

China Airlines and Connexion by Boeing Reach Definitive Agreement for Bringing In-flight Connectivity to Travelers

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China Airlines (CAL) and Connexion by Boeing, a business unit of The Boeing Company (NYSE: BA), today announced that the two parties have reached a definitive agreement for bringing the power of the Internet and high-speed connectivity to travelers on China Airlines' North America flights during the initial service introduction phase. According to the agreement, the initial installation of the Connexion by Boeing SM real-time, high-speed Internet system aboard the CAL long-haul fleet of Boeing 747-400 aircraft will begin in the second quarter of 2005, with service availability shortly thereafter.

The new Internet service will first be available on CAL's North America-bound flights to and from New York, Los Angeles, San Francisco, Anchorage and Vancouver, British Columbia. While financial terms were not disclosed, China Airlines is the sixth carrier in the world to sign a definitive agreement with Connexion by Boeing.

"China Airlines continues to demonstrate market leadership by introducing passenger services that add value for its customers and for the airline's operations," said Connexion by Boeing President Scott Carson. "We couldn't be more pleased that they have selected Connexion by Boeing as their connectivity service provider. Taiwan is a recognized IT leader in its adaptation of wireless and broadband services and we look forward to bringing its traveling public the benefits of real-time, high-speed connectivity in flight in the very near future."

Taiwan has a strong Internet subscriber base and is rapidly expanding wired and wireless broadband Internet access to give local industry a leading edge in the development of products that integrate wireless LAN technology. According to a recent survey conducted by the FIND team, part of the Institute for Information Industry's Advanced e-Commerce Institute, there are 10.2 million Internet subscribers (accounts) in Taiwan, representing a 15 percent increase from the previous year. Mobile Internet subscriptions account for 37 percent of the total, replacing dial-up as the most popular method of Internet connection in Taiwan.

"This agreement with Connexion by Boeing further positions China Airlines to be the preferred airline of choice among passengers by providing highly valued services and the highest attention to customer preferences and detail," said CAL Chairman Chiang Y ao-Chung. "The Internet plays an increasingly valuable role in the everyday lives of our passengers, who want to conduct business and stay in touch with friends and family, and we are proud to be the first Taiwanese airline to offer them high-speed, mobile connectivity in flight."

The agreement with Connexion by Boeing initially covers CAL's long-haul fleet of Boeing 747-400 aircraft. The airline will extend the service to other aircraft at a future date. The Connexion by Boeing service is expected to initially be available on certain flights between Taipei and North America. Additional routes and service availability will be announced at a later date.

About Connexion by Boeing

Connexion by Boeing, recipient of the 2003 World Travel Award for World's Leading High-Speed In-flight Internet Services Provider, brings high-speed Internet, data and entertainment connectivity to travelers via a broadband connection to the aircraft. Connexion by Boeing has definitive agreements with Lufthansa, Scandinavian Airlines System, Japan Airlines, ANA, China Airlines and Kingdom Holding Co. to equip their long-haul aircraft with the service. In addition, Singapore Airlines, Korean Air and Asiana have announced their intent to install the Connexion by Boeing system on their long-range aircraft. Connexion by Boeing also offers a high-speed connectivity solution for the business aviation and maritime markets. For more information, please visit www.connexionbyboeing.com.

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