Boeing Finishes 2004 Strong, Sees Rise in Commercial Airplane Orders

Boeing [NYSE: BA] today released its year-end commercial airplane orders numbers, capping a strong year in which it successfully launched the all-new 7E7 Dreamliner and 747 Special Freighter programs and enhanced its popular 777 family by delivering the first 777-300ERs and offering a freighter based on the 777-200LR.

Net orders increased nearly 14 percent to 272 in 2004 from 239 in 2003, reflecting improving conditions in the commercial aviation market. Also, as announced yesterday, Boeing delivered as planned 285 commercial airplanes during 2004. On stronger demand, Boeing plans to increase production in 2005 to approximately 320 airplanes, with further increases expected in 2006.

"The launch of the 7E7 and the unprecedented interest it has generated was a great highlight for 2004," said Boeing Commercial Airplanes President and Chief Executive Officer Alan Mulally. "All across Boeing Commercial Airplanes, we had a strong year because we kept our focus on meeting our commitments to our customers, continuing to improve our quality and productivity, and investing in our future. As we enter 2005, we will build on the successes of 2004. We look forward to continued momentum on the 7E7 and a relentless focus on helping our customers succeed."

During 2004 Boeing logged a total of 126 customer-announced orders and commitments for the 7E7 Dreamliner, including 56 7E7s booked as firm orders. Overall Boeing has received deposits from customers securing nearly 250 7E7s, which essentially commits the first two years of planned production deliveries.

Eight airlines have joined the 7E7 Dreamliner launch team in just eight months after its April 2004 launch: ANA and Japan Airlines from Japan; First Choice and Blue Panorama from Europe; Continental and Primaris airlines in the United States; Air New Zealand; and Vietnam Airlines.

Other Boeing Commercial Airplanes highlights in 2004 included:

- Assembling a global team to develop 7E7 engines, systems and structures.
- Rolling out the 500th 777; assembling the first 777-200LR, the longest-range commercial airplane in the world; and starting moving-line operations on the 777.
- Delivering the 1,500th Next-Generation 737, a milestone reached sooner on the Next-Generation 737 than any other commercial airplane in history.
- Adding three new 777-300ER customers and securing 27 orders for that airplane, including ones from premier carriers Singapore Airlines, Emirates, and Etihad Airways. Also added an order for four 777-200ERs from Air New Zealand, a new customer for that model.
- Winning 10 new orders from five customers for the 747-400 freighter, which maintains a substantial market share advantage in the large cargo aircraft segment.
- Launching the 747 Special Freighter and winning 20 orders for the aircraft.
- Teaming with Boeing Integrated Defense Systems to win the U.S. Navy's Multi-mission Maritime Aircraft program.
- Introducing services innovations such as Integrated Materials Management, the Electronic Flight Bag, Airplane Health Management, and expanding the use of MyBoeingFleet.com.
- Working closely with the United States Trade Representative to bring an end to government subsidies for Airbus and create a level playing field for the commercial aviation industry.

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