Boeing to Begin Modifying 787s as FAA Approves Battery Improvements

- Modifications to existing fleets to begin; deliveries to resume soon

- Boeing to provide customers support for return to service

EVERETT, Wash., April 19, 2013 /PRNewswire/ -- Today's approval of battery system improvements for the 787 Dreamliner by the U.S. Federal Aviation Administration (FAA) clears the way for Boeing (NYSE: BA) and its customers to install the approved modifications and will lead to a return to service and resumption of new production deliveries.

"FAA approval clears the way for us and the airlines to begin the process of returning the 787 to flight with continued confidence in the safety and reliability of this game-changing new airplane," said Boeing Chairman, President and CEO Jim McNerney. "The promise of the 787 and the benefits it provides to airlines and their passengers remain fully intact as we take this important step forward with our customers and program partners."

The FAA's action will permit the return to service of 787s in the United States upon installation of the improvements. For 787s based and modified outside the United States, local regulatory authorities provide the final approval on return to service.

Approval of the improved 787 battery system was granted by the FAA after the agency conducted an extensive review of certification tests. The tests were designed to validate that individual components of the battery, as well as its integration with the charging system and a new enclosure, all performed as expected during normal operation and under failure conditions. Testing was conducted under the supervision of the FAA over a month-long period beginning in early March.

"The FAA set a high bar for our team and our solution," said McNerney. "We appreciate the diligence, expertise and professionalism of the FAA's technical team and the leadership of FAA Administrator Michael Huerta and Secretary of Transportation Ray LaHood throughout this process. Our shared commitment with global regulators and our customers to safe, efficient and reliable airplanes has helped make air travel the safest form of transportation in the world today."

Boeing, in collaboration with its supplier partners and in support of the investigations of the National Transportation Safety Board and the Japan Transport Safety Board, conducted extensive engineering analysis and testing to develop a thorough understanding of the factors that could have caused the 787's batteries to fail and overheat in two incidents last January. The team spent more than 100,000 hours developing test plans, building test rigs, conducting tests and analyzing the results to ensure the proposed solutions met all requirements.

"Our team has worked tirelessly to develop a comprehensive solution that fully satisfies the FAA and its global counterparts, our customers and our own high standards for safety and reliability," said Boeing Commercial Airplanes President and CEO Ray Conner. "Through the skill and dedication of the Boeing team and our partners, we achieved that objective and made a great airplane even better."

Boeing also engaged a team of more than a dozen battery experts from across multiple industries, government, academia and consumer safety to review and validate the company's assumptions, findings, proposed solution and test plan.

The improved battery system includes design changes to both prevent and isolate a fault should it occur. In addition, improved production, operating and testing processes have been implemented. The new steel enclosure system is designed to keep any level of battery overheating from affecting the airplane or even being noticed by passengers.

"This is a comprehensive and permanent solution with multiple layers of protection," said Conner. "The ultimate layer of protection is the new enclosure, which will ensure that even if a battery fails, there is no impact to the airplane and no possibility of fire. We have the right solution in hand, and we are ready to go.

"We are all very grateful to our customers for their patience during the past several months," said Conner. "We know it hasn't been easy on them to have their 787s out of service and their deliveries delayed. We look forward to helping them get back into service as quickly as possible."

Boeing has deployed teams to locations around the world to begin installing improved battery systems on 787s. Kits with the parts needed for the new battery systems are staged for shipment and new batteries also will be shipped immediately. Teams have been assigned to customer locations to install the new systems. Airplanes will be modified in approximately the order they were delivered.

"The Boeing team is ready to help get our customers' 787s back in the air where they belong," said Conner.

Boeing will also begin installing the changes on new airplanes at the company's two 787 final-assembly plants, with deliveries expected to resume in the weeks ahead. Despite the disruption in deliveries that began in January, Boeing expects to complete all planned 2013 deliveries by the end of the year. Boeing further expects that the 787 battery issue will have no significant impact to its 2013 financial guidance.

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," "forecasts," "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.

Contact:
Marc Birtel
Boeing Commercial Airplanes Media Relations
+1 425 266 5822
marc.r.birtel@boeing.com

SOURCE Boeing