Boeing, Jade Cargo Announce 747-400ER Freighter Order

The Boeing Company [NYSE: BA] and Jade Cargo International, the first cargo airline in China with foreign ownership, have completed a firm order for the carrier's purchase of six Boeing 747-400ER (Extended Range) Freighters.

The airplanes, with a list price value of $1.3 billion, are scheduled for delivery beginning in 2006 through January 2008. Jade Cargo, based in Shenzhen, China, plans to begin operations in 2006. The airplanes were recently included on the Boeing Orders and Deliveries Web site, attributed to an unidentified customer.

"China is a key manufacturing center for the world, producing a number of high-value goods that are good candidates for air shipment," said Dr. Rudolf Tewes, general manager -- Jade Cargo International. "The highly efficient and industry-standard 747-400ER Freighters will allow us to capitalize on the growing China market and provide the best start for long-term profitability."

Boeing projects in its World Air Cargo Forecast 2004/2005 that the air cargo industry will grow at an average annual rate of 6.2 percent over the next 20 years, significantly higher than passenger traffic. The forecast also projects that China's domestic air cargo market is expected to grow annually at a rate of 10.6 percent, the world's highest growth rate.

"This is a great move for Jade Cargo to enter the early stages of the rapidly growing China cargo market," said Rob Laird, vice president, China Sales -- Boeing Commercial Airplanes. "We look forward to a long-time partnership with Jade Cargo International, working together to help them build a successful air cargo operation."

The 747-400ERF has a maximum takeoff weight of 910,000 pounds (412,775 kg), a maximum payload of 248,600 pounds (112,760 kg) and a maximum range of 4,970 nautical miles (9,200 km). The airplane's distinctive nose door allows increased revenue by accommodating high-value outsize shipments and, with the side door, provides superior efficiency and flexibility in ground operations.

Jade Cargo International, founded in October 2004 and the first joint venture airline of its kind in China, is owned by Shenzhen Airlines Company Limited, Lufthansa Cargo AG and DEG -- Deutsche Investitions -- und Entwicklungsgesellschaft mbH, a subsidiary of KfW-Bank Group.

Along with destinations within China, the airline plans to serve additional Asian, European and American destinations.

About Shenzhen Airlines (SHZ):
Shenzhen Airlines, Co., Ltd., began operations in September 1993. It commands a fleet of 32 Boeing 737 aircraft and employs a staff of 2,700. The airline operates on more than 80 routes between Shenzhen and destinations such as Beijing, Shanghai, Wuhan, Nanjing, Harbin, Chengdu and Haikou. Based in the Shenzhen Special Economic Zone, the Chinese carrier ranks highly in terms of load factor, earnings and capacity utilization.

About Lufthansa Cargo:
Lufthansa Cargo AG is world leader in the international airfreight business. In 2004, the logistics services airline flew more than 1.75 million tonnes of freight and mail, logging 7.9 billion revenue tonne-kilometers. The cargo carrier employs a workforce of around 5,000 people worldwide. Its core activities focus on airport-to-airport business. In its global route network, Lufthansa Cargo serves about 450 destinations with a fleet of 19 freighters and by utilizing the belly capacities of more than 300 Lufthansa passenger aircraft. The bulk of its cargo business is trans-shipped through Frankfurt, Europe's biggest cargo airport.

About DEG:
DEG -- Deutsche Investitions -- und Entwicklungsgesellschaft mbH is one of the largest European development finance institutions for long-term project and company financing. For more than 40 years, it has financed and structured the investments of private companies in developing and transition countries. Its aim is to support the establishment and expansion of private enterprise structures so as to contribute to sustainable economic growth and lasting improvement in the living conditions of the local population. The company invests in profitable and sustainable development projects in all sectors of the economy, from agriculture and infrastructure to manufacturing and services.
###

For further information:
Bob Saling
Boeing Seattle
+1 (206) 766-2914
bob.saling@boeing.com
Leslie Nichols
Boeing Everett
+1 (425) 342-0447
leslie.m.nichols@boeing.com

George Liu
Boeing China
+86 (10) 6539-2299
george.liu@boeing.com