Boeing to Boost 737 Production Rate to 42 Airplanes per Month in 2014

Strong demand continues for the company's single-aisle jetliners

SEATTLE, June 15, 2011 /PRNewswire/ -- Boeing (NYSE: BA) announced today it will increase the production rate for its Next-Generation 737 to 42 airplanes per month. Once implemented in the first half of 2014, the 737 program expects to build on average two 737s each workday and nearly 500 airplanes each year.

Boeing Commercial Airplanes President and CEO Jim Albaugh said the market outlook for single-aisle jetliners is strong and growing.

"Customers are demanding our Next-Generation 737 at an unprecedented rate," Albaugh said. "New performance improvements and enhanced passenger comfort features have driven home the value equation for our customers."

Albaugh emphasized the popularity of Boeing's new passenger comfort features, noting that since its introduction in May 2010, the new Boeing Sky Interior is specified on more than 80 percent of new 737 orders.

737 Program Vice President and General Manager Beverly Wyse said the goal with this rate increase is to continue meeting customer demand with an innovative airplane that provides strong performance and value.

"We have worked very closely with our supply chain and our world-class manufacturing team to ensure we can increase rate in an efficient and responsible fashion," Wyse said. "We believe that many of the capital investments and production system changes made for 38 airplanes per month will already position us to build 42," Wyse said. "We are very well situated for this rate increase."

The 737 program currently produces 31.5 airplanes per month and expects to go to 35 per month in early 2012, 38 per month in second quarter 2013, and then to 42 per month in the first half of 2014.

The rate increase announced today is not expected to have a material impact on 2011 financial results.

Boeing's highly efficient and reliable 737 family has become the best-selling airliner in history. More than 280 customers have placed more than 8,880 orders for the single-aisle airplane – including more than 5,750 orders of the Next-Generation 737. Boeing currently manages a backlog of more than 2,100 of the 737 family.

Forward-Looking Statements

Certain statements in this release 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 on our current expectations and assumptions, which may not prove to be accurate. These statements are not guarantees and are subject to risks, uncertainties, and changes in circumstances 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 update or revise any forward-looking statement, 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, 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 filings with the Securities and Exchange Commission.

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