Boeing to Sell Canadian Facility to Arnprior Aerospace, Inc.

The Boeing Company [Boeing NYSE: BA] today announced it is selling its operations in Arnprior, Canada, to Arnprior Aerospace, Inc., a wholly owned subsidiary of Consolidated Industries, Inc. Boeing did not disclose terms of the sale.

The transaction will include a long-term, single-source supply agreement for all parts and assemblies currently produced for Boeing at the Arnprior facility. Arnprior Aerospace, Inc., plans to extend job offers to all of the approximately 370 employees working at the plant. The transaction is expected to close sometime during the third quarter of 2005.

"The sale of the Arnprior site will allow employees to work for a company with a business strategy that fits with the work done at the Arnprior site, providing greater growth potential for those employees," said Ross R. Bogue, vice president and general manager of the Fabrication organization for Boeing Commercial Airplanes. "Boeing will benefit from lower procurement costs, which, ultimately, will improve the value of our products and benefit our airline customers."

Bogue said the decision to sell the Arnprior operations fits with Boeing's strategy to focus Commercial Airplanes operations on large-scale systems integration activities. In the past several years, the Commercial Airplanes business unit has completed divestitures of Boeing Fabrication facilities in Spokane, Wash., and Corinth and Irving , Texas . In addition, Boeing completed the sale of its Commercial Airplanes operations at its Wichita/Tulsa Division in June.

"Consolidated's purchase of Boeing's Arnprior Division is in line with our strategy to expand our presence in the commercial and military aerospace markets. We are excited about the opportunity for the Arnprior plant to grow with both Boeing and our other aerospace customers," said John Wilbur, president of Consolidated Industries, Inc.

Consolidated Industries is a supplier of forgings to Boeing and other large aerospace companies. The company is headquartered in Cheshire , Connecticut , and it is an operating affiliate of American Industrial Acquisition Corporation which controls a portfolio of manufacturing businesses in seven U.S. states, Canada, France, United Kingdom, the Netherlands, and Sweden.

The Boeing site in Arnprior, Canada, is part of Boeing Canada Technology Ltd., a wholly owned subsidiary of Boeing Commercial Airplanes. The Arnprior site supplies precision-machined metal detailed parts and sheet metal sub-assemblies, including complete electrical and electronic tray and shelf rack assemblies for all Boeing jetliners.

The transaction is subject to a number of conditions before closing, including review by the Canadian government.

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