

SECURITIES AND EXCHANGE COMMISSION

FORM 424B3

Prospectus filed pursuant to Rule 424(b)(3)

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FILER

MCDONNELL DOUGLAS FINANCE CORP /DE

CIK: **711513** | IRS No.: **952564584** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **424B3** | Act: **33** | File No.: **033-31419** | Film No.: **94516827**
SIC: **6172** Finance lessors

Business Address
340 GOLDEN SHORE
LONG BEACH CA 90802-4296
3104913225

Filed Pursuant to
 Rule 424(b)(3)
 File No. 33-31419

PRICING SUPPLEMENT NO. 126 DATED
 March 17, 1994 TO PROSPECTUS
 DATED May 21, 1993

McDONNELL DOUGLAS FINANCE CORPORATION

General Term Notes (R), Series A
 Due 9 Months to 25 Years from date of issue
 Interest payable Monthly on the 15th
 and at maturity

Except as set forth herein, the General Term Notes (R) offered hereby (the "Notes") have such terms as are described in the accompanying Prospectus dated May 21, 1993, as amended and supplemented by the Prospectus Supplement dated November 18, 1993 (the "Prospectus").

Aggregate Principal Amount: \$ 373,000.00

Original Issue Date
 (Settlement Date): March 24, 1994

Stated Maturity Date: March 15, 2009

Issue Price to Public: 100.00% of Principal Amount

Interest Rate: 7.50% Per Annum

Interest Payment Dates: Monthly on the 15th commencing April 15, 1994

Survivor's Option: [] Yes
 [] No

Optional Redemption: [] Yes
 [] No

Initial Redemption Date: March 15, 1999

Redemption Price: Initially 102.00% of Principal Amount and
 declining by 1.00% of the Principal Amount on
 each anniversary of the Initial Redemption Date

until the Redemption Price is 100% of the Principal Amount.

Agent	Principal Amount of Notes Solicited by Each Agent	
PaineWebber, Inc.	\$	15,000.00
J. W. Korth & Company		358,000.00
Total	\$	373,000.00

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	Per Note Sold by Agents To Public	Per Note Sold by Agents To Employees	Total
Issue Price:	\$ 1,000.00	\$ -0-	\$ 373,000.00
Agent's Discount or Commission:	\$ 26.50	\$ -0-	\$ 9,884.50
Maximum Dealer's Discount or Selling Concession:	\$ 20.50	\$ -0-	\$ 7,646.50
Proceeds to the Company:	\$ 973.50	\$ -0-	\$ 363,115.50
CUSIP Number:	58017CFJ6		

SELECTED CONSOLIDATED FINANCIAL DATA

The following amends and supplements the information set forth under the caption "SELECTED CONSOLIDATED FINANCIAL DATA" on page 10 of the Prospectus:

The following table presents selected consolidated financial information of the Company as of December 31, 1992 and 1993 and for the years ended December 31, 1992 and 1993. The information in the table should be read in conjunction with, and is qualified in its entirety by reference to, the Company's consolidated financial statements included in the Company's Current Report on Form 8-K dated February 3, 1994 and the Company's Annual Report on Form 10-K for the year ended December 31, 1992. Results for the year ended December 31, 1993 are unaudited, but include all adjustments, consisting of normal accruals, that the Company considers necessary for a fair presentation of such results. See "Selected Consolidated Financial Data" in the accompanying Prospectus.

(DOLLARS IN MILLIONS)

Years Ended December 31,
1993 1992

Selected earnings data:	(Unaudited)	
Operating income	\$ 198.5	\$ 254.7
Interest expense	116.4	145.9
Net income	16.8	27.7
Ratio of income from continuing operations to fixed charges.	1.34x	1.32x
Selected balance sheet data:		
Total assets	\$ 2,076.8	\$ 1,999.0
Total debt	1,385.1	1,330.4
Shareholder's equity	269.4	256.4
Cash dividends paid	3.5	105.8

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OTHER INFORMATION

The information in the Prospectus set forth under the caption "RISK FACTORS-Relationship with MDC" is supplemented by the following:

MDC has accepted, with clarifications, a proposal from the Department of Defense on an overall business settlement of a variety of issues concerning the C-17 program. In connection with the settlement, MDC recorded a charge to pre-tax earnings of approximately \$450 million in the fourth quarter of 1993. The settlement is not expected to result in a significant adverse cash impact to MDC. MDC and the U.S. Air Force will be developing plans, contractual modifications and agreements to implement the business arrangement, which is subject to congressional authorization and appropriations.

The U.S. Navy has advised MDC and General Dynamics Corporation ("GD") that the 1993 review of the deferment agreement between MDC, GD and the Navy with respect to the A-12 aircraft is continuing, in particular with respect to the impact of the C-17 settlement between the Government and MDC described in the preceding paragraph. The Navy has stated that MDC and GD will be advised of the results of the review and any action that may be taken by the Government on or about February 4, 1994. MDC and GD also were advised that this timing does not suggest any adverse implication for the outcome of the review. MDC firmly believes it is entitled to have the deferment agreement continued and did not agree to the Navy's unilateral continuation of the review.

MDC believes it is likely that the weakness of the commercial aircraft market will continue during 1994.

(R) Registered Servicemark of J. W. Korth & Company