

Qantas Chooses Boeing 787 Dreamliner

Up to 115 Dreamliners to provide fleet renewal and expansion

The Boeing Company [NYSE: BA] and Qantas announced today that the airline has selected the Boeing 787 Dreamliner and plans to buy up to 115 787s for renewal and expansion of its long-haul fleet.

Boeing and Qantas are finalizing an agreement that will include orders for 45 Dreamliners, with 20 options plus purchase rights for an additional 50 airplanes. The announcement by Qantas is the largest to date for the Dreamliner in terms of the total package.

The first four 787-8s will be delivered to Qantas' Jetstar subsidiary in 2008, with plans for a total of 28 to be in operation with Qantas and Jetstar by December 2011. Qantas' and Jetstar's airplanes will be split between the 787-8 (up to 300 seats in Jetstar's low-cost configuration) and 787-9 (up to 350 seats).

"Today, we continue the program that is setting the airline's course of the future," said Geoff Dixon, CEO of Qantas Airways. "With our unique geographic challenges, we need all the advantages we can take to compete effectively against some of the industry's toughest. The 787 family will help us provide increased or new services by Qantas and Jetstar to 15 destinations and to destinations which we cannot currently profitably serve."

Qantas recently approved the establishment of a new long-haul, value-based airline under the Jetstar brand to commence international operations no later than January 2007. Jetstar's initial international route structure would require 10 aircraft on point-to-point routes between Australia and Asian and Pacific cities, complementing Qantas' mainline international operations.

Qantas has yet to announce an engine choice between the Rolls-Royce Trent 1000 and GE Aircraft Engines GEnx power plants.

"Our relationship with Qantas dates to the very start of the jet age, and we're thrilled to see that relationship continue with the 787," said Alan Mulally, president and CEO, Boeing Commercial Airplanes. "The 787 is a game-changer for airline profitability and for passenger comfort. Qantas' evaluation was particularly rigorous, and we welcome this endorsement and opportunity to be part of Qantas's future."

Boeing developed the 787 for the mid-sized jetliner market, estimated at 3,500 aircraft over the next 20 years. The 787 will be more than 50 percent advanced carbon composites which allow higher cabin humidity, a lower cabin altitude and the largest windows in the industry.

Two high-efficiency engines combined with a high-tech construction mean the 787 will produce seat-mile costs normally associated with much larger aircraft.

In addition to bringing big-jet ranges to mid-size airplanes, the 787 will provide airlines with unmatched fuel efficiency, resulting in exceptional environmental performance. The airplane will use 20 percent less fuel for comparable missions than any similarly-sized airplane. It will also travel at speeds similar to today's fastest wide bodies, Mach 0.85. Also, airlines will enjoy more cargo revenue capacity.

Boeing now has 354 orders and commitments from 26 customers for the 787.

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