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The Boeing Company [NYSE:BA] today confirmed that China Aviation Supply Company has finalized its agreement to purchase 30 Next-Generation 737 airplanes worth approximately \$1.7 billion, based on average list prices.

U.S. Secretary of Commerce Donald Evans hosted a signing ceremony for the agreement at the Department of Commerce. Zhang Guobao, vice chairman -- National Development and Reform Commission, led the People's Republic of China's delegation while Boeing Commercial Airplanes President and Chief Executive Officer Alan Mulally was Boeing's senior representative.

"The Chinese aviation industry is the fastest growing market in the world," Zhang said. "Adding these 737 airplanes to our current fleet of 672 airplanes will help Chinese airlines meet their rapidly growing networks and accommodate the rising demand from our passengers."

The airplanes, to be delivered in 2005 and 2006, are allocated as follows:

Airline	Quantity	Model
Air China	5	737-700
Hainan Airlines	8	737-800
Shandong Airlines	3	737-700
	4	737-800
Shenzhen Airlines	5	737-900
Xiamen Airlines	5	737-700

"The Next-Generation 737 is an excellent answer to the growing demand for air travel in China," said Li Jun, vice minister - General Administration of Civil Aviation of China. "These airplanes will play an important role in meeting the ever-increasing demand of China's air travel market."

Derived from an outstanding heritage, the newest members of the 737 family -- the 737-600/-700/-800/-900 models -- entered service just five years ago. The all-new digitally designed 737s are outfitted with larger wings and more powerful engines, which allow them to fly higher, faster, and farther than previous models and competing airplanes. In addition, new flight deck features include advanced programmable software and liquid-crystal flat-panel displays that are not available on competing models.

"China and Boeing have shared a long and mutually beneficial relationship for more than 30 years," Mulally said. "We are proud to be the preferred partner of China's aviation industry."

Boeing forecasts that in the next 20 years, China will require 2,400 new airplanes valued at \$197 billion, making it one of the fastest growing markets in the world for commercial aviation. The need for new airplanes is required to support a 7.1 percent annual increase in air travel in China from 2003 to 2022, compared to the world average of 5.1 percent. China's 20-year Gross Domestic Product (GDP) forecast is 6.2 percent -- the highest in the world, and Boeing projects that domestic air travel growth will outpace the GDP growth over the next two decades.

Last year, Boeing and China celebrated the 30th anniversary of their "Working Together" relationship.

Boeing is the world's largest aerospace company and the United States' leading exporter with revenues of \$54.1 billion in 2002. The company and its subsidiaries employ more than 152,000 people in 47 states. In the past 12 months, Boeing business with more than 21,000 companies has totaled approximately \$24 billion. It includes work with production suppliers and non-production vendors.

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