Boeing Acquisition of AeroInfo Systems, Inc. to Boost Aviation Services Portfolio

The Boeing Company today announced that it has acquired AeroInfo Systems Inc., a Canadian provider of advanced maintenance software applications for the airline industry. The move adds AeroInfo Systems' industry-leading aviation maintenance planning technology to Boeing's growing portfolio of aviation services. Financial terms of the transaction, which Boeing completed on Sept. 1, were not disclosed.

AeroInfo Systems' flagship product is its MaintStream™ suite of state-of-the-art software applications for aviation maintenance planning, scheduling and tracking. It is designed specifically to support both Boeing and non-Boeing fleets. MaintStream™ allows airlines to reduce maintenance costs by increasing operational efficiency and reducing out-of-service time while maintaining the highest levels of safety. The MaintStream™ product suite is Internet-capable and enables the sharing of data between airplane operators, leasing companies, regulatory authorities and maintenance, repair and overhaul firms.

"Airline customers have asked us to provide them with a total maintenance planning solution that covers their entire fleets, no matter what type of airplane they operate," said Brad Cvetovich, vice president and general manager of Boeing Customer Support. "Acquiring AeroInfo's intellectual capital and technology will allow Boeing to enter this market two years faster than if we were to develop a similar maintenance planning product on our own."

Cvetovich added, "We can also take advantage of the synergies between AeroInfo's maintenance planning applications and our Boeing Digital family of digital data products to develop new maintenance solutions for airlines. This is a smart investment in our services business and one that will let us offer even more value to our customers."

Earlier this month Boeing also announced its intention to acquire maintenance information services provider Continental Graphics Inc., and flight information services provider Jeppesen Sanderson Inc.

"Boeing is focused on building an integrated services portfolio that will allow us to provide our customers with a complete range of air transport solutions, and all these acquisitions fit into that strategy," Cvetovich said.

AeroInfo Systems, which was privately held, is based in Richmond, British Columbia. Its staff of 14 employees has developed significant expertise in Web-based airline maintenance and related software applications.

"We are looking forward to joining Boeing and together offering airlines the most advanced maintenance planning solutions in the industry," said Richard Macdonald, president of AeroInfo Systems. "As a part of the world's largest aerospace company, we can extend our reach into the aviation marketplace and help more airlines increase the efficiency of their maintenance planning functions."

AeroInfo's MaintStream™ product suite can be deployed as an off-the-shelf system or accessed over the Internet via application service providers. The MaintStream™ components include the following:

- Maintenance Requirements Component -- manages the regulatory, manufacturer and airline requirements that must be fulfilled to meet the continuing airworthiness of the airframe and its components.
- Maintenance Procedures Component -- groups procedural and planning information into multi-position job cards for use on the hangar floor.
- Maintenance Event Planning Component -- provides tools for packaging maintenance events while maintaining full compliance traceability.
- Maintenance Event Forecasting Component -- provides the ability to create and manage a multi-year maintenance event schedule for all fleets.
- Maintenance Line Planning Component -- manages maintenance planning and accomplishment while the airplane is in service.
- Maintenance Event Production Component -- manages the execution of the maintenance event package on the hangar floor.
- Maintenance Event Archive Component -- provides large-capacity on-line storage of historical data collected during execution of airplane maintenance.
- Reliability Assessment Component -- provides the basis for on-going improvement of the airplane maintenance process through statistical process control.

For more information on AeroInfo, see the company's web site.

Boeing is operating AeroInfo Systems as a subsidiary of Boeing Canada Inc., and is keeping the current management team in place.

AeroInfo Systems reports to the Customer Support organization of Boeing Commercial Aviation Services, which offers the industry's broadest selection of aviation support products and services. Boeing Commercial Aviation Services is a unit of Boeing Commercial Airplanes Group.

Forward-Looking Information Is Subject to Risk and Uncertainty

Certain statements in this release contain "forward-looking" information. That information involves risk and uncertainty, including projections for revenues, earnings, market growth, government and regulatory reviews, receipt of necessary government approvals, business goals, achievement of synergies and other trend projections. This forward-looking information is based on a number of assumptions, including assumptions regarding demand, internal performance, internal coordination, competitors, and government policies and actions. Actual future results and trends may differ materially depending on a variety of factors. These factors include the company's and its subsidiaries' successful execution of internal performance plans, research and development, suppliers' performances, the cyclical nature of the company's business, volatility of the market for certain products, issues with key customers, product performance risks, regulatory agencies' actions and other regulatory uncertainties, labor issues and possible disputes, governmental export and import policies, global trade policies, worldwide political stability and economic conditions, competitors' resources and performance, changing priorities or reductions in U.S. Government and foreign government 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 June 30, 2000.

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