Boeing Sells Ordnance Division to General Dynamics

The Boeing Company today announced that it has reached an agreement to sell its ordnance operations in Mesa, Ariz., to General Dynamics, which will relocate the business within General Dynamics' current operations. The sale is subject to U.S. government regulatory review, which is expected to be completed in the next 30 days.

Terms of the agreement, which was signed late last week, were not announced.

All 55 Boeing ordnance employees will be offered the opportunity to join the General Dynamics Armament Systems team.

"Selling the ordnance operation to General Dynamics Armament Systems will allow Boeing to further focus our business efforts on our core competencies," said Roger Krone, vice president and general manager of Army Programs for Boeing Military Aircraft and Missile Systems. "We've placed top priority on ensuring that the needs of our customers, and our ordnance employees, are met.

"General Dynamics operates a proven, well-focused ordnance business that will both satisfy our customers' long-term needs and provide a good, new home for the outstanding, highly skilled employees who choose to move with their products."

Meanwhile, in Mesa, home of the AH-64D Apache Longbow multi-role combat helicopter, Boeing will place greater emphasis on its current and future rotorcraft programs, Krone said.

"We have made a commitment to our rotorcraft customers to deliver the best products possible," he said. "Focusing on our core competencies will help us to continue improving and producing the world's finest rotorcraft."

The Boeing ordnance division being purchased by General Dynamics produces a wide range of medium-caliber automatic cannons for air, land and sea applications. Its products include the M242 Automatic Cannon for the Bradley Fighting Vehicle and numerous international applications, and the M230 automatic cannon, used on all AH-64 Apaches.

The Boeing ordnance business, one of the world's largest producers of medium-caliber automatic cannons, evolved from a small operation founded by Howard Hughes in the 1940s.

The employees associated with the business will continue to work as Boeing employees in Mesa, providing services to General Dynamics through the end of the year while the move of the product lines is finalized. Employees who may be displaced by the sale of the ordnance unit will have opportunities to find other employment within The Boeing Company.

General Dynamics Armament Systems, a wholly owned subsidiary of General Dynamics, provides a broad range of armament solutions for the full range of military applications.

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