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The Boeing Company has signed an agreement to sell its ordnance business located in Mesa, Ariz., to ATK (Alliant Techsystems) of Edina, Minn., pending regulatory approvals. Under the agreement, ATK will operate the ordnance business in Mesa and will assume ownership of the facilities and other assets associated with this business.

Each of the approximately 50 employees who support the business will be offered an opportunity to transfer to ATK when the sale is final. The ordnance business is part of Boeing Military Aircraft and Missile Systems.

The transaction, which is expected to be completed in the first half of this year, follows an announcement in May 2001 that Boeing was seeking a buyer for its ordnance business to further focus company operations on core aerospace capabilities. Terms of the agreement were not disclosed.

"This is exactly the kind of deal we had hoped to reach," said Roger Krone, vice president and general manager of Army Programs for Boeing Military Aircraft and Missile Systems. "Selling this business to ATK, who has a significant focus in ordnance manufacturing, offers the best opportunities for everyone involved.

"ATK will be able to retain good jobs in Mesa and expand the opportunity for job growth," Krone said. "At the same time, Boeing in Mesa will be able to commit its full resources to keeping its core businesses competitive. Through this sale, we'll be able to ensure that the needs of our customers and our employees are met."

The Boeing ordnance business is a leading producer of medium-caliber automatic cannons and machine guns. 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 Apache attack helicopters. The business evolved from a small operation founded by Howard Hughes in the late 1930s.

ATK is a \$2 billion aerospace and defense company with leading market positions in propulsion, composite structures, munitions and precision capabilities. It became an independent company in 1990 when Honeywell spun off its former Defense and Marine Systems businesses, which had supplied defense products to the United States and its allies for 50 years. Since then, it has leveraged its strengths, added new capabilities and enhanced its market positions through several acquisitions: Hercules Aerospace Company in 1995, and Thiokol Propulsion from Alcoa, Inc. and the ammunition businesses of Blount International, Inc. in 2001. The company employs approximately 11,200 people.

Boeing was advised by Quarterdeck Investment Partners, LLC during the transaction.

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