Boeing 7E7 Dreamliner Approved for Offer to Airlines

Significant customer interest expressed in innovative new airplane

Everett, Wash., selected as final assembly site

The Boeing [NYSE: BA] Board of Directors has given the company's Commercial Airplanes unit the go-ahead to begin offering for sale the new 7E7 Dreamliner passenger airplane.

Boeing can now make sales proposals to airlines around the world. The company expects those sales proposals to result in firm customer commitments and a production go-ahead, or formal launch, in 2004.

"The board's decision validates the 7E7's compelling business case and the tremendous customer interest in this airplane," Boeing President and Chief Executive Officer Harry Stonecipher told more than 3,000 7E7 team members gathered today at Seattle's Washington State Convention and Trade Center. "The 7E7 is a game changer and we're anxious to begin offering it to our airline customers."

Boeing Commercial Airplanes President and Chief Executive Officer Alan Mulally, and 7E7 Senior Vice President Mike Bair presented the 7E7 business case to the board of directors at a meeting in Chicago yesterday.

"Savor this moment," Mulally told the 7E7 team. "This is a great way to start the second century of powered flight. It demonstrates our commitment to our customers, our employees and our industry, and it will ensure that Boeing continues its leadership in commercial aviation."

Tomorrow is the 100th anniversary of the Wright Brothers flight that made modern aviation possible.

Boeing today also announced that Everett, Wash., has been selected as the final assembly location for the 7E7, following a six-month evaluation of proposals from sites across the United States.

Boeing and McCallum Sweeney Consulting, Inc. evaluated the proposals against criteria designed to find the final-assembly location that would best support the 7E7 business plan.

"We are excited to continue our partnership with the state of Washington and the city of Everett on the 7E7," said Bair. "Many states submitted extremely competitive proposals and many factors weighed into the decision. But it's clear that the best overall solution for Boeing and the 7E7 is to place final assembly in Everett."

Boeing announced last month that the 7E7 program management and design integration teams will also be based in Everett. The company expects to announce airplane systems and engine partners for the 7E7 in 2004.

Boeing has been working with more than 50 airlines around the world to define the requirements for the 7E7. The 7E7 family of airplanes will carry 200 to 250 passengers on flights up to 8,300 nautical miles. Three models of the airplane are in development, including a short-range version for flights of 3,500 nautical miles with 300 passengers in two-class seating. The 7E7 will be more efficient, quieter and have lower emissions than other airplanes while offering passengers greater comfort and the convenience of direct, non-stop flights between more cities around the world.

"The 7E7 is all about taking passengers where they want to go, when they want to go there more comfortably and affordably than ever before," said Mulally. "At the same time, it will provide airlines with unprecedented operating economics and efficiencies. This airplane will allow us to continue to set the standard for commercial aviation in the second century of flight."

Boeing forecasts a need for between 2,000 and 3,000 airplanes in the 7E7's market segment over the next 20 years.

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