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Delivery process on track to meet 35-a-month rate in early 2012

RENTON, Wash., Dec. 5, 2011 /<u>PRNewswire</u>/ -- Boeing (NYSE: BA) rolled out its first factory-complete Next-Generation 737 at the production rate of 35 airplanes a month on Dec. 4. The new 737-800 was towed to nearby Renton Field where Boeing conducts functional testing and first flights for all new airplanes. Though the airplane still must undergo testing and painting, the milestone represents a major step in demonstrating that Boeing is on track to achieve its announced rate increase of the popular jetliner to 35 a month in early January when it delivers the airplane to Norwegian Air Shuttle.

"The team took lessons from past rate increases and said, 'We can do this better,' and all indications are that they have," said Beverly Wyse, vice president and general manager of the 737 program. "We owe a special thanks to our partners in Boeing Supplier Management and Fabrication who have kept shortages at an unprecedented low level for this stage in the rate process."

Teams have been preparing for more than a year in some cases. An example of early preparation can be seen in the production line where employees install electrical systems into the newly built wing boxes. The team eliminated a line where employees worked on both left-hand and right-hand wings and moved those employees to extended lines where they were dedicated to either the right-hand or left-hand wings, removing variables that slowed down production. Additionally, in August, improvements to efficiency such as arranging the work and the work environment so that employees can more easily complete their tasks supports a rate of up to 42 airplanes a month.

Boeing has taken a three-fold approach to prepare for the rate increases on the 737 program. The company is making production processes more efficient by working with employee process improvement teams; increasing the production capacity with capital investments and making the site footprint more efficient by moving some production areas and expanding others; and decommissioning outdated equipment.

Boeing will increase the 737 rate to 38 airplanes a month in the second quarter of 2013 and to 42 airplanes a month in the first half of 2014.

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