

Boeing 1Q Profit Soared 58 Percent

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DALLAS (AP) — Airlines around the world are updating their fleets with new, more fuel-efficient planes, and that's good news for aircraft maker Boeing Co.

The Chicago company said Wednesday that first-quarter profit soared 58 percent, beating analysts' expectations, as its commercial airplane division surged and even the defense business grew although much more slowly.

Boeing delivered 137 commercial airplanes in the quarter, winning bragging rights over European rival Airbus, with 131 deliveries.

Boeing said its backlog was rising, partly on orders for a new, more fuel-efficient version of its venerable 737 jetliner. Chairman and CEO W. James McNerney Jr. said the company was focused on profitably boosting commercial airplane production and delivery rates.

The aircraft maker's shares rose \$2.46, or 3.4 percent, to \$75.67 in morning trading. Through Tuesday, the shares had been flat in 2012.

Boeing earned \$923 million, or \$1.22 per share, in the first quarter, compared with \$586 million, or 78 cents per share, a year ago. Excluding a gain from settling litigation, the company earned \$1.11 per share. Analysts expected 96 cents per share, according to FactSet.

Revenue rose 30 percent, to \$19.38 billion, topping analysts' forecast of \$18.45 billion.

The gains were driven by strength in sales of commercial airplanes, which trumped slow growth in the defense business. Boeing's 137 deliveries were an increase from 104 commercial planes delivered in the first quarter of 2011.

Boeing's commercial-plane backlog increased to \$308 billion with more than 300 orders in the quarter for the 737 Max jetliner, which is expected to be ready in a few years to compete with the A320neo being developed by European rival Airbus. Both are single-aisle planes designed for short and medium-length flights.

In all, Boeing said it now has orders to build more than 4,000 commercial planes. The company did not comment on recent reports that it may be close to winning a big order from United Airlines. United has declined to comment.

First-quarter revenue from commercial planes jumped 54 percent, to \$10.94 billion, while revenue from defense and space work grew just 8 percent, to \$8.23 billion, reflecting tighter government budgets. The backlog of military planes grew 20 percent to \$72 billion on orders for F-15 fighter jets and C-17 cargo planes.

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Boeing raised its forecast of 2012 profit because it expects to set aside less money for litigation. The Chicago company predicted it will earn between \$4.15 and \$4.35 this year, up from a January forecast of \$4.05 to \$4.25 per share. The new figure is still below the \$4.48 per share that analysts expect.

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