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At a news conference here today, Executive Jet, Inc., of Montvale, N.J., and Boeing Business Jets of Seattle, Wash., announced the formation of a joint venture that will introduce the Boeing Business Jet (BBJ) into Executive Jet's NetJets® aircraft fractional ownership program.

"The NetJets fractional ownership program is a key strategic element in the BBJ marketing plan," said Boeing Business Jets President Borge Boeskov. "It provides access to the BBJ for individuals and corporations who have a requirement for a large, long-range business airplane but who cannot justify the cost of the entire business jet."

According to Richard T. Santulli, chairman and chief executive officer of Executive Jet, the new joint venture capitalizes on the unique capabilities of the Boeing Business Jet combined with the strengths of Executive Jet's unique NetJets aircraft fractional ownership program. He called the Boeing Business Jet a natural complement to the existing NetJets fleet.

"It provides the necessary space, range and utility required by the growing number of owners who compete in worldwide markets," said Santulli. "The BBJ broadens the NetJets fleet and allows us to provide NetJets owners with a full range of airplane sizes to meet their global business transportation needs."

Santulli introduced the concept of aircraft fractional ownership in 1986. NetJets is a shared aircraft ownership program tailored to an individual's or company's needs, offering aircraft ownership at a fraction of the cost. Under the NetJets concept, an owner purchases a portion of a specific aircraft based on a number of actual flight hours needed annually and contracts with Executive Jet to manage the aircraft.

Executive Jet has more than 700 owners and manages 109 aircraft in its NetJets program. In the last year, Executive Jet has ordered 169 new aircraft totaling \$2.3 billion for its NetJets fractional ownership program. Executive Jet intends to expand its NetJets and NetJets Europe programs to the Middle East and to the Asia/Pacific markets to meet the demands of owners who do business globally.

Boeskov said Boeing Business Jets looked at alternatives for entering the fractional ownership market.

"We wanted to partner with the premiere provider of fractional ownership solutions and that's why we decided to align ourselves with Executive Jet," Boeskov said. "Executive Jet is the industry leader offering the quality of service we desire for our BBJ customers. We believe the market opportunity for the BBJ in the U.S. and throughout the world is significantly broadened through Executive Jet's NetJets program. It provides an affordable cost to the premiere large cabin business jet in the world."

Financial terms of the venture were not disclosed. Boeskov and Santulli said the venture's structure will evolve over the next few months and specific airplane orders will be announced later. Executive Jet and Boeing Business Jets jointly will market the airplane. Executive Jet will be responsible for the sale of fractional interests in the BBJ and for all aircraft management. Boeing will provide the fleet and service support. Pricing for the BBJ interests are currently being finalized and will be announced soon.

Boeing Business Jets is a joint venture launched last year by Boeing and General Electric Co. (GE). The BBJ is a special high-performance derivative of the Boeing 737-700 specifically designed for corporate and VIP applications. It has a range of 7,140 statute miles (6,200 nautical miles, 11,480 kilometers) and an 807-square-foot interior that offers nearly three times the space of existing corporate jets.

The first Boeing Business Jet is scheduled to roll out of the Boeing Renton, Wash., factory in mid-1998. First delivery is scheduled for the fall of 1998 to launch customer GE. First delivery to the NetJets program for fractional interest buyers will be fourth quarter 1999.

Since it was launched last year, Boeing Business Jets has received 25 orders from 21 customers. This year alone, customers have ordered 22 BBJs.

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