Boeing Continues Services Expansion with Acquisition of Jeppesen

Jeppesen, World Leader in Flight Information Services, Is Another Key To Boeing's Strategic Growth Plan

Continuing the expansion of its services business, The Boeing Company (NYSE: BA) announced today that it has agreed to acquire Jeppesen Sanderson, Inc., the world's leading provider of flight information services, from Tribune Company (NYSE: TRB) for $1.5 billion in cash.

Jeppesen provides a full range of print and electronic flight information services, including navigation data, computerized flight planning, aviation software products, aviation weather services, maintenance information, and pilot training systems and supplies. Jeppesen counts among its customer base the majority of airlines around the world and all U.S. airlines. It also serves the large general aviation and business aviation markets.

Jeppesen generated $235 million in revenues in 1999 and realized operating margins of more than 25 percent. Since 1997, the company has experienced annual growth of more than 10 percent. This transaction is immediately accretive on a cash earnings basis, and slightly dilutive on a book earnings basis. Boeing intends to operate Jeppesen as a wholly owned subsidiary and to keep the current management team in place. The agreement is subject to regulatory approval.

"We've made it clear that we are transforming Boeing into a global aerospace solutions provider, and growing our aviation services business is a major part of that transformation," said Phil Condit, chairman and CEO of The Boeing Company. "Jeppesen is the world's No. 1 source for flight information services, so it's a perfect fit for our aviation services portfolio. If you're a pilot almost anywhere in the world, you know Jeppesen. This is another great strategic play that brings us an enduring global brand, increases our ability to create more, better, and faster solutions for our customers, and helps us to create value through our growing services business."

Condit said that Boeing is focused on providing additional services to its aviation customers. He cited a recently announced agreement to purchase Continental Graphics Corporation, which provides parts-related technical information to airlines, as well as the purchase last year of The Preston Group, an Australian provider of management software.

"What we are doing, with Continental Graphics in the maintenance area, the Preston Group in air traffic management, and now with Jeppesen in flight operations, is acquiring intellectual capital and technology that will help propel us into this 'new frontier' in services," Condit emphasized. "We can leverage these companies' individual strengths with our own resources, and together offer our customers creative solutions that add real value."

Jeppesen has 1,400 employees located at its headquarters in Denver, Colorado and at other offices in Germany, Australia, China, the United Kingdom and other U.S. locations.

"We are delighted at the prospect of becoming part of The Boeing Company," said Horst Bergmann, CEO of Jeppesen. "We're looking forward to working together to create an array of new digital information services and to speed the movement of our existing products to new digital platforms."

Bergmann added, "The people of Jeppesen have been dedicated and passionate about aviation ever since Captain 'Jepp' Jeppesen founded the company in 1934. In a way we're coming home again, because Capt. Jepp worked for Boeing in the early 1930's as a pilot for Boeing Air Transport."

Jeppesen uses sophisticated databases to develop its many products. For instance, its Flight Information Master Database for navigation data contains over one million records, built from the ground up. Jeppesen's flight information analysts edit and verify an average of more than 30,000 pieces of source information each month, compiled from more than 180 separate agencies worldwide. This database is the core of Jeppesen NavData Services, recognized by airlines, corporate flight departments and major avionics manufacturers as the most complete and accurate aeronautical information available.

For more information on Jeppesen, see the company's Web site.

Once regulatory approval has been obtained and the transaction closes, Jeppesen will report to Boeing Commercial Aviation Services, which offers the industry's broadest selection of aviation support products and services. Boeing Commercial Aviation Services is a unit of Boeing Commercial Airplanes Group.

Forward-Looking Information Is Subject to Risk and Uncertainty

Certain statements in this release contain "forward-looking" information that involves risk and uncertainty, including projections for revenues, earnings, earnings per share, market growth, completion of government and regulatory reviews and receipt of necessary approvals, statements regarding goals, and other trend projections. This forward-looking information is based upon a number of assumptions including assumptions regarding demand; internal performance; and government policies and actions. Actual future results and trends may differ materially depending on a variety of factors, including the company's successful execution of internal performance plans including research and development; the cyclical nature of the company's business, volatility of the market for certain products; product performance risks; action by regulatory agencies in regard to the proposed

acquisition, and other regulatory uncertainties; collective bargaining labor disputes; performance issues with key suppliers and customers; governmental export and import policies; global trade policies; worldwide political stability and economic conditions; changing priorities or reductions in the U.S. Government or foreign government budgets; termination of government contracts due to unilateral government action or failure to perform; and legal proceedings. Additional information regarding these factors is contained in the company's Annual Report on Form 10-K for the year ended 1999 and Form 10-Q for the quarterly period ended June 30, 2000.

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