

BOEING DELIVERS 14 DREAMLINERS, STRONG CASH FLOW SEEN: SOURCES

News / Manufacturer



Boeing Co ([BA.N](#)) delivered 14 of its 787 Dreamliners in August, exceeding for the second straight month its 10-a-month target and suggesting strong financial performance later in the year, people familiar with the situation said on Wednesday.

The tally, likely to be confirmed by Boeing on Thursday, means the company has managed to deliver an average of just over 11 of the high-tech planes a month so far this year. That puts it on track to easily meet its target of 100 for 2015.

The 787, Boeing's newest plane, has a lightweight carbon-fiber composite fuselage and is designed to be more fuel efficient than previous aircraft.

The high pace of deliveries comes because Boeing is getting caught up on jets it had in the pipeline, but that had not been delivered. It does not mean the 787 assembly lines in Washington and South Carolina are running faster than their combined production rate of 10 planes a month. In August, 10 of the planes came from Everett, Washington, and four from North Charleston, South Carolina, one of the sources said.

The high delivery suggests Boeing likely is bringing in additional cash, since the bulk of payment comes when planes go to customers. That is likely to please investors, who are closely watching Boeing's cash generation, analysts said.

The planes that are boosting the delivery tally include some of the so-called "terrible teens," early production units that needed additional work, according to the people familiar with the matter. Industry sources have said these were sold at substantial discounts to list price of about \$265 million.

A Boeing spokesman declined to comment on delivery totals, other than to say they do not always match production rates.

The spokesman said Boeing is on track to produce by year end its first 737 MAX plane, a new version of the best-selling 737.

Boeing began MAX production in May and received the first MAX fuselage on Aug. 21 from supplier Spirit Aerosystems Holdings Inc ([SPR.N](#)). Boeing has booked 2,831 orders for the new plane, which is designed to be more fuel efficient than current models and is due to enter service in 2017.

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SOURCE: REUTERS

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