Boeing, Aviation Capital Group Announce Order for 20 Airplanes

Leasing company expands portfolio with 15 737s and five 787s

Boeing [NYSE: BA] and Aviation Capital Group (ACG) today announced that the leasing company has placed an order for 15 Next-Generation 737s and five 787 Dreamliners.

The order, worth approximately $1.6 billion at list prices, was previously attributed to an unidentified customer on the Boeing Orders and Deliveries Web site.

"We are delighted to add the Boeing 787 Dreamliner to our portfolio. This aircraft represents a significant step forward for mid-size widebody aircraft," said R. Stephen Hannahs, group managing director and chief executive officer of ACG. "Of course, the Next-Generation 737 continues to be an outstanding performer for airlines and is an excellent leasing asset."

ACG's current fleet contains 138 Boeing aircraft, which includes Next-Generation 737s, 737 Classics, 757s and 767s.

With today's announcement, ACG has a backlog of 52 Boeing airplanes on order. In December 2006, ACG announced that it had acquired delivery positions for 15 Next-Generation 737s from Delta Air Lines. In July 2006, ACG placed an order for 14 Next-Generation 737s and announced that it had agreed to acquire six additional Next-Generation 737s from Aeromexico, with a simultaneous agreement to lease the aircraft back to the airline.

"Boeing is proud of its partnership with ACG and the important role the Next-Generation 737 has played in its growing fleet size and market presence," said John Feren, vice president of Sales – Leasing and Asset Management, Boeing Commercial Airplanes. "With today's endorsement of the 787 Dreamliner, ACG is significantly expanding its widebody fleet, bringing its airline customers breakthrough technology, best-in-class fuel efficiency and lower operating costs."

The Next-Generation 737 family is the most technologically advanced airplane family in the single-aisle market. The Next-Generation 737's market success is confirmed by air finance investors, who consistently rank it as the most preferred airplane due to its wide market base, superior performance efficiency and lowest operating costs in its class. As of March 31, 104 customers have placed orders for 3,734 Next-Generation 737s. Unfilled orders for the model exceed 1,500 airplanes, worth over $100 billion at current list prices.

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 innovations including a new interior environment with higher humidity, wider seats and aisles, larger windows, and other conveniences. Since its launch in April 2004, 44 customers have announced 544 orders for the 787.

One of the top five aircraft leasing enterprises in the world, Aviation Capital Group is owner/lessor and portfolio manager of a diversified fleet of commercial jet aircraft leased to the world's leading airlines. Its portfolio includes more than 200 aircraft leased to 95 airlines in 43 countries. ACG's Capital Markets Group also provides asset management and remarketing services to aircraft investors and institutional clients. ACG was founded in 1989 and is a wholly-owned subsidiary of Pacific LifeCorp.

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For further information:
Marc Birtel
International & Sales Communications
206-766-2917
marc.r.birtel@boeing.com
Vicki Ray
737 Communications
425-965-9382
vicki.l.ray@boeing.com
Adam Morgan
787 Communications
425-294-6103
adam.k.morgan@boeing.com
Cathy Egan
Aviation Capital Group
949-219-4631