

## **Boeing Receives Historic FCC License for Connexion by Boeing Service**

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The Boeing Company (NYSE: BA) has been granted a license by the Federal Communications Commission (FCC) that will enable passengers on airplanes to transmit and receive broadband data in-flight, using its revolutionary Connexion by Boeing service.

Receipt of the landmark two-way license, the first of its kind in the broadband satellite services industry, will enable operators of commercial airliners and executive jets, such as private and government aircraft, to offer real-time, high-speed Internet and intranet access, television and e-mail above U.S. territory and waters. "This license signals a new era for in-flight connectivity and further strengthens our efforts in the mobile economy," said Scott Carson, president of Connexion by Boeing. "For the first time in history, air travelers will be able to experience real time, in-flight connectivity comparable to the speeds and quality of service they expect on the ground."

The Connexion by Boeing application was subject to stringent review by U.S. government agencies that oversee spectrum usage. Under an unprecedented flight test program, Connexion One, a specially equipped Boeing 737, gathered data to demonstrate that the service can operate without causing harmful interference to other spectrum users, in support of ongoing domestic and international regulatory activities.

"The license is the result of an extensive year-long application review and approval process conducted by the FCC and other U.S. Government agencies," said Karen Gielen, Connexion by Boeing executive director of international regulatory affairs. "This is a tremendous boost for our continued efforts to roll out this service in the United States and, ultimately, around the world."

Connexion by Boeing is the market-leading initiative to bring commercial broadband data services to in-flight aircraft. The innovative venture combines the core strengths of the world's largest aircraft manufacturer with the company's capabilities in space-based communication technologies. Passengers flying in aircraft soon will be able to choose from a multitude of personalized real-time services, including Internet and firewall-protected intranet access, e-commerce, television and entertainment, transmission and receipt of data, shopping and travel and destination information. Airline operators also will benefit from in-flight access to aircraft and crew data. Boeing is also studying the potential applicability of Connexion's broadband in-flight data services for aviation security enhancements.

A prototype of the Connexion by Boeing service is currently available to the executive services market in the U.S., which includes operators of private and government aircraft. Connexion by Boeing also remains on track with leading European carrier Lufthansa to equip its long-haul fleet beginning with a prototype installation in late 2002/early 2003. For additional information, visit the Connexion by Boeing web site at [www.boeing.com/connexion/](http://www.boeing.com/connexion/).

#### **Forward-Looking Information Is Subject to Risk and Uncertainty**

Certain statements in this presentation contain "forward-looking" information that involves risk and uncertainty, including projections for new business and business opportunities; technology development; domestic, foreign and international regulatory and coordination success; total shareholder returns; market potential and revenue opportunities; wireless communication market behavior; revenue model, growth strategy, and other trend projections.

This forward-looking information is based upon a number of assumptions including technological feasibility; government policies and actions, including domestic, foreign and international regulatory authorizations; access to spectrum and successful coordination with other users of spectrum; reliability of professional service providers and software; global economic, passenger and freight growth; current and future markets and demand; performance of internal plans; product performance; customer financing; customer, supplier and subcontractor performance; favorable outcomes of certain pending sales campaigns; government policies and actions; and successful negotiation of contracts with labor unions.

Actual future results and trends may differ materially depending on a variety of factors, including successful execution of the plans to develop and implement the proposed services, technical difficulties and uncertainties associated with the Internet and with mobile communications platforms, timing of delivery to market of the proposed services, changes in the market for the proposed services, successful execution of internal performance plans, including continued research and development; the actual outcomes of certain pending sales campaigns; acceptance of new products and services; product performance risks; the cyclical nature of the aerospace, Internet and communications businesses; volatility of the market for certain products and services; domestic and international competition in communication; uncertainties associated with regulatory certifications by the U.S. Government and foreign governments; other domestic and foreign regulatory uncertainties, including access to spectrum and successful coordination with other users of spectrum; collective bargaining labor disputes; performance issues with key suppliers, subcontractors and customers; governmental

export and import policies; factors that result in significant and prolonged disruption to air travel worldwide; global trade policies; worldwide political stability; domestic and international economic conditions; the outcome of political and legal processes; legal, financial and governmental risks related to international transactions; legal proceedings; and other economic, political and technological risks and uncertainties. Additional information regarding these factors is contained in Boeing's SEC filings, including, without limitation, Boeing's Annual Report on Form 10-K for the year ended 2000 and its Form 10-Q for the quarter ended September 30, 2001.

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For further information:

Terrance Scott

mobile: 949-790-1511

Fernando Vivanco

office: 253-773 -8450

mobile: 206-391-5748

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