Boeing Announces Agreement to Sell Corinth, Texas, Facility

Boeing [Boeing NYSE: BA] today announced that it has agreed to sell its aerospace wiring facility in Corinth, Texas, to Labinal. The agreement is subject to final review by the U.S. Government.

Closing is expected by the end of May. Terms of the agreement were not disclosed.

Labinal, a Snecma Group company, is headquartered in Paris. The Corinth plant will become part of Labinal Inc.

Mary Armstrong, vice president and general manager of Boeing Commercial Airplanes' Aircraft Systems and Interiors group, said the agreement is the right thing for the Corinth employees, for the community and for Boeing.

"It allows Boeing to concentrate on our core strategy of large-scale systems integration and provides Corinth and its employees the opportunity to grow," Armstrong said. "Labinal is the world leader in the aerospace wire-harness business and intends to prosper in this industry. The acquisition of Corinth will contribute to that growth."

Boeing has entered into a long-term, single-source supply agreement with Labinal, which will remain a valued partner of the Boeing team, Armstrong added..

Jean-Claude Lepage, chairman and CEO of Labinal, agreed that the business relationship will be enhanced by the sale.

"This project gives Labinal the opportunity to reinforce its existing strong links with Boeing and to consolidate its worldwide leading position in electrical wiring for civil and military air transports," Lepage said.

There are 900 employees working at the Corinth facility, which supplies wiring harnesses for both commercial jetliners and military aircraft including the V-22, B-1B, F-22, KC-135 and B-52.

U.S. Government review will be conducted under provisions of the Exon-Florio Act regarding foreign investment in U.S. defense suppliers.

The Boeing Guidance Repair Center, located at Corinth and part of the company's Integrated Defense Systems group, will be retained by Boeing and is not part of the sale.

More information on Labinal can be found at its Web site.

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

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