Boeing, Korean Air Sign Agreement for up to 20 747-400 Special Freighter Kits

Boeing [NYSE: BA] and Korean Air today said the carrier is becoming the third Boeing 747-400 Special Freighter customer with an order for up to 20 kits that convert 747-400 passenger airplanes into freighters .

A Boeing-approved modification center will convert the first airplane, which will be re-delivered to Korean Air in August 2006. Korean Air's Aerospace Division will convert the remaining airplanes.

"The 747-400 Special Freighter allows us to increase our cargo revenue with a cost-effective solution and also improves the residual value of these airplanes" said Mr. M. G. Kim, managing vice president of Purchasing for Korean Air Lines.

The converted airplanes are in addition to the two new 747-400 Extended-Range Freighters Korean Air ordered earlier this month. Those newly produced freighters are scheduled for delivery during 2005.

Korean Air currently operates 17 Boeing 747-400 freighters. During the next decade it wants to become the world's largest cargo operator as Asia 's cargo market expands.

Korean Air is a privately owned airline operating 82 Boeing airplanes providing service to 88 cities in 33 countries of the world.

Boeing offers carriers a "turnkey solution" in which a conversion kit is sent to a Boeing-approved modification center for installation. In this case, Boeing certifies the whole conversion, including the parts, engineering and the conversion work itself.

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