Boeing, Adient Launch New Company to Design and Build Airplane Seats

Adient Aerospace will develop, manufacture and sell a portfolio of seating products to airlines and leasing companies

SEATTLE, Jan. 16, 2018 /PRNewswire/ -- Boeing [NYSE: BA] and Adient [NYSE:ADNT] today announced the formation of Adient Aerospace, a joint venture that will develop, manufacture and sell a portfolio of seating products to airlines and aircraft leasing companies. The seats will be available for installation on new airplanes and as retrofit configurations for aircraft produced by Boeing and other commercial airplane manufacturers.

The joint venture between Boeing, the world's largest aerospace company, and Adient, the global leader in automotive seating, addresses the aviation industry's needs for more capacity in the seating category, superior quality and reliable on-time performance. Adient Aerospace will benefit from the world-class engineering teams and innovative cultures at both companies, as well as shared expertise in managing complex, global supply chains.

"Seats have been a persistent challenge for our customers, the industry and Boeing, and we are taking action to help address constraints in the market. Adient Aerospace will leverage Boeing's industry leadership and deep understanding of customer needs and technical requirements, to provide a superior seating product for airlines and passengers around the world," said Kevin Schemm, senior vice president of Supply Chain Management, Finance & Business Operations and chief financial officer for Boeing Commercial Airplanes. "This joint venture supports Boeing's vertical integration strategy to develop in-house capabilities and depth in key areas to offer better products, grow services and generate higher lifecycle value."

"Adient has a strong set of transferable competencies that will offer a unique opportunity to create value for our company and for Boeing, our shareholders and the broader commercial aircraft market," said Adient chairman and CEO Bruce McDonald. "To enhance the customer experience for passengers, airlines and commercial airplane manufacturers, we will apply our unmatched expertise for comfort and craftsmanship along with our reputation for operational excellence."

Adient Aerospace's operational headquarters, technology center and initial production plant will be located in Kaiserslautern, Germany, near Frankfurt. The joint venture's initial customer service center will be based in Seattle, Washington. Adient Aerospace aftermarket spare parts distribution will be performed exclusively through Aviall, a wholly owned subsidiary of Boeing.

Adient is the majority stakeholder in the new company (50.01 percent share) and expects the joint venture to be included in its consolidated financial statements. Boeing (as 49.99 percent partner) will receive a proportionate share of the earnings and cash flow. Both will have representation on Adient Aerospace's board of directors.

Industry analysts forecast the commercial aircraft seating market to grow from approximately $4.5 billion in 2017 to $6 billion by 2026.

About Boeing:

Boeing is the world's largest aerospace company and leading manufacturer of commercial airplanes and defense, space and security systems.

Boeing is also the world leader in combined commercial airlines and government services with customers in more than 150 countries. The company's products and tailored services include commercial and military aircraft, satellites, weapons, electronic and defense systems, launch systems, advanced information and communication systems, and performance-based logistics and training. Boeing employs approximately 140,000 people across the United States and in more than 65 countries. Company revenues for 2016 were $94.6 billion.

About Adient:

Adient is the global leader in automotive seating. With 86,000 employees operating 237 manufacturing/assembly plants in 33 countries worldwide, Adient produces and delivers automotive seating for all vehicle classes and all major OEMs. From complete seating systems to individual components, Adient's expertise spans every step of the automotive seat making process. Adient's integrated, in-house skills allows the company to take products from research and design all the way to engineering and manufacturing – and into more than 25 million vehicles every year. For more information on Adient, please visit adient.com.

Forward-Looking Information Is Subject to Risk and Uncertainty

Certain statements in this release may be "forward-looking" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding benefits and synergies of the joint venture and future business prospects, as well as any other statement that does not directly relate to any historical or current fact. Forward-looking statements are based on current assumptions about future events that may not prove to be accurate. These statements are not guarantees and are subject to

risks, uncertainties and changes in circumstances that are difficult to predict. Many factors could cause actual results to differ materially from these forward-looking statements. As a result, these statements speak only as of the date they are made and neither party undertakes an obligation to update or revise any forward-looking statement, except as required by law. Specific factors that could cause actual results to differ materially from these forward-looking statements include the effect of global economic conditions, the ability of the parties to realize anticipated synergies, and other important factors disclosed previously and from time to time in the filings of The Boeing Company and Adient with the Securities and Exchange Commission.

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