Boeing Delivers 62 Percent Of Industry's Jetliners In 2001

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Boeing leads in delivery of commercial airliners

80% of 2001 orders deliver in the next 3 years

2001 order total reaches 335

The 527 commercial jetliner deliveries announced last week by Boeing translate into 62 percent of the commercial aviation industry's deliveries in 2001, according to figures released today.

In addition, Boeing Commercial Airplanes announced that it logged definitive agreements for 335 orders during 2001, noting that approximately 80 percent of the airplanes comprising those orders will deliver within the next three years. This continues to firm up Boeing's near-term backlog and reflects favorable order-to-delivery timing.

"Our business plan is to support our customers with their needed airplanes and services through this economic cycle," said Alan Mulally, president and CEO of Boeing Commercial Airplanes.

Mulally said the company is taking steps to deal with industry realities, including working with customers to deliver the airplanes they need, adjust production rates accordingly and improve Boeing's operational efficiency.

Boeing also is looking at promising opportunities in the worldwide fleet. Currently, Boeing airplanes make up roughly 80 percent of all the commercial airliners over 100 seats operating in the world. More than 3,000 airplanes still in service are 20 to 30 years old and are candidates for replacement. This includes airplanes such as the Boeing 727, 737-100/200, DC-9, DC-10, 747-100/200/300, and the Airbus A300. Nearly 1,600 of these airplanes are in North America alone, and in Europe there are more than 300. The operational efficiency of today's Boeing airplane models provides airlines with the economic justification and incentive to retire their aging airplanes.

In spite of late-year economic and industry challenges, Commercial Airplanes had several important achievements in 2001, including the announcement of the Sonic Cruiser program in March. Other highlights included the sale of 30 737s to China worth an estimated $1.6 billion, the launch of the 747 Long-Range Freighter, the introduction of the Global Airline Inventory Network to help airlines manage spare parts, and the initiation of a new Safety and Security Services effort.

After receiving positive comments from customers, Boeing also reaffirmed its commitment to the 717 program. Other notable programs include the 767, which had a tremendous year taking on 51 new orders. The company also celebrated the rollout of the 1,000th Next-Generation 737.

"This was accomplished in less than four years," Mulally said. "No other airplane program has achieved such worldwide success in such a short time. This is the best selling airplane program ever and we are extremely pleased."

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 deliveries, orders, new business and new business opportunities, current and future markets for the Company's products and services, opportunities for total customer solutions, opportunities for efficiency and productivity gains, and other trend projections. This forward-looking information is based upon a number of assumptions including assumptions regarding economic performance, airline profitability, passenger growth, cargo growth, demand; current and future markets for the Company's products and services; internal performance; product performance; customer financing; customer, supplier and subcontractor performance; favorable outcomes of certain pending sales campaigns; supplier contract negotiations; government policies and actions; successful negotiation of contracts with the Company's labor unions; and regulatory approvals. 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 continued research and development, production rate increases and decreases, production system initiatives, timing of product deliveries, supplier contract negotiations, asset management plans; acceptance of new products and services; product performance risks; the cyclical nature of some of the Company's businesses; volatility of the market for certain products and services; domestic and international competition in the commercial areas; continued integration of acquired businesses; uncertainties associated with regulatory certifications of the Company's commercial aircraft by the U.S. Government and foreign governments; other regulatory uncertainties; 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 and economic conditions; 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 the Company's SEC filings, including, without limitation, the Company's Annual Report on Form 10-K for the year ended 2000 and the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001.

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