Boeing Focuses Commercial Airplanes Long-Range Product Strategy

Customers excited about new faster airplane

Enhanced 747, 767 and 777 families meet airline needs

Boeing Commercial Airplanes is focusing new product development efforts on a faster, faster, longer-range airplane, President and Chief Executive Officer Alan Mulally announced today.

"This is the airplane our customers have asked us to concentrate on," Mulally said. "They share our view that this new airplane could change the way the world flies as dramatically as did the introduction of the jet age."

The potential for airplanes larger than the current 747 has caused the industry to look carefully at long-term requirements for long-range, twin-aisle airplanes, Mulally said.

"In that context, we have had detailed conversations with our customers, and it is very clear that they would strongly value an airplane that can fly faster, higher and more quietly over very long ranges," he said.

The ability to fly at speeds of Mach .95 or faster over extended ranges will allow passengers to fly where they want to go, when they want to go - directly to their destinations, avoiding congested hubs and without the hassle and delay of intermediate stops.

"When we combine higher speed, longer range, the comfort of flight at higher altitudes, and the environmental benefits of quieter landings and takeoffs, we have an airplane that will open a new chapter in commercial aviation," Mulally said. "We are changing our new product development efforts to focus more strongly on this airplane that has caused such excitement among our customers. It will be an ideal complement to our current family."

Mulally said the market "continues to show us that our current product family is very strong, offering airlines the right mix of flexible and capable airplanes to meet their needs. As always, we will continue to add improvements to those airplanes.

"In our conversations, we have received clear direction from our customers that, with continued improvements, the 747-400 family will satisfy the majority of their large airplane needs," he said.

A higher-gross-weight version of the 747-400 with an improved, 777-style interior already has been launched and will be delivered to Qantas in November 2002. Boeing also is studying aerodynamic improvements, higher gross weights and new engines that would allow the 747 to fly more than 8,000 nautical miles, and offer new opportunities to utilize overhead space.

"We also will continue to protect the ability to do a larger 747 if and when our customers tell us they need one," Mulally said.

He added: "Because we are making the faster airplane our highest priority, we have asked Walt Gillette, currently the 747X program manager, to lead the development of this exciting airplane."

The 777 is selling at a record pace. The airlines are finding its capability, economics and passenger-pleasing attributes to be a compelling package for the traveling public. This will be enhanced further when the Longer-Range 777-200 and -300 airplanes enter into service in late 2003.

Mulally said that customers also are very pleased with the performance of the new 767-400 airplane, and do not require additional range.

"Therefore," he said, "we are slowing development on the Longer-Range 767-400ER, a proposed re-engined version of the 767-400. The highly capable 767 family will continue to serve the airlines very well."

Added Mulally: "I am excited that our Boeing team is at the point where our airplane design and manufacturing technology have come together to enable the next major step in the industry's future. This new faster airplane is one of the most tremendous opportunities we have seen to bring even more value to the world's travelers."

###

For further information:
Susan Bradley
206-766-2907
T. Craig Martin
206-766-2917