

## **GKN plc to Buy St. Louis Fabrication Operations from Boeing**

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Pending regulatory and board approvals, GKN plc of the United Kingdom intends to buy The Boeing Company's St. Louis fabrication operations, establish its U.S.-based administrative offices here, and transfer non-Boeing manufacturing work to St. Louis once the transaction is completed.

Boeing and GKN reached agreement Oct. 18. The transaction is subject to approval by the Boeing and GKN boards of directors, union approval of a collective bargaining agreement, and certain government approvals. Transfer of ownership is expected to occur by early 2001.

Boeing Military Aircraft and Missile Systems President Jerry Daniels said GKN met all of the criteria Boeing had requested of potential buyers.

"This is exactly the kind of deal we hoped to reach when we announced our intent to sell fabrication operations last June," Daniels said. "GKN has promised to reduce the cost of the structures it delivers to Boeing; to commit to St. Louis on a long-term basis; to work with our existing unions; to maintain pay and benefits comparable to those Boeing employees make now; to bring in outside, non-Boeing work; and to invest in new technology, process improvements and other capabilities."

About 1,500 Boeing employees currently work in St. Louis fabrication operations. GKN estimates it initially will employ about 1,200 of them.

Although there will be some initial job reductions, this divestiture ultimately will increase the volume of fabrication work and the number of aerospace jobs in St. Louis, Daniels said.

GKN has said that within the first year after it takes ownership it plans to transfer non-Boeing work into the St. Louis fabrication facilities, which currently support only Boeing defense products and which are currently running under capacity.

Boeing employees who receive and accept job offers from GKN and who are members of the International Association of Machinists and Aerospace Workers (IAMAW) are expected to vote on whether to approve the IAMAW's agreement with GKN in November.

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