Germany Grants License for Connexion by Boeing Service

Milestone helps set the stage for commercial service in 2003

The German government has cleared the way for the introduction of inflight broadband Internet services to air travelers beginning next January by authorizing The Boeing Company to use a range of radio frequencies for its revolutionary Connexion by Boeing[SM] service.

The license, known as a spectrum authorization, was granted by the German Regulatory Authority for Telecommunication and Post. Lufthansa German Airlines will join Connexion by Boeing beginning in January for a three-month service demonstration, bringing real-time, high-speed Internet, intranet and email services to trans-Atlantic flights linking Frankfurt and Washington, D.C.

"This license adds to the momentum we are building toward the global rollout of our service," said Connexion by Boeing President Scott Carson. "Within six months, commercial airline passengers will be able to experience the power of broadband in flight, and experience a quality of service that is comparable to or better than they experience in a modern office or home environment."

The Connexion by Boeing service is moving closer to deployment following stringent review by government agencies in each country that have the responsibility for allocating radio frequencies. To support those efforts, Connexion by Boeing has converted a Boeing 737 into a flying laboratory, which is dedicated full-time to research, test, validation and demonstration. The testing helps assure that this revolutionary new service can operate within its allocated spectrum without causing radio interference with other spectrum users.

"The license represents a major milestone in our efforts to obtain the necessary regulatory approvals from the relevant government agencies around the world," said Robert Phillips, Connexion by Boeing director of Regulatory Affairs for Europe, the Arab States and Africa. "It is particularly appropriate that the first European license in support of the Lufthansa trials should be granted by the German regulatory authorities."

Connexion by Boeing is the market-leading initiative bringing commercial broadband data services to in-flight aircraft. The innovative venture combines the core strengths of the world's leading aircraft manufacturer with the company's capabilities in space-based communication technologies. Airplane passengers soon will be able to choose from a multitude of personalized real-time services, including Internet and firewall-protected intranet access, e-commerce, audio and video entertainment, transmission and receipt of data, shopping and travel and destination information. Airline operators also will benefit from in-flight access to aircraft and crew data. Boeing recently obtained a U.S. government contract to study potential applicability of Connexion by Boeing's broadband in-flight data services for aviation security enhancements.

About Connexion by Boeing

Connexion by Boeing is a mobile information services provider that is bringing high-speed Internet, data and entertainment connectivity to aircraft in flight. The service is currently available to the executive services market in the U.S., which includes operators of private and government aircraft. In addition to its arrangement with Lufthansa, Connexion by Boeing also remains on track with a three-month trial with British Airways in early 2003, and this week announced Japan Airlines as Connexion by Boeing's launch customer in Asia with an agreement to install the system on 10 of their long-range aircraft serving routes between Japan and Europe. For additional information, visit the Connexion by Boeing web site.

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; 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 technological feasibility; government policies and actions, including 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; performance of internal plans; product performance; customer financing; customer, supplier and subcontractor performance; favorable outcomes of certain 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 plans to develop and implement the proposed 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; actual outcomes of certain pending sales campaigns; acceptance of new products and services; product performance risks; the cyclical nature of the aerospace, internet and communications businesses; volatility of the market for certain products and services; domestic and international competition in communication; uncertainties associated with regulatory certifications by 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, Boeing's Annual Report on Form 10-K for the year ended 2001 and its Form 10-Q for the quarter ended March 31, 2002.

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