Pegasus Aviation Finance Company Orders Boeing Next-Generation 737-800s

The Boeing Company [NYSE: BA] and Pegasus Aviation Finance Company today announced that the leasing company has ordered six Boeing Next-Generation 737-800 jetliners -- the first direct purchase from Boeing by San Francisco-based Pegasus.

The new airplanes, with a list price value totaling $400 million, are scheduled for delivery starting in 2006.

"This milestone transaction with Boeing enables us to enhance our Next-Generation inventory we can offer to our global customer base," said Richard S. Wiley, president and CEO of Pegasus. "With the global popularity of the Next-Generation 737 family, these new 737-800s will be placed quickly and will provide years of economical and reliable service to our airline customers."

This order will bring the Pegasus Next-Generation 737 fleet to 30 airplanes.

"We look forward to this new aspect of our relationship with Pegasus," said John Feren, vice president, Leasing & Asset Management -- Boeing Commercial Airplanes. "For more than 15 years, Pegasus has been an important partner in helping introduce Boeing airplanes to airlines throughout the world."

The Next-Generation 737 family delivers high profitability, optimum efficiency and reliability, and is 10 years newer that its competition. It is the fastest-selling jetliner of all time and the class leader in dispatch reliability. Boeing has received orders for more than 2,800 Next-Generation 737s since launching the program in 1993, with unfilled orders for more than 1,000 airplanes.

Boeing has worked with Pegasus since its inception in 1988, supporting its Boeing jetliner fleet, which consists of approximately 250 airplanes, including 737, 747, 757, 767 and 777 passenger models, as well as 747-400 and MD-11 Freighters.

Pegasus offers a complete range of aircraft for all missions, with a worldwide customer base of more than 80 passenger and cargo carriers in over 40 countries.

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