Boeing Signs Letter Of Intent To Sell Gear Facility

The Boeing Company and Derlan Industries Limited have signed a letter of intent for Derlan to purchase most of the assets of Boeing Precision Gear, Inc. (BPGI), located in Bedford Park, Ill., for an undisclosed sum. BPGI is a subsidiary of The Boeing Company in Seattle.

Derlan will continue to operate the Bedford Park facility, which it has agreed to lease for a minimum of 10 years.

"This is a good business decision for Boeing and Derlan," said Mike Sears, president of Boeing Military Aircraft and Missile Systems. "It supports our company's strategy to focus on our core businesses, and it strengthens our supplier base by providing Derlan with an additional business base and a highly-skilled workforce."

BPGI manufactures, assembles, tests and conducts maintenance and overhaul on aerospace drive systems. BPGI is actively involved in the AH-64, CH-46 and CH-47 helicopter programs, and the F-22 fighter program. Derlan Industries Limited is a Toronto Stock Exchange listed industrial corporation, manufacturing products for the aerospace and pump industries. It has operations in Canada, the United States, Mexico and Germany.

BPGI was purchased by Boeing in 1995 from Litton Industries and was moved from Chicago to Bedford Park. Currently, there are 315 employees at the Bedford Park facility. The sale is contingent upon U.S. government approval.

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For further information:
Madelyn Bush
(610) 591-2864