

Boeing Loses 747 Order From UAE Customer

Joshua Freed, AP Business Writer

The shrinking order book of an aircraft leasing company in the United Arab Emirates snagged Boeing's new 747-8 on Thursday.

Boeing Co. confirmed that Dubai Aerospace Enterprise is canceling orders for five 747-8 freighters, converting the orders to Boeing 777s instead.

In August 2010 the company canceled orders for 25 Boeing planes, including 15 787s. Earlier this year it was reported to have canceled all of its Airbus orders.

The changes announced by Boeing on Thursday leave Dubai Aerospace Enterprise with orders for 10 747-8 freighters and 10 777s.

"The needs of our customers are constantly evolving and Boeing works closely with them to meet their new and changing fleet requirements," Boeing spokesman Marc Birtel said.

The 777 freighter sells for \$280 million at list prices, although discounts are common. The list price on the 747-8 freighter is \$333.5 million.

Boeing also logged orders for two new 777s on Thursday from unidentified customers.

Also Thursday, Jim Albaugh, the head of Boeing's commercial aircraft division, said he is pushing to get the new version of its 737 delivered sooner than 2017.

Earlier this year Boeing announced that it would put a new engine on its 737, the smaller, workhorse plane which it makes more of than any other aircraft. Boeing has said it will build a slightly tweaked version with a new, more fuel-efficient engine to stay competitive with the A320neo from Airbus.

"I'm driving our team to an earlier date" than 2017, Albaugh said at the Goldman Sachs Global Industrials Conference on Thursday.

He said customers wanted the certainty of minor changes to the current 737 rather than the risk of waiting for an all-new plane, even if it might be more fuel efficient. Boeing's new 787 and significantly modified 747 were both years late when they were delivered to their first customers this fall.

"One of the things I want to do on this program is I want to under-promise and I want to over-deliver. I think we learned our lesson the 747 and the 787, don't make promises that you can't keep. We're making promises that we're very comfortable are in our ability to perform to," he said.

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Boeing shares rose \$1.81, or 2.8 percent, to \$66.21 in afternoon trading.

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