Iceland's Avion Group Orders Boeing 777 Freighters

Air Atlanta Icelandic to operate largest and most capable twin-engine freighter

Boeing and Avion Group signed final agreements for the purchase of four Boeing 777 Freighters at the Cargo Facts Symposium today. The new cargo planes will be operated by Avion Group's subsidiary, wet-lease operator Air Atlanta Icelandic.

Air Atlanta Icelandic is the world's largest ACMI (aircraft, crew, maintenance and insurance) service provider, offering tailor-made solutions to other carriers, both in the passenger and cargo industry.

The four 777 Freighters, with purchase rights for two additional 777Fs, will provide additional capacity for a number of the world's top carriers. The first 777 Freighter to Air Atlanta Icelandic is scheduled for delivery beginning in February 2009.

Additionally, Avion Group and Boeing are in serious negotiations to convert three Air Atlanta Icelandic 747-400 passenger airplanes into 747-400 BCF (Boeing Converted Freighter) models.

The combined value of the four 777 Freighters and the three 747-400 BCFs at Boeing list prices is approximately $1 billion.

"This agreement represents yet another chapter in the overall Air Atlanta Icelandic fleet renewal plan. We look to the 777 Freighter to provide a new dimension in our ability to serve our customers," said Magnus Thorsteinsson, chairman of Avion Group. "The 777 has an outstanding reputation for capability, reliability and efficiency, and the 777 Freighter will provide a good complement to the 747 Freighters that many of our customers already operate."

Avion Group is the second customer to finalize an order for the 777 Freighter, which was launched with an order by Air France in May 2005. With this order, Air Atlanta Icelandic will join the 777 Freighter launch team.

"We are thrilled that The Avion Group and Air Atlanta Icelandic are joining the 777 Freighter family," said Marlin Dailey, vice president, Sales -- Boeing Commercial Airplanes. "The opportunity to have the 777 Freighter in service with an ACMI carrier like Air Atlanta Icelandic will demonstrate to the world its versatility to serve a variety of cargo markets, as well as its superior performance."

The 777 Freighter, based on the technologically advanced 777-200LR passenger airplane, will be capable of flying 4,965 nautical miles (9,195 kilometers) with a full payload and market-preferred cargo load density. The 777 Freighter will fly farther than any other freighter and provides more capacity than any other twin-engine freighter. With a maximum takeoff weight of 766,000 pounds (347,450 kilograms), the 777 Freighter will have a revenue payload capability of 229,000 pounds (103 metric tons).

The 777 Freighter will deliver value to the world's cargo operators, featuring the lowest trip cost of any large freighter and excellent tonne-kilometer economics. The 777 family has proven itself to be the leader in delivering twin-engine efficiency to the marketplace with lower fuel consumption, maintenance costs and operating costs.

The 777 Freighter will be powered exclusively by the world's most powerful commercial jet engine, General Electric's GE90-110B1 and will meet QC2 noise standards for maximum accessibility to noise-sensitive airports.

The 777 Freighter complements the Boeing 747 Freighter family, which is the air-cargo industry's standard. Both the 777 and 747 Freighters accommodate 10-foot-high (3.1 meter) pallets, providing operators with maximum flexibility.

The 747-400 BCF has positions for 30 cargo pallets on the main deck -- comparable volume to that of a new 747-400 Freighter. It is also capable of seating up to 19 people, an option found on no other converted freighter.

Boeing freighters of all models comprise more than 90 percent of the total worldwide freighter lift. Boeing forecasts that large widebody freighters (65 metric tons and above in capacity) will comprise 31 percent of the market by 2023.

About Avion Group:
Avion is a global transportation solutions group founded on January 1, 2005.

The company is formed of two business divisions -- aviation and shipping and logistics. The aviation activities are represented by a merger of Icelandic ACMI airlines, Air Atlanta Icelandic and Islandsflug. In addition, leisure travel service provider Exel Airways Group forms part of this division as well as maintenance service provider Avia Technical Services. There are currently 66 Boeing and Airbus aircraft in the fleet.

The shipping and logistics division is represented by Eimskip, the prime maritime transportation company in Iceland, with its fleet of 22 ships.

Avion Group employs 5,000 people at 85 operational bases worldwide.

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