United Airlines Orders 150 Boeing 737s

Joshua Freed, AP Airlines Writer

United Airlines ordered 150 Boeing 737s on Thursday, a big win for the jet-maker and a clear sign that the world's largest airline is shifting increasingly toward Boeing planes.

United ordered 50 Boeing's 737-900ERs, which begin arriving late next year. It's also buying 100 new 737 Max 9s, a revamped 737 that is getting new engines and other tweaks to make it more fuel efficient. They start arriving at United in 2018.

The order doesn't necessarily mean United is getting bigger. The 737-900ERs will replace older 757-200s, which Boeing no longer makes. It said the new planes are 15 percent more fuel-efficient per seat than the ones they will replace.

The Maxes that begin arriving in 2018 could either replace old planes or make United's fleet bigger, CEO Jeff Smisek said. The 737 is a workhorse of domestic flying. United already flies 43 of those planes, which seat 173 people. For the new 737 Max, United is ordering the biggest version Boeing makes, which seats up to 215 people.

The order would be worth more than $14 billion at list prices, although big airlines like United don't pay list prices.

At the time of the United-Continental merger in 2010, Continental flew 737s and United flew the competing A320 from Airbus. The combined airline's fleet of 701 planes still includes 152 of those Airbus planes. It also has an order, placed by United before the merger, for 25 Airbus A350s set to begin arriving in 2016.

"We'll have Airbus planes for a long time," Smisek said.

Still, the airline has 25 Airbus planes under firm order, compared to some 250 Boeing jets, including Thursday's order. And some of the new planes could potentially replace A320s, Smisek said.

Boeing Co. has been hoping to boost orders for the Max. Airbus beat Boeing to the punch last year by offering a competing version of its own A320 with a new engine earlier than Boeing did. And Airbus scored big when it got American Airlines to order 260 jets last year, versus 200 for Boeing.

Smisek said his airline had "extensive discussions with both Airbus and Boeing" before picking Boeing. He spoke at a news conference in Chicago, where both Boeing and United Continental Holdings Inc. are based.

Boeing Chairman and CEO Jim McNerney also attended the news conference, along with Ray Conner, the new CEO of Boeing's commercial airplanes division. Connner

was recently back from the Farnborough Airshow near London, where Boeing booked orders and commitments for 396 planes, worth $37 billion, including the United order. That was more than double Airbus' orders and commitments for 115 planes worth $16.9 billion.

Shares of United Continental Holdings fell $1.01, or 4.1 percent, to close at $23.78. Boeing shares rose 19 cents to close at $71.71.

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