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The Boeing Company (NYSE: BA) said today that it intends to acquire Hawker de Havilland, a designer and manufacturer of commercial and military aircraft aerostructure components. Through its Boeing Australia Limited subsidiary, Boeing will acquire Hawker de Havilland from Tenix Holdings International Pty Limited, a privately held company.

Terms of the deal, which is expected to close this month, were not disclosed.

Employing more than 950 people, Hawker de Havilland has manufacturing operations at Bankstown, in Sydney, NSW; Fishermens Bend and Bayswater, in Melbourne, VIC; and a small procurement group in Los Angeles. Primary customers include Airbus UK, Alenia, BAE Systems, Boeing, Bombardier and Lockheed Martin. Hawker de Havilland revenues were more than \$A160 million (US\$92 million) in 1999.

"The acquisition of Hawker de Havilland is another milestone in the Boeing and Australia partnership that dates back more than 60 years," said Ken Peacock, executive chairman of Boeing Australia Limited. "With this acquisition, Boeing will achieve better utilisation of its AeroSpace Technologies of Australia (ASTA Components) subsidiary in Melbourne, as well as lower manufacturing costs through increased operating efficiencies.

"With their complementary skills, the combined operations will be even more competitive suppliers to aerospace companies, and continue as significant exporters to global markets," he said. "Hawker de Havilland and ASTA will be available to team with all prime contractors for Australian defence projects."

Tenix Group Managing Director Paul Salteri said that with global consolidation in the aviation industry, Tenix was convinced that Hawker de Havilland and its employees would have the strongest prospects as part of Boeing, the world's largest aerospace manufacturer.

Salteri said: "Tenix will continue a strong involvement in aviation in Australia through Tenix Defence Systems.

"We will also continue to pursue our strategic aim of greater balance within the Group, with the sale of the Hawker de Havilland companies providing cash and therefore other opportunities."

Employing more than 1,900 Australians, the Boeing presence in Australia increased with the company assuming ownership in 1996 of the defence and aerospace units of Rockwell International, including its ASTA subsidiary. In September 1999, Boeing purchased The Preston Group, an Australian aviation software and services company.

Boeing capabilities in Australia include aviation services, the management, software engineering and systems integration for major defence projects, and commercial and military aircraft modification, maintenance and support.

EDITORS NOTE

Boeing Australia Limited, a wholly-owned subsidiary of The Boeing Company, is a high technology aerospace company specialising in design, development, installation and support of key defence systems; and the manufacture of complex aerostructure components for the world's leading aircraft companies.

The Boeing Company has been involved in the Australian aircraft and defence businesses for more than 60 years and currently has 1,900 employees at sites throughout the country. Over the past 10 years alone it has invested over \$A200 million in local facilities, plant, equipment and the training of Australian nationals; over \$A200 million in local research and development; and a further \$A100 million in technology transferred to Australia. Boeing has exported from Australia \$A1.5 billion worth of complex aerostructure components.

Rockwell Australia acquired the main businesses of AeroSpace Technologies of Australia Limited (ASTA), the former Government Aircraft Factories, in 1995. Employing 500 workers, the Fishermens Bend plant currently manufactures advanced composite aerostructure components.

The Tenix Group is Australia's largest defence and technology contractor, with 5,000 employees and annual earnings of about \$A1.2 billion. Operating in Australia, New Zealand, Fiji, the Philippines and the United States, Tenix has comprehensive skills and facilities, and close, mature links with international technology leaders. Subsidiaries include Tenix Defence Systems (undertaking major defence contracts for the Australian Army, Navy and Air Force), and Tenix Industries, the Group's commercial arm, with subsidiaries including Enetech, which provides engineering and services to utilities and communications companies.

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