Boeing and Cathay Pacific Airways Sign Contract for Integrated Materials Management Parts Solution

SEATTLE, May 29, 2008 -- Boeing [NYSE: BA] and Cathay Pacific Airways have signed an agreement for an Integrated Materials Management (IMM) solution designed to reduce the airline's operating costs and allow Cathay Pacific to focus its resources on core business activities. Boeing will manage selected portions of the airline's expendable spare parts inventory, helping it achieve consistently high service levels for parts availability, increased support for its maintenance operation and improved cash flow.

"This program helps Cathay Pacific simplify its inventory administration and put even more focus on keeping airplanes in the air - the airline's core competency," said Mark Owen, vice president of Boeing Commercial Aviation Services Material Management.

Cathay Pacific Airways joins a growing number of airline customers that are integrating Boeing products and services to help reduce operating costs and achieve greater efficiencies in their maintenance operations. Through Integrated Materials Management, Boeing will be responsible for purchasing Cathay Pacific's expendable spare parts at competitive pricing through its buying power as an airframe manufacturer as well as handling the invoicing, inventory management and logistics for the spare parts.

"To ensure high service levels to meet our maintenance needs, the Boeing IMM program will own the expendable parts that are deployed at the Cathay's maintenance bases in Hong Kong and China," said Bob Taylor, manager-Inventory Operations. "In addition, we will only pay for a part when it is used, thereby significantly reducing our inventory holding costs."

IMM builds on existing materials management programs that Boeing has with several other airlines - AirTran Airways, ANA (All Nippon Airways), Nippon Cargo Airlines (NCA), Delta Air Lines, Japan Airlines, KLM Royal Dutch Airlines, Japan Transocean Air, Singapore Airlines, SIAEC and Thai Airways.

The Boeing Company is the world's leading aerospace company, providing products and services to customers in 145 countries. Boeing Commercial Aviation Services, a unit of Boeing Commercial Airplanes, provides products, services and integrated solutions to improve fleet utilization, reduce costs, leverage leading-edge information management, and ensure passenger well-being.

Cathay Pacific currently operates a large and expanding fleet of Boeing aircraft comprising B777-200/300/300ER, 747-400/400F/400BCF and B747-200/300 aircraft. This program is the next advance in expanding Boeing's supply chain services to provide value to both airline customers and supplier partners.

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