Ryanair Ups Commitment to 250 Boeing 737-800s in Record Year

Ryanair has reached an agreement with Boeing [NYSE: BA] to order 22 additional Boeing Next-Generation 737-800s and increase options by a further 78.

This means the European low-fare carrier has committed to 250 737-800s since January 2002. Of those commitments, 125 are firm and 125 are options.

Ryanair now has ordered more Boeing 737s during a one-year period than any other airline. The 22 newly ordered airplanes are scheduled for delivery in 2004 and 2005.

"Ryanair and Boeing have established a highly successful partnership that is changing aviation in Europe, just as Southwest Airlines and Boeing have done in the United States," said Michael O'Leary, Ryanair chief executive.

"We have found through years of experience that the Boeing 737 provides the unbeatable cost economies and reliability you need to run a profitable low-fare airline. But Boeing also provides market-leading customer service. That combination helps Ryanair set the low-fare standard for Europe."

Ryanair, which follows the proven low-fare business model established by Southwest, is the most profitable carrier in Europe, with 100 routes across 15 countries. It will use the new airplanes to support a network that will carry more than 15 million passengers a year -- and passenger traffic that is increasing about 25 percent each year.

"The 737 is ideally suited for low-fare airlines and continues to be the airplane of choice in this growth market," said Marlin Dailey, vice president of European Sales, Boeing Commercial Airplanes. "Its economics set it apart from the competition -- and its reliability and rapid turn-around time are critical in the demanding European environment. That means airplanes can offer passengers more schedule choices every day."

Dailey said this is the second order for 737s from a low-fare carrier in the past two weeks. Australian airline Virgin Blue announced Jan. 16 that it was ordering 10 737s and taking options on 40 more.

Ryanair's relationship with Boeing extends beyond the airplane itself, encompassing a large number of services and support offered by Boeing Commercial Aviation Services.

"Boeing provides world-class technical service and logistics, helping to ensure that Ryanair will maintain its market leadership position," said Mike Cave, senior vice president of Commercial Aviation Services.

The digitally designed Next-Generation 737 is the newest and most technologically advanced airplane in the single-aisle market. Outfitted with a new wing and more powerful engines, the new 737s can fly higher, faster and farther than previous models. In addition, the new 737's flight deck features the latest liquid crystal flat panel displays and is designed to accommodate new communications and flight management capabilities.

The 737 is powered by new CFM56-7 engines produced by CFMI, a joint venture of General Electric in the United States and Snecma of France. The engines meet community noise restrictions well below current Stage 3 limits and below expected Stage 4 limits.

Airlines have purchased more 737s (214 customers worldwide have ordered more than 5,000) than any other commercial airplane in history.

Other facts about the 737:

- About 1,200 737s are in the air at all times.
- A 737 takes off somewhere in the world every 5.3 seconds.
- The 737 fleet has flown about 124 million hours in service, traveling 56 billion miles (90 billion kilometers).

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