Boeing and China Cargo Airlines Finalize 747-400ER Freighter Agreement

The Boeing Company [NYSE:BA] and China Cargo Airlines today confirmed they have finalized an agreement for the acquisition of two Boeing 747-400ER Freighters.

The order is valued at approximately $430 million at list prices. China Cargo Airlines, a subsidiary of Shanghai-based China Eastern Airlines, will receive its new 747-400ER Freighters in July 2006 and August 2007. The two freighters will be used to further expand the operating capacity of China Cargo Airline's routes.

The two 747-400ERFs will be the first in China Cargo's fleet, which comprises six Boeing MD-11Fs. In recent years it has wet-leased 747 freighters. China Cargo is 70 percent owned by China Eastern and 30 percent owned by China Ocean Shipping.

"This is a new element to our long, mutually beneficial relationship with the China Eastern Airlines family," said Rob Laird, vice president -- China, Boeing Commercial Airplanes Sales. "China Cargo recognizes, as does the world, the reliability, efficiency and value of the 747-400 Freighter in today's cargo market. This investment will make a valuable contribution to the success and future growth of China Cargo Airlines." The 747-400 Freighter is the largest commercial cargo transport in service, with the lowest ton-mile cost in the industry.

The 747-400 Freighter family has no peer among today's cargo airplanes with 108 in service worldwide, operated by the world's leading air cargo carriers. The 747-400ER Freighter can carry 124 tons (113,000 kg) of cargo up to 4,970 nautical miles (9,200 km).

In all its versions, the world's fleet of 747 Freighters -- more than 260 in all -- provides about half the world's freighter capacity. The 747 Freighter is a key element in the development of today's air cargo marketplace.

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