

Boeing Increases TAECO's 747-400 Special Freighter Work

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Boeing [NYSE: BA] is increasing Taikoo (Xiamen) Aircraft Engineering Co. Ltd's (TAECO) participation in the 747-400 Special Freighter program by contracting with the China-based company to modify 20 additional airplanes.

Earlier this year Boeing contracted with TAECO for the first 13 airplanes in this program, through which 747-400 passenger and combi airplanes are converted into freighters.

"TAECO's experience modifying 747s, and its willingness to work with us to offer airlines a high-quality, low-risk conversion, is why we're expanding its work," said Lou Mancini, vice president and general manager, Boeing Commercial Aviation Services. "One example of TAECO's customer commitment is its decision to expand its facility to meet demand for the 747-400 Special Freighter and its growing modification business."

Boeing offers airlines the option of having their conversion kit installed by a Boeing-approved modification center, in which case Boeing certifies the parts, engineering and the conversion work itself. Airlines also have the option of selecting a modification center of their choosing to install their kit.

"This exciting program is a critical element in the future airfreight transport world," said PK Chan, the chairman and CEO of TAECO.

"We're looking forward to further strengthening our close working relationship with Boeing, and are proud to be one of the key supplier partners who plays a critical role in developing the 747-400 Special Freighter."

"TAECO values the opportunity to participate in this program and is committed with all its resources to contribute to the success of the program" added Chan, also the deputy chairman and CEO of HAECO.

"TAECO appreciates the confidence of Boeing's top management in our capability to perform such an important role in this program."

The 747-400 Special Freighter, launched in January, has attracted 15 announced firm orders and 15 options from three customers.

For the conversion, a 747-400 passenger airplane receives a side cargo door and layout identical to a 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 747 Freighter family carries nearly half of the world's freighter capacity. The production freighter is distinguished by a nose door that provides greater ease and efficiency in loading, along with increased revenue potential by allowing for unusual and outsized items to be carried.

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, and about 75 percent, or 2,226 of the additions, will be airplanes converted from existing passenger and combi configurations.

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