Boeing and Japan Airlines Complete 787 and 737 Agreements

Boeing [NYSE: BA] and Japan Airlines (JAL) today completed contracts for 30 Boeing 787 Dreamliners and 30 Next-Generation 737-800 passenger airplanes, agreements worth $5.3 billion at list prices. JAL also has options for 20 more 787s and 10 more 737s.

Japan Airlines sees the 787 Dreamliner as its next-generation mid-sized twin-aisle airplane, replacing Boeing 767s and Airbus A300-600s. The 737s will replace and expand JAL's single-aisle fleet. JAL announced it had selected the 787 last December and the 737 in February.

"This is a very special day for Boeing and Japan Airlines, two great companies that are working together to build the future and who share a solid understanding of the aviation market," said Boeing Commercial Airplanes Vice President for Sales Larry Dickenson. "The 787 will provide JAL the best in efficiency, economics, and reliability for medium-to-long-range operations, and the 737 provides the lowest operating costs with the best reliability in its class."

JAL is one of 20 airlines that have announced orders and commitments for 255 Dreamliners. Completing the JAL agreement brings to 112 the number of 787s under firm contract. The 787 will be the key airplane on several of JAL's domestic and international routes. The 787 will "provide outstanding flexibility in route planning and a wonderful flying experience for passengers," according to Japan Airlines.

The airline selected the 737 because of its confidence in the airplane's technology, flexibility, reliability, and economic and environmental performance.

The 787 family includes three airplanes seating 200 to 300 passengers that fly between 3,500 and 8,500 nautical miles (6,500 to 16,000 kilometers). The 787 will use 20 percent less fuel than today's comparable airplanes and will offer passengers a new interior environment with higher humidity levels, wider seats and aisles, larger windows, and other conveniences.

Boeing launched the 787 in April 2004. Production will begin in 2006. First flight is expected in 2007 with certification, delivery and entry into service in 2008.

The Next-Generation 737 features the newest technology in its class and is the category leader in reliability and operating costs. The 737-800 generates more revenue than the A320 by carrying up to 12 more passengers and approximately one-half ton more cargo. Its industry-leading reliability rate, fuel-efficient performance, and quick turn-around time make it ideal for airlines around the world.

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