Boeing, Chinese Airlines Agree to 7E7 Dreamliner Purchase

Six Chinese airlines join the Dreamliner customer launch team

Boeing 7E7 officially designated Boeing 787 Dreamliner

The Boeing Company [NYSE: BA] and officials from the People's Republic of China today signed a preliminary agreement for the purchase of 60 Boeing 7E7 Dreamliners by Chinese airlines. The agreement, which will be finalized at a later date, is valued at approximately US$7.2 billion, based on average list prices.

The airplanes will be delivered to six Chinese carriers -- Air China, China Eastern Airlines, China Southern Airlines, Hainan Airlines, Shanghai Airlines and Xiamen Airlines. Each carrier is scheduled to receive its first 7E7 in time for the 2008 Beijing Olympics.

Concurrent with the announcement, the 7E7 was formally designated the Boeing 787 Dreamliner -- continuing the long and successful line of Boeing "7-series" airplanes.

"The 787 is the perfect airplane to welcome the world to China during the 2008 Beijing Olympics. It will be the most technologically advanced commercial airplane in the world with more amenities to offer our passengers, and fuel efficiency that is only surpassed by its revenue potential," said Li Hai, president -- China Aviation Supply Company, at a signing ceremony in Washington, D.C., hosted by Assistant Secretary of Commerce, Al Frink. "The 787 is a good reflection of what China offers -- world-class facilities, exemplary service, and unmatched return on investment," Li said.

"The momentum behind the 787 continues to build," said Alan Mulally, president and CEO of Boeing Commercial Airplanes. "We're honored to have these key Chinese airlines choose the 787 and join our launch team. The 787's advantages in efficiency, economics, environmental performance and passenger comfort are perfectly matched for China 's growing, world-class aviation system."

As members of the 787 launch customer team, the six Chinese carriers will be critical partners in developing the 787 family of airplanes.

The 787 was launched in April of last year with an order of 50 airplanes from Japan 's ANA (All Nippon Airways). Air New Zealand, First Choice Airways, Blue Panorama, Primaris Airlines, Japan Airlines, Continental Airlines, and Vietnam Airlines also are among the 787's 14 announced customers. Today's agreement brings the total number of announced orders and commitments for the 787 to 186 airplanes.

Production of the 787 will begin in 2006. First flight is expected in 2007 with certification, delivery and entry into service in 2008.

The 787 is a family of airplanes in the 200- to 300-seat class that will carry passengers on routes between 3,500 and 8,500 nautical miles (6,500 to 16,000 kilometers), such as between Beijing to New York City , Guangzhou to London , and Shanghai to Los Angeles. The 787 will allow airlines to offer passengers more of what they want: affordable, comfortable, nonstop, point-to-point travel to more destinations around the world.

The airplane will use 20 percent less fuel than today's airplanes of comparable size, and provide customers with up to 45 percent more cargo revenue capacity. Passengers will find significant innovations including a new interior environment with higher humidity, wider seats and aisles, larger windows, and other conveniences.

In addition to bringing big-jet ranges to mid-size airplanes, the 787 will fly at Mach 0.85, as fast as today's fastest commercial airplanes, while using much less fuel. The 787 family offers two engine types, the General Electric GENX (GE Next Generation) or Rolls-Royce's Trent 1000.

Today, more than 3,500 Boeing airplanes -- one third of Boeing's world fleet -- have major parts and assemblies built in China .

China is projected to be the largest commercial airplane market outside the United States over the next 20 years.

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For further information:
T. May Kulthol
Washington D.C.
mobile: 206-853-5824
Yvonne Leach
Seattle
mobile: 206-854-5027
Laura Qiu

Beijing
+86(10) 65392299