Boeing, Korean Air Announce Airline's Intent to Purchase 30 737 MAXs

Memorandum of Understanding includes intent to purchase two additional 777-300ERs, options for 20 additional 737 MAXs

LE BOURGET, France, June 16, 2015 /PRNewswire/ -- Boeing [NYSE: BA] and Korean Air today announced the airline's intent to purchase 30 737 MAXs and two additional 777-300ER (Extended Range) jetliners, with options for an additional 20 737 MAXs. The agreement is valued at approximately $3.9 billion at current list prices. Boeing will work with Korean Air to finalize the order, at which time the order will be posted to the Orders & Deliveries website.

"This agreement reflects Korean Air's ongoing fleet modernization program, and we are committed to introducing new next-generation airplanes that are environmentally friendly and fuel efficient, while also providing maximum comfort to our passengers," said Walter Cho, Executive Vice President and Chief Marketing Officer, Korean Air.

With this commitment Korean Air is poised to become a new 737 MAX customer when this order, which includes MAX 8s and substitution rights for MAX 9s, is finalized. With this commitment, the Korean flag carrier will increase the size of its unfilled orders with Boeing to 69 airplanes.

"Korean Air has been a valued Boeing customer for many decades and today's agreement further demonstrates the strength of our enduring partnership," said Boeing Commercial Airplanes President and CEO Ray Conner. "We are honored to welcome Korean Air as our newest 737 MAX customer and we look forward to continue playing an integral role in their long-term success."

Today's agreement, which also includes two additional 777-300ERs for Korean Air, comes on the heels of the airline's order for five 777 Freighters earlier this year, raising Korean Air's total orders and commitments with Boeing in the first six months of 2015 to 37 airplanes.

"We truly appreciate Korean Air's continued confidence in our products and services," said Conner. "The airline's current backlog of Boeing airplanes is a testament to our mutually beneficial partnership and I look forward to strengthening this relationship for many more years."

Korean Air currently operates a fleet of 87 Boeing passenger airplanes that consist of 737, 747 and 777 airplanes. The airline also operates an all-Boeing cargo fleet of 27 747-400, 747-8 and 777 Freighters.

Korean Air's Aerospace Division is a key Boeing partner on both the 747-8 and 787 programs, supplying the distinctive raked wing-tips for each model. They are also one of two suppliers producing the new 737 MAX Advanced Technology (AT) Winglet.

The 737 MAX incorporates the latest technology CFM International LEAP-1B engines, Advanced Technology winglets and other improvements to deliver the highest efficiency, reliability and passenger comfort in the single-aisle market. Beginning in 2017, the new single-aisle airplane will deliver 20 percent lower fuel use than the first Next-Generation 737s and the lowest operating costs in its class – 8 percent per seat less than its nearest competitor.

The 777-300ER is the most fuel and cost-efficient airplane in its class today with 99.5 percent reliability, making it the most reliable twin-aisle aircraft in the world. The flagship of the world's elite airlines, the 777-300ER carries 386 passengers in a typical three-class configuration up to 7,825 nautical miles (14,490 kilometers), on non-stop routes. Korean Air has configured its 777-300ER with a seating capacity of 277 passengers in a three-class configuration.

Korean Air, with a fleet of 159 aircraft, is one of the world's top 20 airlines, and operates more than 430 flights per day to 129 cities in 46 countries. It is a founding member of the SkyTeam alliance, which together with its 20 members, offers its 612 million annual passengers a worldwide system of more than 16,000 daily flights covering 1,052 destinations in 177 countries.

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