Boeing, Pegasus Aviation Finance Company Announce 787 Order

Blue Panorama to lease 787s from Pegasus

The Boeing Company [NYSE: BA] added another leasing company to its customer base for the 787 Dreamliner by signing an order for six 787-8s from Pegasus Aviation Finance Company of San Francisco, Calif. Pegasus becomes the third leasing company to order the all-new advanced-technology airplane.

"The flexibility of the 787 makes it appealing for lessors because they want airplane assets that can be transferred across a range of airlines and business models," said John Feren, vice president of Leasing and Asset Management, Boeing Commercial Airplanes. "The elegant balance the 787 offers between standard features and operational flexibility means it will retain higher residual values as lessors market the airplane to a variety of customers. The Pegasus commitment demonstrates the confidence of financiers in the new technology and its unsurpassed economics."

The order is the result of a close teaming effort and agreement among Boeing, Pegasus and Blue Panorama of Italy, which sought an alternate financing tool for the 787s it ordered in July 2004. As part of the agreement, Blue Panorama has transferred its orders for the four 787s to Pegasus and in return will lease the airplanes from Pegasus.

Pegasus ordered two more 787s, in addition to the four assigned from Blue Panorama, for the total of six. Pegasus has not announced a leasing customer for the additional two airplanes.

The transaction represents a net gain of two additional firm orders to the 787 order book.

"Taking possession of these early 787 deliveries places us in a strategic market position on this exciting program," said Rich Wiley, president and CEO of Pegasus Aviation Finance Company. "We are delighted to expand our strong relationship with both Boeing, this being our second new order with them in the past year, and Blue Panorama, who is an existing lease customer. Between our committed orders and our existing portfolio, we have originated over $4.5 billion in new business since the beginning of 2004, showing an exceptional commitment to our airline customers. We have selected Rolls-Royce engines under a TotalCare services package, removing the operational risk for ourselves and more importantly for our customers."

"We are very pleased with this new arrangement. We have revisited the acquisition model of the airplane and determined that leasing is a financial scheme that best fits our current business and operational models," said Franco Pecci, chairman and CEO, of Blue Panorama. "The 787 is a terrific aircraft that offers revolutionary versatility and efficiency to airlines like Blue Panorama. We are thrilled to be the first airline in Italy and one of the first in Europe to operate this magnificent plane."

The order is valued at approximately $918 million at list prices. Deliveries begin in 2009.

The technologically advanced 787 Dreamliner will use 20 percent less fuel than today's airplanes of comparable size, provide airlines with up to 45 percent more cargo revenue capacity, and present passengers with ground-breaking innovations including an improved interior environment, wider seats and aisles, larger windows, and other benefits. The 787's lightweight composite structure makes many of these advances possible.

The 787 will allow airlines to offer more of the comfortable point-to-point travel that passengers want. Development of the 787 is on schedule for first flight in 2007 and entry into service in 2008.

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