

United Kingdom Grants License for Connexion by Boeing

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Authorization continues momentum toward commercial service in 2003

The British government has given the regulatory approval for Connexion by Boeing to provide airlines and passengers broadband in-flight access to the Internet, corporate intranets, email and other data services.

By authorizing The Boeing Company's use of a range of radio frequencies, the satellite network operator license granted by the United Kingdom's Radiocommunications Agency helps lay the foundation for three-month demonstrations of the Connexion by BoeingSM service by British Airways and Lufthansa on routes between Europe and the United States, which are scheduled for first quarter 2003.

"Having the regulatory framework in place is essential to meeting the requirement that we deliver to our customers a system that is service ready, first time, every time," said Scott Carson, president of Connexion by Boeing. "We are pleased that the Radiocommunications Agency has granted us this authorization. This is the latest milestone in a solid string of achievements that is generating momentum for our unique broadband service."

Connexion by Boeing is a mobile information services provider bringing high-speed Internet, email, intranet, data and entertainment connectivity to aircraft in flight.

The new license is the most recent regulatory achievement for Connexion by Boeing. Authorizations also have been received from similar agencies in Germany, Canada and the United States, laying the foundation for the beginning of commercial airline service in early 2003.

Connexion by Boeing currently is available to the executive services market in the United States, which includes operators of private and government aircraft. In June, British Airways announced plans for a three-month trial of Connexion by Boeing. The British Airways service demonstration will begin in February 2003, one month after the start of a similar demonstration by Lufthansa German Airlines. Both service demos will involve trans-Atlantic flights between Europe and the United States. Earlier this week, Japan Airlines announced it had signed a Letter of Intent to equip 10 of its long-range jetliners with Connexion by Boeing on routes between Asia and Europe.

"The U.K. license is yet another step in making Connexion by Boeing a truly global service," said Robert Phillips, Connexion by Boeing's London-based director of Regulatory Affairs for Europe, the Arab States and Africa. "I am very pleased that the Radiocommunications Agency has reacted in such a positive way to permit the introduction of innovative communications systems."

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 10K for the year ended 2001 and the Company's Form 10-Q for the quarter ended June 30, 2002.

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For further information:

Terrance Scott

(206) 571-8070 (Farnborough)

Sherry Nebel

(206) 391-6920 (Farnborough)

Sean Griffin

(206) 655-9359 (Seattle)
