Continental Airlines to Order 10 Boeing 7E7s, Accelerates Leases for Next-Generation 737s, Adds 757s to Fleet

Boeing [NYSE: BA] and Continental Airlines today announced major steps in support of the airline's growth, including its plans to purchase ten 7E7 Dreamliner airplanes.

The companies signed an agreement calling for delivery of the 7E7-8s beginning in 2009. The 7E7 order is valued at approximately US$1.3 billion at list prices. Boeing and Continental expect to formally complete the agreement early in 2005.

Continental is the first major U.S. carrier to announce plans to acquire the technologically advanced and highly efficient airplane slated to enter service in 2008.

"The 7E7 is simply a game changer," said Gordon Bethune, Continental Airline's chairman and chief executive officer. "It will position Continental for significant international growth from our New York and Houston hubs over the next decade."

This agreement increases to 122 the number of customer-announced 7E7 orders since the program's launch in April of this year. Firm contracts are in place for 56 airplanes and negotiations continue with additional launch team customers worldwide.

"Continental is a bellwether addition to the 7E7 Launch Team," said Mike Bair, Boeing vice president and general manager of the 7E7 program. "Continental understands the superior operating economics, faster turnaround times and lower maintenance costs of Boeing airplanes."

The other 7E7 Launch Team members are ANA, Air New Zealand , Europe 's Blue Panorama and First Choice, Primaris of the U.S. and Japan Airlines. " This order plus the previously announced orders demonstrate the Dreamliner's unprecedented appeal for a wide range of airlines with distinct business models," said Bair.

Under the terms of the agreement Continental also will lease eight Boeing 757-300s starting in 2005, and will accelerate the delivery of six Boeing 737-800s into 2006. The 757s will be delivered beginning in July.

"The 7E7 is the widebody of the future for Continental, and will provide the platform for our long-term international growth," said Larry Kellner, Continental's president and COO. "Leasing these additional 757 and 737 aircraft will be another step in outdistancing our competitors in this rapidly changing environment."

With the 7E7 Dreamliner, Boeing continues its leadership and innovation with a largely composite airplane that burns 20 percent less fuel, provides airlines with up to 60 percent more cargo revenue capacity and offers passengers a better flying experience. The 7E7 sets the standard for interior passenger comfort, allowing higher cabin humidity, lower atmospheric pressurization, wider seats and aisles, larger windows and unmatched stowage capacity.

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