Boeing and United Aircraft Corporation Announce Cooperative Agreement

The Boeing Company [NYSE: BA] and Russia's United Aircraft Corporation (UAC) today signed an agreement to identify opportunities to expand collaboration on commercial aviation activities, building upon Boeing's long history of cooperation with Russia's aerospace industry. As a result, the two companies will establish a joint working group to study a number of cooperation opportunities.

Under the terms of today's agreement, Boeing and UAC will explore opportunities including, but not limited to:

- Research and Development: Boeing and UAC will explore new technologies in commercial-airplanes structures, including finished titanium parts and structures.
- Manufacturing: Boeing and UAC will explore development opportunities to reduce cost and weight of airframe components and structures. Boeing and UAC also will look at opportunities to make Komsomolsk-on-Amur Aircraft Production Associations (KnAAPO), a company of the UAC, a qualified supplier of finished titanium parts and components.
- Design: Boeing and UAC will study the potential for establishing a strategic agreement among the Boeing Design Center in Moscow, the UAC and Russian private engineering services companies. The effort is aimed at utilizing engineering personnel and infrastructure, project and quality management and process improvements for Boeing projects.
- Marketing Research: Boeing and UAC will share perspectives on airplane market trends in Russia, the CIS and worldwide.

The agreement also enhances Boeing's role on the Superjet Program. In that role, Boeing currently advises Sukhoi in the areas of marketing, design, manufacturing, supplier management, certification and after-sales support. Boeing will expand its advisory role on after-sales support to the Superjet Program, enabling Sukhoi to establish its own after-sale support infrastructure.

"Both Boeing and United Aircraft Corporation are seeking to establish a long-term, mutually beneficial relationship," said Scott Carson, president and CEO, Boeing Commercial Airplanes. "This underscores our long-term commitment to cooperation with Russian industry."

"Today's agreement is another step forward in the partnership between Russia's aerospace industry and Boeing," said Alexey Fedorov, president of the UAC. "Our work together over the years has resulted in tangible benefits. We look forward to evolving our partnership and bringing more value to our products."

Boeing has had a cooperative relationship with Russia since the era of the former Soviet Union. Since then, Boeing has worked closely with the Russian aerospace and IT industries, as well as with Russian airlines.

Since 1992 Boeing has operated its Technical Research Center in Moscow, where Russian aerospace engineers, scientists and technicians perform work under contract to Boeing programs in commercial airplanes, information technology and space systems. In 1998, the company established the Boeing Design Center in Moscow. Approximately 1,400 engineers from Russian companies work through the Center, performing work on all Boeing commercial airplane programs, including the 787 Dreamliner.

Boeing is one of the largest western partners for Russia in developing the export of Russian finished parts and intellectual services, including research and development, engineering and information technologies. In 2006, Boeing announced plans to establish a joint venture with Russian titanium supplier VSMPO to support the increased demand for titanium needed for the new 787.

Boeing also works with leading Russian aerospace companies on two ambitious programs - the International Space Station and Sea Launch, a heavy-lift commercial satellite-launch service. Boeing highly values Russia's intellectual resources, including skilled aerospace scientists and engineers, and its long history of aerospace expertise and innovation.

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