

Boeing Celebrates Opening of New Factory in China

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Boeing Tianjin Composites, a joint venture with AVIC, unveils energy-efficient facility

TIANJIN, April 18, 2011 – Boeing [NYSE: BA] and Aviation Industries Corporation of China (AVIC) today celebrated the opening of a new factory that doubles the footprint of their joint venture, Boeing Tianjin Composites Co., Ltd.

The new facility will increase Boeing Tianjin Composites' production capacity by 60 percent and company employment is expected to rise from 700 to more than 1,000 by 2013, the target date for full production. Boeing Tianjin Composites produces components for all of Boeing's in-production programs including the 737, 747-8, 767, 777 and 787. Boeing invested \$21 million to develop the new factory, which was built next to the existing factory in the New Binhai Area of Tianjin.

"Boeing Tianjin's new factory is an example of win-win collaboration between China and Boeing," said Ray Conner, vice president and general manager, Supply Chain Management & Operations, Boeing Commercial Airplanes. "We rely on our Chinese partners to produce high-quality components for Boeing airplanes, and we are excited to expand this successful joint venture to increase production and employment."

"The expansion of Boeing Tianjin Composites is just one example of how Chinese companies have an increasing role as our manufacturing partners and collaborators," said Marc Allen, president of Boeing China. "Through commercial airplane sales, manufacturing, airplane services and research partnerships, we are committed to finding mutually beneficial avenues to advance our long-term relationships in China."

Building on Boeing's environmental leadership in manufacturing, Boeing Tianjin Composites' new facility in China is certified to meet the internationally recognized rating of the U.S. Green Building Council (USGBC) and Leadership in Energy and Environmental Design (LEED). This rating highlights Boeing's commitment to use building strategies that improve environmental performance, including energy and water efficiency, greenhouse gas emissions reductions, improved indoor environmental quality and the stewardship of natural resources.

The new factory capitalizes on Boeing Tianjin's existing world-class composites manufacturing operations and product offerings, and will allow Boeing Tianjin continue providing support to Chinese-owned aviation factories that are also part of Boeing's commercial airplane supply base.

Boeing Tianjin's customers include Boeing, Hexcel, Goodrich, FACC AG, Korean Aerospace Industries, Triumph Group, Boeing Aerostructures Australia, Shanghai Aviation Industry Corporation and Xi'an Aviation Industry Corporation.

Boeing has worked with China's aviation industry for nearly four decades and is the largest customer of made-in-China airplane parts, with a direct spend of more than \$200 million annually in China on aviation hardware and services. Boeing expects to more than double its Chinese procurement by 2015 and, with its supplier partners, has active contracts with China's aviation industry valued at more than US\$2.5 billion. Boeing-related businesses support an estimated 20,000 Chinese jobs, including more than 6,000 employees who work directly for Boeing, its subsidiaries and joint ventures.

Boeing provides executive development training and special technical training for Chinese suppliers to ensure high quality products for its commercial airplane. Boeing also works closely with Chinese partners to develop a safe, reliable and efficient air transportation system. In an effort to reduce commercial aviation's environmental footprint, Boeing and Chinese researchers are also working together to advance aviation biofuels commercialization and assess efficient air-traffic management.

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