Boeing, Flugleidir Icelandair Group Announce Order for 10 Boeing Next-Generation 737-800s

Boeing [NYSE: BA] and Flugleidir Icelandair Group today announced a firm order for 10 Boeing Next-Generation 737-800 airplanes plus five purchase rights. The value of the 10 firm aircraft is $650 million at list prices.

The Flugleidir Icelandair Group, Icelandair's parent company, will lease the airplanes to other carriers as part of its strategy to grow its business outside Iceland . The airline, based in Reykjavik , Iceland , has not announced customers for the airplanes. This is the first time the Icelandic company has purchased new airplanes for lease to other airlines. The company will work with its partner Sunrock to place the aircraft.

"This agreement holds tremendous potential for us," said Hannes Smarason, executive chairman of the board of the Flugleidir Icelandair Group. "Strong demand for the 737 among lessees and the 737's economic performance and investment value make it the best choice for our new leasing venture. We have already taken the first step into the leasing market with three Boeing 737-500s that we lease to Air Baltic in partnership with others and we see this deal as a critical step to develop this business further."

Boeing begins delivering the airplanes early next year. With today's purchase the Flugleidir Icelandair Group remains an all-Boeing customer.

"Today's announcement is great news for the 737, and we are gratified that Boeing will continue to play a strong role in Flugleidir Icelandair's growth plan for the future. A fantastic airplane, a competitive offering and our 30 years of experience with Icelandair helped make today's milestone achievable," said Marlin Dailey, vice president of sales for Europe and Central Asia , Boeing Commercial Airplanes.

The Next-Generation 737 is the fastest-selling airplane of all time. It's also the newest and most technologically advanced and efficient single-aisle airplane in its class. Boeing has delivered more than 1,600 Next-Generation 737s.

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For further information:
Mike Tull
Brussels
+32 477 557 667
Sandy Angers
Seattle
+1 425 965 9380