Boeing-CSA Joint Venture Gives Green Light

Representatives of Boeing and CSA Czech Airlines today announced that they have accepted the conditions of the Czech Cabinet's March 30 resolution regarding investment and participation in Aero Vodochody. The Boeing-CSA joint venture now will move forward with plans to become Aero's strategic partner and work together on implementing a long-term business plan.

A general meeting of Aero's existing shareholders is scheduled for May 6 to approve the Boeing-CSA minority participation. Boeing said it would work with the other Aero Vodochody shareholders to reflect the government's conditions in the shareholders' agreement.

"The decision of the Czech Cabinet was an important step toward increasing the performance and competitiveness of this key company for Czech industry," said Larry Clarkson, president of Boeing Enterprises. "American-Czech cooperation in the aerospace industry will make a sizable contribution toward the economic fitness and success of Aero Vodochody."

According to Clarkson, the business plan that Boeing-CSA and Aero jointly developed will permit the Czech aircraft producer to become self-sufficient and operate independent of state support.

"I am happy that all of the work we've done will result in a good solution for Aero Vodochody and the Czech Republic," said Antonin Jakubse, president of CSA Czech Airlines. "This will be a positive sign for possible investors abroad that a company such as Boeing is willing to invest in Aero."

In addition to the investment, the Boeing-CSA joint venture is expected to transfer 20-35 employees to Aero in supportive, key management positions and to provide necessary training. Boeing also plans to place more orders with Aero, which already is under contract to supply door skins for the Boeing 757.

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