

Boeing Reports \$1.1B 3Q Profit

Joshua Freed, AP Business Writer

Boeing Co. cut its forecast for deliveries of its two newest jets on Wednesday, even as it reported a \$1.1 billion third-quarter profit that was well above expectations.

Boeing now says it will deliver 15 to 20 of its new 787s and 747-8s this year. That's 10 fewer than Boeing's previous estimates. It also said that two-thirds of those deliveries will be the 747-8s. It didn't say why the delivery forecast was cut.

The two jets have been years in the making, and Boeing delivered the first of each of them in recent weeks. The 787 carried its first passengers on Wednesday on a flight by Japan's All Nippon Airways.

Investors chose to focus on the strong quarterly results. Shares rose nearly 4 percent as Boeing said it earned \$1.1 billion for the quarter ended Sept. 30, up 31 percent from its net income of \$837 million during the same period last year. The profit of \$1.46 per share was far above the \$1.10 per share expected by analysts surveyed by FactSet. The company has easily surpassed Wall Street's profit expectations in each of the first three quarters this year.

Boeing earned \$1.12 per share in last year's third quarter.

Revenue rose 4 percent to \$17.73 billion. Analysts had been expecting \$17.79 billion.

Boeing raised its full-year guidance to \$4.30 to \$4.40 per share from \$3.90 to \$4.10 per share.

Boeing said its initial accounting block for the 787 is 1,100 planes, which is the number it either has sold or expects to sell. It will average out production costs across those 1,100 planes. That avoids a situation where Boeing would have to account for losing money on early, slowly-built planes when it was still learning how to make them efficiently.

Roughly half of Boeing is its commercial airplanes division. The other half is the defense division, which produced much of the third-quarter profit growth. Defense had operating earnings of \$824 million, up 20 percent, even though revenue was flat at \$8.2 billion.

Boeing Commercial Airplanes saw earnings rise 7 percent to \$1.09 billion, with revenue up 9 percent to \$9.52 billion.

Boeing shares rose \$2.78, or 4.4 percent, to \$66.50 in premarket trading.

Boeing Reports \$1.1B 3Q Profit

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

Source URL (retrieved on 02/01/2015 - 11:06am):

http://www.impomag.com/news/2011/10/boeing-reports-11b-3q-profit?qt-recent_content=0