Boeing Expresses Confidence in Aero Vodochody Agreement

Negotiating teams from the Boeing-CSA Czech Airlines joint venture and Aero Vodochody reached an agreement Wednesday regarding the joint venture acquiring a minority stake in Aero Vodochody, and Boeing Company officials expressed confidence in the future of the Czech Republic's leading aviation company.

"We are confident we have an agreement that satisfies both sides and that builds a strong foundation for the future," said Larry Clarkson, president of Boeing Enterprises. "We believe that the time we spent working out the agreement was in the best interests of all of the parties, and that the Czech aerospace industry, the Boeing-CSA joint venture and our new partners at Aero Vodochody can look forward to a great future."

The terms of the agreement will be submitted by the Czech Minister of Industry and Trade to the Czech government for its approval by the end of the month. Terms of the agreement were not disclosed pending government approval.

Boeing, CSA and Aero Vodochody have been working together since May 1997 when the Czech government selected what was then the Boeing-McDonnell Douglas-CSA tender offer to become the Czech firm's strategic partner. In November, Boeing and CSA formed a joint venture to acquire 34 percent to 40 percent of Aero Vodochody. The joint venture will also provide training in Western business practices, assistance in upgrading manufacturing practices and equipment, and marketing support.

"As we have developed our business plan for Aero Vodochody, our teams have found an excellent match in core aerospace philosophy and future cooperation," Clarkson said. "We are now a step closer to our goal of establishing a complementary and mutually beneficial partnership between the best of U.S. and Czech aerospace capability. And more importantly, we are closer to establishing a formal presence for Boeing in the Czech Republic that reinforces our long-term commitment to the region."

Aero Vodochody's current product line includes the L-39, L-59, L-139 and new L-159 light-attack and military-trainer aircraft. The firm also performs subcontracting work and supplies 757 door skins to Boeing Commercial Airplane Group.

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