

Boeing 737 Production Rate Increases to 35 per Month

SEATTLE, June 15 /PRNewswire-FirstCall/ -- Boeing (NYSE: BA) today announced a second production rate increase on the Next-Generation 737 program, taking the rate from the previously announced 34 airplanes per month to 35 in early 2012.

In May, Boeing cited continued strong demand for the Next-Generation 737 as reason to ramp-up production from 31.5 to 34 airplanes per month and indicated plans to study further increases. Today's announcement acknowledges the anticipated long-term growth in this market segment and the continued pressure to raise airplane output to match expected market demand.

"Our customers continue to show their preference for the Next-Generation 737 by exercising order options as well as by placing new orders," said Boeing Commercial Airplanes President and CEO Jim Albaugh. "We've managed our current backlog efficiently and increasing rate is the product of our comprehensive planning and preparation. We will continue to monitor demand as we go forward."

Boeing and its suppliers will prepare for the rate increase over the next 18 months, assessing readiness and ensuring an orderly ramp-up from the current 31.5 airplanes per month. The rate increase is not expected to have a material impact on 2010 financial results.

The Next-Generation 737 program continues to innovate in the areas of improved navigation, performance and passenger comfort. The program will deliver its first 737 Boeing Sky Interior in October and is progressing with its implementation of a package of performance improvements by early 2012 that are expected to reduce fuel consumption by 2 percent.

Forward-Looking Information Is Subject to Risk and Uncertainty

Certain statements in this report may be "forward-looking" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "expects," "intends," "plans," "projects," "believes," "estimates," "targets," "anticipates," and similar expressions are used to identify these forward-looking statements. Forward-looking statements are based upon assumptions about future events that may not prove to be accurate. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from what is expressed or forecasted in these forward-looking statements. As a result, these statements speak to events only as of the date they are made and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by federal securities laws. Specific factors that could cause actual results to differ materially from forward-looking statements include, but are not limited to, statements we make regarding our guidance relating to future financial and operating performance, the effect of economic conditions in the United States and globally, and general industry conditions as they may impact us or our customers, as well as the other important factors disclosed previously and from time to time in our other filings with the Securities and Exchange Commission.

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