	Aerospace / Defense
Exchange:	New York Stock Exchange
Compliance Status:	Not Shariah-compliant

Overview

IdealRatings reviewed the most recent financial statements (Q1-2010) for The Boeing Company. The report has been prepared to determine the Shariah-compliance status of the company based on the AAOIFI Shariah mandate.

Business Screening

Based on the business of the company the core business is in the aerospace business. But one of the main business activities of the company is the military aircraft and defense segment. Since the military products segment is one of the core businesses of the company it is to be considered non-compliant from a business perspective.

According to the company, the total revenue for Q1-2011 is \$14,910 Million and the Defense, Space &

Security segment revenue is \$7,617 Million out of which the Boeing military aircraft revenue is \$3,392 Million.

Based on these numbers the non-permissible income from defense represents 51% of their total revenue and thus is exceeding the 5% threshold level as defined by AAOIFI irrespective of the interest income of the company.

Therefore the status of the company from a business activity is as follows:

	Threshold	Company	Compliance
Non-permissible Income	5%	Exceeds 5%	FAIL

Financial Screening


According to the most recent available financial statement with adequate information (2011-Q1) the financial ratios with respect to the AAOIFI Shariah mandate for the company are as follows:

	Threshold	Company	Compliance
Interest-bearing Investments	30%	24.27%	PASS
Interest-bearing Debts	30%	22.92%	PASS
Liquidity	67%	17.39%	PASS
Share Type (Preference or Common)	Common	Common	PASS

Compliance Status

Based on the available information and the above figures according to the AAOIFI Shariah mandate **The Boeing Company** is to be considered **Non-Shariah-compliant**.





Disclosures

This research is for our clients only. This research is based on current public information that we consider reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. The research reports are published at irregular intervals based on clients' request or as appropriate in our analysts' judgment.

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