Boeing Reaches Agreement on Hawaiian Airlines Leases and Bankruptcy Claim

Boeing Capital Corporation has reached an agreement with Hawaiian Airlines on the restructuring of its long-term leases for 11 Boeing 717-200s and three Boeing 767-300ERs, and on the amount of Boeing's unsecured claim resulting from Hawaiian's bankruptcy.

Boeing Capital has also reached an agreement to sell its unsecured claim to RC Aviation LLC. Ranch Capital LLC created RC Aviation, which is a significant investor in Hawaiian's parent company, Hawaiian Holdings Inc.

Boeing's agreements with Hawaiian are subject to review and approval by the U.S. Bankruptcy Court in Honolulu overseeing the airline's bankruptcy. Court approval will be requested before the end of September.

These agreements with Hawaiian and RC Aviation are separate from the reorganization plan jointly proposed by RC Aviation, Hawaiian Holdings, Hawaiian's trustee, Joshua Gotbaum, and The Official Committee of Unsecured Creditors.

"We reviewed a number of plans to reorganize Hawaiian Airlines and found the plan proposed by RC Aviation and the trustee to be a comprehensive financial solution that strikes a good balance among the interests of Hawaiian Airlines, Boeing Capital and all other stakeholders," said Scott Scherer, Boeing Capital's vice president and general manager -- Aircraft Financial Services. "We look forward to Hawaiian's prompt emergence from bankruptcy and to continuing our long and valued relationship with the airline."

Hawaiian Airlines filed for Chapter 11 bankruptcy protection in March 2003. Earlier this year, Boeing Capital and Corporate Recovery Group (CRG) filed a plan of reorganization for Hawaiian. Recently, CRG and Boeing concluded their arrangement, deciding not to pursue their own reorganization plan.

"CRG was one of the first organizations to realize the value in Hawaiian Airlines," said Scherer. "We thank CRG for energizing the bidding process and contributing to a better overall recovery for all of Hawaiian's creditors."

The bankruptcy court is expected to review and approve a final reorganization plan later this year. Boeing Capital does not expect that its transactions with Hawaiian Airlines will have a material adverse effect on its earnings, cash flows and/or financial position.

Boeing Capital Corporation is the financing subsidiary of The Boeing Company. With a $10 billion portfolio, primarily consisting of Boeing commercial aircraft, Boeing Capital arranges, structures and provides financial solutions to support the sale of Boeing products and services.

Forward Looking Information Is Subject to Risk and Uncertainty

Certain statements in this press release may contain projections or "forward looking" information (as defined in the Private Securities Litigation Reform Act of 1995) that involve risk and uncertainty. The words "aim", "plan", "likely", "believe", "expect", "anticipate", "intend", "estimate", "will", "should", "could", "may", and other expressions that indicate future events and trends identify forward looking statements. These statements are not guaranties of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. Actual outcomes and results may differ materially from what we express or forecast in these forward-looking statements. As a result, these statements speak only as of the date they were made and we undertake no obligation to publicly update or revise any forward-looking statements. The subject matter of these statements may include, but are not limited to, wars, the effects of the September 11, 2001 terrorist attacks or future terrorist threats or attacks, the effects of Severe Acute Respiratory Syndrome ("SARS") or other diseases, the impact on us of strategic decisions by Boeing, the level of new financing opportunities made available to us by Boeing, future earnings, costs, expenditures, losses, liquidity, residual values and various business environment trends including the state of the economy, in general, and the airline industry, in particular. In addition to those contained herein, forward looking statements and projections may be made by us orally or in writing including, but not limited to, various sections of our filings with the Securities and Exchange Commission under the Securities Act of 1933 and the Securities Exchange Act of 1934.

Our actual results and future trends may differ materially from our forward looking statements depending on a variety of factors including, but not limited to, our relationship with Boeing, as well as strategic decisions of Boeing relating to us, the effects of the September 11, 2001 terrorist attacks or future terrorist threats or attacks and the continuing impact on the airline industry, wars, SARS or other diseases, the capital equipment requirements of United States domestic and foreign businesses, general economic conditions, and in particular, economic conditions in the airline industry and the continued operation, viability and growth of major airline customers, capital availability and cost, changes in laws and tax benefits, the tax position of Boeing (including the applicability of the alternative minimum tax), competition from other financial institutions, our successful execution of internal operating plans and strategy, including the transition of our Long Beach, California administrative groups to Renton, Washington, defaults or bankruptcies by customers (especially airlines), adverse developments in the value of collateral or

owned assets (especially aircraft), termination of aircraft manufacturing programs, regulatory uncertainties, legal proceedings and an adverse development in rating agency credit ratings or assessments.

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For further information:
Donna Mikov
office: (425) 393-1534