Boeing Awards Xi'an Aircraft Contract to Supply 747-400 Special Freighter Floor Beams

Boeing [NYSE: BA] today said China's Xi'an Aircraft Industry Company will supply floor beams for the 747-400 Special Freighter, a program to convert passenger airplanes into freighters.

The beams will be used to strengthen the main deck of 747-400 passenger airplanes so that they can accept a new cargo handling system and a new role as a freighter.

Xi'an Aircraft is one of two supplier partners announced for the 747-400 Special Freighter program, which launched in January and thus far has announced 15 firm orders and 15 options from a total of three customers.

Jim Morris, vice president of Supplier Management for Boeing Commercial Airplanes, said Xi'an Aircraft is a well-established Boeing supplier partner that currently builds trailing edge ribs for 747 wings and recently celebrated delivery of the 1,000th 737 vertical fin.

"This additional program work on the 747-400 Special Freighter floor beams continues the important expansion of Xi'an Aircraft's role in the production of quality Boeing parts on schedule and at a competitive price," Morris said. "China has a significant role working together with Boeing, and this is one more step in increasing and strengthening our partnership."

"Xi'an Aircraft is honored to have this additional program work from Boeing, which demonstrates our hard work and capabilities in manufacturing technology and excellence in producing high-quality products," said Gao Dacheng, general manager, Xi'an Aircraft Industry Company. "Xi'an Aircraft is committed to continuously maintain our competitive edge to help Boeing build the best airplanes in the world."

China and Boeing's industrial cooperation began in the mid-1970s. There are now over 3,400 Boeing airplanes flying worldwide with major parts and assemblies built by China.

Over the last 15 years, teams of Boeing manufacturing, quality, tooling, industrial engineering, manufacturing engineering and planning experts residing in China have provided on-site training for building Boeing parts and assemblies. In addition, Boeing provides executive development training and special technical training. The emphasis is on training to world-class standards to ensure safe, reliable, high-quality airplane assemblies.

For the conversion to a freighter configuration, a 747-400 passenger airplane receives a side cargo door and layout identical to the 747-400 production freighter. The Special Freighter includes 30 pallet positions on the main deck and comparable volume. The upper deck is capable of seating up to 19 people, an option found on no other converted freighter.

The production freighter is distinguished by its nose door, providing greater ease and efficiency in loading, along with increased revenue potential by allowing for unusual and outsized items to be carried. The 747 Freighter family is the backbone of the world's dedicated freighter fleet, providing nearly half of the world's freighter capacity.

Boeing, in its World Air Cargo Forecast 2004/2005, estimates that air cargo traffic will increase by 6.2 percent annually over the next 20 years. Nearly 3,000 freighters will be added to the world fleet during this period, including replacements for retired airplanes. About 75 percent -- 2,226 of the additions -- are expected to be conversions from existing passenger and combi airplanes.

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