

## **Boeing and Russian Technologies/VSMPO-AVISMA Sign Titanium Agreement**

WASHINGTON, June 24, 2010 – Boeing [NYSE: BA] and VSMPO AVISMA Corporation (VSMPO-AVISMA) today announced the signing of a new five-year contract extension. Boeing will buy titanium forgings and rough-machined titanium forgings from VSMPO-AVISMA that will be used on the Boeing 787 Dreamliner, 777 and 737 commercial airplane models. The agreement was signed during an official visit by the President of the Russian Federation Dmitry Medvedev to the United States.

Under the terms of the agreement, delivery of titanium forgings and rough-machined titanium forgings was extended from 2011 through 2015. Financial terms of the agreement are not being disclosed.

"This contract is another milestone in Boeing's longstanding relationship with Russian Technologies/VSMPO-AVISMA -- our strategic partner and supplier in Russia," said Jim Albaugh, Boeing Commercial Airplanes president and chief executive officer.

VSMPO-AVISMA has been a Boeing partner and supplier of raw material and titanium parts through a series of long-term purchasing agreements dating back to 1997, when Boeing awarded its first contract to the Russian titanium producer.

"This agreement continues to build upon the mutually beneficial relationship between our two countries," said Sergey Chemezov, chairman of the board of VSMPO-AVISMA and chief executive officer of the Russian Technologies Corp, the major shareholding company of VSMPO-AVISMA. "We will continue to partner with Boeing to maintain a strong alliance and work jointly to increase productivity and create high-quality products for Boeing airplanes."

In July 2009, Boeing and VSMPO-AVISMA opened a 50/50 equity joint venture, Ural Boeing Manufacturing (UBM), based in Verkhnyaya Salda, Russia. UBM is a new, state-of-the-art facility that machines titanium forgings for the world's most technologically advanced airplane – the 787. Boeing forecasts that over the next 30 years it will spend as much as \$27 billion on Russian titanium, aerospace design-engineering services and a variety of other services and materials.

Boeing and the Russian aerospace industry enjoy a mutually beneficial partnership that began 15 years ago. Two key Boeing centers are located in Moscow. The Technical Research Center develops projects related to cutting-edge technology including new materials, prototyping, and aerodynamics. The Boeing Design Center supports all major Boeing Commercial Airplanes programs and employs over 1,250 engineers through contracts with leading Russian engineering firms. Boeing also serves as an advisor to the Sukhoi Superjet 100 airplane program.

VSMPO-AVISMA is the world's largest titanium producer, occupying more than 25 percent of the world titanium market and the major supplier of titanium to Russia. The main shareholder is the State Corporation "Russian Technologies," owning more than 70 percent of the company. VSMPO-AVISMA has long-term contracts with the leading foreign aircraft manufacturers.

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