Boeing Shanghai Aviation Services Breaks Ground

Joint Venture Partners to Supply MRO Services to Airlines

Shanghai, Oct. 24, 2006 - Boeing [NYSE: BA], Shanghai Airport (Group) Company Limited, and Shanghai Airlines Co., Ltd, today broke ground for a new maintenance, repair and overhaul facility that the three companies will manage as Boeing Shanghai Aviation Services based at Pudong International Airport in Shanghai.

Boeing Shanghai Aviation Services will provide airplane modifications and maintenance, sale and repair of aviation equipment, and related engineering and technical services.

"Working together, we are taking the first of many steps toward offering our airline customers the services that will help them safely and efficiently expand, while keeping pace with the tremendous growth in commercial aviation that we see in China over the next 20 years," said Scott Carson, president and CEO of Boeing Commercial Airplanes from today's groundbreaking ceremony.

The Boeing Shanghai Aviation Services facility will be constructed in two phases. Phase one includes a double-bay hangar, support shops, and fire, power and waste-treatment systems. Phase two extends the facility with another double-bay hangar, parts warehouse, engine shop, and ground-service equipment maintenance shop. The Ministry of Commerce issued a certificate of approval to the joint venture in early June, and the Shanghai Bureau of Industry and Commerce granted Boeing Shanghai Aviation Services a business license June 29.

Of the $85 million stated investment, Boeing holds 60 percent, Shanghai Airlines holds 15 percent, and Shanghai Airport Authority holds 25 percent.

Boeing is the world's leading aerospace company and the largest manufacturer of commercial jetliners. The company has nearly 12,000 commercial jetliners in service worldwide, which is roughly 75 percent of the world fleet. Through Boeing Commercial Aviation Services, the company provides unsurpassed, around-the-clock technical support. Commercial Aviation Services offers a full range of world-class engineering, modification, logistics and information services to its global customer base, which includes the world's passenger and cargo airlines, as well as maintenance, repair and overhaul facilities. Boeing is the number one U.S. exporter in terms of sales, and has customers in 145 countries.
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For further information:
George Liu
Boeing China
+86-10 6539 2299
george.liu@boeing.com
Vicki Ray
Boeing Commercial Airplanes
Public Relations
mobile: +1 206 852-3319
vicki.l.ray@boeing.com