Boeing Announces Sale of its Light Helicopter Product Lines

McDonnell Douglas Helicopter Co., an indirect subsidiary of The Boeing Company, and MD Helicopters Holding, Inc., an indirect subsidiary of RDM Holding, Inc., have signed an agreement on an asset purchase of Boeing's MD 500, MD 600N and MD Explorer series of light commercial helicopter product lines.

The sale, which is subject to approval by the U.S. Federal Trade Commission, is expected to be final by mid-February. The sale price was not disclosed.

MD Helicopters said it initially would operate from existing Boeing facilities at Mesa's Falcon Field Airport. The company said it would construct new local facilities at a later date. Boeing will provide technical and engineering support under contract to MD Helicopters.

RDM is a European-based industrial group with aerospace activities. The company designs and builds diesel-electric submarines and builds and repairs ships, manufactures and overhauls military vehicles, and produces defense and aerospace products, including landing gear and transmissions for aircraft and helicopters. It is a subcontractor to Boeing for landing gear and fuselage assemblies for Apache helicopters.

MD Helicopters will continue to produce the entire line of single- and twin-engine helicopters in Mesa. The company will create employment opportunities for Boeing employees who work on the same product lines, it said.

"We look forward to continuing the legacy of the entire family of McDonnell Douglas commercial helicopters," said Joep van den Nieuwenhuyzen, chairman and chief executive officer of RDM. "And we expect to announce orders for new sales at the annual meeting of the Helicopter Association International in Dallas next month.

"The RDM Group is very pleased to welcome MD Helicopters and its employees into the group. We firmly believe that the combined strength will benefit the growth of all the groups' companies."

Boeing delivered 36 helicopters from its commercial product lines in 1998, up from 30 delivered in 1997. Last year's deliveries included the first eight of 45 MD 600Ns sought by the U.S. Border Patrol and the first four MD Explorers in its advanced 902 configuration. These aircraft were delivered to customers in Japan and the United Kingdom. Boeing took orders for 22 helicopters in 1998.

MD Helicopters will assume responsibility for delivery of aircraft currently on order.

Included in the product line are the MD 500E and MD 530F single-engine helicopters with conventional tail rotors, the MD 520N and MD 600N single-engine helicopters with Boeing's exclusive NOTAR no tail rotor system for anti-torque and directional control, and the MD Explorer series of twin-engine, eight-place helicopters.

Boeing will retain ownership of NOTAR technology, but MD Helicopters will have a license to use the technology on existing and future aircraft. NOTAR system-equipped helicopters are the quietest and safest helicopters ever produced.

"We are committed to preserving the integrity of these helicopters and will expand the existing system of technical support and service to ensure complete customer satisfaction," Henk Schaeken, chief executive officer of MD Helicopters, said. "We are prepared to aggressively compete on price and customer service in order to extend the products' acceptance in the world helicopter market."

MD Helicopters will expand the existing worldwide network for service, customer support, marketing and sales, including distributors. The company will announce further details of its planned operations at the HAI convention in Dallas.

More than 4,700 helicopters from the product lines have been delivered since the Hughes OH-6A, predecessor to the MD 500, was introduced in 1966.

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