Boeing, Royal Air Maroc and Labinal to Collaborate on Joint Venture in Morrocco

In a move to broaden its global enterprise, The Boeing Company today announced that it is joining with Royal Air Maroc and Labinal Snecma Group to form a joint venture in Morocco to manufacture wire bundles.

The new joint venture will manufacture general-purpose wire bundles and supply the parts to Boeing Commercial Airplanes and to Labinal Snecma Group beginning in the first quarter of 2002. Operating as MATIS (Morocco Aero-Technical Interconnect Systems) Aerospace, the new company will build a 120,000-square-foot (11,150 square meters) manufacturing facility near Royal Air Maroc's technical base in Casablanca.

The annual value of the joint venture's wire bundle work for Boeing and Labinal is estimated at $40 million.

"MATIS Aerospace underscores our vision of a global enterprise for aerospace leadership," said Alan Mulally, president and chief executive officer of Boeing Commercial Airplanes. "We are delighted to have a presence in Morocco and to create a new endeavor with a premier customer and a leading supplier."

According to Royal Air Maroc Chairman and CEO Mohamed Hassad, MATIS Aerospace becomes a key example of positive economic development for the country, supporting King Mohammed VI's efforts to stimulate the creation of high-tech industries.

"MATIS Aerospace puts Morocco on the world's aerospace map," Hassad said. "It is a matter of great satisfaction to contribute to generating up to 450 new jobs in the high-tech aerospace arena in Morocco."

Jean-Paul Bechat, chairman and chief executive officer of Snecma, added: "MATIS Aerospace reinforces the already strong links Snecma has on one side with Boeing in the engine, equipment and wiring businesses, and on the other side with Royal Air Maroc in the engine services market. It is also a further step in the worldwide growth of the wiring capabilities of Labinal."

General-purpose wire bundles perform a variety of electrical functions and are installed directly into various sections of airplanes. Depending on its size, each Boeing airplane includes some 40 to 170 miles (64.4 to 274 kilometers) of wiring. MATIS Aerospace initially will supply wire bundles for the Boeing 737, 747, 757, 767 and 777 airplanes and various Labinal products. Future prospects could include serving as an after-market wire-bundle supplier to the world's airlines and other aerospace subcontracting work.

MATIS Aerospace will augment current wire-bundle production performed within Boeing and by Labinal, a Boeing supplier since 1998. Initial work will transition from existing Labinal facilities and a Boeing shop in Corinth, Texas. Each principal company will own a third of the joint venture.

"We believe partnering with Boeing and Royal Air Maroc greatly enhances Labinal's reputation for high quality and value," said Jean-Claude Lepage, chairman and CEO of Labinal.

The Boeing family of commercial airplanes ranges in size from the 100-seat 717 to the almost 600 seats of the 747-400 Domestic model. In addition, Boeing Commercial Airplanes offers the broadest array of services to support the almost 12,000 Boeing airplanes operating around the world. This unsurpassed combination of products and services provides total solutions for the aviation industry.
Royal Air Maroc, based in Casablanca, is known in the North African region and beyond for applying the highest standards to ensure passenger safety and comfort. Morocco's flag carrier operates scheduled domestic and international flights to destinations in Africa, the Middle East, Europe and North America. RAM's modern and growing fleet totals 30 airplanes, including 24 Boeing 737s, nine of which are Next-Generation 737s. RAM is acquiring 20 more new Next-Generation 737s.
Located in Paris, Labinal Snecma Group is an international industrial aerospace company that designs and markets custom-built electrical wiring and electromechanical innovative systems. The company already operates several production sites in Europe, one in Pryor Creek, Okla., and two in Chihuahua, Mexico. The creation of MATIS Aerospace will give Labinal the opportunity to increase significantly its production capacities worldwide, thereby strengthening its presence at Boeing.
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