Lufthansa Signs Pioneering Agreement to be International Launch Customer for Connexion By Boeing Internet Service

Lufthansa and Boeing today announced the signing of a Memorandum of Understanding that will make the industry-leading European air carrier the international launch customer for the Connexion By Boeing[sm] high-speed Internet service.

The agreement calls for the breakthrough broadband communication service to be installed on Lufthansa's intercontinental fleet. The initial installation will be a DLH 747 aircraft, which will be equipped with the service to conduct a three-month development program prior to installation on the fleet. Financial terms of the arrangement were not disclosed.

During the announcement at the Paris Air Show, executives from both companies lauded the agreement and its implications for airlines worldwide and the global flying public.

"The European market is a critical part of our efforts to bring these breakthrough communication services to the global marketplace. We commend Lufthansa for its pioneering spirit, leadership position and willingness to be our international launch customer," said Connexion by Boeing President Scott Carson. "Working together with our international and domestic airline partners, we are developing the critical market mass needed to effectively support and enable a service launch to make these services readily available to the global airline community."

"By choosing Connexion by Boeing, Lufthansa clearly demonstrates a leadership position in the marketplace with a service that we believe will best meet our mutual customers' expectations," said Wolfgang Mayrhuber, member of the executive board and chief executive officer Passenger Airlines.

In coming months, Connexion by Boeing will work closely with Lufthansa to define the level of services that will be offered to their airline passengers.

"There currently is no comparable broadband service available for airline passengers. We are confident that our agreement with Lufthansa will surpass consumer expectations for real-time connectivity and the ability to stay connected with their office, family and colleagues," added Carson.

The agreement with Lufthansa builds on the increasing momentum of Connexion by Boeing in the marketplace. That momentum was demonstrated by the recently announced commitment of leading U.S. airlines, American, Delta and United, to pursue the creation of a joint business venture to bring broadband Internet services to commercial air travelers and to develop a level of service standardization throughout the global airline industry.

"Lufthansa is strengthening its network by creating value for the passengers and offering new, state of the art onboard broadband services on long distance jets," said Mayrhuber.

Connexion by Boeing, the first truly broadband communication service for people on the move, is the market-leading initiative working to bring today's high-speed, cable-quality Internet and company intranet data services to the airborne environment. Airline passengers will soon be able to choose from a multitude of personalized real-time services in addition to Internet and corporate intranet access such as e-commerce, live television and entertainment, shopping and travel and destination information. In addition, airline operators also will benefit from real-time access to operational data not currently available through traditional communication channels.

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 the parties' ability to reach a definitive agreement; 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 for the Boeing's products and services; 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 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 and internet businesses; volatility of the market for certain products and

services; domestic and international competition in communication; uncertainties associated with regulatory certifications of products 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, the Boeing's Annual Report on Form 10-K for the year ended 2000 and the Company's Form 10-Q for the quarter ended March 31, 2001.

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