Boeing Capital Announces $1 Billion Debt Redemption

Boeing Capital Corporation announced today that it will exercise its rights to redeem on July 26, 2004 approximately $1 billion of its outstanding senior notes. Boeing Capital is a wholly owned subsidiary of The Boeing Company [NYSE: BA].

"We are putting to use some of the proceeds of the recent sale of our Commercial Financial Services business," said Boeing Capital President Walt Skowronski. "That transaction is generating $1.7 billion in deployable cash and debt redemption is one of the purposes we have identified for its use."

Boeing Capital announced May 24 it had entered into an agreement to sell its commercial-equipment financing business to GE Commercial Finance. The all-cash transaction includes approximately $2 billion in assets.

Boeing Capital will redeem the entire outstanding principal amount, equal to $500 million of its 7.10% Senior Notes Due 2005 at the redemption price equal to 105.30% of the principal amount of the notes together with interest accrued to the redemption date. Boeing Capital will also redeem $500 million of its 5.65% Senior Notes Due 2006 at the redemption price equal to 104.81% of the principal amount of the notes together with interest accrued to the redemption date.

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