New Era to Begin in 2004 with In-Flight High-Speed Connectivity

Connexion by Boeing concludes record-setting year as it prepares for start of commercial service

Connexion by Boeing, a business unit of The Boeing Company, (NYSE:BA) made history repeatedly in 2003 with a series of unprecedented breakthroughs in mobile connectivity. In 2004, a new chapter in the history of travel will be written when airlines begin offering real-time, high-speed Internet, intranet and e-mail access in flight for their laptop-toting passengers.

"History will record 2004 as the year when air travelers for the first time could choose to be connected while in flight to family, colleagues and friends," said Scott Carson, president, Connexion by Boeing. "With the ability of modern jetliners to directly link cities that can be 16 hours or more apart, keeping in touch becomes increasingly important for productivity as well as for the traveler's ability to maintain a healthy balance between work commitments and obligations to family, friends and community."

A first glimpse of the new world of in-flight high-speed connectivity was made available in early 2003 to passengers of Lufthansa German Airlines and British Airways. The three-month service demonstrations, involving daily round-trip flights between Frankfurt and Washington, D.C., then London and New York, generated a series of historic firsts. Among them:

- The first in-flight high-speed Internet access by passengers on commercial airline flights.
- The first in-flight, high-speed Virtual Private Network-secured corporate intranet access by passengers on commercial airline flights.
- The first regulatory authorizations to operate wireless devices aboard commercial airliners in flight.
- The first in-flight wireless Internet access by commercial airline passengers.
- The first two-way video-teleconference between the air and the ground during a commercial airline flight.
- The first two-way, real-time e-mail exchange in flight between two airline passengers flying on different airplanes.
- The first creation and publication of a web page on the Internet during a commercial airline flight, including written and photographic content.

The success of those trials, along with the ongoing Connexion Working Together process, involving more than 20 of the world's leading airlines, led to the first definitive airline service agreements for Connexion by Boeing. Combined, Lufthansa, Scandinavian Airlines System (SAS) and Japan Airlines have placed initial orders to equip more than 100 of their airplanes.

Singapore Airlines and All-Nippon Airways also have signed letters of intent to equip their long-range fleets with the Connexion by Boeing^{SM} service, and progress is being made toward definitive agreements. When final, Singapore and ANA will join Lufthansa and SAS as four of the leading airlines in the Star Alliance to offer in-flight broadband connectivity. In addition, Connexion by Boeing is gaining momentum in the executive-jet market: Kingdom Holding Co. of Saudi Arabia announced plans to install the Connexion by Boeing system, initially on a Boeing 747.

Connexion by Boeing is the only real-time, high-speed service available to commercial airline passengers, and the only service offering full, Virtual Private Network-secured access to personal and work-related e-mail accounts and intranets. Commercial airline service will begin in spring 2004 with Lufthansa. The service also is available to operators of both private and government executive jets, directly through Connexion by Boeing or through a partnership with Rockwell Collins.

Among other achievements in 2003, a major milestone was reached in July at Geneva, Switzerland, when the World Radiocommunication Conference approved the use of a range of radio frequencies for satellite-based communications for aeronautical purposes. The allocation cleared the way for regulatory authorities within each country's airspace worldwide to authorize certain in-flight connectivity services such as Connexion by Boeing. Agreements also were reached with satellite service providers, including Eutelsat, Intelsat and Space Communications Corporation.

About Connexion by Boeing
Connexion by Boeing, recipient of the 2003 World Travel Award for World's Leading High-Speed Internet Services Provider, brings broadband Internet, data and entertainment connectivity to travelers. The Boeing business unit recently announced a high-speed connectivity solution for the business aviation market, and definitive service agreements with Lufthansa, Scandinavian Airlines System and Japan Airlines to equip their long-haul aircraft with the service beginning in early 2004. In addition, All-Nippon Airways, Singapore Airlines and Kingdom Holding Co. have announced their intent to install the Connexion by Boeing system on their long-range aircraft. For information about the Connexion by Boeing service, visit Connexionbyboeing.com. For general information, visit Boeing.com/connexion.

Forward Looking Information Is Subject to Risk and Uncertainty

Certain statements in this release contain "forward looking" information that involves risk and uncertainty, including projections for new business and new business opportunities, compliance with delivery schedules, current and future markets for the Company's products, and decisions regarding production of Company products and offering of Company services. This forward-looking information is based upon a number of assumptions including assumptions regarding current and future demand for the Company's products and services; internal performance; product performance; customer financing; customer, supplier and

subcontractor performance; favorable outcomes of certain pending sales campaigns; supplier contract negotiations; government policies and actions; and regulatory approvals. Actual future results and trends may differ materially depending on a variety of factors, including the Company's successful execution of internal performance plans, including continued research and development, production rate increases and decreases, timing of product deliveries and launches, supplier contract negotiations, acceptance of new products and services, product performance risks, the cyclical nature of some of the Company's businesses; volatility of the market for certain products and services, actions by regulatory agencies, other regulatory uncertainties, 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 and economic conditions; the outcome of political and legal processes, including uncertainty regarding government funding of certain programs; termination of government contracts due to unilateral government action or failure to perform; 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 the Company's SEC filings, including, without limitation, the Company's Annual Report on Form 10-K for the year ended 2002 and the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2003.

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