Boeing and American Airlines Agree on Order for up to 300 Airplanes

- -- Agreement includes 100 Next-Generation 737s with options for 40 more
- -- Commitment to order 100 737s with new engines and options for 60 more

SEATTLE, July 20, 2011 <u>PRNewswire</u>/ -- Boeing (NYSE: BA) confirmed that American Airlines has selected Boeing to provide 200 narrowbody airplanes, with options for 100 more, to accelerate its single-aisle fleet replacement.

The agreement includes 100 Next-Generation 737s, with options for an additional 40 airplanes. Boeing and American Airlines will work to finalize the agreement over the next several weeks, at which time it will be a firm order and posted to the Boeing Orders and Deliveries website.

In addition, American Airlines has committed to order a variant of the 737 featuring new more fuel-efficient engines, pending final airplane configuration and launch approval of the program by the Boeing board of directors. This commitment for 100 airplanes, with options for 60 more, is the first of many anticipated for this variant. The airplane would be powered by CFM International's LEAP-X engine.

"This agreement highlights our focus on investing in our fleet for the benefit of our shareholders, customers and employees," said Tom Horton, president, AMR Corp., the parent company of American Airlines and American Eagle. "The addition of these Next-Generation 737s will play a critical role in replacing our narrowbody fleet with more fuel-efficient aircraft offering state-of-the-art customer features."

American Airlines' current fleet of more than 600 Boeing airplanes includes 156 Next-Generation 737-800s delivered to date. The agreement builds on American Airlines' existing backlog of 64 Boeing airplanes consisting of 51 737-800s, seven 777-200ERs (extended range) and six 777-300ERs. In addition, American Airlines has an existing purchase agreement with Boeing to acquire an initial 42 787-9 Dreamliners, with the right to purchase up to 58 additional 787s.

"American Airlines is an industry leader whose vision and disciplined approach to growth has made it one of the largest airlines in the world," said Boeing Commercial Airplanes President and CEO Jim Albaugh. "This agreement will provide American Airlines with the most capable airplanes in the narrowbody marketplace and continue to deliver industry leading economics. Demand for the 737 remains very strong from customers around the world and we have deliberately retained delivery positions to meet the fleet requirements for all our valued customers."

Today's operators fly Next-Generation 737s that are 5 percent more fuel efficient than the first airplanes delivered in 1998. Certification of additional improvements is underway which will be included in airplanes delivered later this year.

Pending final configuration of the new 737 variant and board of directors approval, Boeing will take another giant step forward in improving the operating economics of this already market-leading airplane.

To date, the Next-Generation 737 family has won orders for more than 5,700 airplanes and Boeing has delivered more than 3,700.

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