

Southwest Places Largest-Ever Boeing Next-Generation 737 Order

Boeing Commercial Airplanes Group confirmed today that Dallas-based Southwest Airlines has placed an order for up to 290 Next-Generation 737s. The order includes 94 firm Boeing 737-700s, as well as 25 options and up to 171 purchase rights for an additional 196 Next-Generation airplanes over the next 12 years. Deliveries under the new order begin in 2002. The order is the largest ever placed for the Next-Generation 737.

"This is an incredible thrill for us," said Alan Mulally, Boeing Commercial Airplanes Group president. "Boeing has enjoyed 29 fantastic, non-stop years of working together with Southwest. The employees of Southwest, the engine manufacturer, CFM International, and Boeing have created a tremendous partnership around a jetliner that proves itself every day because of excellent performance, economics, reliability and comfort."

Today's firm order, valued at \$4.5 billion, amounts to more airplanes than Southwest ordered during its first 16 years of operation. As the launch customer of the 737-300, 737-500 and Next-Generation 737 family, Southwest has contributed significantly to the design objectives of the 737.

While the Next-Generation 737s are the newest, most advanced design airplanes in their market segment today, they retain the reliable and economical characteristics that made 737 classics so popular worldwide. Dramatic revisions to the newest 737s include a brand new wing design for improved fuel capacity and increased aerodynamic efficiency. Designers also drew inspiration from the award-winning Boeing 777, placing large displays in the flight deck and updating the passenger cabin with contoured walls and ceilings, creating spaciousness and greater stowage capacity than the classic 737s.

"Twenty-nine years ago, Southwest broke the mold by introducing their concept of low-fare, high-value service, and ever since then airline passengers have been 'free to move about the country,'" said Mulally. "It's no wonder that the Boeing 737s have carried more than six billion passengers - the equivalent of today's world population. We are proud that the Next-Generation 737s are, once again, Southwest's equipment of choice for their future success and passenger satisfaction."

Earlier this year, Southwest ranked number one in the Airline Quality Rating, an annual study conducted by Wichita State University and the University of Nebraska at Omaha Aviation Institute. The study compares performance-based data among 10 major U.S. airlines.

"The advanced-design Next-Generation 737s are exactly right for Southwest," said Herb Kelleher, Southwest Airlines chief executive officer. "Because of their exceptional reliability, low operating cost and comfortable interiors, we'll be able to expand into new markets and add more frequent service on existing routes with minimal business risk."

Concurrently, Commercial Airplanes announced that the monthly production rate for Next-Generation 737s would increase from the current 24 per month to 28 per month with deliveries in the third quarter of 2001. "This rate increase reflects the overall popularity of the Next-Generation family," said Jim Jamieson, executive vice president of Airplane Programs. "Orders from airlines around the world confirm that it is the most advanced, economical, reliable and comfortable airplane in its class."

The Next-Generation 737, the fastest-selling jetliner of all time, is experiencing vigorous sales in 2000. Boeing has logged orders for 1,579 Next-Generation 737s since launching the program in 1993. Boeing delivered the 500th Next-Generation 737 in April, and as of May 30, had delivered a cumulative total of 3,690 737s.

Overall, Boeing has accumulated firm orders for 295 commercial jetliners this year, including 16 717s, 221 737s, 6 747s, 31 757s and 21 777s.

###

For further information:

m2637

(425) 234-6194

pager (206) 416-7577

Liz Verdier

(206) 766-2229
