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The AIR FRANCE-KLM Group has placed orders with Boeing [NYSE: BA] for nine 777-300ERs and seven Next-Generation 737-700s. At a combined value of \$2.7 billion at list prices, these orders mark the first time the combined airline Group, consisting of Paris-based Air France and Amsterdam-based KLM Royal Dutch Airlines, has announced an airplane acquisition at the Group level. The 777 and 737 orders were previously accounted for on Boeing's Orders & Deliveries Web page, assigned to unidentified customers.

KLM will operate the Next-Generation 737-700s. KLM is acquiring more Boeing 737 Next-Generation airplanes to replace its Boeing 737 Classics and to expand its European short-haul operations. KLM will align the specification and operation of the Boeing 737-700 closely with its affiliate airline transavia.com.

KLM holds options for another seven 737-700s.

"KLM is enhancing its competitive position in Europe by making the Boeing 737 Next-Generation the backbone of our short-haul fleet," said Peter Hartman, president and chief executive officer of KLM. "The 737-800 and 737-900 have proven to be highly efficient and reliable. We look forward to incorporating its sister, the 737-700, into our fleet."

Air France will add the 777-300ERs to its existing fleet of 46 777s. Today's announcement brings Air France's unfilled orders for the 777-300ER to 14, plus options for another seven 777-300ERs.

"These additional Boeing 777s are another important measure in our continued drive to simplify our fleet through maximum commonality," said Pierre-Henri Gourgeon, chief operating officer of Air France.

Jointly, the AIR FRANCE-KLM Group operates 196 Boeing airplanes, including 123 twin-aisles.

"It is truly a privilege to again be chosen by two of Europe's most respected airlines, Air France and KLM, as they look to consolidate while also expanding their operations. The 777 and 737 will deliver the efficiency, environmental and economic performance that Air France and KLM demand for profitable growth and excellent service," said Scott Carson, president and chief executive officer of Boeing Commercial Airplanes. "We remain committed to the continued success of the AIR FRANCE-KLM Group and we thank the Group for its continued confidence in Boeing products."

KLM is equipping its Next-Generation 737 with performance-enhancing, CO2-reducing Blended Winglets. Within KLM's operations, the airline estimates it can reduce fuel burn by approximately three percent. Compared to the 737-300s currently operating in KLM's fleet, the 737-700 has an increased aerodynamic efficiency resulting in reduced fuel burn.

Environmental performance is a key factor in the 777's appeal for airlines and communities. When it entered service in 1995, the 777 represented a breakthrough in fuel and CO2 efficiency. With its twin-engine efficiency, the 777-300ER reduces fuel consumption by more than 20 percent per seat compared to its closest competitor, therefore reducing CO2 emissions by more than 20 percent.

The 737 is the most successful commercial airplane family in history, with more than 7,000 orders. Boeing has more than 1,500 unfilled orders for the Next Generation 737 worth over \$100 billion at current list prices.

The 777 is the clear leader in the 300- to 400-seat segment with 65 percent of the market, and unfilled orders in excess of 325 airplanes valued at some \$80 billion at current list prices. Airlines worldwide have ordered more than 960 777s.

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