# Boeing Expands Aviation Services with Acquisition of Continental Graphics Corporation

## Information Management Services to Play 'Crucial Role' in Customer Solutions

Accelerating its drive into the aviation services market, The Boeing Company today announced an agreement to purchase Continental Graphics Corporation, a leading provider of customized and specialized technical information to the aviation industry. Financial terms were not disclosed.

Privately held Continental Graphics provides a wide range of customized information and documentation to airlines, including Illustrated Parts Catalogs, Provisioning/Procurement Data, Customized Fleet and Owner/Operator Catalogs, and Component Maintenance Manuals. Using 9,700 proprietary software programs, the company's 1,550 employees have developed an unsurpassed expertise in parts-related information management services.

"Our focus is on offering our customers innovative solutions that help them operate more efficiently and effectively, and information management plays a crucial role in that," said Tom Schick, executive vice president of Boeing Commercial Aviation Services. "Continental Graphics has the intellectual capital and technology that, when combined with our existing digital solutions, will accelerate our ability to develop and offer our customers new electronic information management services."

Curt Bourland, chairman and CEO of Continental Graphics Corporation, said Continental was excited about joining the world's largest aerospace company.

"Boeing has long been an industry leader in digital information technology, and we're looking forward to joining forces to expand the information management services offered to airlines," Bourland said.

The new services will be built around Continental Graphics' detailed knowledge of industry data, especially the Illustrated Parts Catalogs the company produces. Every commercial jet in service has a unique Illustrated Parts Catalog (IPC) that contains the airplane's parts configuration, including any changes since the airplane was first delivered. The IPC is consequently one of the most important sources of information in the aviation industry.

For Illustrated Parts Catalogs as well as other information products, Continental Graphics transforms raw engineering and technical data into illustrated, customized documentation, and distributes the information to airlines electronically or in any format the customer selects.

Among Continental Graphics' digital products in development is the Smart IPCTM, a highly specialized Illustrated Parts Catalog, based upon parts lists stored in relational databases with embedded links to intelligent graphics. The Smart IPCTM can be continually revised online in real time, offering an electronic IPC that is current at all times. It contains intelligent, part-specific links to enable parts search queries in industry databases, as well as links to an organization's own internal inventory, procurement or other systems.

Continental Graphics processes 1,200 engineering items per day and produces 2 million to 3 million pages of customer-unique documentation every week, and delivers its information products to more than 100 airlines every month. The company maintains the information in massive databases that are networked to its customers' own computer systems.

Continental Graphics Corporation had sales of $135.6 million in 1999. In addition to the aviation industry, the company serves customers in the heavy equipment manufacturing and oil and gas exploration industries. Boeing will operate Continental Graphics as a subsidiary, with the current management team remaining in place. The agreement is subject to regulatory approval.

With headquarters in Los Angeles, Continental Graphics Corporation has three primary business units:

- Continental DataGraphics, with 1,200 employees, leverages the company's proprietary systems and software to produce customized technical information. Continental DataGraphics also supports the Air Transport Association (ATA) and the International Airlines Technical Pool (IATP) by providing data hosting services and daily management of their databases.
- Continental Graphics Group - Europe, with 100 employees, provides technical information services to European customers through Continental DataGraphics Ltd. in the United Kingdom and PK DataGraphics in Germany.
- Continental Graphics, with 250 employees, provides high-technology imaging services, the conversion of legacy documentation into digital formats, and other printing and reprographic services.

As a subsidiary of The Boeing Company, Continental Graphics Corporation will report to the Customer Support organization within Boeing Commercial Aviation Services, which offers the industry's broadest selection of aviation support products and services.

**Forward-Looking Information Is Subject to Risk and Uncertainty:**Certain statements in this release contain "forward-looking" information that involves risk and uncertainty, including projections for revenues, earnings, earnings per share, market

growth, completion of government and regulatory reviews and receipt of necessary approvals, statements regarding goals, and other trend projections. This forward-looking information is based upon a number of assumptions including assumptions regarding demand; internal performance; customer, supplier and subcontractor performance; and government policies and actions. Actual future results and trends may differ materially depending on a variety of factors, including the company's successful execution of internal performance plans including research and development, production system initiatives, asset management plans, procurement plans, and other cost-reduction efforts; the cyclical nature of the company's business, volatility of the market for certain products, future integration of Continental Graphics Holdings Inc.'s business and related operations; product performance risks; action by regulatory agencies in regard to the proposed acquisition, and other regulatory uncertainties; collective bargaining labor disputes; performance issues with key suppliers, subcontractors and customers; governmental export and import policies; global trade policies; worldwide political stability and economic conditions; changing priorities or reductions in the U.S. Government or foreign government defense and space budgets; termination of government contracts due to unilateral government action or failure to perform; and legal proceedings. Additional information regarding these factors is contained in the company's Annual Report on Form 10-K for the year ended 1999 and Form 10-Q for the quarterly period ended March 31, 2000.

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For further information:
Dick Schleh
(206) 544-9528