Boeing and Air Europa Sign Contract for 18 Next-Generation 737s

The Boeing Company [NYSE:BA] and Spanish airline Air Europa have finalized an agreement for the acquisition of 18 Boeing Next-Generation 737-800s. Air Europa first announced its intention to order the airplanes, plus purchase rights for an additional 16, last month at the Paris Air Show.

The order is valued at approximately $1.2 billion at list prices. Deliveries begin in 2007, with three new airplanes to be delivered annually. This order was previously accounted for on the Boeing orders and deliveries website, attributed to an unidentified customer.

Air Europa, headquartered in Palma de Mallorca, Spain, will use the additional 737s for renewal and growth of its short-to-medium-range fleet. The carrier currently operates 27 737-800s, two 737-400s and five 767-300s.

"Our new 737-800s will allow Air Europa to remain with one of the most modern and most technologically advanced fleets for short- and medium-range routes," said Juan Jose Hidalgo, president, Globalia Corporacion, of which Air Europa is a subsidiary. "All indications point towards continued growth for our airline. The 737-800 will be a tremendous asset as we grow our business with a steady eye towards profitability."

The Next-Generation 737 provides the best value in its class, with proven profit-making capability, achieved through superior operating economics and passenger appeal. The jet flies 305 nautical miles further, and has operating costs that are four to 10 percent lower, than its competitor. The Next-Generation 737 is the most popular single-aisle airplane and the fastest selling airplane of all time.

"Air Europa will benefit from the 737's unbeatable economics for years to come," said Marlin Dailey, vice president of Sales for Europe and Central Asia, Boeing Commercial Airplanes.

Air Europa, founded in 1986, is the air travel division of Globalia Corporacion. Since 1991, Air Europa has focused on becoming one of the leading airlines in Europe. Air Europa operates a fleet of 35 Boeing airplanes on a network that includes most of the Spanish territory. Its continuous expansion process has led the company to establish new European destinations such as Paris, Milan, Rome and London as well as transatlantic destinations and China. As part of an effort to provide more comfortable and global service to customers, Air Europa has signed collaboration agreements with Aeropostal, Air France, Air Luxor, Alitalia, Continental Airlines, KLM, Malev, TGA Portugalia Airlines and Tunisair.

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