

Boeing Announces \$11 Billion In Jet Orders

Jamey Keaten, Associated Press

LE BOURGET, France (AP) — Boeing Co. announced more than \$11 billion worth of orders and commitments for 56 jets on Monday as the Paris Air Show, the industry's main event of the year, got under way.

The Chicago-based aerospace and defense giant opened a day of one-upmanship with traditional rival Airbus by announcing Qatar Airways had ordered six 777 jets in a \$1.7 billion deal.

The European plane-making consortium wasted little time in announcing its own deals, racking up orders and commitments for 142 aircraft valued at \$15 billion.

Boeing also said it had received commitments and orders from two undisclosed buyers for 17 of its hulking 747-8 passenger planes — with a book value of \$5.4 billion — and said Los Angeles-based Air Lease Corp. had agreed to buy up to 33 planes in a variety of models worth over \$4.2 billion.

Qatar Airways, an upstart, fast-growing Gulf carrier, plans to buy extended versions of the long-range 777-300, CEO Akbar al-Baker told a news conference alongside Boeing's commercial aircraft chief.

Boeing has now delivered 25 777s to the Qatari flag carrier, and expects to deliver another 15, making the double-aisle plane "the backbone of our long-range aircraft," al-Baker said.

The order comes after Airbus recently announced it has delayed the first delivery of two modified versions of its A350 — a 777 rival — by two years, to 2016 and 2017, so engine supplier Rolls Royce can develop a more powerful motor for an extended-range version.

Qatar Airways is the launch customer and largest single buyer for the A350, and is due to receive the first one in the second half of 2013. Half of the 80 A350s it has ordered would be affected by the delay; the other half is for the 350-900, which is not being delayed.

Al-Baker didn't hide his frustration about the "significant delays" with the A350 program, saying they "will dent our expansion and fleet placement program."

"As a CEO of an airline, it never makes me happy when I know that one of the programs that we were depending upon is getting delayed," he said. "It is very disappointing to us."

Separately, Al-Baker said he hopes to finalize this week an order with Airbus on the A320 neo, a revamped A320 that has been re-engineered to be 15 percent more

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fuel efficient.

"We are interested in that airplane, but we still have some more work to do," Al-Baker said. "It's a very fine airplane."

Boeing has faced pressure to come up with its response to the A320 neo. Jim Albaugh, CEO of Boeing Commercial Airplanes, said the company will not rush into a decision — expected in the coming months. Boeing is considering whether to re-engine the current 737s, or develop an entirely new plane.

"Now, I know the one that many of you probably came to hear an announcement on today, and are going to be disappointed, is what we are going to do with the small airplanes," said Albaugh. "We have a very deliberate process in determining what we are going to do."

"Our view is that the neo will just provide an airplane as capable as the current NG," Albaugh said of the "next generation" variant of the single-aisle 737.

Boeing said one undisclosed customer had made commitments for 15 747-8 Intercontinentals, and another placed an order for two — in deals that would fetch \$5.4 billion at list prices.

In a statement, Albaugh called the orders "a major milestone" in the program. Commitments are not as solid as firm orders in the parlance of the aviation industry.

Boeing's deal with Air Lease Corp. involves 14 firm orders and four options for Next-Generation 737-800s, and five 777-300 extended range planes and four 787-9 Dreamliners, Boeing said. The leasing company agreed to exercise options on six planes from its order of 60 737-800s last year. At list prices, those planes would be worth more than \$4.2 billion.

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