Korean Air Joins Boeing 787 Family with up to 20-Airplane Order

The Boeing Company [NYSE: BA] and Korean Air Lines Co., Ltd. today announced an order for up to 20 Boeing 787 Dreamliners in a deal worth approximately $2.6 billion at list prices. The agreement involves 10 firm orders and options for 10 additional 787s. Delivery of the 787-8 airplanes will begin in 2009 and extend through 2013.

"The Boeing 787 Dreamliner will enhance Korean Air's fleet with its flexibility for both regional and long-haul operations," said Y.H. Cho, Korean Air chairman and chief executive officer. "Our passengers will enjoy the benefits of the 787's new cabin environment and passenger amenities. The 787 will help us realize our goals of being one of the world's top ten passenger airlines by 2010 and to reduce our costs by 10 percent."

As a member of the 787 launch customer team, Korean Air becomes a key partner in developing the 787 family of airplanes. Boeing has received 203 orders and commitments from 17 customers for the 787 since launching the technologically advanced jetliner less than a year ago.

"Korean Air's selection of the 787 continues the steady drumbeat of orders for this remarkable new airplane," said Larry Dickenson, vice president of Sales - Boeing Commercial Airplanes. "The superior efficiency, reliability and passenger comfort of the 787 will greatly complement Korean Air's highly profitable 777 and 747 operations. Korean Air is one of the world's most progressive and vibrant carriers, and we are honored by its choice of the 787."

The 787 will use 20 percent less fuel than today's airplanes of comparable size and will provide operators with up to 45 percent more cargo revenue capacity. Passengers will enjoy an innovative new interior environment with higher humidity, wider seats and aisles, larger windows, and other conveniences.

The 787 is a family of airplanes carrying 200 to 300 passengers on routes between 3,500 and 8,500 nautical miles (6,500 to 16,000 kilometers). The 787 will allow airlines to offer more of what passengers want: affordable, comfortable, nonstop, travel to more destinations. The 787 is capable of nonstop routes connecting Seoul with Jakarta , Dallas , Rome or Tel Aviv.

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. Also, for the first time in commercial jet history, the 787 will offer a standard engine interface for its two types of engines, the General Electric GENX (GE Next Generation) and Rolls Royce's Trent 1000, allowing a 787 to be fitted with either manufacturer's engines at any point in time. Korean Air has not announced its 787 engine selection.

The 787 was launched in April 2004 with an ANA (All Nippon Airways) firm order for 50 airplanes. Production will begin in 2006. First flight is expected in 2007 with certification, delivery and entry into service in 2008.

In 2004, Korean Air and Boeing celebrated the airline's 100th Boeing jetliner delivery. Since receiving its 707, Korean Air has operated several Boeing models, including the Next-Generation 737, 747, 777, DC-9, DC-10, MD-11, and MD-80. McDonnell Douglas, which is now part of Boeing, provided the latter four products.

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